

Rural Development Programme (RDP) of Umbria, Italy

**Programma di Sviluppo Rurale 2007-2013
– 2007IT06RPO012¹**
(Rural Development Programme for Umbria
2007-2013)

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Other useful links:

Rural Development Programme (RDP):

http://enrd.ec.europa.eu/country-information/programming/en/programming_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 Umbria

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General socio-economic situation in rural areas in the Umbria region

Characterised by hills and mountains, and located in central Italy, Umbria has an area of 8,456 km². Land plains are limited to the river valleys. According to the RDP of November 2008, there are 867,000 inhabitants, with 84% living in rural areas and the remaining 16% located in the predominantly urbanized areas; however, the two main Communes in the region (Perugia and Terni) are also considered 'rural' having more than two thirds of their territory in rural areas, with a population density of 115 inhabitants/km². The unemployment rate is about 6.1%. In 2005, approximately 57,153 agricultural farms managed 367,141 ha of cultivated land in terms of Utilised Agricultural Area (UAA), or 57% of the Total Agricultural Area (TAA) and 43.4% of the total Umbrian surface. The incidence of territory covered by forests reaches roughly 28% of the regional territory.

The RDP highlights that regional agriculture is characterised by the presence of a number (32,790) of small-sized farms (less than 1 ha of UAA) which represents 57% of the total farm number, and medium-large-sized (more than 20 ha of UAA) farms that represent 5.8% of the total number of farms. Moreover, Umbria suffers from an infrastructure deficiency with regards to e.g. the supply of renewable energy and the utilisation of primary material to produce such energy; an aging population; and, an imbalance between the distribution of the territory and tourist movements on it.

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

RDP strategic objectives

The overall objectives were chosen in accordance with the Community Strategic Guidelines (CSG) and the National Strategy Plan and are to strengthen the competitiveness of the agricultural and forestry sectors; promote sustainable use of natural resources and landscape conservation, prevention and development of attractiveness in rural areas by maintaining agricultural activities and decreasing the risk of abandonment; and promote diversification of the rural economy in order to increase job opportunities in these areas. The National Strategy Plan aims to strengthen the competitiveness, develop a sustainable use of natural resources and the global attractiveness in rural areas, intervening on integration between the developments of agricultural and forestry sectors, environment, bio-energy, rural tourism and services.

Following the CAP Health Check, in recognition of the greater emphasis now being given to the “new challenges” facing agriculture and rural areas, the RDP was revised in 2009 to place further emphasis on issues relating in particular to the dairy sector, the environmental situation and the availability of broadband services in rural areas. The modifications do not concern the introduction of new priorities but the reinforcement and/or the alteration of existing as well as the introduction of new operations to meet any such issues. However, a new measure (measure 144) under axis 1 of the RDP for Umbria was activated in order to meet new concerns deriving from the reformed tobacco sector.

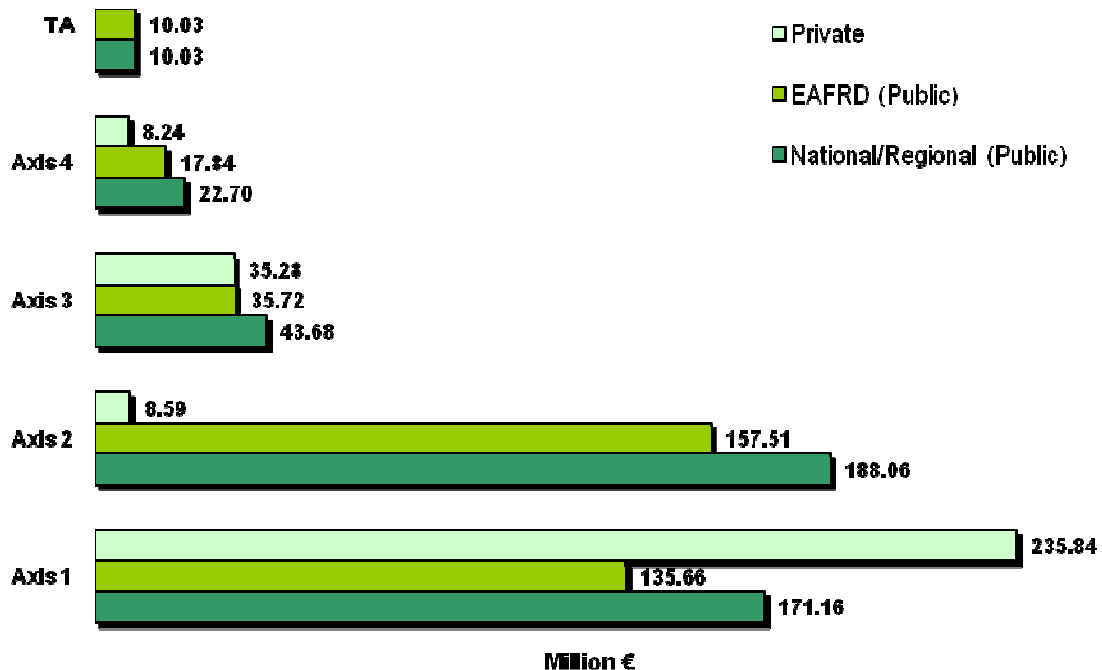
Taking into account the additional financing provided by the CAP Health Check, the European Recovery Package and modulation/CMO Wine, greater strategic priority is given to initiatives that contribute to the restructuring of the dairy sector (which received 11% of the additional funds), biodiversity (11%), climate change (65%), improved broadband internet infrastructure in rural areas (13%).

Expected impact / outcomes of the policies

The expected results by 2015 are to increase economic growth by €1,088.5 million, of which €622.2 million are for the primary sector and €466.3 million are for the food and beverage sectors; create employment opportunities by 31,300 positions of which 20,600 are in the primary sector; increase labour productivity by €24,028/labour unit in the primary sector and €43,193/labour unit in the food industry; impede the decline of biodiversity by 3.91%; maintain and increase High Nature Value areas by 50%; improve the quality of water and the balance of nutrients in water by 42% and 50% for nitrogen and phosphorus respectively, and reduce polluted waters from nitrates and pesticides to less than 1%; and, contribute to combating climate change by increasing the production of renewable energy to 682,351 Kton and decrease the production of CO₂ in agriculture to 321,000 t CO₂.

Specific modifications to impact indicators have been made to take account of the alterations to the RDP, as a result of the CAP Health Check, the European Recovery Package and Modulation of certain funds between Pillar 1 and 2 of the CAP to be targeted at the dairy sector to diversify production and lower production costs, improving climate change adaptation and mitigation activities by strengthening operations for reductions of emissions in the air and carbon sequestration, biodiversity and in particular the implementation of the Natura 2000 Directives and the definition of the management plans of Natura 2000 sites, improving broadband internet accessibility in rural areas and the introduction of a new measure (measure 144) to support the tobacco sector. Detailed information on impact indicators for individual measures is provided in the RDP indicator tables.

RDP budget breakdown by axis: Total expenditure (including national/regional + EAFRD + private funding) of €1,080,336,673



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 updated RDP budget in Umbria is allocated to axis 1 (€542.65 million); approximately 33% is allocated to axis 2 (€354.16 million), 11% to axis 3 (€114.68 million) and 4% to axis 4 (€48.76 million), with almost 2% available to fund technical assistance (€20.07 million).

Within axis 1, National/Regional public funding represents approximately 32% share of the axis funding; EAFRD 25%; and private funds 43%.

Within axis 2, National/Regional public funding represents approximately 53% share of the axis funding; EAFRD 45%; and private funds 2%.

Within axis 3, National/Regional public funding represents approximately 38% share of the axis funding; EAFRD 31% and private funds 31%.

Within axis 4, National/Regional public funding represents approximately 47% share of the axis funding; EAFRD 36%; and private funds 17%.

After the HC/RP modification of the programme the overall balance remains stable. Axis II is the most important, with 44% of the total budget (total public); axis I represents 38% of the total programme's budget, axis III 10% and axis IV 5% and 3% of the resources will be devoted to technical assistance.

Within technical assistance, National/Regional public funding represents approximately 50% share of the technical assistance funding and EAFRD 50%.

As a consequence of the 2009 RDP amendments, the Umbria region has been assigned a total of €37,213,333 (including €22,328,000 EAFRD and €14,885,333 of regional/national public funds). Out of the additional EAFRD contribution, €18,080,000 is aimed at addressing new challenges in rural areas and improved broadband infrastructure. Furthermore, €4,248,000 stems from Modulation/CMO Wine.

Axis Information²

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
Promote modernisation and innovation of businesses and integration of the production chain	<ul style="list-style-type: none"> - Favour business modernisation to improve and consolidate competitiveness of agricultural, agro-food and forestry holdings - Promote clustering of agricultural and forestry products and introduce production chain instruments and forms in order to improve the distribution along the quality chain - Promote the development of new product processes and technologies to facilitate the access to research results and experimentation and the diffusion and application of the two
Develop the quality of agricultural and forestry production	<ul style="list-style-type: none"> - Increase agricultural production that is protected by recognised quality systems and community, national and regional level, and promote their utilisation - Support farmers in accelerating their adaptation of new community requirements
Improve physical infrastructures	<ul style="list-style-type: none"> - Consolidate and develop infrastructures aimed at the accessibility, irrigation and renewable energy sources of businesses
Improve entrepreneurial and professional skills of agricultural and forestry businesses and enhance generational renewal	<ul style="list-style-type: none"> - Improve the professional skills of agricultural and forestry entrepreneurs through training - Initiate and develop consultancy services for agricultural and forestry businesses - Favour generational renewal in agricultural businesses by recruiting young professionals

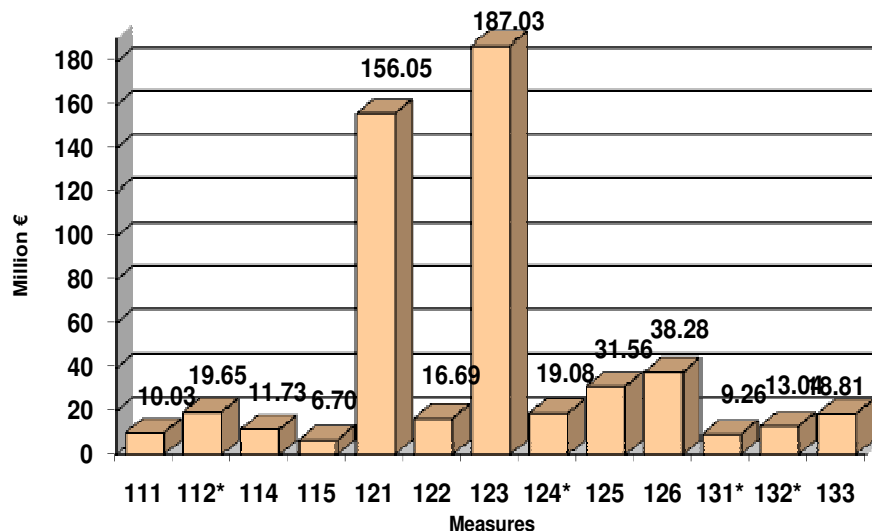
² A full list of the RDP measures can be found in Annex I.

Result targets include the number of participants that successfully completed a training activity related to agriculture and/or forestry (1,910); increase in gross value added in supported holdings/enterprises (from 3% to 20%); number of holdings/enterprises introducing new products and/or new techniques (1,725); and, value of agricultural production under recognised quality label/standards (€280 million).

Specific modifications to results indicators have been made to take account of the amendments to the RDP including further support to improve the quality and hygienic standards of milk and milk products, innovate in relation to processing and marketing, modernise farms that are being considered strategic for the dairy sector in order to face the CMO market (measure 121). This will be done by supporting 60 additional farms. Furthermore, tobacco farms receive further support through the activation of measure 144. For further information on specific indicators please refer to the indicator tables in the RDP.

A new measure 144 giving support to farms after CMO reforms has been added to the RDP in 2009 within the modification to the programme following the HC and RP. The measure will be used for reconverting/restructuring/ diversifying tobacco production and is complementary to the relevant interventions for tobacco reform already included in measures 111, 121, 123, 124, 131 etc. A total amount of € 130.9 million has been transferred from pillar 1 (tobacco CMO) to the pillar 2 (rural development) budget of the region to be spent for interventions in favour to tobacco growers facing problems due to the tobacco CMO reform.

Axis 1 budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of €542,653,454³



³ Please note that for measures 112, 124, 131 and 132 no private spending has been allocated.

Following the 2009 RDP update, the total budget allocation under axis 1 is €542,653,454, including an additional €3,048,316 (€2,000,000 EAFRD plus €1,048,316 of national/regional public funds). The additional EAFRD contribution addresses issues related to the further improvement of the competitiveness of the dairy sector (€2,000,000).

Axis 2 objectives: Improving the environment and the countryside

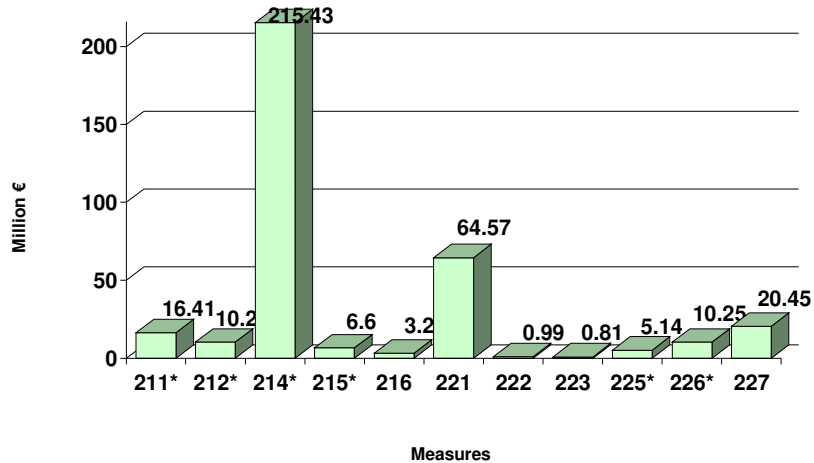
The table below provides an indication of the RDP's axis 2 priorities.

Strategic objectives	Specific objectives
Conservation of biodiversity and agricultural and forestry areas of high environmental value	- Conservation of biodiversity and protection and diffusion of agricultural and forestry systems of high natural value
Protection of water resources (in terms of quality and quantity)	- Protection of the quantity of water resources - Improvement of the quality of waters
Reduction of greenhouse gas emissions	- Develop renewable energy - Contribute to mitigating climate change effects
Protection of the territory	- Preservation of agricultural and forestry activities - Soil protection

Result targets include areas under successful land and territory management (ranging from 600 to 180,000 ha).

Specific modifications to result indicators have been made to take account of the amendments to the RDP as a result of the Health Check, the European Economic Recovery Package and Modulation including further impeding loss of biodiversity in the RDP region. Activities include implementation of the Natura 2000 Directives and the definition of the management plans of Natura 2000 sites (measure 214). Specific additional activities include improved soil management practices (161 supported farms on 810 ha); land use changes (150 supported farms on 750 ha); and, long term set-aside (283 supported farms on 1,416 ha). In meeting improved climate change adaptation and mitigation actions, 300 beneficiaries will receive further support to afforest approximately 1,350 ha of agricultural land (measure 221). Finally, 15 additional preventive actions against forest fires are supported (measure 226). For further information on specific indicators please refer to the indicator tables in the RDP.

Axis 2 budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of €354,163,291⁴



Following the 2009 RDP update, the total budget allocation under axis 2 is €354,163,291, including an additional €18,742,310 (€13,710,000 EAFRD plus €5,032,310 of national/regional public funds). The additional EAFRD contribution supports biodiversity under measure 214 (€5,710,000), climate change adaptation and mitigation actions under measures 221 (€5,000,000) and 226 (€3,000,000).

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
Improve the attractiveness of rural areas for inhabitants and enterprises	<ul style="list-style-type: none"> - Development of services aimed at the population and the economy - Protection and utilisation of rural enterprises and landscape
Maintain and/or create employment opportunities and income in rural areas	<ul style="list-style-type: none"> - Diversification of the rural economy and development of micro-enterprises - Development of new tourist products and services on the territory

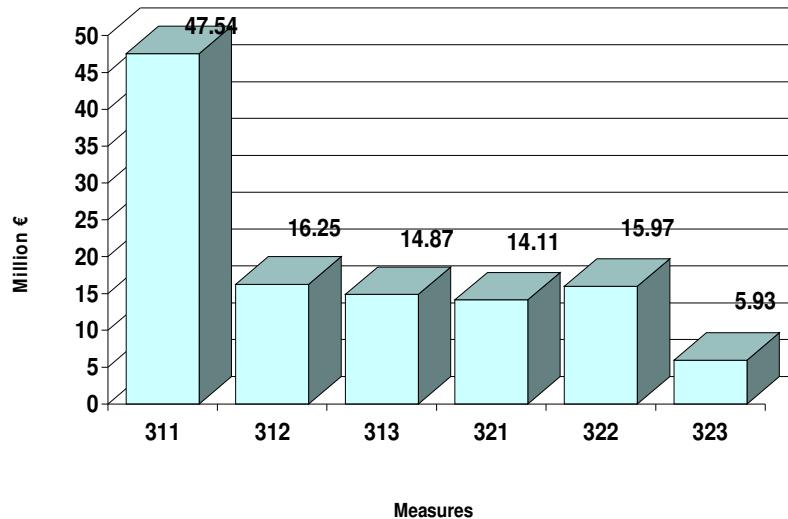
Result targets include the increase in non-agricultural gross value added in supported businesses (10%); gross number of jobs created (920); additional number of tourists (5,000); population in rural areas benefiting from improved services (number of inhabitants 135,000); increase in Internet penetration in rural areas (number of inhabitants 1,000); and, population in rural areas that has benefited from such actions (200,000).

Specific modifications to result indicators have been made to take account of the amendments to the RDP as a result of the Health Check, the European Economic Recovery Package and modulation/CMO Wine including the further development and the completion of the territorial

⁴ For measures 211, 212, 214 and 215 no private spending has been allocated.

coverage of broadband infrastructure in rural areas of Umbria. More specifically, between 3 and 21 additional supported actions to create, improve and install new, existing and passive broadband infrastructure are foreseen (measure 321). For further information on specific indicators please refer to the indicator tables in the RDP.

Axis 3 budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of €114,678,445



Following the 2009 RDP update the new total budget allocation for axis 3 is €114,678,445 including an additional €3,612,254 (€2,370,000 EAFRD plus €1,242,254 of national/regional public funds). The additional EAFRD contribution of €2,370,000 is used to improve the accessibility by the population in rural areas to broadband internet.

Axis 4 objectives: Leader

Under Axis 4, improved quality of strategies will be sought at RDP level, with an increase of capacities to carry out the strategies sought with regards to respecting deadlines and procedures at programme level. Diversification of the rural economy and improvement of quality of life in rural areas are addressed through actions developed by Local Action Groups (LAGs). The former works in parallel with the priority objectives of Axis 3 – namely the creation of employment opportunities and income in rural areas. Adopting the Leader approach will develop micro-entrepreneurship. In accordance with Axis 3, improvement of the general conditions in rural areas for inhabitants and enterprises will be made: development of crucial services (assistance, education, recreation, culture); support to services that favour economic activities – e.g. the use of renewable energy by micro-enterprises; and, support to actions that revitalise, conserve and promote the Umbrian landscape and its local rural heritage.

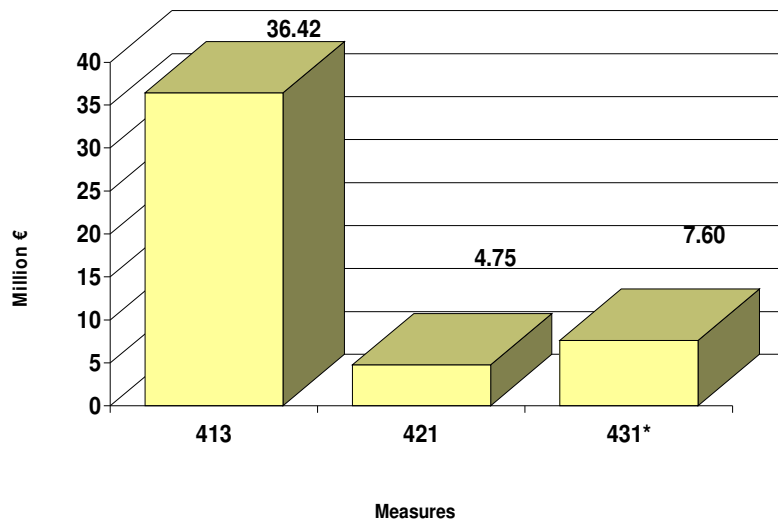
The table below provides an indication of the RDP's axis 4 priorities.

Strategic objectives	Specific objectives
Strengthen the participation of local communities in defining rural development policies	- Promotion of local partnerships with regards to projects and implementation of territorial development strategies
Utilisation of endogenous resources in rural areas	- Support local development strategies aimed at diversifying the rural economy and quality of life

Number of LAGs operational in the RDP areas as of March 2010 was 5.

No modifications were made to axis 4 during the 2009 RDP update.

Axis 4 budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of €48,775,681⁵



Following the 2009 RDP update, the total budget amount for axis 4 is €48,775,681.

Monitoring and evaluation strategy

The monitoring system is based on an integrated structure for computerised management of agricultural procedures (SIAR) and surveys by the Managing Authority (MA) on particular aspects of operations not noticeable during the administrative course of an operation. The MA is responsible for the collection of information and its archiving in a regional database, and the transmission of information to the national monitoring system. SIAR is directly linked to the integrated control and management system (SICG) and paying organism AGEA O.P. This set-up allows for sharing of information between the MA and paying organism and makes it possible in real time to access the

⁵ For measure 431 no private spending has been allocated.

necessary information in order to quantify the paramount indicators to conduct the monitoring and evaluation of the programme. Ex-ante, ongoing and ex-post evaluations are carried out according to the CMEF indicators and by an independent evaluator.

Communication and publicity

The communication plan aims to inform potential beneficiaries, institutional and socio-economic partnerships, equality organisations and NGOs, communicate with beneficiaries about European Community support, and inform the general public about the role of the European Community with regards to the RDP and its results. The target groups are potential beneficiaries, representative organisations, the general public, and communication intermediaries, such as mass media. Potential beneficiaries will be informed about the procedures in obtaining financial support, administrative procedures and selection criteria, and where to seek assistance throughout the programming period. This will be done through official regional means, such as the B.U.R.U. (Bollettino ufficiale della Regione Umbria, the official journal of Umbria) and the website of the region (www.regione.umbria.it); the media (press, television, etc), and meetings and conferences. The general public will be addressed through mass media – e.g. the press (daily newspapers and periodicals), television and text television. Other general tools include information booklets, bulletins, electronic and audiovisual material.

Annex I – Measures

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