

**WORKING DOCUMENT**  
**RURAL DEVELOPMENT COMMITTEE**

**MEMBER STATE: Italy**

**REGION: Veneto**

**1. APPROVED PROGRAMME:** Rural Development programme 2007-2013 of Veneto –  
Decision C(2007) 4682 of 17/X/2007  
CCI 2007IT06RPO014

**2. LEGAL BASIS FOR THE MODIFICATION**

Modification related to the first implementation of Article 16a of Regulation (EC) No 1698/2005; the allocation of modulation and CMO wine additional funds – 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 RDP Veneto concerns:

- 1) Amendments following the adoption of the Health Check and the European 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 and European Recovery Package and the allocation of modulation and CMO wine additional funds – Modifications under Article 6, paragraph 1, letter a), of Regulation (EC) No 1974/2006**

Following the adoption of HC and the ERP, and in coherence with the revised Community Strategic Guidelines, the Italian NSP first presented to the Commission on July 13 takes into account all the new priorities, including broadband infrastructures.

In this context, the RDP Veneto has been assigned a total of 79.508.000 € in terms of EAFRD additional contribution, of which 47.432.000 € for new challenges and broadband and 32.076.000 € from modulation/wine.

The RDP Veneto already includes all the priorities linked to the “new challenges”. Consequently, the proposed modification does not concern the introduction of new priorities, but the reinforcement and/or the modification of existing actions as well as the introduction of new operations. Following the revision of the CSG and the NSP, an assessment of which priorities have to be reinforced has been carried out.

The analysis of the situation in terms of strengths and weaknesses has been up-dated, this concerning all the new challenges in the HC and the availability of internet infrastructure in the rural areas. Needs and strategies linked to the new challenges have been also revised. Following the results of the analysis, the additional resources will be allocated to the new priorities as follows: climate change: € 10.450.000 (22.03%), water management: € 8.300.000 (17.50%), renewable energy: € 5.662.750 (11.94%), dairy sector: €19.088.250 (40.24%), and broadband infrastructures in the rural areas: € 3.931.000 (8.29 %).

In terms of financial weight of the axis, the additional resources have been allocated to axes I, II and III. This does result in a modification of the overall balance, which is as follows: Axis I, with 46,05% of the total budget . Axis II represents 36,11% of the total programme's budget and axis III 6,15%. Leader accounts for 9,19%. Finally, 2,50% of the resources will be devoted 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:

##### ***Water management***

The preservation of the water in the view of the shortage of this resource, as recorded in the recent years, is crucial. The reductions in the rainfalls and consequent longer periods of drought occurred recently and they have been correlated to climate change. The analysis highlights the problems linked to the availability of water for agricultural purposes and the decline in its quality. A reinforcement of the strategy already in the approved RDP is deemed necessary in order to preserve water for agriculture use and to prevent a negative impact deriving from climate change on this important resource too. The irrigation system in agriculture is also analysed. The result is the need for a technological improvement of the irrigation with water saving methods. The approach in saving water is also crucial insofar food sector is concerned and investment for use of waste water for processing is considered a strategic need. A new action (214i) addressing this priority has been added in Measure 214 with additional allocation from HC. The state of art of the implementation of the WFD has been provided. The information concern the monitoring system and the definition of protected areas according to article 6 of directive 2000/60. The management plan of the Water basins have been set out according to art 13 of WFD. An update of the implementation of the Nitrate directive has been also provided. The classification of the NVZs areas has been revised. Now 61% of the regional territory is classified and managed according to Nitrate directive.

The resources made available by HC have been allocated to measure 214, 221 and 223. The new actions added in these measures will aim at the improvement of the water quality.

##### ***Renewable energies***

The analysis shows an important contribution that agriculture and forestry could give to the energy production from agro-forestry biomass. This opportunity can be exploited in order to reduce the emissions of greenhouse effect gases. The substitution of fossils fuels

with renewable sources of energy will improve the quality of air and combat climate changes too. To increase the production of energy from renewable sources other than biomass (wind, solar, hydroelectric) and to improve energy efficiency are also deemed strategic in order to meet this new challenge. The budget of the actions/operations in Axis I and III of the approved RDP that can contribute to this priority are deemed adequate to meet the needs highlighted in the updated analysis and to support adequately investments related to renewable sources of energy. However additional allocations will be provided in order to improve the processing of forestry biomass (measure 122) and to transform the forestry biomass into energy for the needs in the forestry sector (measure 123).

### ***Climate change***

In order to tackle the climate change priority in agriculture increasing of carbon sink is deemed crucial. Beside the carbon sink provided by forests, the potential of carbon sink in the soils can be exploited. Indeed the analysis presents the impact on carbon sequestration also deriving from agricultural practices like minimum work of land, precision agriculture, green cover, etc. Therefore additional allocations will be provided to a new action in measure 214 (214i) in order to tackle climate change needs.

### ***Biodiversity***

The approved RDP provide already a robust support to biodiversity. The planned actions in Axis II are focusing on this issue. Tough possible threats to biodiversity and protection of high natural value areas have been highlighted in the updated analysis the support to measure dealing with this priority is considered adequate in order to tackle biodiversity needs. Moreover a new actions (non HC) has been added in measures 216 – Non productive investments intended to recover abandoned pasture - will contribute to the enhancement of biodiversity in the region.

### ***Measures accompanying restructuring of the dairy sector***

The quota reductions will have a bigger impact on the price level on the milk not intended to be processed in to high quality products and on other milk products. Therefore negative effects are being predicted mainly on the "ordinary produce" where there will be a need for reduction of production costs in order to be competitive. The dairy farms in mountainous areas will be more severely affected by the reduction of the prices compare to the dairy farms in the plan areas. A least economic efficiency due to the low economy of scale the main reason for intervening in this productive located in mountainous areas. Here the support to the dairy sector will be beneficial to rural population living in those areas and to the maintenance a specific environment and local habits and traditions. In plane areas the support will directed towards to reduction of the productive costs by the modernisation, innovation, and improvement of the work organisation. Therefore, further financial support is judged necessary and it will be allocated to measures 121 and 123 in the RDP.

### ***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 (up to 20 Mbit/s) broadband. The interventions planned in the RDP with additional

financial support from RP will be complementary to the interventions in the ERDF und and other national financial aids. The measure 321 already foresaw a reinforcement of the investments for infrastructures ITC in order to overcome the digital divide in the region. The analysis show that the availability of ADSL connection to Internet is depending to 2 factors: medium period digital divide and long period digital divide. 8% of the population is the situation of Long Period Digital Divide. Thus investments for creation of infrastructures including backhaul infrastructures are needed. Therefore additional resources will be allocated to this measure in order to meet the new challenge "Broadband" in the sake of complementarity with other financial resources and for the completion on a single regional scheme for the improvement of Internet connection. The priority for intervention is given to C and D rural areas.

### ***Innovation***

The analysis highlights the strategic role of innovation in the aim of improving/pursuing the development of innovative technologies, products and process to support all the efforts being put to face all the new challenges. At this regard measure 124 will be reinforced with additional allocation with the particular aim of pursuing innovation in the field environmental challenges.

- *Table 5.3.6 provided in the RDP*

<b>Axis/measure</b>	<b>Type of operation</b>	<b>Potential effects</b>	<b>Type of operation "Existing" or "new"</b>	<b>Reference to the description of the Type of operation in the RDP</b>	<b>Indicator of output/result</b>
<b>Axis 1</b>					
Measure 121	Investments support related to dairy sector	Improvement of the competitiveness of the dairy sector	E	Measure 121	Number of farms and holding belongings to other land managers receiving support: 371 Volume of investment: 48.302.000€
Measure 122	Processing of agriculture/forest biomass for renewable energy	Substitution of fossils fuels	N	Measure 122	Number of farms and holding belongings to other land managers receiving support: 109 Volume of investment: 7.841.000€
Measure 123	Processing of agriculture/forest biomass for renewable energy	Substitution of fossils fuels	N	Measure 123 F	Number of holdings: 39 Volume of investment: 9.232.000 €
Measure 123	Improvement in processing and marketing related to dairy	Improvement of competitiveness of the dairy sector	N	Measure 123	Number of holdings: 9 Volume of investment: 3.250.000 €
<b>Axis 2</b>					
Measure 214	Soil management practices (catch crops, organic farming, conversion of	Contributing to the reduction of losses of different compounds	N	Measure 214 I (cover crops)	Number of farmers supported: 1655 Total area under agro environmental scheme: 4139

	arable land into permanent pasture)	to water, including phosphorus			Number of contracts: 1655
					Total areas supported: 4139
Measure 214	Soil management practices (tillage methods, catch crops, diversified crop rotations)	Reduction of nitrous oxide, carbon sequestration	N	Measure 214i:: conservative agriculture	Number of farmers supported: 2424
					Total area under agro environmental scheme: 6060
					Number of contracts: 2424
					Total areas supported(ha): 6060
Measure 221	Conversion of agricultural land into forest/agro-forestry system	Protection and improvement of water quality	N	Measure 221	Number of beneficiaries 80
					Established areas(ha) 250
Measure 221	Afforestation, establishment of agro-forestry system	Reduction of N2O emission, carbon sequestration	N	Measure 221	Number of beneficiaries 20
					Established areas(ha) 50
Measure 222	Afforestation, establishment of agro-forestry system	Reduction of N2O emission, carbon sequestration	N	Measure 222	Number of beneficiaries 250
					UAA supported(ha) 900
Measure 223	Conversion of agricultural land into forest/agro-forestry system	Protection and improvement of water quality	N	Measure 223	Number of beneficiaries 150
					Established area(ha) 250
Measure 223	Afforestation establishment of agro-forestry system	Reduction of N2O emission, carbon sequestration	N	Measure 223	Number of beneficiaries: 150
					Established area(ha) 250
<b>Axis 3</b>					
Measure 321	Creation of new broadband infrastructures including backhaul infrastructures	Improvement of the accessibility by the population of rural areas to broadband internet	N	Measure 321	Number of projects supported 8
	Improvement of existing broadband infrastructures		N	Measure 321	Volume of investment/ 1.750.000
					Number of projects supported 8
					Volume of investment: 1.750.000

	Installation of passive broadband infrastructures		N	Measure 321	Number of projects supported: 8
					Volume of investment: 1.750.000

## 4.2 Description of the amendments proposed to axes and measures

### **Amendments following the adoption of the Health Check and European Recovery Package and the allocation of modulation and CMO wine additional funds**

The amendments concern Axes I, II and III.

#### **Axis I**

#### Measure 121 (Modernisation of agricultural holdings)

##### Description:

The additional budget allocated to the measure will contribute to the new challenge in Article 16bis lett. e): *Dairy sector restructuring*.

The eligible actions are investments finalized to the reduction of the production costs, energy savings, emission reduction, and quality. In particular the premises /installation for production of the milk and direct selling of milk/milk products, treatment of waste for energy production (biogas), investments to improve energy efficiency, substitution of fossil fuels with renewable energy. The investments are finalized to boost the overall economic improvement in dairy farms.

In order to meet the new challenge the approved measure has been modified as follows:

- the maximum allowed for investment (eligible expenditure) has been increased up to 1.000.000 for investments restructuring of dairy sector,
- in case of cooperative ("cooperative di conduzione") between farmers the maximum eligible expenditure has increased to 1.200.000€ in case of investments for restructuring of dairy sector.

Moreover the measure will contribute to address following priorities by means of the financial resources already available in the approved programme:

- *Climate change*: investments for energy efficiency, investments for machinery to be used for minimum work of soil (precision agriculture, conservative agriculture), to prevent damages to cultivation by adverse meteorological conditions (hail nets),
- *Renewable energy*: this includes the establishment of pluriannual cultivation of energy crops (biomass), investments for biogas production from agricultural and animal wastes to be used for energy production, investment finalised to the reduction of the utilisation of fossil fuels
- *Water management*: improvement of the water management by saving water by rationalisation of the irrigation systems, creation of collection of water facilities, waste water treatment facilities. Interventions must be in line with the indications given in water basin plans set out according to directive 2000/60.

Localisation: the entire regional territory

Beneficiaries: farmers

Aid: the maximum aid intensity has been increased by 10% for investments in the dairy sector within the aid intensity limits set down in the Regulation 1698/2005. The maximum of aid intensity for investments to be realised for energy production of solar origin (photo-voltaic energy) has been decreased by 20% in order to allow beneficiaries to get benefits for support of national, regional or local origin.

Input indicators: €18.113.250

Output indicators: beneficiaries: 4740; volume of investments: 435.2 Meuro. Supplementary output indicators are set down for tobacco sector: farms: 484; volume of investments: 55.2 Meuro. Result indicators: added value 49.5 Meuro; Impact indicators: economic growth: 81.7 Meuro PPS

### Measure 122 (Improvement of the economic value of forests)

#### Description

The measure will contribute to the new challenge in Article 16bis lett. b) - *Renewable energy*.

The actions in the measure are aiming at the production of raw material from wooden biomass to be used for energy production. Purchasing of machinery/equipment to treat wooden biomass is eligible.

Localisation: the entire regional territory.

Beneficiaries: private forest owners and their associations, communes and their associations, forestry enterprises.

Aid intensity: increased by 10% for interventions realised in the framework of "Integrated Projects" or by forests owners who have installation to produce energy from biomass.

Input indicators: €2.940.250

Output indicators: beneficiaries: 400; volume of investments. 32 Meuro; Result indicators: added value €280.000; Impact indicators: economic growth: 1.2 Meuro PPS

### Measure 123 (Processing and Marketing)

#### Description

The measure will contribute to the new challenge in Article 16bis lett. e): *Interventions accompanying restructuring of dairy sector*.

The eligible actions are investments finalized improve the production of quality dairy products/high quality milk, and improve the valorisation of milk processing/marketing enterprises (mainly in mountainous areas); investments finalized to improve the logistics in the dairy enterprises and all other investments foreseen under the other HC priorities.

Moreover the following priorities will be addressed by means of the financial resources already available in the approved programme:

*Climate change:* improvement of the energy efficiency,

*Renewable energy*: investment finalised to the reduction of the utilisation of fossil fuels,

*Water management*: improvement of the water management by saving water and reuse waste water after treatment,

Localisation: the entire region

Beneficiaries: food enterprises processing and marketing products of annex I of the Treaty, micro enterprises and enterprises with less than 750 employees and 200Meuro/year outturns.

Aid intensity: micro enterprises and enterprises with less than 750 employees and 200Meuro/year outturns: 20%; investments in the dairy enterprises is increased by 10% within a maximum eligible expenditure of 3.000.000€; Fruit and Vegetable: maximum has been fixed at 400.000 € for investments in the mushrooms and vegetable processing (IV and V gamma).enterprises.

Input indicator: €975.000

Output indicators: beneficiaries: 254; volume of investments. 190 Meuro; Result indicators: added value 157.3 Meuro; Impact indicators: economic growth: 42.3 Meuro PPS

### Measure 123F (Processing and Marketing-Forestry sector)

#### Description

The measure will contribute to the new challenge in Article 16bis lett. b): *Renewable energy*.

A new action has been added to the existing measure. The investments are finalized to the use of wood like biomass to produce energy for the needs of the forest enterprise. Eligible investments are machinery to process wood into raw material, storage/maintenance/drying facilities, burning equipment for energy production from forest biomass to be used for the needs of the forest enterprises.

Localisation: the entire regional territory.

Beneficiary: forestry enterprises, for thermo installations burning biomass also forest owners and micro enterprises.

Aid: aid intensity for the new action linked to renewable energy challenge has been fixed at 40% of the admissible expenditure (varying from 25.000€to 700.000€)

Input indicators: €2.722.500

Output indicators: beneficiaries: 150; volume of investments. 27 Meuro; Result indicators: added value €280.000; Impact indicators: economic growth: 1.2 Meuro PPS

## **Axis II**

### Measure 214 (Agri-environment payments)

Description: 1 new action has been added:

**Action I):** The new action is intended to meet *Climate change* and *Water management* priorities.

*A) Climate change*

Description: lower NO<sub>2</sub> emissions are achieved by the first implementation of conservative agricultural finalized to reduce the degradation of the soil by practices like minimum work of the soil, sod seeding, mulching on at least 25% of the UAA of the farm. The operations are being complemented by cover crops in autumn-winter. During autumn-winter the utilisation of pesticide and fertilizers is forbidden. The utilisation of nitrogen and phosphorus is allowed during vegetative period only in a targeted way. The Records keeping is required.

The support is intended to compensate during the first five years the productive losses entailed by the implementation of these agricultural practices (“Agricultura blue”).

Localisation: seeded UAA in plane and hill areas

Beneficiaries: farmers

Aid: max. 400€/year/ha for 5yrs

Input indicator: €6.000.000

*B) Water management*

Description: the new action entails continuous cover crops during the year on agricultural land producing cereals. As result of this practice a reduction of the release of nitrogen and phosphorus by the soil is achieved. The commitments must be applied on at least 25% of the UAA of the farm

Localisation: seeded UAA in plane and hill areas with priority to NVZs

Beneficiaries: farmers

Aid: 245€/year/ha for 5yrs

Input indicator: €7.200.000

Output indicators (A+B) linked to HC/RP operations: beneficiaries: 10.130 contracts: 4.080, 10.200ha under commitments; Result indicators: 3.640ha contributing to (A), 5.405 contributing to (B); Impact indicators (Impact indicators refer to the measure 214): contributing to Climate change: 3 KTOE; Water quality: -17.4kg/ha N; -7.5kg/ha P

*Measure 221 (First Afforestation)*

Description

Two new actions have been added to the approved measure:

- action intended to meet the "*Water management*" challenge: the eligible interventions are the establishment of high density trees in order to increase the absorption of chemicals from the soil and improve the quality of surface and underground waters.

Localisation: priority is given to NVZs, N2000 and park areas.

Aids: establishment costs: €6.600/ha.

- action intended to meet the "*Climate change*" challenge: the eligible interventions are the establishment of high density trees with the effect of a reduction of N<sub>2</sub>O and carbon sequestration.

Localisation: priority is given to NVZs, N2000 and park areas.

Aids: establishment costs: €8.000/ha.

Input indicators (both actions): €2.175.000

Output indicators (both actions): beneficiaries: 392; established forests: 1806; Result indicators: 1017ha contributing positively to Water management; Impact indicators: Water quality: N:-17.4kg/ha N; -7.5kg/ha P

### Measure 222 (First establishment of agri-forestry systems on agricultural land)

#### Description

The measure has been added to the approved RDP in order to meet *Climate change* priority.

The actions are intended to the establishment of agri-forestry systems on agricultural land in order to increase the carbon sink capacity.

Localisation: priority is given to NVZs, N2000 sites, park areas.

Beneficiaries: farmers

Aid: 50trees/ha: 1.700€ 100trees/ha: 3.100€

Input indicator: €1.575.000

Outputs indicators: 250 beneficiaries, 900ha afforested; Result indicators: 900ha contributing positively to Water management, 900ha contributing positively to Climate change; Impact indicators: Climate change: 3.KTOE; Water quality:-17.4kg/ha N; -7.5kg/ha P

### Measure 223 (Afforestation of non agricultural land)

#### Description

In the new measure added to the programme, two actions have been inserted in order to meet :

- "*Water management*" challenge: the eligible interventions are the establishment of high density trees in order to increase the absorption of chemicals from the soil and improve the quality of surface and underground waters.

Localisation: priority is given to NVZs, N2000 and park areas.

Aids: establishment costs: €4.200/ha.

- "*Climate change*" challenge: the eligible interventions are the establishment of high density trees with the effect of a reduction of N<sub>2</sub>O and carbon sequestration

Localisation: priority is given to NVZs, N2000 and park areas.

Aids: establishment costs: €8.000/ha.

Input indicators (both actions): €1.800.000

Output indicators (both actions): beneficiaries: 392; established forests: 1806; Result indicators: 1017ha contributing positively to Water management; Impact indicators: Water quality: N:-17.4kg/ha N; -7.5kg/ha P

### **Axis III**

#### Measure 321 (Basic services for the economy and rural population)

##### Description

The action will support : the ceation of new broadband infrastructures including backhaul infrastructures, upgrading of existing broadband infrastructure in rural areas up to 20Mbit and laying down passive broadband infrastructure in rural areas..

Localisation: C and D areas in digital divide

Beneficiary: Region Veneto

Aid: 100% of eligible costs

Complementarity with EFRD: new broadband infrastructure will be financed exclusively by EAFRD in rural areas classified C and D; EFRD will cover other rural areas. EFRD can intervene also in C and D rural areas if the EAFRD resources are not sufficient to cover all the interventions. In this case the communes in digital divide must be clearly identified.

Output indicators linked to HC/RP operations: 40 projects + 96 passive infrastructures broadband projects; Result indicators: rural population served: 106.683; Impact indicators: Economic growth: 0.6 Meuro PPS.

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

##### Analysis, needs and strategy

The analysis in relation to competitiveness of the agri-food sector has been updated in relation to Tobacco and Wine sectors.

Insofar as *Tobacco* is concerned interventions for restructuration of the productive sector should take into account the environmental constraints imposing a reduction /limitation of the use of inputs, fertilizers, saving water that could have a negative impact of the quality of the soil.

Insofar as the *Wine* is concerned the analysis highlights the trend toward a accrue globalisation involving the commercial exchanges and the role of supermarkets in the distribution of the products A new strategy for this sector has to be devised in order to pursue a greater differentiation of the productions and ensure a wider availability of products. This means a bigger effort in investing into projects that will have a greater content in new technologies oriented towards the development of quality and diversification of the wine produce.

Moreover a new chapter (Chapter 3.1.6) in the analysis has been added to the approved RDP to take into account the new challenges set down in Article 16bis of Reg.1698/2005. In this chapter the needs deriving from the updated analysis have been

highlighted. (See heading 4.1 new priorities / types of operations of the working document).

The changes introduced to the approved RDP are intended to ensure a greater satisfaction of the objectives set out in the Competitiveness of the agri food sector and the objectives imposed by the new challenges and the Recovery Package.

### Chapters 5.2 and 5.3: general information and information on Axis and measures

#### *Chapter 5.2*

- State aids: conformity to the State aids rules ("*De minimis*") for actions/operations in measures in Axis I (122, 123F, 124, 125), Axis II (221, 222, 223, 225, 226, 227) and in Axis III (311, 321) has been updated. (*See also Chapter 9*).
- The table in Chapter 5.2.4 showing the conditions for support to investments in the different productive sectors has been amended including investment for structures and equipment linked to the new priorities.
- In the table showing the priority for interventions to be supported under measure 121 and 123 in the different types of productive sectors, highest priority is given to investments related to new challenges.
- Advance payments: 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.

#### Measure 111 (Training and information)

##### Description

Changes to the eligible actions have been made in order to stress the importance to be given to training in the field if priorities set down in Article 16bis, lett. a) to f) of Reg.1698/2005. Highest priority is given to training and information on issues linked to all the new challenges. Amongst the selection criteria, priority to specific experience in training to be proved by accredited training bodies has been deleted.

#### Measure 114 (Advice services)

##### Description

Changes to the operational objectives in order to stress the importance to be given to training in the field if priorities set down in Article 16bis, lett. a) to f) of Reg.1698/2005 have been made. Consequently the eligible actions have been amended in order to take into account the revised objective of the measure.

#### Measure 124 (Cooperation)

##### Description

The changes are in relation to the new challenge "*Innovation*" linked to the priorities in Article 16bis a), b), c), and d). The productive sectors involved are cereals, milk, meet wine, olive-oil tobacco flowers and forests.

Localisation: the entire regional territory.

Beneficiaries: association between farmers (and their association) and producers (and their association) and research institutes. In the selections of the projects priority is given to Renewable energy and *Water resources*. Insofar as Renewable energy is concerned the selection will address the use of renewable energy in the holdings, and insofar as *Water resources* is concerned the priority is given to projects intended to solve problems with nitrates (particularly in relation to dairy and meet sectors).

Aid: 70% of the admissible expenditure within a max.175.000 per project.

Output indicators: 60 projects; Result indicators: added value 9.5 Meuro; Impact indicators: economic growth: 126.4 Meuro PPS.

### *Measure 125 (Infrastructures linked to the economic development and improvement of the silviculture)*

#### Description

The actions are intended to the infrastructural improvement of the "*malghe*". All the interventions must be realized in order to be beneficial to number of malghe.

### *Measure 126 (Preventive actions, reconstitution of the agricultural potential damaged by natural disasters)*

#### Description

The measure has been added to the approved RDP. The measure will contribute to the objective of improving the competitiveness of agriculture and forestry, restoring agricultural production damaged by natural disasters. The occurrences classified as "natural disaster" are in relation also to the consequences generated by adverse and extremely severe climatic conditions which will destroy more than 30% of the agricultural produce of the holding. In case of occurrences generated by climatic conditions the interventions under measure 126 will be activated only in cases of damages which are not covered by the national insurance scheme (national law 102/2004).

Actions: investments for the restoration of damaged holdings structures, farm rural roads, farm buildings/equipment and productive installations.

Beneficiaries: farmers

Aid intensity: 80% up to a maximum of 200.000€

Output: 350ha

### *Measure 132 (Participation of farmers to quality schemes)*

The list of quality products legally protected has been been updated. Five products ecognised by the Reg.EC 510/2006 and 1 nineteen wines recognised by Reg.EC 479/2008 have been added.

### Measure 144 (Support in farms after CMO reforms - Tobacco)

#### Description

The aim of this new measure is to support tobacco growers to meet the challenges due to the reform of tobacco' CMO and the full decoupling that will start on 2010. A business plan will show the interventions for restructuring or reconversion of the holding in order to meet the tobacco reform and improve the overall economic performance in the tobacco farms.

Localisation: tobacco parcels and areas

Beneficiaries: tobacco growers meeting the conditions in Article 35a of Reg.1698/2005

Aid: the payment of support in years 2011, 2012, and 2013 (€4.500, €3.000 and €1.500) is in line with the maximum allowed in Reg. 1698/2005.

Input indicators: 1.540.000€

Output indicators: 484 tobacco growers (7.600ha, 15.7ha/farm)

### Measure 211 (Disadvantaged areas)

#### Description

The changes concern the adaptation of the premia. A modulation of payment based on the pasture productivity has been introduced.

A minimum stock density of 0.5 LU has been fixed.

Localisation: communes in mountains areas

Aid: the premia ranges from 275€ for areas with less producing pastures to 225€ for other areas. A reduction of the payment of 20% in case of farms with more than 50ha and 70% in case of farm with more than 75ha. On average the payment cannot exceed the 250€ as in Reg. 1698/2005.

### Measure 215 (Animal welfare)

#### Description

A new action has been added in order to improve animal welfare in cattle (dairy) farm. To provide permanent straw bedding in the areas where they are used (inside and outside) to lay down. Two kg/head has to be added to individual bedding per day and complete change of the straw bedding has to be performed on monthly basis. The commitment is intended to prevent injuries to the udder and legs of the cattle. A detailed justification has been provided in order to ensure that the new commitment is actually going beyond the normal farming/obligations conditions on dairy farming in the region. The control of the commitment is based on regular (weakly) recording by the farmer, check of commercial documentation concerning purchasing/production (in the farm) of straw, crosschecking of the information recorded in a central data base (livestock data base) with the data recorded at the farm level concerning the amount of straw being used.

Beneficiaries: farmers

Localisation: priority farms in mountainous areas and NVZs

Aid: 135€LU

### Measure 216 (Non productive investments)

#### Description

A new action is added to the measure in order to recover abandoned pastures and bring them to the original environmental conditions. The new action intends to preserve high natural value sites in the mountainous areas avoiding their substitutions with forests. The eligible actions are: cleaning the grass from infestants, sowing autochthonous types of grass, and keep stones out the grass in order to bring the grass cover to the original conditions.

Beneficiaries: farmers, public owner of pastures

Localisation: mountainous areas

Aid: 80% private, 100% public owner of pastures

Output indicators: beneficiaries: 653, total investments: 24.9 Meuro; Result indicators: 2.423ha contributing positively to Water management; Impact indicators: 2.423ha contributing to Biodiversity: 3.KTOE; Water quality:-17.4kg/ha N; -7.5kg/ha P

### Measure 225 (Forest environment payments)

#### Description

A new action (action 2) has been added to the approved RDP. Good sustainable management practices will be the basis for commitments to be undertaken: 1) to release a higher number of "matricine" in the forests; 2) to release dead wood (trees) in the forest and 3) to identify old tress to be left in the wood without felling them when too old.

Localisation: the entire regional territory

Aid: according to the type of action the premium paid varies from commitment 1): 134€/ha/year; commitment 2): max 102€/ha/year; commitment 3): max. 195€/ha /year. The premium paid for action 1) "Radure" in the approved RDP has been increased to 100€/ha/year.

### Measure 226 (Reconstitution of forest and preventive actions)

#### Description

Changes to the measure fiche in the approved RDP have been made. In particular amendments have been made to:

- action 1)- *Interventions for reconstitution of forests damaged by fires or natural disasters.* The actions foreseen are: felling of dead/damaged plants, interventions to improve growth of broadleaves in mixte (conifer, broadleaf forests), establishment of new autochthons plants
- action 2) – *Creation of infrastructures and other interventions to prevent fires in the forests.* All actions foreseen are intended to avoid that fires start and/or avoid that it can develop quickly.

## Measure 227 (Support for non-productive investments in the forests)

### Description

The scope of the approved measure has been broadened in order to take into account the *Biodiversity* and *Climate change* challenges. The 2 added new actions are aiming at increasing more resistant trees to climate changes species in non-productive forests and maintaining and improving biodiversity. In relation to *Biodiversity* the interventions are related to the reconstitution of open areas in the forests, to improve wet areas (pongs, swamps) in the forests and to bring natural forests to the original trees composition. In relation to mitigation of *Climate change* the interventions planned are intended to the improvement of the original conditions of the natural forests.

Localisation: the entire regional territory

Beneficiaries: public and private bodies

Aid: 85% of the investments with a range of the eligible costs varying from 8.000€ to 100.000€

Outputs indicators: 200 beneficiaries; Result indicators: 1500ha contributing positively to Biodiversity, 1000ha contributing positively to Climate change; Impact indicators: Climate change: 3.KTOE; Biodiversity: +0.1% (FBI)

## Measure 331( Training and information for rural operators in rural area)

The changes consist in giving more emphasis to Training and Information on HC and RP issues.

## Chapter 9 (Elements needed for the appraisal under competition rules)

For the measures/operations outside the scope of the article 36 of the Treaty, support will be granted according to Aids n. 248/2009 (Decision 28/6/2009, C(2009)4277), approved under the Temporary Framework scheme. This will be applied to measures 122, 123F, 124, 125, 221, 222, 223, 225, 226, 227, 311 and 321. After this date the "*De minimis*" regime will be applied until the 31/12/2013. Moreover State aid regime to be applied to measure 126 (XA26/2009) has been indicated in the table. The State aid regime to be applied to measure 321 will be notified as soon as the Commission will agree on the State aid scheme proposed on broadband by the national authorities.

## Chapter 10.2 (complementarity with first pillar)

### Fruits and Vegetables

The analysis of the sectors shows that there is a shortage of resources made available by the Sectoral CMO. Due to the similarity of interventions planned in the CMO and Rural Development, it is deemed necessary to intervene with the RDP measures in order to support the F&V producers. It is foreseen that provision in Art. 5 (6) of Reg.1698/2005 will be applied in order to support actions to improve solely structures and equipment in the producers holdings. The demarcation between financial instruments is set out as follows:

- holdings not adhering to PO: all type of interventions is admissible and financed by rural development with the exception for investments for varieties' changes and new

establishment will be financed by the RDP only in the framework of the Integrated projects scheme in the RDP;

- holdings adhering to PO: interventions will be financed by rural development as follows:
  - Measure 121: investments above the minimum foreseen in the measure. The RDP will not support the reconversion of fruit and vegetable varieties with the exception new establishments that will be financed by the PO.
  - Measure 111: interventions will not be financed by the RDP
  - Measure 114: intervention will be financed by the RDP only for the basic advisory service.
  - Measure 123: investments above the minimum foreseen in the measure
  - Measure 132: interventions will be financed by this measure
  - Measure 133: interventions planned by producer organisations will be financed by the measure.
  - Measure 214: Agro-environmental actions will not be financed by RDP.

- *Specific support (Article 68 of Reg. 73/2009)*: the following specific support measures will be implemented in Veneto Region: measures for improving the quality of agricultural products (for beef, sheep meat, olive oil, milk, tobacco, sugar, floriculture), Similar or identical operations financed under article 68 will not be supported under the RDP.

## **5. THE EXPECTED IMPACTS OF THE AMENDMENTS**

### Impact on the programme implementation:

The modifications under art. 6.1.a) of R. 1974/2006 define the actions and operations which will be reinforced with the additional resources to meet the challenges set out in Article 16bis lett. a, b), c), e). of Reg.74/2009..

The modifications under Art. 6.1.c) will contribute to a better implementation of the programme by clarifying the correct interpretation of some measures, adapting the existing actions to the new challenges (without providing extra resources from HC/RP) and redistributing the planned financing in the approved RD and the additional money deriving from the HC modulation and Wine reform in order to meet the targets.

#### 1.1.1.1. Impact on the indicators:

Output, result and impact indicators of the programme have been updated to take into consideration the additional support for HC/RP operations. The updated indicators are mentioned in the measure fiches that have been amended according to HC/RP.

## **6 ASSESSMENT**

- *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 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) n ° 1698/2005 and Regulation (EC) N 1974/2006.

- *Appraisal of respect of competition rules, especially in case of support broadband infrastructure. In this case, mention also the conditions for demarcation with EFRD.*

Support for broadband infrastructure will be granted according to the *de minimis* rule until the national aid scheme notified the Commission has been approved. Demarcation with EFRD intervention is based on localisation of interventions (list of eligible municipalities is provided in the programme).

## 7 FINANCING

Tables 6.1, 6.2 and 6.3 tables provided in the RDP.

### 1.2. Table 6.1. Annual contributions from the EAFRD (in EUR)

	2007	2008	2009	2010	2011	2012	2013	Total
Non-Convergence Regions	46.826.000	46.551.000	48.801.000	51.270.000	80.519.000	80.396.000	80.170.000	434.533.000
Additional funds from Article 69(5a) of Regulation (EC) No 1698/2005 – non-convergence region	0	0	2.311.000	8.838.000	9.208.000	12.011.000	15.064.000	47.432.000
<b>Total</b>	46.826.000	46.551.000	51.112.000	60.108.000	89.727.000	92.407.000	95.234.000	481.965.000

#### 1.2.1. Table 6.2.1: Financial plan by axis (in EUR total period)

Axis	Total public	EAFRD contribution rate (%)	EAFRD amount
Axis 1	448.164.589	44,00	197.192.419
Axis 2	352.969.611	44,00	155.306.629
Axis 3	58.386.300	44,00	25.689.972
Axis 4	100.614.250	44,00	44.270.270
Technical Assistance	27.440.250	44,00	12.073.710
<b>Total</b>	987.575.000	44,00	434.533.000

**Table 6.2.1: Financial plan by axis - Additional funds from Article 69(5a) of Regulation (EC) No 1698/2005**

Axis	Total public	EAFRD contribution rate (%)	EAFRD amount
Axis 1	33.001.333	75,00	24.751.000
Axis 2	25.000.000	75,00	18.750.000
Axis 3	5.241.333	75,00	3.931.000
Axis 4	0	0	0
Technical Assistance	0	0	0
<b>Total</b>	<b>63.242.666</b>	<b>75,00</b>	<b>47.432.000</b>

**Table 6.3.** Indicative budget related to operations referred to in Article 16a of Regulation (EC) 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 for 2009-2013
<b>Total axis 1</b>	<b>24.751.000</b>
Measure 121	18.113.250
Measure 122	2.940.250
Measure 123	3.697.500
<b>Total axis 2</b>	<b>18.750.000</b>
Measure 214	13.200.000
Measure 221	2.175.0000
Measure 222	1.575.000
Measure 223	1.800.000
Axis 3	<b>3.931.000</b>
Measure 321 (broadband)	3.931.000
— Related to priorities listed in Article 16a(1), points (a) to (f) of Regulation (EC) No 1698/2005	0
— Related to priorities listed in Article 16a(1), point (g) of Regulation (EC) No 1698/2005	3.931.000
<b>Total axis 3</b>	<b>3.931.000</b>
— Related to priorities listed in Article 16a(1), points (a) to (f) of Regulation (EC) No 1698/2005	0
— Related to priorities listed in Article 16a(1), point (g) of Regulation (EC) No 1698/2005	3.931.000
Axis 4	0
<b>Total axis 4</b>	0
<b>Total programme</b>	<b>47.432.000</b>
— 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	43.501.000
— Total under Axis 3 and 4 related to priorities listed in Article 16a(1), point (g) of Regulation (EC) No 1698/2005	3.931.000