

Rural Development Programme (RDP) of Piedmont, Italy

Programma di sviluppo rurale della Regione Piemonte 2007-2013 – (February 2010)¹

(Rural Development Programme for Piedmont 2007-2013)

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Other useful links:

Rural Development Programme (RDP):

http://ec.europa.eu/agriculture/rurdev/enrd/countryinformation/programming/index_en.htm

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

Piedmont, located in the North Western part of Italy, has an area of 25,399 km² and 4,330,172 inhabitants. According to the RDP of October 2008, regional Gross Domestic Product (GDP) is €114,178 million, approximately €25,000/capita. Agriculture accounts for 2% of Value Added (VA) and 4.5% of employment (60,000 units). 81,000 agricultural holdings with an average economic size of 16.5 Economic Size Unit (ESU) operate 1 million Ha of Utilised Agricultural Area (UAA) (54% are arable lands, 9.1% permanent crops and 36.9% grassland and pastures). National statistics report 670,506 Ha of forest, 65% in mountain areas.

The RDP highlights that the region has important agriforestry sectors with several high quality products suitable to increase value added, wide variety of landscapes, diffusion of organic and extensive agricultural systems, forest high biodiversity and large surfaces in Natura 2000 network deal with fragmentation of production chains and promotion, intensive farming systems with high water, chemical and energy inputs, high release of Greenhouse Gases (GHGs) and ammonia in core areas. In rural areas D, wide diffusion of protected areas and high touristic attractiveness deal with infrastructural shortages, limited services availability and low farm multi-functionality.

RDP strategic objectives

In accordance with EU rural development policy and the National Strategic Plan for Rural Development 2007-2013, main objectives identified are:

- to promote modernisation and innovation aimed to strengthen sustainable, efficient and market

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

- oriented farms and to develop integrated production chains;
- to strengthen and develop high quality agro-forestry products;
 - to improve efficiency of rural infrastructures;
 - to increase the skills and entrepreneurial capacities of agro-forestry operators, and to encourage generational turnover;
 - to promote conservation of biodiversity, preservation and diffusion of agro-forestry systems with high nature value;
 - to preserve quality and quantity of water resources;
 - to decrease production of greenhouse gasses and acidifier agents;
 - to improve attractiveness of rural areas for businesses and people;
 - to promote employment and income opportunities in rural areas;
 - to improve local integrated development capacities, and valorisation of local resources.

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 importance on activities related to the competitiveness of the dairy sector, improved water management, bio-energy developments, biodiversity and the availability of broadband infrastructure in rural areas. The modifications do not concern the introduction of new priorities but the reinforcement and/or the alteration of existing ones as well as the introduction of new operations.

Taking into account the additional financing provided by the CAP Health Check, the European Economic Recovery Package and Modulation/CMO Wine, strategic priority is given to initiatives that contribute to fighting climate change (which received 24% of the additional funds), water management (25.6%), the restructuring of the dairy sector (30.1%), biodiversity (14.8%) and renewable energy (1.6%).

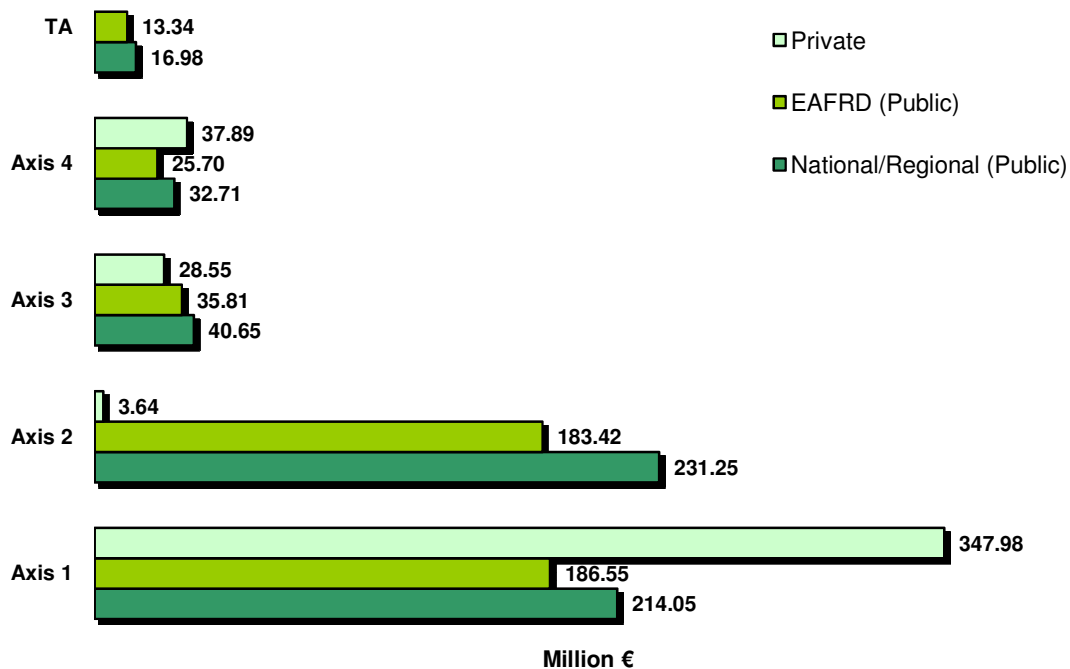
Expected impact / outcomes of the policies

Expected results and impacts of the Piemonte RDP include:

- Economic growth: Gross additional value added €27.9 million;
- Employment creation: Full Time Equivalent (FTE) jobs created or maintained 2,250;
- Labour productivity: Change in gross value added per labour unit (GVA/FTE) €3,050;
- Reversing biodiversity decline: Change of biodiversity trend (% of selected farmland birds population) FBI +5% - +10%;
- Maintenance of high natural value farming and forestry areas: Change in high nature area +3% of surface under commitment;
- Improvement in water: Change in gross nutrient balance: -9 kg Nitrogen/ha (-13%); -6 kg Phosphorus/ha (-30%)
- Contribution to combating climate change: Increase in production of renewable energy +9.2 KTOE.

Specific modifications to impact indicators have been made to take account of the RDP's 2009 alterations. These include new targets for actions such as those: targeting the dairy sector to improve dairy production and the processing and marketing of dairy products in order to make the sector more competitive; reinforcing technological water saving methods, the efficiency of nitrogen fertiliser use and the installation of waste water treatments on farms; targeting the reduction of carbon dioxide by improving energy efficiency; addressing biodiversity loss by constructing and manage biotopes/habitats inside and outside Natura 2000 sites; processing agricultural/forest biomass for renewable energy as an alternative approach; and, creating broadband infrastructures, especially in C and D rural areas. 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 €1,398,525,831



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 53% of the updated RDP budget in Piedmont is allocated to axis 1 (€748.59 million); approximately 30% is allocated to axis 2 (€418.31 million), 8% to axis 3 (€105.01 million) and 7% to axis 4 (€96.29 million), and with 2% available to fund technical assistance (€30.32).

Within axis 1, National/Regional public funding represents approximately 29% share of the axis funding; EAFRD 25%; and private funds 46%.

Within axis 2, National/Regional public funding represents approximately 55% share of the axis funding; EAFRD 44%; and private funds 1%.

Within axis 3, National/Regional public funding represents approximately 39% share of the axis funding; EAFRD 34% and private funds 27%.

Within axis 4, National/Regional public funding represents approximately 34% share of the axis funding; EAFRD 27%; and private funds 39%.

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

As a consequence of the 2009 RDP amendments, the Piedmont region has been allocated a total of €83,873,333 (including €50,324,000 EAFRD and €33,549,333 of regional/national public funds). Out of the additional EAFRD contribution, €41,660,000 is aimed at addressing new challenges and broadband in rural areas. Furthermore, €8,664,000 stems from Modulation/CMO Wine.

Axis Information²

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

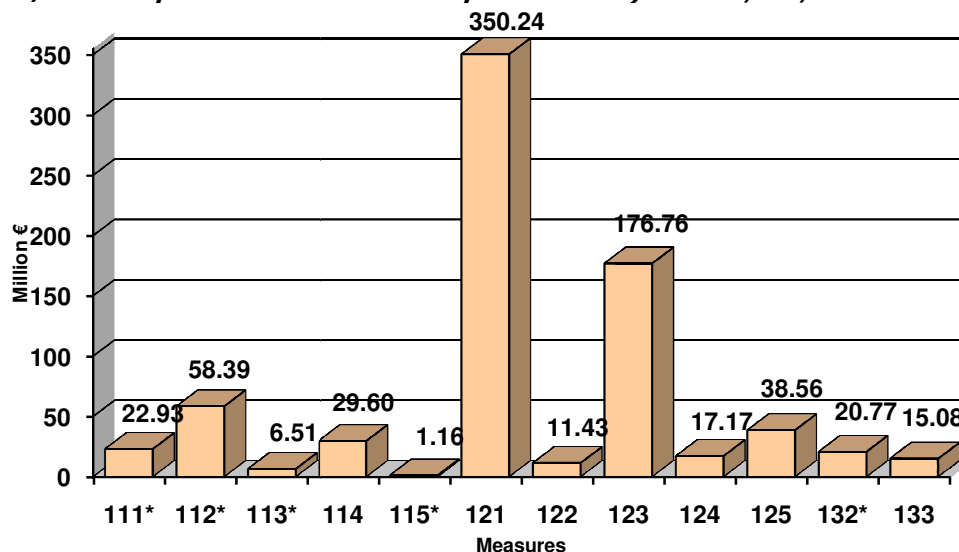
Axis I aims at: Increasing skills and entrepreneurial capacities of agro-forestry operators; Supporting generational turnover; Promoting modernisation and innovation focussed on strengthening sustainable development; Improving efficiency and market orientation; Developing integrated production chains; Strengthening and improving efficiency of rural infrastructures; Developing high quality agro-forestry products.

Result targets include: the number of participants that successfully ended training activities related to agriculture and/or forestry 30,000; increase in agricultural gross value added in supported holdings €16.3 million; number of holdings/enterprises introducing new products and/or new techniques 1,325; value of agricultural production under recognized quality label/standards €1,107 million.

Specific modifications to results indicators have been made to take account of the amendments to the RDP including activities related to the dairy sector, such as those: supporting additional 170 farm holdings to improve production and hence competitiveness (measure 121), introducing 11 additional operations to improve processing and marketing (measure 123), and introducing innovation by supporting 15 cooperation initiatives (measure 124); initiatives addressing the climate change priority: providing 1,000 participants training (over 8,000 days) on how to reduce greenhouse gas emissions and implement adaptation actions (measure 111), supporting 195 farm holdings to reduce carbon dioxide emissions by introducing energy saving actions and supporting 45 holdings against negative effects from adverse weather events (both measure 121), and improving energy efficiency in the region by supporting between 10 and 12 farm holdings in reducing carbon dioxide emissions (measures 123 and 124); activities related to improving water management practices: providing awareness raising training to 1,000 participants (measure 111), and supporting between 6 and 130 holdings to introduce water saving technologies and waste water treatments (measures 121 and 123); addressing the biodiversity priority: training 1,000 participants on biodiversity related issues (measure 111), and finally; activities related to the renewable energies priority: introducing 15 cooperation initiatives regarding the substitution of fossil fuels (measure 124). For further information on specific result and output indicators please refer to the indicators table in the RDP.

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

Axis 1 indicative budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of €748,590,335³



Following the 2009 RDP update, the total budget allocation under axis 1 is €748,590,335, including an additional €49,185,025 (€31,926,000 EAFRD plus €17,259,025 of national/regional public funds). The additional EAFRD contribution supports measures 111 (€1,366,000), 121 (€17,505,000), 123 (€11,283,000) and 124 (€1,772,000) in strengthening the climate change, water management, the restructuring of the dairy sector, biodiversity and renewable energies priorities.

Axis 2 objectives: Improving the environment and the countryside

Axis 2 aims at: Conserving biodiversity and developing agro-forestry systems with high natural value (diversifying agricultural landscape and habitats, recovering agro-forestry activities that safeguard areas of natural interest, preventing genetic erosion in farm animal and vegetable species, improving animal welfare, promoting organic and extensive farming); Supporting agricultural activities in LFAs; Protecting soil and landscape (preventing erosion, increasing organic matter, preventing soil pollution, recovering forestry protection functions); protecting surface and groundwater quality and quantity (improving efficient irrigation systems; decreasing fertilizers and chemical compounds); Reducing GHGs and acidifier agents (increasing Carbon quantity fixed in agro-forestry biomass; developing energy production from biomass).

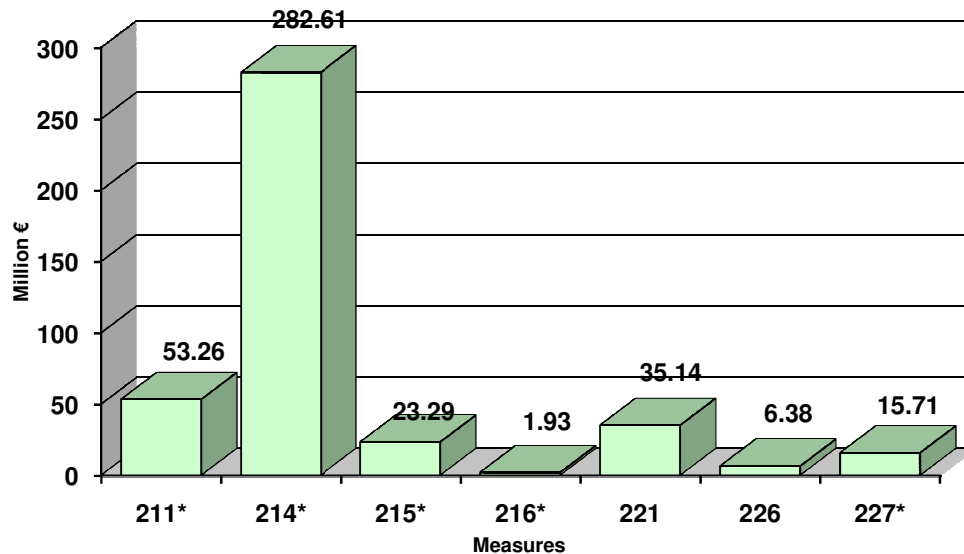
Result targets include: area under successful land management contributing to: biodiversity and high nature value farming/forestry 165,600 Ha, water quality 138,500 Ha, climate change 10,050 Ha, soil quality 40,550 Ha, and avoidance of marginalisation and land abandonment 128,500 Ha.

Specific modifications to result and output indicators have been made to take account of the amendments to the RDP. In addressing the biodiversity priority, these include under measure 214: supporting 50 holdings and 160 ha maintaining perennial fields and riparian boundary strips; constructing and manage biotopes/habitats in and around Natura 2000 sites by supporting approximately 80 holdings over 240 ha; improving land use practices by supporting 250 holdings over 1,700 ha. Furthermore, measure 216 supports 100 farm holdings to construct biotopes/habitats

³ Please note that for measures 111, 112, 113, 115 and 132 no private spending has been allocated.

in and around Natura 2000 sites. For further information on specific result and output indicators please refer to the indicator tables in the RDP.

Axis 2 indicative budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of €418,308,307⁴



Following the 2009 RDP update, the total budget allocation under axis 2 is €418,308,307, including an additional €4,621,784 (€3,000,000 EAFRD plus €1,621,784 of national/regional public funds). The additional EAFRD contribution supports measures 214 (€2,500,000) and 216 (€500,000) in improving biodiversity.

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

Axis 3 aims at: Improving quality of life and attractiveness of rural areas for businesses and people; Developing farm diversification through non-agricultural activities; Consolidating and promoting new employment and income opportunities in rural areas. The strategy gives priority to Integrated territorial projects in Rural areas C and D, complementary to the plans of the Local Action Groups (LAGs).

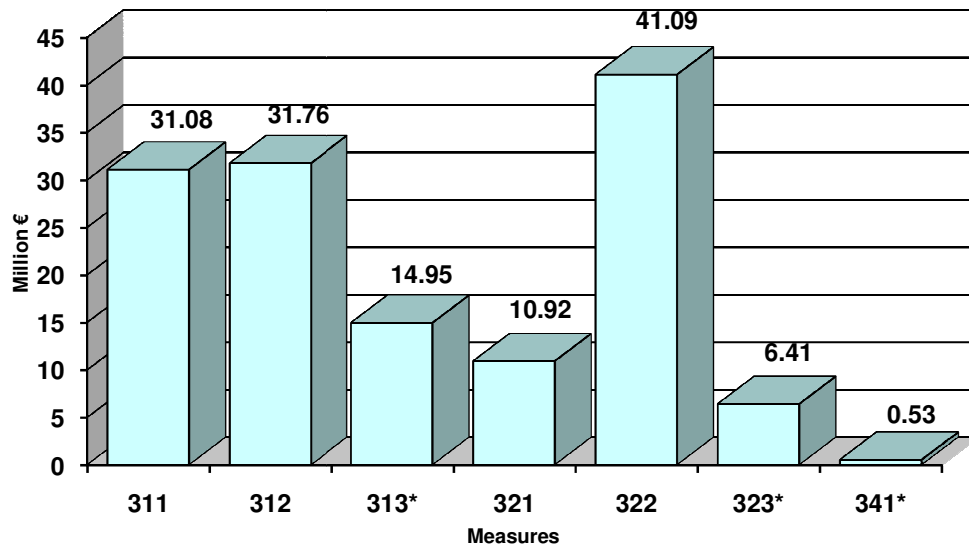
No training activities are planned (Measure 331 is not active). The result targets include: increase in non-agricultural gross value added in supported businesses €2.6 million; gross number of jobs created: 280; additional number of tourists: 20,000; population in rural areas with improved services 95,000.

Specific modifications to result and output indicators have been made to take account of the amendments to the RDP. In addressing the broadband priority, these include under measure 321: access to fast broadband for all citizens, especially in C and D rural areas. Between 3 and 40 additional projects are supported to create new broadband infrastructure, including backhaul infrastructure; improve existing broadband infrastructure; and, install passive broadband

⁴ For measures 211, 214, 215, 216 and 227 no private spending has been allocated.

infrastructure. Furthermore, measure 323 supports the biodiversity priority through 48 additional operations to setting up management plans for Natura 2000 sites. For further information on specific result and output indicators please refer to the indicators table in the RDP.

Axis 3 indicative budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of €105,013,184⁵



Following the 2009 RDP update, the new total budget allocation for axis 3 is €105,013,184, including an additional €10,374,365, (€6,734,000 EAFRD plus €3,640,365 of national/regional public funds). The additional EAFRD contribution supports measure 321 (€4,734,000) in improving regional Internet connectivity, especially in C and D rural areas and measure 323 (€2,000,000) in improving biodiversity.

Axis 4 objectives: Leader

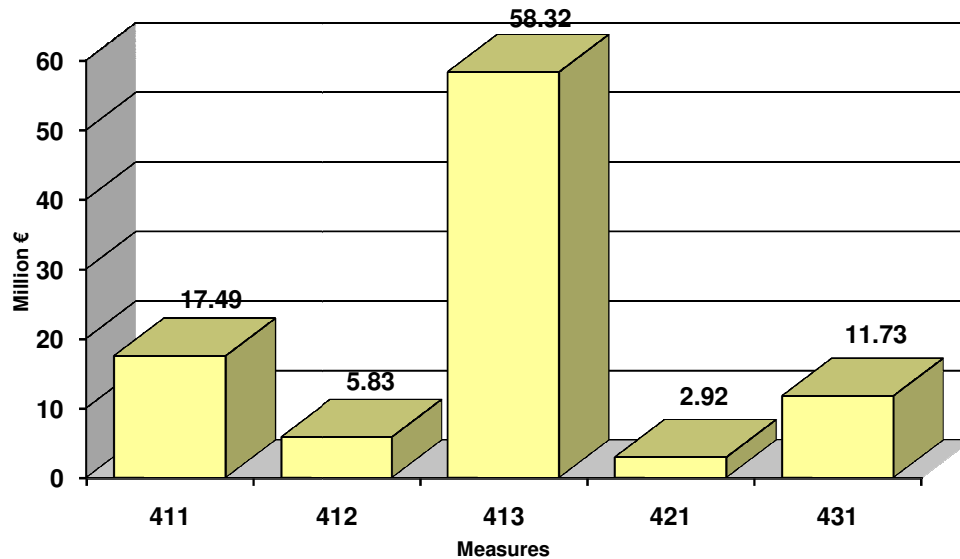
Axis 4 aims at: Strengthening local capacity in design and management of local development policies, programmes and projects, and promoting the full and sustainable use of endogenous resources. The Leader axis will cover about 15,000 km² and 650,000 inhabitants (59.6% of population in rural areas). Using the classification of the NSP, eligible zone are intermediate rural areas C and rural areas D with development problems. In every Leader area at least 85% of residents must be part of municipalities already receiving Leader II or Leader + support). The LAGs will expand their activities covering the three axes, but Leader mainly supports actions aimed to regenerate socio-economic conditions with maintenance or creation of jobs, and to improve the capacity of the agricultural holdings to deal with the market. Approximately 12 LAGs, 1,500 local projects, 120 initiatives for acquiring skills and animating the territory and 10 cooperation projects are funded by the RDP.

The number of operational LAGs in the RDP areas as of March 2010 was 13.

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

⁵ For measures 313, 323 and 341 no private spending has been allocated.

Axis 4 indicative budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of €96,295,820



Following the 2009 RDP update, the total budget amount for axis 4 is €96,295,820.

Monitoring and evaluation strategy

The RDP monitoring and evaluation system has been set and will be implemented to achieve the objectives of Title VII of Regulation (EC) No 1698/2005, by taking into account the need at national and regional level to coordinate information from all the programmes co-financed by EU funds, and the specific RDP knowledge needs. The data collection will rely on the new Piedmont Agricultural Information System (SIAP), configured as a single inter-institution information system. Public Administrations and other bodies dealing with farms in the administrative proceedings are networked through ICT infrastructure provided by the Region. The CMEF set of common indicators has been adopted. For every indicator relating to axis 2 objectives, the RDP explains the methodology and the source that will be used to quantify the variables (the same information are provided also for the update, not always on an annual basis, of the common context indicators related to axis 2).

Communication and publicity

The objectives of the communication activity are: To present the RDP to all eligible beneficiaries and regional partners; To provide clear, complete and updated information on the adoption and its outcome; To inform all potential beneficiaries about the EAFRD co-financing opportunities and procedures to access the contributions. The target groups are: potential beneficiaries, professional organizations, the economic, social, environmental gender-equality bodies and non-governmental organisations. The communication strategy has been devised so as to reach the potential beneficiaries, by means of overcoming inequalities and cultural differences, with the following priorities: to reach the more remote public, to differentiate the message according to recipients, to involve partners in the information process; to provide ways of communication that enable timely and continuous information. The communication tools include: Advertising, multimedia and press



campaigns; Websites of Piedmont Region and Local Authorities; Forum, newsletter and text messages notice services; Workshops and conferences organised in rural areas to inform about and exchange best practices; Training of regional staff and public partners.

Annex I – Measures

Measures selected by the RDP Measures selected by the updated RDP

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
<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	<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
Axis 4 - Leader	<i>Implementing local development strategies</i>	341	Skills-acquisition and animation measure with a view to preparing and implementing a local development strategy
		411	Competitiveness
		412	Environment/land management
		413	Quality of life/diversification
		421	Implementing cooperation projects
431	Running the local action group, skills acquisition, animation		