

WORKING DOCUMENT
RURAL DEVELOPMENT COMMITTEE

Member State / Region: Italy / Region Liguria

1. APPROVED PROGRAMME: Programma di sviluppo rurale della Regione Liguria 2007-2013 - C(2007) 5714 of 20 November 2007. CCI 2007IT06RPO006

2. LEGAL BASIS FOR THE MODIFICATION

-Modification related to the first implementation of Article 16a of Regulation (EC) No 1698/2005; Changes to the total Community contribution for the entire programming period - Modifications under Article 6, paragraph 1, letter a) of Regulation (EC) No 1974/2006

-Other modifications – under Article 6, paragraph 1, letter c), of Regulation (EC) No 1974/2006

3. REASONS JUSTIFYING THE AMENDMENT / STRATEGY CHOSEN

The revision of the RDP Liguria concerns:

- 1) Amendments following the adoption of the Health Check and the Recovery Package
- 2) Amendments necessary to ensure a better implementation of the programme and/or following modifications of the legal and administrative framework.

Amendments following the adoption of the Health Check (HC) and the European Recovery Package (RP) as well as the programming of additional money form modulation/wine.

Following the adoption of the HC and RP, and in coherence with the revised CSG, the Italian NSP first presented to the Commission on 13/07/09 takes into account all the New Challenges, including broadband infrastructure.

In this context, the RDP Liguria has been assigned a total of 9,278,000 € in terms of EAFRD additional contribution, of which 9,025,000 € for HC/RP, and 253,000 € from modulation/wine.

The RDP Liguria already includes the priorities and actions to meet all the New Challenges. Consequently, the proposed modification does not introduce new priorities, but strengthens and/or modifies existing actions and operations. Following the revision of the CSG and the NSP, an assessment of the priorities that need to be strengthened has been carried out.

The analysis of the situation in terms of strengths and weaknesses has been revised supported by updated data related to the different priorities. Issues like the reduction of costs of production in the dairy sector, biodiversity in rural areas including the state of play of management plans, quality of water, emissions of GHG, including information on recent developments in EU legislation (ie Nitrates directive, Natura 2000 areas, EC Communication COM C(2009)103 on Better access for rural areas to modern ICT, white book on climate change), has been provided. Following the review of the analysis, the additional Community funds will therefore be allocated to the following priorities: biodiversity (38.78%), water management (26.01%), climate change (15.43%), broadband (14.24%), and renewable energies (5.54%).

In terms of financial weight of the axes, the overall balance (including additional resources) remains unchanged and is the following: Axis 1 is the most important, with 45.83% of the total budget. Axis 2 represents 25.57% of the total programme budget and Axis 3 represents 7.38%. Finally, 2.84% of the resources will be allocated to technical assistance.

4 DESCRIPTION OF THE AMENDMENTS PROPOSED:

4.1 New priorities / types of operations

- Concerning the 'New Challenges' the situation is the following:

Climate change

Climate change is a priority for intervention already included in the approved RDP. A number of actions already meet this priority. The emissions of greenhouse gasses linked to agricultural activities are limited because of the particular situation of the regional agriculture, where the surfaces are modest, livestock production is limited, and the mechanization level low. However, the territory of Liguria is particularly exposed to climate change effects, the intensity and frequency of extreme weather events (heat waves, rainstorms, draught, etc.) have increased in the recent years, with increased damages to agricultural activities. Therefore, part of the additional resources will be allocated to this challenge for operations under measures 226 and 227.

Water management

Water management is a priority for intervention already included in the approved RDP. A number of actions already meet this priority. The incidence of irrigated UAA in Liguria is lower than the national average, however, the regional priority is not to increase it, but to reduce water consumption and supply through the re-use of waste waters. In relation to water quality, one of the main problems is groundwater salination which affects the coastline areas especially in Summer, because of the increase of consumption for agriculture and tourism. Another problematic element is the presence of pesticides in the water; in Liguria the use of chemicals is significant mainly due to fungicides and other chemical products used in flower and vegetable production. The priority for the Region is to strengthen actions related to sustainable water management through investments in agricultural industry and infrastructure. Therefore, part of the additional resources will be allocated to this challenge under measures 123 and 125.

Biodiversity

Biodiversity is a priority for intervention already included in the approved RDP. A number of actions already meet this priority. Liguria is highly biodiverse with numerous natural habitats. As a consequence, Natura 2000 areas are very important and cover more than 25% of the territory. SCIs are and SPZs are located both in the Alpine, Mediterranean and continental bio-geographical areas of the region. Nearly 28% of the regional forests and 7% of the regional UAA are located on a Natura 2000 site. 72 of the 175 national habitats are located in Liguria: of these, 3 are present only in Liguria and 14 are listed as priority by Directive 92/43/EEC. Therefore, part of the additional resources will be allocated to this priority under measure 216.

Renewable energies

Renewable energy is a priority for intervention already included in the approved RDP. Bioenergy use is not very developed, and the perspectives for bioenergy crops are extremely limited because of the characteristics of the regional agriculture. The production of bioenergy from wood and forest byproducts is, on the contrary, increasing and could be further developed. At present, however, the energy produced is limited, but the difficulty in disposing of the wastes resulting from manure processing has lead the Region to identify the possibility to instead use these wastes to produce renewable energy and re-use heat for cogeneration purposes. Therefore, part of the additional resources, will be allocated to this priority under measure 312.

Broadband infrastructure in rural areas

The EU Recovery Package and the strategic guidelines consider investments in broadband of major importance for the direct and indirect creation of employment and growth. In this field, the objective of the Italian NSP is to secure access to all citizens to fast (20 Mbit/s) broadband. In Liguria although most of the regional territory is covered by ADSL, some internal rural areas still have no access at all to the connection. Therefore, part of the additional resources, will be allocated to the completion of the territorial coverage of broadband infrastructure in rural areas, and to upgrade existing infrastructure to increase the connection speed under measure 321.

Table 5.3.6 of the RDP

Measure	Type of operation	Potential effect	Existing' or 'New' type of operation (E or N)	Reference to the description of the type of operation in the RDP	Output indicator – target
Priority: Water management					
Axis 1 Measure 123	Installations for waste water treatment on farms and in processing and marketing.	Improvement of the capacity to use water more efficiently	N	Operation 7 – Investments for the reduction of water consumption and for the treatment and reuse within the holding and for water saving.	- Number of holdings supported: 6 - Ha supported ('000 EUR): 1416
Axis 1 Measure 125	Water saving technologies (eg efficient irrigation systems) Water storage (including water overflow areas)	Improvement of the capacity to use water more efficiently	E (B3) N (B4)	Operation B.3 – Development and upgrade of infrastructure for the agricultural use of waste water, and related networks between civil plants for water treatment and the irrigation network. Operation B.4 – Investments in infrastructure for irrigation and/or drinking purposes, for animal breeding, aiming at the saving and rationalization of water consumption (without increase of water usage)	-Number of actions supported: Operation B3: 2 Operation B4: 10 - Ha supported ('000 EUR): Operation B3: 843; Operation B4: 3000
Priority: Biodiversity					
Axis 2 Measure 216	Perennial field and riparian boundary strips and biobeds	Protection of birds and other wildlife, reducing entry of harmful substances in bordering habitats, conservation of protected fauna and flora	N (1b) E (2b)	Action 1b): Development of ecological corridors, upgrading of the ecological network and improvement of the degree of connectivity between protected areas through the recovery of stonewalls. Action 2b): Creation or recovery of small basins/pits in order to ensure a good water availability (for wildlife) especially in drought periods, and to ensure wet areas for protected fauna and flora	- Number of beneficiaries: action 1b): 745; action 2b): 12 - Total volume of investments ('000): action 1b): 5500; action 2b): 216
Priority: Climate change adaptation and mitigation					
Axis 2 Measure	Prevention actions against forest fires and climate-related	Carbon sequestration in forests and avoidance of carbon dioxide	E	Operation 1: Prevention interventions of damage caused to the forest heritage from fires or other natural disasters; these interventions	- Number of prevention/recovery interventions supported: 7

226	natural disasters	emissions, reduction of negative effects of climate change on forests		may concern both structural interventions in the forests and infrastructural interventions. Operation 2: Interventions for forest recovery to ensure safety, including protection of soil against erosion, and recovery of environmental, economic and social value of forests destroyed or damaged from fires or other natural disasters.	- Total volume of investments ('000): 727
Axis 2 Measure 227	Conversion to more resistant forest stand types.	Reduction of negative effects of climate change on forests	E	Operation 1: Interventions to restore the structural and specific equilibrium of forests, and for the development of particular botanical, naturalistic, landscape, and environmental aspects of forest formations (for example the replacement of coniferous trees with autochthonous broadleaved species)	- Number of prevention/recovery interventions supported: 20 - Total volume of investments ('000): 1802
Priority: Renewable energy					
Axis 3 Measure 312	Processing of agricultural / forest biomass for renewable energy	Substitution of fossil fuels	E	Operation 4: Development of plants powered by biomass, up to 1MW.	- Number of microenterprises supported / created: 6 - Total volume of investments ('000): 2041
Priority: Broadband infrastructure					
Axis 3 Measure 321	A. Creation and enabling access to broadband infrastructure including backhaul facilities and ground equipment. B. Upgrade of existing broadband infrastructure. C. Laying down passive broadband infrastructure also in synergy with other	na	N	Action C: Infrastructure for access to broadband	- Number of actions supported: A: 1 B: 1 C: 1 - Total volume of investments ('000): A: 1000 B: 524 C: 524

	infrastructures				
	Creation and enabling access to broadband infrastructure including backhaul facilities and ground equipment (ie fixed, terrestrial wireless, satellite-based or combination of technologies).	na	N	Action D: Support for the connection to satellite technology.	- Number of actions supported: 100 - Total volume of investments ('000): 50

4.2 Description of the amendments proposed to axes and measures

- **Modifications under Article 6, paragraph 1, letter a) of Regulation (EC) No 1974/2006**

Measure 123(Adding value to agricultural and forestry products)

Introduction of a new operation in relation to *water management*: Investments for the reduction of water consumption and for the treatment and reuse within the holding and for water saving in relation to the following sectors: fruit and vegetables, olives, viticulture, dairy.

Output indicators linked to HC operations: N. farm holdings supported: 6; total volume of investments: 1.4 M€

Measure 125 (Infrastructure related to the development and adaptation of agriculture and forestry)

Strengthening of existing operation B3) and introduction of a new operation B4) in relation to *water management*.

B3) Development and upgrade of infrastructure for the agricultural use of waste water, and related networks between civil plants for water treatment and the irrigation network; B4) Investments in infrastructure for irrigation and/or drinking purposes, for animal breeding, aiming at the saving and rationalization of water consumption (without increase of water usage).

Aid intensity: for the whole measure the aid intensity is being modified as follows: 80% for private entities and 90% for public entities.

Output indicators linked to HC/RP operations: N. operations supported: 12; total volume of investments: 3.8 M€

Measure 216 (Non productive investments)

Strengthening of existing action 2b) and introduction of new action 1b) in relation to *biodiversity*.

1b) Development of ecological corridors, upgrading of the ecological network and improvement of the degree of connectivity between protected areas through the recovery of stonewalls. 2b) Creation or recovery of small basins/pits in order to ensure a good water availability for wildlife especially in drought periods, and to ensure wet areas for protected fauna and flora.

Output indicators linked to HC/RP operations: N. beneficiaries supported: 757; total volume of investments. 5.7 M€

Measure 226 (Restoring forestry potential and introducing prevention actions)

Strengthening of existing operations 1) and 2) in relation to *climate change*.

1) Prevention interventions of damage caused to the forest heritage from fires or other natural disasters; these interventions may concern both structural interventions in the forests and infrastructural interventions; 2) Interventions for forest recovery to ensure safety, including protection of soil against erosion, and recovery of environmental,

economic and social value of forests destroyed or damaged from fires or other natural disasters.

Output indicators linked to HC/RP operations: N. of prevention/recovery interventions supported: 7; total volume of investments. 962 K€

Measure 227 (Non productive investments)

Strengthening of existing operation 1) in relation to *climate change*: Interventions to restore the structural and specific equilibrium of forests, and for the development of particular botanical, naturalistic, landscape, and environmental aspects of forest formations (for example the replacement of coniferous trees with autochthonous broadleaved local species).

Output indicators linked to HC/RP operations: N. of prevention/recovery interventions supported: 20; total volume of investments. 1.8 M€

Measure 312 (Support for the creation and development of microenterprises):

Strengthening of existing operation 4) in relation to *renewable energies*: Development of plants powered by biomass, up to 1MW.

Output indicators linked to HC/RP operations: N. of microenterprises supported/created: 6; total volume of investments. 2 M€

Measure 321 (Basic services for the economy and rural population): 2 new actions introduced C) *Infrastructure for access to broadband*, and D) *Support for the connection to satellite technology*.

Eligible operations for action C) include:

- creation and enabling access to broadband infrastructure including backhaul facilities (ie wireless infrastructures; technology based on, or combined with, satellite systems), optical fibre, and ground equipment;
- upgrade of existing broadband infrastructure;
- laying down passive broadband infrastructure also in synergy with other infrastructures (ie energy, transport, water distribution, wastewater systems)

Eligible investments for action D) include satellite technology for remote rural areas, through the purchase of decoders and/or satellite dish. Localisation: C and D areas.

Beneficiaries: Action C) Region Liguria. Action D) enterprises and rural population. The types of investments supported by Action D) will not, in any case, be financed under other measures of the RDP.

Aid intensity: 100% of costs.

Complementarity with EFRD: new broadband infrastructure will be financed exclusively by EAFRD in listed "white areas" in rural C and D areas; the EFRD will cover other areas.

State aid provisions: for action C) operations: aid will be granted according to *de minimis* until national State aid scheme for broadband, already notified to the Commission, will be approved; for action D) operations: aid will be granted according to *de minimis*.

Output indicators linked to HC/RP operations: Action C: 1) Creation of broadband infrastructure: 1 action supported and 1 M€ of total investments; 2) Upgrade of existing infrastructure: 1 action supported and 524 K€ of total investments 3) Passive broadband

infrastructure: 1 action supported and 524 K€ of total investments. Action D: 100 actions supported and 50 K€ of total investments

- **Other modifications – under Article 6, paragraph 1, letter c), of Regulation (EC) No 1974/2006**

1) Correction of some printing errors in the approved text.

2) See description below:

Ch.5.2 (Requirements concerning all or several measures): following the modification of article 56 of R. 1974/2006 on advance payments, the possibility to increase the amount of advances up to 50% of the public aid related to the investment has been introduced, in the case of investments for which the individual decision to grant support is taken in 2009 or in 2010. This applies to the following measures only for investments: 121, 122, 123, 124, 125, 126, 216, 226, 227, 311, 312, 313, 321, 322, 323.

Measure 121 (Modernisation of agricultural holdings): a new type of investment is introduced: fencing of land suitable for agricultural crops of high value or agricultural land suitable for pastures. *The introduction of this new type of investment has been made in order to avoid ambiguous interpretation of existing text which made it unclear whether this type of investment was eligible or not. This specification should ensure a harmonised implementation of the measure on the whole regional territory.*

Measure 311 (Diversification into non-agricultural activities)

Aid intensity is fixed at 60% of the eligible investment in mountain areas and 50% in other areas, removing the additional 10% for young farmers.

Measure 312 (Support for business creation and development)

For coherence with the NSP and the National Strategic Framework related to Cohesion Policy, the demarcation with the EFRD has been corrected for power plants producing renewable energy from biomass, ie the RDP supports power plants up to 1MW and the EFRD supports plants above 1MW. The ceiling was previously indicated as 0.5 MW.

Measure 321 (Basic services for the economy and rural population): the objective of the measure has been reviewed in relation to the reception of the additional RP funds for broadband infrastructure. The description of actions A and B related respectively to services for enterprises and services for the rural population has been further detailed to include upgrading in addition to setting-up of services.

Ch. 9 (Elements needed for the appraisal under competition rules)

Table 9B has been updated with reference to the new broadband infrastructure operations under measure 321, and to include, in compliance with the new regulatory requirements, the following forestry related measures: 111, 114, 125, 221, 223, 226, 227, for which aid will be granted according to *de minimis*.

Ch. 10.1 (Complementarity with first Pillar):

Ex ante and ex post checks of the demarcation criteria will be carried out by the national paying agency.

Fruit and Vegetables: the demarcation has been reviewed following the last modification of the NSP. There are no recognized POs in Liguria. For producers from Liguria who

belong to POs of other Regions demarcation criteria are defined as follows: concerning measures 121 and 123, the members of POs will be supported by the RDP only for operations above 100.000 € (for measure 121) and above 250.000 € (for measure 123). Concerning measure 111, the training activities supported by the RDP will not be addressed to the members of the POs for the issues in the National strategy. In relation to measure 114, the RDP supports consultancy services in relation to conditionality and safety at work, while the consultancy services related to production and marketing of fruit and vegetables will be supported only by the CMO. Agri-environmental measures: POs will not support organic and integrated farming nor other specific AE interventions foreseen by the national CMO strategy and in particular by the environmental framework with reference also to the individual commitments for integrated and organic farming under the related actions in measure 214 of the RDP.

Investments by holdings which do not belong to any PO will be supported by the RDP for all types of investments

Olive oil: in relation to measures 111 and 114, PO members will be supported by the RDP for aspects not covered by the CMO. In case of measures for developing physical potential, all the investments related to agricultural production, processing and marketing realised by PO members will be financed under measure 121 and measure 123. CMO will finance only those operations that are not admissible for support in the RDP. The olive oil sector is excluded from measure 132 both for the PDO/PGI products listed, and for organic.

Wine: the restructuring and the reconversion of vineyards will be financed only by the RDP. *As a result of the CMO wine reform, the new provisions did not respond to the regional needs of Liguria in the wine sector, therefore, in order to be able to successfully reach the restructuring objectives identified by the CMO reform, the Region has chosen to get full support only from the RDP which better responds to its particular needs.*

Bee keeping: the modification introduces the possibility to support the purchase of hives, and selected swarms with the RDP.

Ch. 10.2 (Demarcation with other Community support instruments)

The demarcation between RDP and EFRD for the following measures has been revised:

Measure 121: the RDP supports investments in agricultural holdings that concern production, processing, and marketing of Annex I agricultural products. The EFRD does not support any intervention for agricultural holdings.

Measure 125: in relation to the energy sector, the RDP supports infrastructure which service numerous agricultural and forestry holdings. The EFRD does not support infrastructure for the distribution of energy.

Measure 312: in relation to the energy sector, the RDP supports microenterprises which realize power plants with capacity up to 1MW and which are powered by autochthonous biomass species, and that respond to criteria of sustainability of the energy balance. The EFRD supports plants powered by sources different from biomass; with power capacity above 1 MW if biomass is used; and in any case realised by enterprises larger than microenterprises.

Measure 321: new broadband infrastructure will be financed exclusively by EAFRD in listed "white areas" in rural C and D areas; the EFRD will cover other areas.

Specific support (Article 68 of Regulation (EC) No. 73/2009): the following specific support measures will be implemented in Italy: a) measures for improving the quality of agricultural products (for beef, sheep meat, olive oil, milk, tobacco, sugar and *danae racemosa* – Alexandrian laurel), b) a measure for supporting specific agricultural activities entailing additional agri-environment benefits (rotation – this measure will not be implemented in Liguria), c) crop, animal and plant insurance premiums. Similar or identical operations financed under article 68 will not be supported under the RDP. In relation to the olive oil sector Liguria will exclude support from measure 132, until it is clarified nationally what exactly is eligible for support for this sector under Art. 68.

Ch.11 (Designation of competent authorities and bodies responsible): the national certifying body has changed as of the financial year 2008, consequently the reference in the chapter has been modified.

Ch.12 (Composition of the monitoring committee): the paying agency, AGEA, was erroneously listed with the member of the MC which have "voting" capacity. Following a complaint by AGEA, this has been corrected and AGEA is now being listed with the members which have only consultative capacity, like the Commission.

Indicators: some of the measure result, output and impact indicators have been reviewed and updated in terms of quantification and/or unit of measurement to better fit the CMEF requirements in the framework of the RDP indicators review exercise carried out between DG Agri and the European Rural Development Network. As described in the previous section of this WD, specific output and result indicators have been defined for the HC related actions.

5. THE EXPECTED IMPACTS OF THE AMENDMENTS

Impact on the programme implementation:

The modifications under Art. 6.1.a of Reg. 1974/2006 define the actions and operations which will be reinforced with the additional resources to meet the challenges linked to climate change, renewable energies, water management, biodiversity, and broadband.

The modifications under Art. 6.1.c will contribute to a better implementation of the programme by clarifying the correct interpretation of some measures and by adapting the demarcation with the first pillar to the revised EU and national legislation.

Impact on the indicators:

Output, result and impact indicators have been updated to take into consideration the additional support for HC/RP operations. For the revised result and output indicators see the description of the relevant measures.

6. ASSESSMENT

General assessment of the modification

- *Justification and description that amendments are in line with the National strategy plan, notably in relation with the priorities chosen.*

The choices made by the Region in terms of "New Challenges" are duly justified. They are coherent with the Italian NSP and the CSG.

- *Verification that the changes are in conformity with the Council Regulation (EC) No 1698/2005 and with the Commission Regulation (EC) No 1974/2005.*

The modifications comply with the relevant requirements of Regulation (EC) No 1698/2005 and Regulation (EC) No 1974/2006.

- *Appraisal of respect of competition rules.*

For measures concerned, support will be granted either according to the *de minimis* rule or in the framework of an approved State aid scheme.

Support for broadband infrastructure will temporarily be granted according to the *de minimis* rule. Demarcation with EFRD intervention is based on localisation of interventions.

7. FINANCING

Tables 6.1, 6.2 and 6.3 provided in the RDP.

Table 6.1 – Annual contributions from the EAFRD (Euro)

	2007	2008	2009	2010	2011	2012	2013	Total
Non convergenc e region	15.548.000	15.456.000	15.022.000	15.244.000	15.095.000	15.026.000	14.909.00	106.300.000
Additional funds from Article 69(5a) of Regulation (EC) No 1698/2005 – non-convergenc e region			756.000	1.814.000	1.639.000	2.137.000	2.679.000	9.025.000
Total	15.548.000	15.456.000	15.778.000	17.058.000	16.734.000	17.163.000	17.588.000	115.325.000

Table 6.2.1 - Financial plan by axis (in EUR total period)

Axis	RDP Liguria / Non convergence region - Public contribution (Euro)		
	Total public	EAFRD contribution rate (%)	EAFRD amount
Axis 1	144.289.811	35.00	50.501.434
Axis 2	55.892.093	44.00	24.592.521
Axis 3	15.284.091	44.00	6.725.000

Axis 4	54.383.077	39.00	21.209.400
Technical Assistance	7.435.557	44.00	3.271.645
Total	277.284.629	38.34	106.300.000

Table 6.2.2 - Financial plan by axis - Additional funds from Article 69(5a) of Regulation (EC) No 1698/2005

RDP Liguria - New Challenges - Public contribution (Euro)			
Axis	Total public	EAFRD contribution rate (%)	EAFRD amount
Axis 1	3.833.088	61.23	2.347.000
Axis 2	7.991.181	61.23	4.893.000
Axis 3	2.915.238	61.23	1.785.000
Axis 4			
Technical Assistance			
Total	14.739.507	61.23	9.025.000

Table 6.3 - Indicative budget related to operations referred to in Article 16a of Regulation (EC) No 1698/2005 between 1 January 2009 and 31 December 2013. (Article 16a(3b) up to the amounts specified in Article 69(5a) of Regulation (EC) No 1698/2005).

Axis/measure	EAFRD contribution 2009-2013
Axis 1	
Measure 123 (water management)	347.000
Measure 125 (water management)	2.000.000
Total axis 1	2.347.000
Axis 2	
Measure 216 (biodiversity)	3.500.000
Measure 226 (climate change)	400.000
Measure 227 (climate change)	993.000
Total axis 2	4.893.000
Axis 3	
Measure 312 (renewable energies)	500.000
Measure 321 (broadband infrastructure)	1.285.000
— Related to priorities listed in Article 16a(1), points (a) to (f) of Regulation (EC) No 1698/2005	500.000
— Related to priorities listed in Article 16a(1), point (g) of Regulation (EC) No 1698/2005	1.285.000

Axis/measure	EAFRD contribution 2009-2013
Total axis 3	1.785.000
Axis 4	0
Total axis 4	0
Total programme	9.025.000
— Total under Axis 1, 2, 3 and 4 related to priorities listed in Article 16a(1), points (a) to (f) of Regulation (EC) No 1698/2005	7.740.000
— Total under Axis 3 and 4 related to priorities listed in Article 16a(1), point (g) of Regulation (EC) No 1698/2005	1.285.000