

## Rural Development Programme (RDP) of Friuli Venezia Giulia, Italy

### Programma di Sviluppo Rurale della Regione Autonoma Friuli Venezia Giulia 2007-2013 – (March 2010)<sup>1</sup>

(Rural Development Programme for Friuli Venezia Giulia 2007-2013)

### Relevant Contact Details

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#### Other useful links:

Rural Development Programme (RDP):

[http://enrd.ec.europa.eu/country-information/programming/en/programming\\_home\\_en.cfm](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 Friuli Venezia Giulia**

(© European Commission)

## General socio-economic situation in rural areas in Friuli Venezia Giulia

Friuli Venezia Giulia, located in North-Eastern Italy, is 7,856 km<sup>2</sup> and is mainly characterised by alpine mountains, hills, valleys and lagoons. There are approximately 1.2 million inhabitants 33% out of whom live in urban areas that represent 2.8% of the entire territory. The unemployment rate of 3.9% is below both Italian and EU standards. In 2005 there were 23,837 agricultural businesses in the region and they accounted for 224,521 ha of Utilised Agricultural Area (UAA), 40% of the entire regional territory. Forests cover nearly 35% of the regional surface and 23% of UAA is in mountain areas. Organic farming is still at a relatively low level compared with other Italian regions, being at only 1.3% of UAA.

Weaknesses in Friuli Venezia Giulia include strong depopulation and a reduction of agricultural practices in areas with extensive development problems, an increasing aging population, reduced UAA, a decrease in agricultural holdings and agricultural holdings with limited financial structures, and a limited structured and organised forestry sector. Strengths on the other hand, are e.g. a recent slight increase in the population, good GDP per capita rates, a differentiated production system, a decreasing unemployment rate, an increase in the average agricultural holding size, a process for re-organising enterprises in order to increase competitiveness has been put in place, and finally, availability of environmental and forestry resources.

<sup>1</sup> Latest updated RDP, following the adoption of the Health Check and European Recovery Package and additional funds from modulation (i.e. adjustments between Pillar 1 (Agriculture) & 2 (Rural Development) of the Common Agricultural Policy (CAP)).

Following the CAP Health Check, in recognition of the greater emphasis now being given to the “new challenges” facing agriculture and rural areas, the revised RDP further highlights issues relating in particular to the dairy sector, the production of renewable energies, the environmental situation, the designation of new Nitrate Vulnerable Zone (NVZ) areas, 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.

## **RDP strategic objectives**

In accordance with the National Strategy Plan, the objectives of the Rural Development Programme (RDP) are to strengthen the competitiveness of the agricultural and forestry sectors; develop sustainable use of natural resources; preserve the local landscape while promoting agricultural activities in rural areas; decrease the risk of land abandonment; and promote diversification of the rural economy. Due to the small agricultural business areas (8.7 ha), there is a need to increase economic diversification in order to increase Gross Value Added (GVA) to agricultural produce. In order to meet the objective of environmental conservation, activities to protect existing natural resources and enhance sustainable productive activities are favoured. More specifically, the RDP aims also at conserving existing forests, carrying out action plans to prevent forest fires and protect habitats and biodiversity.

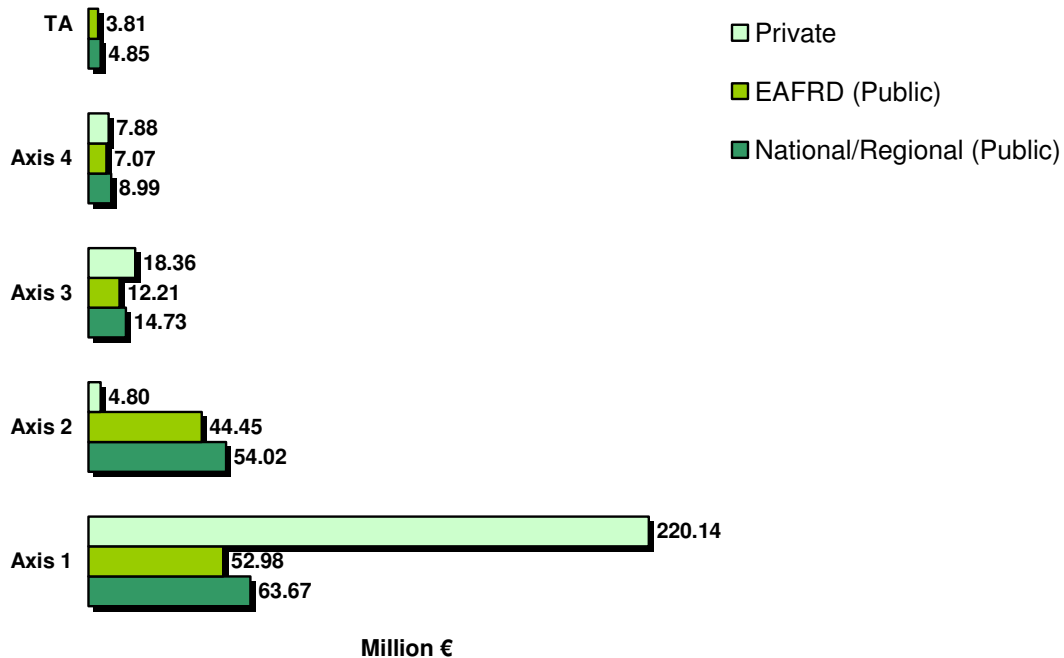
Taking into account the additional financing provided by the CAP Health Check, the European Recovery Package and modulation/CMO Wine, greater strategic priority will also now be given to initiatives that contribute to water management (39%), biodiversity (15%), improved broadband internet infrastructure in rural areas (16%) and restructuring of the dairy sector (30%).

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

The expected results and impacts are to increase economic growth by € 233.8 million of which € 41.4 million in the agricultural and silvicultural sectors; € 113.2 million in the agricultural food industry; € 12.3 million in other sectors; with a variation of a regional Gross Domestic Product (GDP) of € 66.9 million; create 440 new employment opportunities of which 300 in the agricultural and silvicultural sectors, 70 in the agricultural food industry, and 70 in other sectors; increase labour productivity by 4.9% in the agricultural and silvicultural sectors and by 2.1% in the food industry; impede the decline of biodiversity by 50%; maintain and increase high nature value areas by 45%; improve the quality of water and the balance of nutrients in waters by -31% in subsidised areas and by -3.5% at regional level; and, contribute to combating climate change by increasing the production of renewable energy by 11.16 kton/year.

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 assist producers to adapt to changing market conditions for milk and dairy products. Modifications to overall RDP impact targets include a reduction of chemical inputs, in particular organic farming and improved soil management practices for arable crops and arboriculture for better water quality, and increased territorial coverage for rural broadband access. Detailed information on impact indicators for individual measures are provided in the RDP indicator tables.

## RDP budget breakdown by axis: Total expenditure (including national/regional + EAFRD + private funding) of €517,956,598



The RDP budget allocations are broadly divided into four main areas of expenditure, known as Axes (namely competitiveness, agri-environment, rural quality of life and local rural development actions). Approximately 65% of the overall RDP budget in Friuli Venezia Giulia is allocated to Axis 1 (€ 336.79 million); approximately 20% is allocated to Axis 2 (€ 103.27 million), 9% to Axis 3 (€ 45.30 million) and 5% to Axis 4 (€ 23.95 million), with just under 2% available to fund Technical Assistance (€ 8.65 million).

Within Axis 1, National/Regional public funding represents approximately 19% share of the Axis funding; EAFRD 16%; and private funds 65%.

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

Within Axis 3, National/Regional public funding represents approximately 33% share of the Axis funding; EAFRD 27% and private funds 40%.

Within Axis 4, National/Regional public funding represents approximately 38% share of the Axis funding; EAFRD 29%; and private funds 33%.

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

As a consequence of the CAP Health Check and the European Recovery Package, together with the programming of additional money from modulation/CMO Wine, the Friuli Venezia Giulia region has been assigned a total of € 19,565,000 (including € 11,739,000 EAFRD funds and further € 7,826,000 regional/national public funds). Out of the additional EAFRD contribution, € 6,601,000 is aimed at addressing new challenges in rural areas (e.g. issues related to water management and the dairy sector) and improved broadband infrastructure. Furthermore, € 1,331,000 derives from the Recovery Package (RP) and a further € 3,807,000 stems from modulation/CMO Wine. Overall, these funds are intended to reinforce existing actions and introduce new operations in order to support rural areas in the region.

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

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

Emphasis for Axis 1 is put on developing improved agricultural quality products to meet consumer and market expectations; favouring innovation, strengthen agricultural and silvicultural industries; and, promote the production of biomass. Support to improving agricultural and silvicultural competitiveness is based on territorial needs.

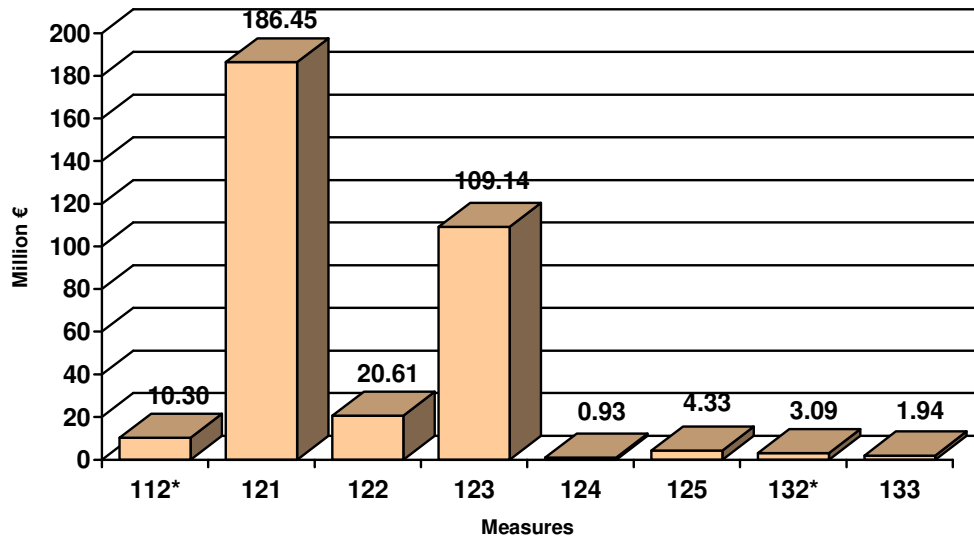
Result targets include an increase in GVA in supported holdings/enterprises (€ 56.7 million); 125 holdings/enterprises that introduce new products and/or new techniques; and, value of agricultural production under recognised quality label/standards (€ 170 million).

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 Recovery Package and Modulation including further increases in the support to farms located in mountain areas for on-farm processing of milk and the production of dairy products and the diversification of the production (€ 2.4 million in terms of EAFRD funding). For further information on specific result indicators please refer to the result indicator table in the RDP programme.

Strategic objectives	Specific objectives
Promote modernisation and innovation of businesses and integration of production chains	- Upgrading of agricultural and forestry holdings to re-qualify enterprises and respond to new market needs, to increase efficiency, to introduce innovation, to strengthen the integration of regional supply in vertical and territorial production chains, and finally to increase environmental compatibility
Develop the quality of agricultural and forestry production	- Improvement of the quality of agricultural and forestry products and their promotion in order to strengthen customer relations
Improve physical and telecommunication infrastructures	- Increase professional and entrepreneurial skills in the agricultural and forestry sector and create opportunities for young farmers
Encourage entrepreneurship of agricultural and forestry businesses and enhance generational renewal	- Rationalise production infrastructures

<sup>2</sup> Detailed information on the individual measures can be found in Annex I.

**Axis 1 budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of €336,786,349<sup>3</sup>**



Following the RDP latest update, the total budget amount for Axis 1 is € 336,786,349, including an additional € 4,000,000 (€ 2,400,000 EAFRD + € 1,600,000 national/regional public).

Output indicators linked to the Health Check/European Recovery Package include for measure 121 under action 2 for modernisation of the milk sector, 65 supported farm holdings and an EAFRD contribution of € 2.4 million.

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

Emphasis for Axis 2 is put on supporting environmental improvements in rural areas in order to protect the environment and support and preserve agriculture in mountain areas.

Result targets include areas under successful land and territory management contributing to: biodiversity and high nature value farming/forestry (69,850 ha); improved water quality on 18,350 ha; mitigating climate change on 6,395 ha; improved soil quality on 61,550 ha; and, avoidance of marginalisation and land abandonment on 45,070 ha.

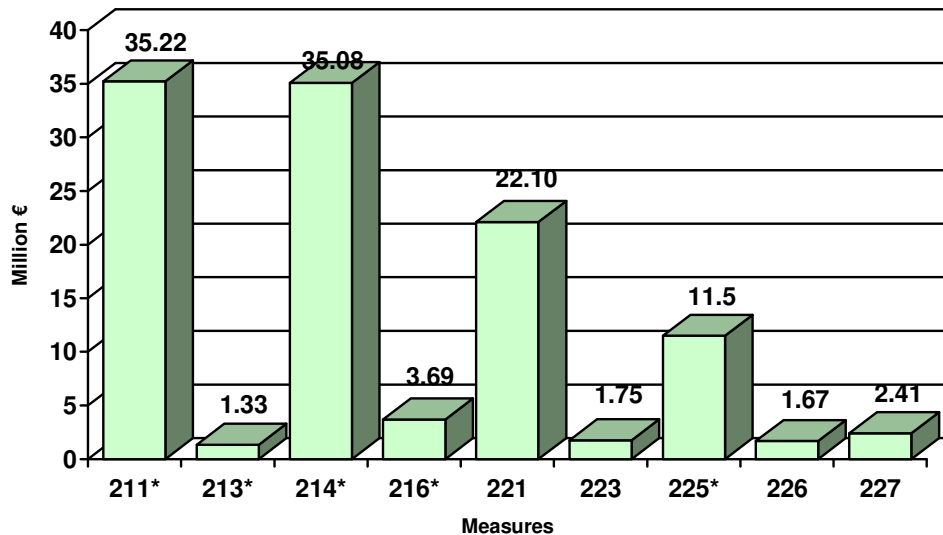
Specific modifications to result indicators have been made to take account of the amendments to the RDP as a result of the Health Check, the European Recovery Package and Modulation including further reductions of chemical inputs in order to improve the quality of water. € 1.4 million of EAFRD contribution will be allocated to existing operations; whereas, a further € 1.6 million of EAFRD contribution will be allocated to a new action for the replacement of the use of artificial chemical fertilisers with organic matters. Furthermore, € 1.2 million of additional EAFRD contribution will be allocated to halting biodiversity loss in the region by reinforcing existing operations under measures 213, 214 and 216. For further information on specific result indicators

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

please refer to the result indicator table in the RDP programme.

Strategic objectives	Specific objectives
Protection of the territory	- Maintain agricultural activity in mountain areas in order to guarantee environmental protection
Conservation of biodiversity and agricultural and forestry areas of high environmental value	- Increase the environmental quality variety through the protection of the environment and biodiversity of Natura 2000 sites and through an increase in extensive farming practices
Protection of water resources (in terms of quality and quantity)	- Reduction of intensive production activities especially with regards to water usage and favour enhanced sustainable management processes of the territory
Reduction of greenhouse gas emissions	- Increase the contribution from the primary sector to combat climate change, in particular to reduce greenhouse gas emissions

**Axis 2 budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of €103,269,871<sup>4</sup>**



Following the CAP Health Check and update of the RDP in Friuli Venezia Giulia, the total budget allocation under Axis 2 is € 103,269,871, including an additional € 7,001,667 (€ 4,201,000 EAFRD + € 2,800,667 national/regional public).

Output indicators linked to the Health Check/European Recovery Package include for measure 213, Natura 2000 payments, 245 supported holdings on an area of 885 ha. Measure 214 will be reinforced to address issues regarding haltering biodiversity loss by supporting 1,000 holdings on an area of 4,300 ha. Furthermore, measure 214 will also contribute to improving water quality in Friuli Venezia Giulia by supporting between 90 and 500 holdings on an area of between 840 and

<sup>4</sup> For measures 211, 212, 214, 215, 226 and 227 no private spending has been allocated.

4,500 ha. Finally, measure 216 will be reinforced to constitute natural habitats within and outside Natura 2000 sites. This will be done by supporting 62 holdings.

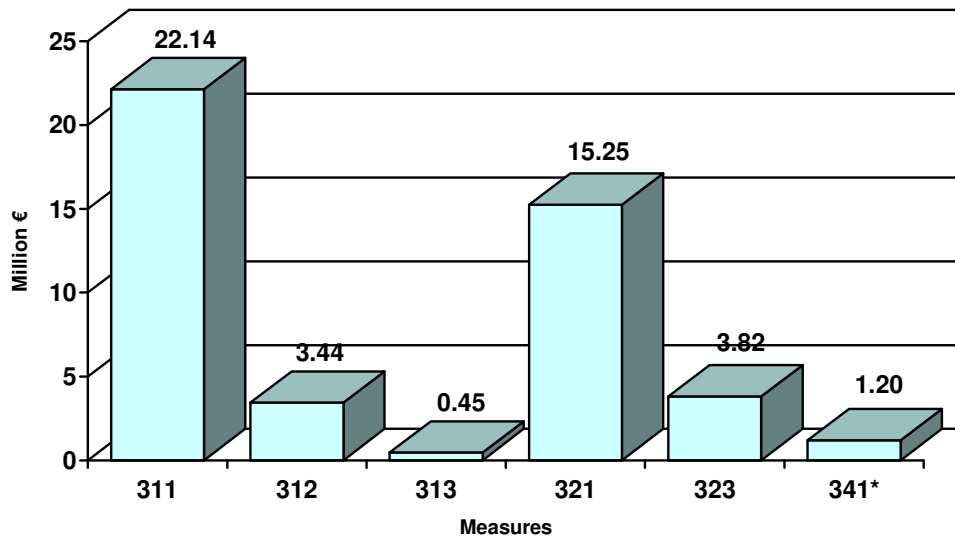
**Axis 3 objectives: Quality of life in rural areas and diversification of the rural economy**

Result targets for Axis 3 and Leader include an increase of € 8.6 million in non-agricultural GVA in supported businesses; 114 new jobs created; 40,150 people in rural areas benefiting from improved services; and, 25 participants who successfully complete a training activity.

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 Recovery Package and modulation/CMO Wine including an increase in broadband infrastructure especially in C and D areas of Friuli Venezia Giulia. € 1.3 million of additional EAFRD funding will be allocated to a new action called "ICT networks" for the completion and upgrading of broadband infrastructure in rural areas. For further information on specific result indicators please refer to the result indicator table in the RDP programme.

Strategic objectives	Specific objectives
Improve general conditions in rural areas for inhabitants and enterprises	- Develop innovative economic activities by creating a free flow of goods and services in rural areas
Maintain and create employment opportunities and income in rural areas	- Increase the attractiveness for both the population and enterprises in particular in less densely populated areas

**Axis 3 budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of €45,296,871<sup>5</sup>**



<sup>5</sup> For measures 323 and 341 no private spending has been allocated.

Following the latest revision of the RDP the new total budget allocation for Axis 3 is € 45,296,871 including an additional € 2,218,333 (€ 1,331,000 EAFRD + € 887,333 national/regional public).

Output indicators linked to the Health Check/European Recovery Package include for measure 321, under action 2 "ICT networks", 12 supported actions to lay down both new and passive broadband infrastructure including backhaul facilities.

**Axis 4 objectives: Leader**

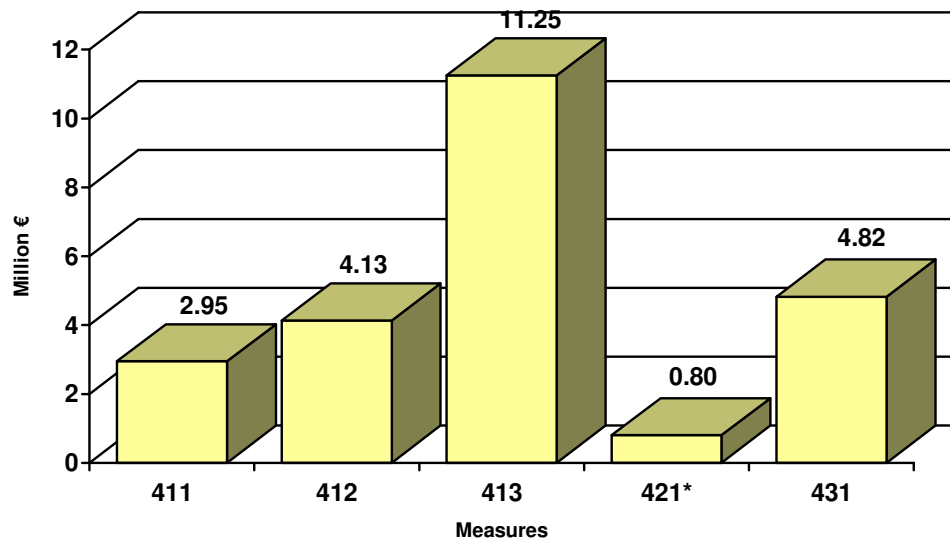
The Leader approach in Friuli Venezia Giulia concentrates on tourism, quality products and local traditions. Result targets for Axis 3 and Leader include an increase of € 8.6 million in non-agricultural GVA in supported businesses; 114 new jobs created; 40,150 people in rural areas benefiting from improved services; and, 25 participants who successfully complete a training activity.

There are no specific target modifications in relation to Axis 4 following the RDP update.

Strategic objectives	Specific objectives
Strengthen local project and management capacities	- Strengthen social capital and governance capabilities to improve local development processes
Value endogenous resources in rural areas	

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

**Axis 4 budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of €23,951,108<sup>6</sup>**



<sup>6</sup> For measure 431 no private spending has been allocated.



## **Monitoring and evaluation strategy**

The monitoring and evaluation system uses Common Monitoring and Evaluation Framework (CMEF) indicators to examine the progress of the RDP with respect to the expected outcomes. It also consists of the Annual Progress Reports and ongoing, mid-term and ex-post evaluations. The monitoring and evaluation system takes into consideration the National Strategy Plan in order to establish the National Monitoring System and the National Evaluation System. Furthermore, the system is supported by the Agricultural Information System of Friuli Venezia Giulia (S.I.AGRI.FVG) that provides information from the agricultural business register; computerised procedures for the distribution of financing to businesses; and, external databases. The monitoring system is built on results and experiences from the past programming period. The Managing Authority (MA) is responsible for the production of the Annual Progress Report and Final Report. It may use ongoing evaluations to make modifications to the RDP, provide the Monitoring Committee with information regarding the progress of the RDP and provide information regarding tendencies of the Annual Progress Reports.

## **Communication and publicity**

The MA seeks to inform beneficiaries about the possibilities offered by the RDP in a clear manner highlighting e.g. administrative procedures on how to apply for financing; conditionality with regards to admission and/or selection criteria; and, names of regional and local subjects or contacts. The main target groups include regional and local authorities, professional associations, economic and social partners, NGOs, in particular equality organisations and environmental organisations, information intermediaries and the Paying Agency (Ag.E.A). Examples of actions include that information will be distributed uniformly throughout the region; external communication is provided to final beneficiaries and all users; news regarding the RDP is done through regional communication tools; continuous media contact is kept; and, production and updating of information material is done. All of which will be carried out through the regional website ([www.regione.fvg.it](http://www.regione.fvg.it)); relations with the media; publications; meetings, seminars and workshops; and, multimedia material.

## Annex I – Measures

Measures selected by the RDP	Measures selected by the updated RDP
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<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>	Modernisation of agricultural holdings
		<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	