



nov-21

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 recovery instrument, € 660.7 million of national co-funding and almost 21 million of additional regional financing).

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 each with their specific targets, and their allocated budgets.

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

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:

- € 282.7 million allocated to measure 4 (Investments in physical assets)
- € 196 million allocated to measure 10 (Agro-environment-climate)
- € 124,4 million allocated to measure 7 (Basic services in rural areas)
- € 101,4 million allocated to measure 13 (Areas Facing Natural Constrains)

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 | | 314 860 492 | 25.89% |
| 2A: Economic performance, restructuring & modernisation 4.71 % of holdings with RDP support | 01 knowledge | 1 271 413 | 0.10% |
| | 02 advisory | 1 124 334 | 0.09% |
| | 04 investments | 205 575 334 | 16.90% |
| | 06 farm / business development | 22 380 627 | 1.84% |
| | 08 forest | 6 050 000 | 0.50% |
| | 16 cooperation | 35 659 311 | 2.93% |
| | 21 COVID-19 crisis | 7 000 000 | 0.58% |
| 2B: Generational renewal 1.55 % of holdings with RDP supported business development plan/investments for young farmers | 01 knowledge | 768 301 | 0.06% |
| | 02 advisory | 531 170 | 0.04% |
| | 06 farm / business development | 33 500 000 | 2.75% |
| | 16 cooperation | 1 000 000 | 0.08% |
| Priority 3: Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management | | 190 126 699 | 15.63% |
| 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 | 1 050 924 | 0.09% |
| | 02 advisory | 625 594 | 0.05% |
| | 03 quality schemes | 10 188 000 | 0.84% |
| | 04 investments | 86 338 400 | 7.10% |
| | 14 animal welfare | 42 570 800 | 3.50% |
| | 16 cooperation | 28 887 610 | 2.38% |
| 3B: Farm risk prevention and management 0.00% of farms participating in risk | 05 restoring agric. potential | 16 779 807 | 1.38% |

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

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|--|------------------------|--------------------|---------------|
| management schemes | 16 cooperation | 3 685 566 | 0.30% |
| Priority 4: Restoring, preserving and enhancing ecosystems in agriculture and forestry² | | 369 063 377 | 30.34% |
| 4A Biodiversity 14.62 % of agricultural land under contracts 5.12 % of forest/other wooded area under contracts | 01 knowledge | 2 378 804 | 0.20% |
| | 02 advisory | 1 128 859 | 0.09% |
| | 04 investments | 8 400 000 | 0.69% |
| 4B Water management 35.45 % of agricultural land under contracts | 10 AEC | 190 653 000 | 15.67% |
| | 11 organic farming | 60 398 825 | 4.97% |
| | 12 NAT-WFD | 4 700 000 | 0.39% |
| 4C Soil erosion and management 28.94 % of agricultural land under contracts | 13 ANC | 101 403 890 | 8.34% |
| Priority 5: Resource efficiency and shift to low carbon and climate resilience economy in agriculture, food and forestry sectors | | 111 002 106 | 9.13 |
| 5C Renewable energy Total investment in renewable energy production: € 3 750 000.00 | 01 knowledge | 83 066 | 0.01% |
| | 02 advisory | 130 640 | 0.01% |
| | 07 basic services | 3 000 000 | 0.25% |
| | 16 cooperation | 2 800 000 | 0.23% |
| 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 | 5 300 000 | 0.44% |
| | 16 cooperation | 500 000 | 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 | 489 220 | 0.04% |
| | 02 advisory | 156 094 | 0.01% |
| | 08 Forests | 90 200 000 | 7.42% |
| | 15 Forest-environment. | 6 114 000 | 0.50% |
| | 16 cooperation | 1 302 000 | 0.11% |

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| Priority 6: Social inclusion, poverty reduction and economic development in rural areas | | 209 769 246 | 17.25% |
| 6A Diversification, creation of small enterprises and jobs 50 jobs created in supported projects | 01 knowledge | 1 487 924 | 0.12% |
| | 02 advisory | 108 388 | 0.01% |
| | 06 farm / business development | 11 200 000 | 0.92% |
| | 16 cooperation | 3 345 151 | 0.28% |
| 6B Fostering local development <u>80.11 %</u> rural population under local development strategies <u>33.85 %</u> rural population with improved services/infrastructure <u>50 jobs</u> created (via LEADER) | 01 knowledge | 545 929 | 0.04% |
| | 02 advisory | 106 487 | 0.01% |
| | 07 basic services | 84 885 800 | 6.98% |
| | 16 cooperation | 6 670 362 | 0.55% |
| | 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 | 160 804 | 0.01% |
| | 02 advisory | 106 962 | 0.01% |
| | 07 basic services | 36 556 354 | 3.01% |
| | 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% |