

## Rural Development Programme (RDP) of Lombardy, Italy

**Programma di sviluppo rurale 2007-2013<sup>1</sup>**

*(Rural Development Programme for Lombardy 2007-2013)*

### Relevant Contact Details

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<http://www.agricoltura.regione.lombardia.it>

**Other useful links:**

Rural Development Programme (RDP):

[http://enrd.ec.europa.eu/rural-development-policy/country-](http://enrd.ec.europa.eu/rural-development-policy/country-information/italy/en/italy_home_en.cfm)

[information/italy/en/italy\\_home\\_en.cfm](http://enrd.ec.europa.eu/rural-development-policy/country-information/italy/en/italy_home_en.cfm)

National Strategy Plan (NSP):

<http://www.reterurale.it/flex/cm/pages/ServeBLOB.php/L/IT/IDPagina/1145>

Italian National Rural Network (NRN):

<http://www.reterurale.it>



**Map of Lombardy**

(© European Commission)

## General socio-economic situation in rural areas in the Lombardy region

Lombardy, located in the Northern part of Italy, is 23,858 km<sup>2</sup> with 9.4 million inhabitants. Almost 50% of the territory is low lying; more than 40% is mountainous and the remaining is hilly. Rural areas account for 82% of the territory where 35% of the population lives. Agriculture represents 57% of the used regional territory. There are more than 61,000 agricultural businesses in Lombardy, employing 81,000 people. There are over 8,200 food businesses with approximately 71,300 employees. Silviculture is widespread in mountainous areas and in some parts of the Valle Padana where poplar is grown. The quality of water has severely declined due to intensive agriculture taking place in the region. In fact, 56% of the region is considered Nitrate Vulnerable Zones.

The RDP indicates that drawbacks for the region include the consistent reduction in income for agricultural enterprises and the decreasing value of agricultural primary material as well as the limited value gained through transformation (in all areas, but especially areas B and D). However, there are some efficient agricultural holdings that are market oriented. Other positive factors include a growing real-estate industry and a strong tradition of protecting the origins of production.

## RDP strategic objectives

<sup>1</sup> Latest updated RDP, following the adoption of the Health Check and European Economic Recovery Package and additional funds from Modulation.

RDP strategic objectives include, initiating a new agricultural model by harnessing the strengths of the Lombardy food and agricultural sector and using pre-existing business models for agricultural businesses already successful in the region. The RDP also cites as a strategic objective, the creation of a new agricultural model, capable of meeting the new challenges facing rural areas in Lombardy. More specific objectives include: adapting farms to new market conditions and promoting innovation; supporting more sustainable agricultural and forestry practices; the improvement of water quality; and the enhancement of both the quality of life and economic diversification in rural areas.

Following the CAP Health Check, the updated RDP takes up all issues facing agriculture and rural areas by highlighting the need to restructure the milk sector, improve water management, adapt to and mitigate against the impacts of climate change, protect biodiversity and improve connectivity in rural areas through improved access to broadband infrastructure.

The additional financing provided by the CAP Health Check, the European Economic Recovery Package and Modulation/CMO Wine, will be utilised to reinforce the following priorities: water management (which received 18% of the additional funds), biodiversity (37%), improving broadband internet infrastructure in rural areas (8%) and restructuring of the dairy sector (37%).

### **Expected impact / outcomes of the policies**

Programme results and impacts have been updated to take into account of the 2009's RDP amendments. The targets are : increasing economic growth to €58.1 million; creating 773 new employment opportunities (previously 370) in non-agricultural sectors and increasing the Agricultural Labour Unit (ALU) to €1,662/LU in the agricultural sector and to €6,726/LU in the food industry; maintaining and increasing High Nature Value areas from 233,400 ha to 246,269 ha; improving the quality of water and the balance of nutrients in water from 16.2 kg/ha to 18.3 kg/ha of nitrogen; and, contribute to combating climate change by increasing the production of renewable energy from 10 Kton to 10.25 Kton.

### **RDP budget breakdown by axis: total expenditure (including**

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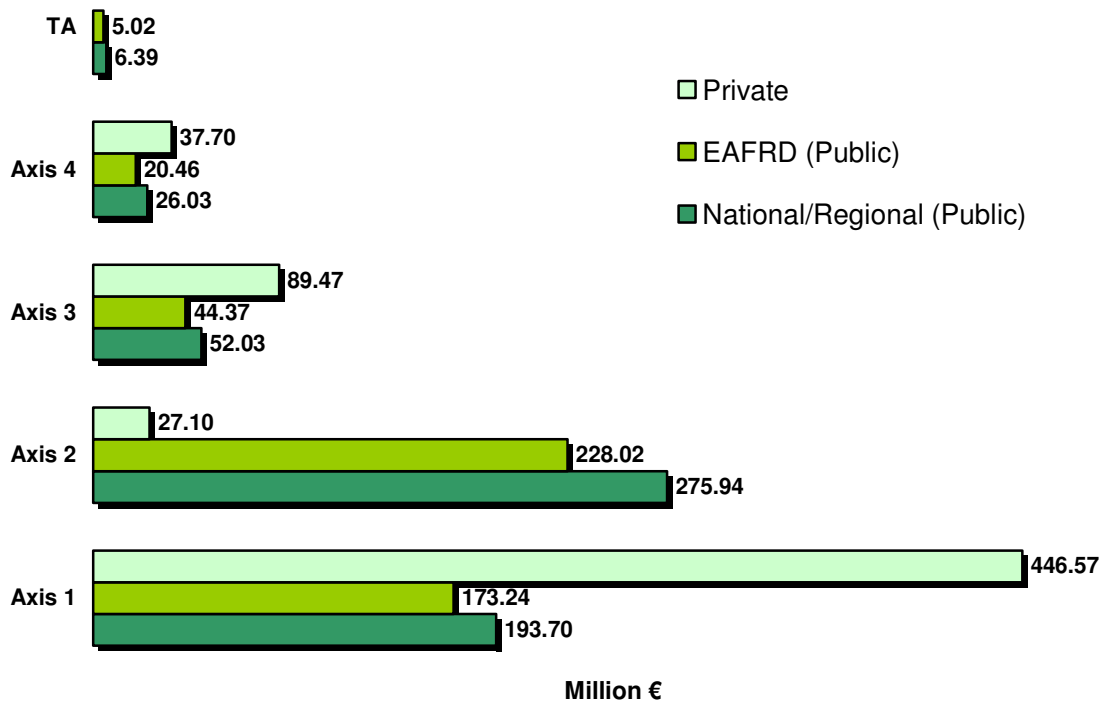
<sup>2</sup> A full list of the RDP measures can be found in Annex I.

<sup>3</sup> Please note that for measures 112, 113 and 132 no private spending has been allocated.

<sup>4</sup> For measures 211, 214 and 216 no private spending has been allocated.

<sup>5</sup> For measure 431 no private spending has been allocated.

**national/regional + EAFRD + private funding) of €1,626,026,351**



The RDP budget allocations are broadly divided into four main areas of expenditure, known as axes (namely: Improving the competitiveness of the agricultural and forestry sector; Improving the environment and the countryside; Quality of life in rural areas and diversification of the rural economy; and Leader). Approximately 50% of the overall RDP budget in Lombardy is allocated to axis 1 (€813.51 million); approximately 33% is allocated to axis 2 (€531.06 million), 11% to axis 3 (€185.87 million) and 5% to axis 4 (€84.18 million), with just under 1% available to fund 'technical assistance' (€11.40 million).

Within axis 1, National/Regional public funding represents an approximate 24% share of the axis funding; EAFRD 21%; and private funds 55%.

Within axis 2, National/Regional public funding represents an approximate 52% share of the axis funding; EAFRD 43%; and private funds 5%.

Within axis 3, National/Regional public funding represents an approximate 28% share of the axis funding; EAFRD 24% and private funds 48%.

Within axis 4, National/Regional public funding represents an approximate 31% share of the axis funding; EAFRD 24%; and private funds 45%.

Within technical assistance, National/Regional public funding represents an approximate 56% share of the technical assistance funding and EAFRD 44%.

As a consequence of the 2009 RDP amendments, the Lombardy region has been assigned a total of €125,268,333 (including €75,161,000 EAFRD and €50,107,333 from Regional/National public funds). Of the additional EAFRD contribution, €63,644,000 is aimed at addressing new challenges in rural areas (e.g. climate change mitigation and adaptation measures) and improving broadband infrastructure. €11,517,000 stems from Modulation/CMO Wine, which will increase the budgets of axis 1 and axis 3. Overall, these funds are intended to reinforce existing actions in Lombardy to support rural areas, by encouraging the restructuring of the dairy sector, improving water management activities and biodiversity. Finally, €6 million of EAFRD will be transferred from axis 5 (technical assistance) to axes 1, 3 and 4.

## Axis Information<sup>2</sup>

### ***Axis 1 objectives: Improving the competitiveness of the agricultural and forestry sector***

The table below provides an indication of the RDP's axis 1 priorities.

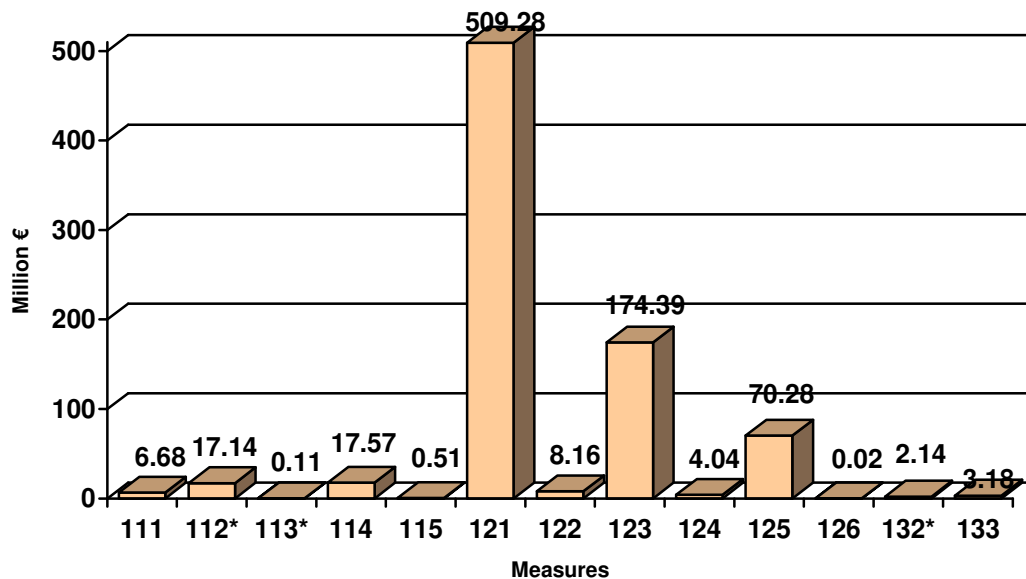
Strategic objectives	Specific objectives
Adaptation to market conditions, promoting innovation and food chain integration	<ul style="list-style-type: none"> <li>- Increase professional skills and human capital</li> <li>- Support the setting up of young farmers</li> <li>- Develop infrastructures in order to improve the competitiveness of farms located in mountainous areas</li> <li>- Improve irrigation network</li> <li>- Innovate agricultural processes and products</li> <li>- Improve food chain integration</li> <li>- Improve and develop regional quality productions</li> <li>- Improve the diffusion/spreading of quality product processes and quality products</li> </ul>

Set result targets include: increasing the number of participants that successfully complete a training activity related to agriculture and/or forestry (measure 111); increasing gross value added in supported holdings/enterprises (measures 112, 113, 114, 115, 121, 122, 123, 124, 125, 126, 131 and 142); increasing the number of holdings/enterprises introducing new products and/or new techniques (measures 121, 122, 123 and 124); improving the value of agricultural production under recognized quality label/standards (measures 131, 132 and 133); and, increasing the number of farms entering the market (measure 141). No values/units for the results indicators were reported in either the RDP or Annex IV.

Following amendments to the RDP, specific result indicators were modified to also include improving water management through the development of the irrigation network (measure 125). Additional target modifications include: activities that aim at restructuring dairy farms by reducing costs through modernisation and innovation, including further developing biogas production for energy use; improving the quality of dairy products; and, support for environmental sustainability. All of which under measure 121. For further information on result indicators please refer to the result indicator table in the RDP.

### ***Axis 1 indicative budget breakdown by measure: Total allocated budget (including***

**national/regional public funds + EAFRD + private funds) of €813,513,240<sup>3</sup>**



Following the 2009 RDP update, the total budget amount for axis 1 is €813,513,240, including an additional €58,861,667 (€35,317,000 EAFRD + €23,544,667 national/regional public). The additional funding is aimed at further developing the irrigation network (€11.8 million EAFRD) and support restructuring the dairy sector (€23.5 million EAFRD).

**Axis 2 objectives: Improving the environment and the countryside**

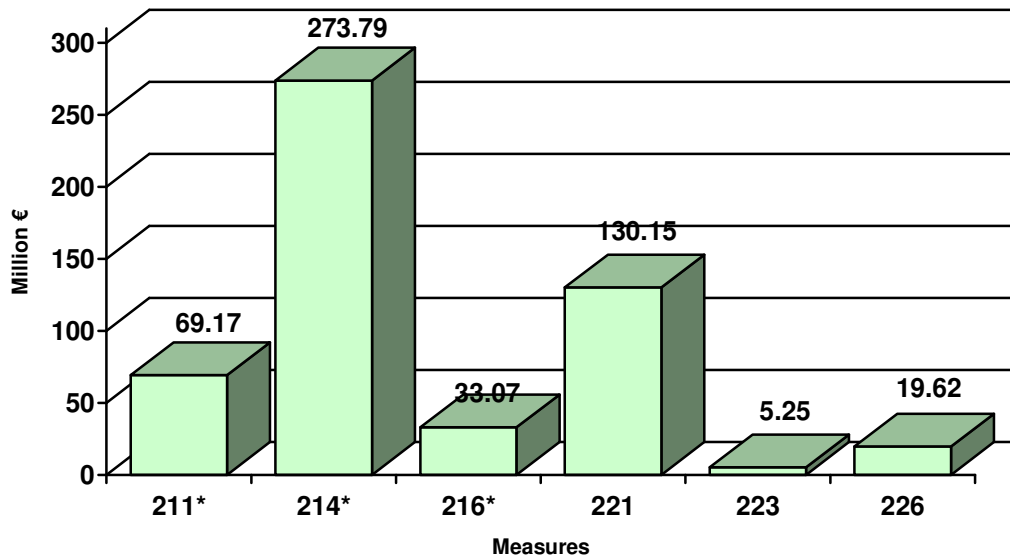
The table below provides an indication of the RDP's axis 2 priorities.

Strategic objectives	Specific objectives
To promote sustainable agriculture and forestry; support biodiversity and landscape conservation; and reduce GHG emissions	<ul style="list-style-type: none"> <li>- Reduce the risk of abandonment in Less Favoured Areas (LFAs)</li> <li>- Create "territorial green systems" for phyto-depuration and ecological corridors</li> <li>- Create "green systems" to conserve and improve the environment and landscape and strengthen the production of wood biomass</li> <li>- Support sustainable agriculture</li> </ul>

Set result targets include areas under successful land management contributing to (through measures 213, 214, 216, 221, 222, 223, 224, 225, 226 and 227): biodiversity and HNV farming/forestry; improving water quality; improving soil quality; mitigating climate change; and, avoidance of marginalisation and land abandonment (measures 211 and 212). No values/units for the results indicators were reported in either the RDP or Annex IV.

Specific modifications to results indicators have been made to take account of the amendments to the RDP, including the conservation of biodiversity in rice fields (measure 214). In particular, 820 farm holdings are supported in order to improve the management of biotopes/habitats both within and outside Natura 2000 sites (32,400 ha). For further information on specific result indicators please refer to the result indicator table in the RDP.

**Axis 2 indicative budget breakdown by measure: Total allocated budget (including national/regional public funds + EAFRD + private funds) of €531,056,987<sup>4</sup>**



Following the 2009 RDP update, the total budget allocation under axis 2 is €531,056,987 and includes an additional €39,241,667 (€23,545,000 - EAFRD and €15,696,667 - national/regional public). The additional EAFRD contribution of €23.5 million addresses the issues related to the conservation of biodiversity in rice fields.

**Axis 3 objectives: Quality of life in rural areas and diversification of the rural economy**

The table below provides an indication of the RDP's axis 3 priorities.

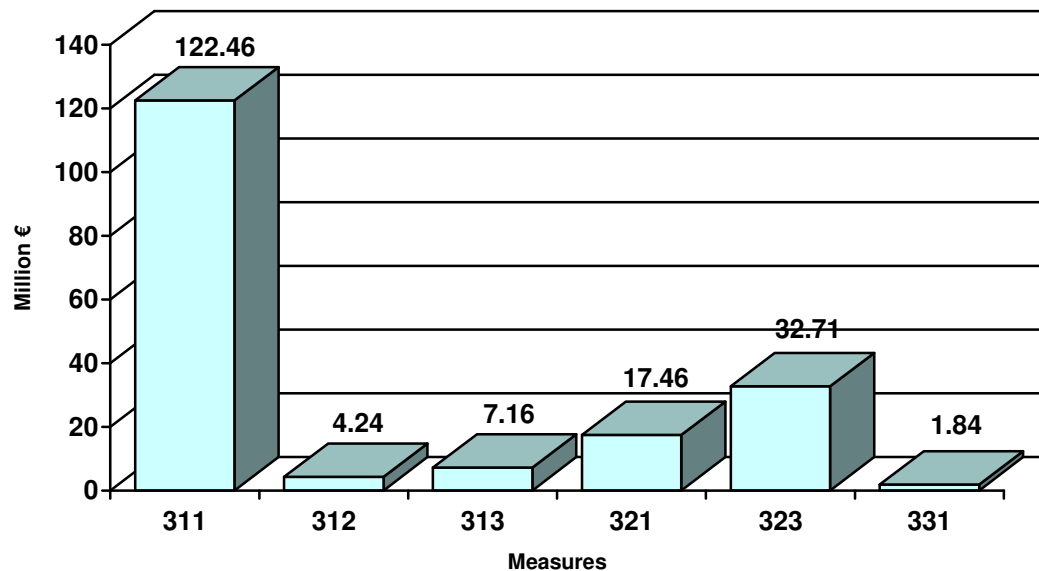
Strategic objectives	Specific objectives
Improving quality of life and economic diversification in rural areas	<ul style="list-style-type: none"> <li>- Develop rural tourism</li> <li>- Support diversification of agricultural activities in rural areas</li> <li>- Develop renewable energy production as a means of diversification of economic activities</li> <li>- Develop basic services for both the rural population and economy</li> </ul>

Set result targets include the increase in non-agricultural Gross Value Added (GVA) in supported businesses (through measures 311 and 312); increase the gross number of jobs created (measures 311, 312, 313 and 41); increase levels of tourism (measure 313); improve internet penetration in rural areas (measures 321 and 322); and, increase the number of participants who successfully complete a training activity (measures 331, 341, 41 and 431). No values/units for the results indicators were reported in either the RDP or Annex IV.

Specific modifications to results indicators have been made to take account of the amendments to the RDP including activities for the development of broadband infrastructure in rural areas. More

specifically, 30 actions have been undertaken to create and enable access to broadband infrastructure including backhaul facilities and ground equipment (measure 321). For further information on specific result indicators please refer to the result indicator table in the RDP.

**Axis 3 indicative budget breakdown by measure: Total allocated budget (including national/regional public funds + EAFRD + private funds) of €185,868,747**



Following the 2009 RDP update, the new total budget allocation for axis 3 is € 185,868,747, including an additional €7,970,000 (€4,782,000 EAFRD + €3,188,000 national/regional public). The additional EAFRD contribution, taken from the European Economic Recovery Package additional budget, addresses issues related to the completion of broadband infrastructure in rural areas.

**Axis 4 objectives: Leader**

Local partnerships are to be reinforced under Leader and priority is given to improve quality of life in urban areas and to promote diversification of the rural economy. No result targets are listed/mentioned in the RDP or Annex IV.

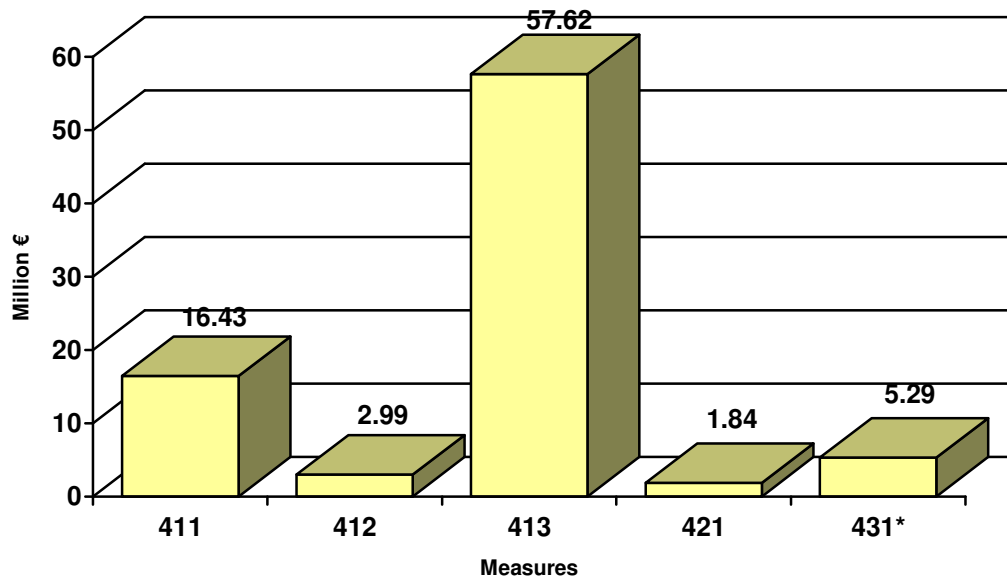
The table below provides an indication of the RDP's axis 4 priorities.

Strategic objectives	Specific objectives
Improving local governance and indigenous development	<ul style="list-style-type: none"> <li>- Integration of agricultural aspects into local development</li> <li>- Enhance local partnerships and governance</li> </ul>

The number of LAGs operational in the RDP areas as of March 2010 was 16.

**Axis 4 indicative budget breakdown by measure: Total allocated budget (including**

***national/regional public funds + EAFRD + private funds) of €84,184,424<sup>5</sup>***



Following the 2009 RDP update, the new total budget allocation for axis 4 is € 84,184,424, including €0.7 million of EAFRD deriving from axis 5, (technical assistance).

### **Monitoring and evaluation strategy**

The main aims of the monitoring system are: to track the realisation of the RDP; implement its interventions in the best manner; regularly track executions made; and propose possible amendments in order to achieve the RDP strategic objectives. The monitoring activity is based on financial inputs, outputs and results to be periodically collected and updated by the monitoring office. The managing authority is responsible for organising and coordinating the monitoring activities. The monitoring system should guarantee the availability of systematic information on the completion of financial and physical procedures. The ongoing evaluation is carried out by independent evaluators, who are selected by the Lombardy region through open and transparent methods.

### **Communication and publicity**

The general objective is to inform the general public and beneficiaries about interventions foreseen by the RDP creating transparent and easy access. More specifically, the communication plan should: guarantee transparency and inform beneficiaries about application procedures including deadlines and funding opportunities; inform the general public about the role of the EU and Member States; confirm monitoring and evaluation information; optimise the utilisation of financing; value the image of involved partners; and advertise the benefits resulting from the collective implementation of the RDP. The main target groups include potential final beneficiaries and final beneficiaries, citizens, partners, such as regional and local authorities, professional associations, economic and social partners, NGOs - in particular equality organisations and environmental organisations, information intermediaries, information centres, representations of the Commission in Italy, and the general public. Actions and tools include meetings, roundtable discussions, meetings, seminars, the Internet, publicity, media relations, events and exhibitions,





and editorial products.

## Annex I – Measures

Measures selected by the RDP   Measures selected by the updated RDP  

<b>Axis 1 - Improving the competitiveness of the agricultural and forestry sector</b>	<i>Promoting knowledge and improving human potential</i>	<b>111</b>	Vocational training and information actions
		<b>112</b>	Setting up of young farmers
		<b>113</b>	Early retirement
		<b>114</b>	Use of advisory services
		<b>115</b>	Setting up of management, relief and advisory services
	<i>Restructuring and developing physical potential and promoting innovation</i>	<b>121</b>	<b>Modernisation of agricultural holdings</b>
		<b>122</b>	Improvement of the economic value of forests
		<b>123</b>	Adding value to agricultural and forestry products
		<b>124</b>	Cooperation for development of new products, processes and technologies in the agriculture and food sector and in the forestry sector
		<b>125</b>	Infrastructure related to the development and adaptation of agriculture and forestry
		<b>126</b>	Restoring agricultural production potential
	<i>Quality of agricultural production and products</i>	<b>131</b>	Meeting standards based on Community legislation
		<b>132</b>	Participation of farmers in food quality schemes
		<b>133</b>	Information and promotion activities
<i>Transitional measures</i>	<b>141</b>	Semi-subsistence farming	
	<b>142</b>	Producer groups	
	<b>143</b>	Providing farm advisory and extension services	
<b>Axis 2 - Improving the environment and the countryside</b>	<i>Sustainable use of agricultural land</i>	<b>211</b>	Natural handicap payments to farmers in mountain areas
		<b>212</b>	Payments to farmers in areas with handicaps, other than mountain areas
		<b>213</b>	Natura 2000 payments and payments linked to Directive 2000/60/EC
		<b>214</b>	Agri-environment payments
		<b>215</b>	Animal welfare payments
		<b>216</b>	Non-productive investments
	<i>Sustainable use of forestry land</i>	<b>221</b>	First afforestation of agricultural land
		<b>222</b>	First establishment of agroforestry systems on agricultural land
		<b>223</b>	First afforestation of non-agricultural land
		<b>224</b>	Natura 2000 payments
		<b>225</b>	Forest-environment payments
		<b>226</b>	Restoring forestry potential and introducing prevention actions
		<b>227</b>	Non-productive investments
<b>Axis 3 - Quality of life in rural areas and diversification of the rural economy</b>	<i>Diversify the rural economy</i>	<b>311</b>	Diversification into non-agricultural activities
		<b>312</b>	Support for business creation and development
		<b>313</b>	Encouragement of tourism activities
	<i>Improve the quality of life in rural areas</i>	<b>321</b>	Basic services for the economy and rural population
		<b>322</b>	Village renewal and development
		<b>323</b>	Conservation and upgrading of the rural heritage
		<b>331</b>	Training and information
<b>341</b>	Skills-acquisition and animation measure with a view to preparing and implementing a local development strategy		
<b>Axis 4 - Leader</b>	<i>Implementing local development strategies</i>	<b>411</b>	Competitiveness
		<b>412</b>	Environment/land management
		<b>413</b>	Quality of life/diversification
		<b>421</b>	Implementing cooperation projects
		<b>431</b>	Running the local action group, skills acquisition, animation