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Factsheet on 2014-2020 Rural Development Programme for Umbria

The Rural Development Programme (RDP) for Umbria was formally adopted by the European Commission on June 12th 2015, outlining Umbria's priorities for using the € 1 216.3 million¹ of public money that is available for the 9-year period 2014-2022 (€ 534.7 million from the EU budget, of which 33.9 million from the NextGenerationEU (EURI) recovery instrument, €660.7 million of national co-funding and almost 21 million of additional regional financing).

The latest amendment mainly concerned financial transfers among measures, which chiefly concerned the ordinary resources and, to a limited extent, EURI resources. At the end of the eighth year of the RDP, there was a need to adapt the financial plan to the results of implementation so far. In particular, it was necessary to provide for financial reprogramming in order to be able to make full use of the remaining resources at the level of the individual measures and to achieve more accurately the objectives and targets already set out in the programme strategy

Umbria's RDP is putting particular emphasis on actions related to restoring, preserving and enhancing ecosystems, improving the competitiveness of the farm and forestry sectors and promoting social inclusion and economic development in rural areas. Almost 35% of the agricultural land is expected to come under management contracts supporting better water management, nearly 29% of the agricultural land will be under contracts to improve soil management and over 15% of the agricultural land and over 5% of forestry area will come under management contracts supporting biodiversity. To improve the competitiveness of farmers, 1 706 farms will receive support to restructure or modernise their farms and 562 young farmers will be granted business start-up aid. In this regard, particular emphasis is put on innovation when selecting operations and 8% of RDP public expenditure is earmarked by actions that foster innovation, cooperation and the development of the knowledge base. Umbria's RDP will contribute to social inclusion and economic development in rural areas by bringing improved services to 34% of the rural population and new or improved broadband infrastructure to 24% of the rural population in rural area. Investments will also be boosted thanks to the use of three specific financial instruments that will support projects for the processing/marketing of agricultural products as well as the creation and development of non-agricultural activities. In addition, the region is supporting beneficiaries hit by the consequences of COVID 19 sanitary emergency with a dedicated measure as well as through the funds stemming from the 100% co-financed recovery instrument NextGenerationEU.

Support for [Rural Development](#) is the 2nd Pillar of the [Common Agricultural Policy](#), providing Member States with an envelope of EU funding to manage nationally or regionally under multi-annual, co-funded programmes. In total, 118 programmes are foreseen in all 28 Member States. The new [RD Regulation](#) for the period 2014-2020 addresses six economic, environmental and social priorities, and programmes contain clear targets setting out what is to be achieved. Moreover, in order to coordinate actions better and maximise synergies with the other European Structural & Investment Funds ([ESIF](#)), a [Partnership Agreement](#) has been agreed with each Member State highlighting its broad strategy for EU-funded structural investment.

This document provides a brief overview of how the challenges and opportunities Umbria is facing are addressed by the RDP. In the annex, a table indicates the priorities and focus areas

¹ This amount included the solidarity contribution of 51.5 million EUR of public money available for the year 2018.

each with their specific targets, and their allocated budgets.

1. SITUATION AND KEY CHALLENGES

In Italy, rural development is implemented through 22 separate RDPs – one at national level and 21 regional RDPs (including "less developed", "transition" and "more developed" regions). In addition, the National Rural Network Programme provides the funding for the networking of rural development actors in Italy.

Umbria, the "green heart of Italy", is a region of central Italy, classified as a more developed region. It covers a total area of 8 450 km² of which agricultural land covers 51.3% and forestry 46%. There are about 900 000 inhabitants in the region which translates into a population density of roughly 105 inhabitants per km². The region is entirely classified as rural area, 2/3 of which is currently classified as Less Favoured Areas (mountain area and area with natural constraints in equal share). The negative population growth rate and a high rate of elderly population (23.8%) are partly offset by immigration.

The average size of the more than 36 000 Umbrian farms is 9 hectares and 43% of the farms are below 2 hectares. The regional Utilised Agricultural Area is around 327 000 hectares. Farmers mainly produce cereals, wine, olive oil, tobacco, and milk for cheese production. Production of olive oil and wine has decreased in the last decade. The vegetable and fruit sector is not yet well developed and is characterised by small producers. The food industry is of strategic importance to the region as it employs 7% of the working population. Half of the energy produced by the region is from renewable sources, but the region is lagging behind in terms of energy production from biomass.

Umbria is characterised by an outstanding naturalistic heritage with over 390 000 hectares of forestry. There are 102 Natura 2000 sites whose plans have all been completed. The main environmental challenges to be tackled concern the quality of surface and ground water, soil erosion and the increase in forest fires.

2. HOW UMBRIA'S RDP WILL ADDRESS THESE CHALLENGES

In addressing the challenges, Umbria's RDP will fund operations under all six Rural Development priorities, – with a particular emphasis on Restoring, preserving and enhancing ecosystems related to agriculture and forestry as well as improving the competitiveness of the farm and forestry sectors and promoting social inclusion and economic development in rural areas. The focus of each priority is explained briefly below.

Knowledge transfer and innovation in agriculture, forestry and rural areas

The region is investing quite heavily in actions related to this priority. Knowledge transfer will address the training, coaching, information and advisory needs of the agricultural, food and forestry sectors as well other land holder and SMEs in rural areas, in particular related to sustainable agricultural and forestry practices, regulatory issues, innovation and technology, quality products and diversification. Almost 8 507 places will be made available in training courses.

An important element is innovation: 148 projects will be supported to strengthen the link between agriculture, food and forestry sectors and research and innovation, 20 of which will be under the European Innovation Partnership.

Competitiveness of agri sector and sustainable forestry

Given the ageing farmer population and the small size of agricultural holdings in the region, the RDP will support the start-up of 562 young farmers and investments and modernisation in 1 706 farms, with a specific emphasis on innovation as a means to increase competitiveness. The sustainability of agricultural production is taken into account also by promoting a rational use of water resources and an efficient use of renewable energy resources.

The RDP will also support the diversification of farms in order to create new income opportunities, for instance through the development of holiday, social and school farms through an allocated budget of € 22 million in public expenditure and with an expected total private and public investment of almost € 49 million.

Food chain organisation, including processing and marketing of agricultural products, animal

welfare and risk management in agriculture

Under this priority, Umbria will support the promotion of quality products: the RDP is expected to support 819 farms to participate in quality schemes. The RDP will also support the development and strengthening of supply chains, including short supply chains and local markets, in order to enlarge the market of the regional products and ensure a higher added value to the farmer's production resulting in a higher income for the farmer. Cooperation and chain projects will also be financed for this purpose.

Restoring, preserving and enhancing ecosystems related to agriculture and forestry

Under this priority, Umbria will focus on environment-friendly farm investments, with a particular emphasis on quality of water: 35 % of agricultural land will be under contracts to improve water management. The problem of water erosion will be tackled by placing almost 29% of the agricultural land under management contracts combating soil erosion. Moreover around 15% of agricultural land and around 5% of forest will be under management contracts supporting biodiversity.

Around 31% of the allocated EAFRD amount will be used for area-based payments to farmers for using environment/climate-friendly land management practices, including organic farming, support to areas facing natural constraints and support to areas under Natura 2000 management. Over 36 000 hectares of farmland will receive support to either convert or maintain organic farming.

Resource efficiency and climate

Under this priority, RDP Umbria will pursue carbon conservation and sequestration mainly by supporting afforestation, agroforestry systems, the prevention and restoration of damage to forest, the improvement of the resilience and environmental value of forest ecosystems, as well as their conservation, also by encouraging environmentally and climate friendly forest conservation services.

The RDP will also pursue to reduction of greenhouse gas (GHG) emission through the implementation of specific agro-environment and climate measures. 4.5% of farmland will come under management contracts targeting reduction of GHG and/or ammonia emissions and 1.5% of farm and forest land under management contracts contributing to carbon sequestration or conservation. The region also expects investments of € 3.75 million of public and private funds in renewable energy production.

Social inclusion and local development in rural areas

RDP Umbria pays particular attention to social inclusion and economic development in rural areas, which are promoted through the support to farm and business development including also technological and ITC activities and services, and to the provision of basic services and village renewal in rural areas, including welfare and social care services.

Moreover, Local Development Strategies will be implemented through LEADER Local Action Groups and will cover over 80% of the rural population.

Thanks to the operations programmed under this priority, 50 additional jobs will be created, 34% of the rural population will benefit from improved services (including, for example, water supply for domestic use in areas with less than 3 000 inhabitants) and 24% of rural population in rural areas will benefit from new or improved broadband services/infrastructures.

The four ***biggest RDP measures*** in budgetary terms (total public funding) are:

- € 259 million allocated to measure 4 (Investments in physical assets)
- € 202 million allocated to measure 10 (Agro-environment-climate)
- € 107 million allocated to measure 13 (Areas Facing Natural Constrains)
- € 98 million allocated to measure 7 (Basic services in rural areas)

Annex 1: Indicative public support for the Rural Development Programme in Umbria

Target	Measure	€ Total public	%
Priority1: Knowledge transfer and innovation in agriculture, forestry and rural areas²			
1A: Fostering innovation, cooperation, knowledge base 8.12 % of RDP expenditure	01 knowledge		
	02 advisory		
	16 cooperation		
1B: Strengthening links (with research etc.) 148 cooperation projects	16 cooperation		
1C: Training 8 507 participants trained	01 knowledge		
Priority 2: Farm viability, competitiveness and sustainable forest management		316 869 555	26.05%
2A: Economic performance, restructuring & modernisation 4.71 % of holdings with RDP support	01 knowledge	1 488 308	0.12%
	02 advisory	1 536 170	0.13%
	04 investments	195 367 234	16.06%
	06 farm / business development	24 455 018	2.01%
	08 forest	5 230 100	0.43%
	16 cooperation	37 959 751	3.12%
	21 COVID-19 crisis	5 762 000	0.47%
2B: Generational renewal 1.55 % of holdings with RDP supported business development plan/investments for young farmers	01 knowledge	612 095	0.05%
	02 advisory	314 336	0.03%
	06 farm / business development	36 101 640	2.90%
	16 cooperation		
Priority 3: Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management		197 035 144	16.20%
3A: Improving competitiveness of primary producers 2.26 % of agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations 215 845 998,98 € total investment for the processing/ marketing and/or development of agricultural products	01 knowledge	1 255 560	0.10%
	02 advisory	692 990	0.06%
	03 quality schemes	10 188 000	0.84%
	04 investments	86 338 400	7.10%
	14 animal welfare	55 594 291	4.57%
	16 cooperation	26 995 252	2.22%
3B: Farm risk prevention and management 0.00% of farms participating in risk	05 restoring agric. potential	12 477 898	1.03%

² No financial allocation shown for Priority 1 as the expenditure is distributed across other focus areas.

management schemes	16 cooperation	3 562 751	0.29%
Priority 4: Restoring, preserving and enhancing ecosystems in agriculture and forestry²		401 987 705	33.05%
4A Biodiversity 14.62 % of agricultural land under contracts 5.12 % of forest/other wooded area under contracts	01 knowledge	2 581 288	0.21%
	02 advisory	1 154 416	0.09%
4B Water management 35.45 % of agricultural land under contracts	04 investments	7 995 000	0.66%
	10 AEC	197 879 151	16.27%
	11 organic farming	73 587 899	6.05%
4C Soil erosion and management 28.94 % of agricultural land under contracts	12 NAT-WFD	4 700 000	0.39%
	13 ANC	114 089 949	9.38%
Priority 5: Resource efficiency and shift to low carbon and climate resilience economy in agriculture, food and forestry sectors		104 361 542	8.58
5C Renewable energy Total investment in renewable energy production: € 3 750 000.00	01 knowledge	83 066	0.01%
	02 advisory	91 905	0.01%
	07 basic services	1 311 787	0.11%
	16 cooperation	1 203 750	0.10%
5D Reducing GHG and NH3 0.00 % of LU (Live-stock Unit) concerned by investments in live-stock management in view of reducing GHG (Green House Gas) and/or ammonia emissions 4.44 % of agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions	01 knowledge	768 616	0.06%
	02 advisory	158 470	0.01%
	10 AEC	4 450 000	0.37%
	16 cooperation	444 600	0.04%
5E Carbon conservation and sequestration 1.46% of agricultural and forest land under management contracts contributing to carbon sequestration or conservation	01 knowledge	446 703	0.04%
	02 advisory	156 094	0.01%
	08 Forests	89 707 400	7.38%
	15 Forestenvironment.	5 093 500	0.42%
	16 cooperation	445 650	0.04%

Priority 6: Social inclusion, poverty reduction and economic development in rural areas		182 610 872	15.01%
6A Diversification, creation of small enterprises and jobs 50 jobs created in supported projects	01 knowledge	2 270 114	0.19%
	02 advisory	130 070	0.01%
	06 farm / business development	8 354 408	0.69%
	16 cooperation	4 784 897	0.39%
6B Fostering local development 80.11 % rural population under local development strategies 33.85 % rural population with improved services/infrastructure 50 jobs created (via LEADER)	01 knowledge	545 929	0.04%
	02 advisory	160 060	0.01%
	07 basic services	81 126 522	6.67%
	16 cooperation	4 970 888	0.41%
	19 LEADER and CLLD	64 595 083	5.31%
6C Access to and quality of ICT 24.06 % of rural population benefiting from new or improved services/infrastructures (ICT)	01 knowledge	278 264	0.02%
	02 advisory	173 312	0.01%
	07 basic services	15 221 321	1.25%
	16 cooperation	0	0.00%
Technical Assistance		21 386 413.29	1.76%
Measure in transition		90 000	0.01%
Total public expenditure €		1 216 298 334.44	100%