



MINISTERO DELLE POLITICHE AGRICOLE
ALIMENTARI E FORESTALI



CAP NEW CHALLENGES AND MEASURES TO
RELAUNCH THE ECONOMY IN RURAL DEVELOPMENT
PROGRAMMING 2007-2013

Abstract

L'AGRICOLTURA A BENEFICIO DI TUTTI



**CAP NEW CHALLENGES AND MEASURES TO RELAUNCH
THE ECONOMY IN RURAL DEVELOPMENT
PROGRAMMING 2007-2013**

ABSTRACT

ANALYSIS OF RDP DECISIONS IN THE HEALTH CHECK AND RECOVERY PLAN
FRAMEWORK

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Document Manager: Camillo Zaccarini Bonelli

Coordinating activities by: Letizia Atorino

Editing: Letizia Atorino, Mario Guido, Stefano Lafiandra, Luigi Servadei, Luigi Ottaviani, Camillo Zaccarini Bonelli

Design: Roberta Ruberto

Translated by Simonetta Danisi and Marta Iacobucci (NRN Translation and Interpreting Staff)



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Preface

Thanks to CAP 2008-2009 revision process, the EU funds for Italian Rural Development Programs increased up to EUR 693,77 million with an equivalent increase in public expenditure equal to almost EUR 1,123.27 million.

These new resources led to a revision of the above mentioned programs through a complex partnership process at a National level together with European Commission, which ended up in 2009.

The NRN, supporting the Ministry of Agriculture (MIPAAF) and the regional RDP Managing Authorities, ended the monitoring process in question after analyzing and revising CAP throughout the whole 2008 and 2009.

Therefore, the present document does not provide for appraisals or assessments on Health Check and Recovery Plan implementing rules in Italy, but it gives a detailed description of the main steps characterizing NSP update and following RDP reprogramming, analyzing, in addition, the financial implications and the Regions' actions and measures in the new challenges and broadband framework.



1. NATIONAL STRATEGY AND RDPs UPDATING

In accordance with NSP update and RDP reprogramming and following CAP and Recovery Plan Health Check, Regions and Autonomous Provinces have been called to specifically update their RDP development strategies by integrating or strengthening the related purposes as for new challenges and broadband infrastructure.

This kind of strategic reprogramming led also to a significant revision process of financial plans, both in terms of allocations by axis and measure, either in terms of public expenditure allocation between community and national share following co-financing rates modification.

1.1. The new financial reprogramming by axis and measure

Examining RDPs new financial allocations by axis, it is worth underlining (see table 1) how axes are now appropriately balanced, compared to NSP original financial balance, with 1 and 3 axes influence moderately increasing and counterbalanced by a related light reduction of 2, 4 and 5 axes influence.

In any case, the resources from axis 2 (41,8%) prove to be always on the top in terms of absolute value, followed by axis 1 (39%) and axes 3, 4 and 5 with respectively 9%, 7,8% and 2,7%.

Table 1: Regional RDPs financial plans updated at December 31, 2009 by axis (public expenditure in €)

Region	Axis 1	Axis 2	Axis 3	Axis 4	Axis 5	Total amount
Piedmont	400.605.479,97	414.664.965,83	76.465.273,60	58.409.090,91	30.318.181,82	980.462.992,11
Valle d'Aosta	12.065.331,82	85.731.016,67	14.723.863,64	8.875.000,00	3.034.090,91	124.429.303,03
Lombardy	366.942.814,76	503.958.146,21	96.399.350,01	46.490.227,27	11.402.952,27	1.025.193.490,53
A.P. Trento	108.846.465,71	121.059.822,73	32.440.442,86	17.142.857,14	1.143.772,73	280.633.361,17
A.P. Bolzano	80.083.208,26	207.838.955,30	28.282.420,45	15.694.620,97	-	331.899.204,99
Veneto	481.165.921,97	377.969.611,36	63.627.633,33	100.614.250,00	27.440.250,00	1.050.817.666,67
Friuli Venezia Giulia	116.648.975,50	98.469.871,21	26.939.469,70	16.068.738,64	8.652.397,73	266.779.452,77
Liguria	148.122.899,78	63.883.273,98	18.199.328,54	54.383.076,92	7.435.556,82	292.024.136,04
Emilia Romagna	448.472.361,11	434.580.909,09	112.219.944,44	51.533.000,00	10.555.800,00	1.057.362.014,65
Tuscany	346.921.967,21	346.806.567,37	88.106.818,18	85.914.476,16	8.391.136,36	876.140.965,29
Umbria	306.811.043,08	345.571.628,50	79.400.208,77	40.540.681,82	20.065.800,00	792.389.362,17
Marche	205.598.181,82	190.953.232,30	49.885.060,74	27.589.090,91	12.390.000,00	486.415.565,76
Lazio	330.359.690,40	225.955.983,33	83.648.582,12	39.325.090,91	24.643.725,00	703.933.071,77
Abruzzi	185.156.816,79	147.680.464,39	43.116.691,67	21.467.159,09	15.355.545,45	412.776.677,40
Molise	85.941.304,55	75.776.125,53	30.105.667,97	10.198.545,45	5.849.318,18	207.870.961,69
Campania	702.255.515,12	687.639.607,26	273.585.218,62	85.814.269,12	64.291.594,89	1.813.586.205,02
Apulia	635.539.079,52	586.742.473,17	56.966.382,50	294.014.588,33	44.397.695,65	1.617.660.219,17
Basilicata	180.941.772,00	354.530.423,62	74.723.357,69	38.885.219,13	22.683.043,48	671.763.815,93
Calabria	435.496.350,00	449.699.683,33	121.593.500,00	62.334.100,00	20.778.033,33	1.089.901.666,67
Sicily	893.410.000,00	935.354.215,74	194.379.766,90	126.675.318,97	35.610.242,65	2.185.429.544,25
Sardinia	379.364.940,10	701.590.909,09	28.843.410,85	169.926.136,36	12.528.409,09	1.292.253.805,50
National Rural Network	-	-	-	-	82.919.766,00	82.919.766,00
Total amount - Italy	6.850.750.119,47	7.356.457.886,03	1.593.652.392,58	1.371.895.538,12	469.887.312,37	17.642.643.248,56
Tot. - Competitiveness	4.003.107.402,82	4.342.491.482,91	872.404.166,87	764.172.042,56	199.206.936,36	10.181.382.031,53
Tot. - Convergence	2.847.642.716,65	3.013.966.403,12	721.248.225,71	607.723.495,55	187.760.610,00	7.378.341.451,04
%	38,8%	41,7%	9,0%	7,8%	2,7%	100,0%

Source: MiPAAF 2010

Following the financial allocation analysis at national level and the comparison with pre-Health Check situation (see table 2), it is worth highlighting how, by measure, the related measures undergoing the higher increase (more than 100 million euro of public expenditure) are respectively the investments on agricultural holdings (121), agro-environment payments (214), basic services (broadband, measure 321) and the infrastructure related to the development of agri-

culture (125); the increase for measure 413 in axis 4, equal to nearly 35 million euro has to be underlined.

Compared to an allocation increase in view of the new appropriations, it can be noted an off-beat aid reduction at the first setting up of young farmers (112) for more than 36 million euro, a support reduction for farmers participating in food and quality schemes (132) for almost 14 million euro, a reduction of advisory services (114) for more than 11 million euro; in axis 2, the above mentioned reductions are related to measure 227 – support for non-productive investments - for almost 11,7 million euro, in axis 3, they are related to measure 322 – village renewal and development – for more than 17 million euro, whereas in axis 4 there were less reductions for measures 411, 412 and 431 equal to nearly 10 million euro.

On the basis of these data - grouped together at National level - although it is not possible to estimate the actual extent of financial reprogramming among all the measures, due to a possible close examination of each RDP, this can be considered, in any case, as a first national indication showing decisions taken at regional level.

Table 2: Financial allocation at National level by measures (€)

AXIS	MEASURE	DESCRIPTION	Mainstream	Health Check and Recovery Package	Total amount
1	111	Vocational training and information actions	209.404.560,91	2.104.451,90	211.509.013
	112	Setting up of young farmers	775.702.109,06	0,00	775.702.108
	113	Early retirement	63.641.420,55	0,00	63.641.421
	114	Use of farmland forestry advisory services	234.357.740,99	0,00	234.357.741
	115	Setting up of management, relief and advisory services	23.043.346,74	0,00	23.043.347
	121	Modernisation of agricultural holdings	2.437.489.374,07	152.904.921,19	2.590.394.295
	122	Improving the economic value of forests	204.552.725,20	3.920.333,00	208.473.058
	123	Adding value to agricultural and forestry products	1.264.510.042,27	41.640.478,05	1.306.150.522
	124	Cooperation for development of new products	162.705.665,66	14.489.755,42	177.195.421
	125	Infrastructure related to the development of agriculture	725.896.527,96	81.585.036,43	807.481.564
	126	Restoring agricultural production potential	61.890.473,17	0,00	61.890.473
	131	Meeting standards based on Community legislation	49.797.705,23	0,00	49.797.705
	132	Participation of farmers in food quality schemes	152.461.107,48	0,00	152.461.107
	133	Information and promotion activities	173.623.742,78	0,00	173.623.743
141	Supporting semi-subsistence agricultural holding	0,00	0,00	0	
142	Setting up of producer groups	0,00	0,00	0	
144	Agricultural holdings undergoing restructuring - COM ref	15.028.601,95	0,00	15.028.602	
1 Total			6.554.105.144,01	296.644.975,99	6.850.750.119
2	211	Payments to farmers in mountain areas	867.596.447,80	0,00	867.596.447
	212	Payments to farmers in areas with handicaps	278.603.704,03	0,00	278.603.704
	213	Natura 2000 payments	20.837.882,63	12.195.667,33	33.033.550
	214	Agri-environment payments	3.760.899.949,65	186.655.763,97	3.947.555.711
	215	Animal welfare payments	294.677.560,33	0,00	294.677.560
	216	Support for non-productive investments	244.020.907,98	11.409.649,96	255.430.557
	221	First afforestation of agricultural land	734.424.074,64	25.735.269,99	760.159.344
	222	First establishment of agroforestry systems on agriculture	7.184.586,73	2.100.000,00	9.284.587
	223	First afforestation of non-agricultural land	128.722.599,90	2.400.000,00	131.122.600
	224	Natura 2000 Payments	9.259.484,09	0,00	9.259.484
	225	Forest-environment payments	44.574.141,10	0,00	44.574.141
	226	Restoring forestry potential	448.756.556,57	28.979.907,71	477.736.465
	227	Support for non-productive investments	245.801.982,55	1.621.754,04	247.423.736
2 Total			7.085.359.877,99	271.098.013,01	7.356.457.886
3	311	Diversification into non-agricultural activities	595.399.130,45	13.647.228,99	609.046.359
	312	Support for the creation and development of enterprises	97.748.513,07	816.593,54	98.565.106
	313	Encouragement of tourism activities	120.842.395,16	0,00	120.842.395
	321	Basic services for the economy and rural population	211.226.184,46	143.766.075,12	354.992.259
	322	Village renewal and development	193.104.672,89	0,00	193.104.673
	323	Conservation and upgrading of the rural heritage	163.114.947,34	3.081.189,34	166.196.137
	331	Training and information	32.107.353,71	0,00	32.107.354
341	Skill acquisition, animation and implementation	18.798.108,92	0,00	18.798.109	
3 Total			1.432.341.306,00	161.311.086,99	1.593.652.393
4	411	Local development strategies - competitiveness;	104.026.328,55	0,00	104.026.329
	412	Local development strategies - environment/land management;	66.105.354,85	0,00	66.105.356
	413	Local development strategies - quality of life/diversification;	897.265.209,76	13.745.857,00	911.011.066
	421	Inter-territorial and transnational cooperation	96.369.241,95	0,00	96.369.242
	431	Running the local action group, acquiring skills and animating the territory	194.383.545,89	0,00	194.383.545
4 Total			1.358.149.680,99	13.745.857,00	1.371.895.538
5	511	Technical assistance	469.887.312,01	0,00	469.887.312
5 Total			469.887.312,01	0,00	469.887.312
Overall amount			16.899.843.321,01	742.799.933,00	17.642.643.249

Source: MiPAAF 2010

Therefore, the financial plans amendments reflect the NSPs strategic priorities coming from Health Check and Recovery Plan with a resulting allocation of additional financial envelope to pre-existing measures, aimed at facing new challenges.

This aspect led to an allocation increase in favor of the investment and modernization measures such as 121 or 123, which involve useful actions aimed at facing different challenges (investments for renewable energy and emissions reduction, environmental standards development and the improvement of dairy sector competitiveness).

As a result, compared to the past, the strengthening of agri-environment measures has a significant effect as for new strategic environmental priorities such as climate changes and biodiversity or water protection. Moreover, in axis 3, the strengthening of the related measure of diversification proved to be consistent and useful for agri-energy investments and, in addition, measure 321 is applied to reaching the broadband objective.

Besides the need of specifically adapting RDPs to new strategic priorities, financial plans reprogramming contains even other types of requirements, such as, from one hand, a public expenditure reallocation between community and national share following co-financing rates modification and, from the other hand, a specific reprogramming aimed at increasing the cost capacity of related plans by reducing resources included in those measures, which have proved not to be compliant with the financial expectations in the first period of RDPs implementation.

As a result, the above mentioned overall reduction of resources involved the following measures, such as the setting up of young farmers – 112 – the participation of farmers in food and quality schemes – 132 – advisory services – 114 – and support for non-productive investments – 227. However, even in this case, a better analysis of each RDP is specifically requested for a close and deeper examination.

1.2. The new detailed challenges

This chapter is focused on the choices of Autonomous Provinces and Regions as for their Rural Development Plans revision in terms of both measures/operation typologies and the related financial resources. This analysis has been carried out on the basis of 2007-2013 RDPs versions and also on the official documentation from Italian authorities to the Commission during the related programming presentation before the Rural Development Committee.

For the most part, Regions drew their attention to a limited number of new challenges: 7 Regions scheduled for 5 challenges, 11 regions planned a number of challenges between 2 and 4, while only 3 regions scheduled for implementing the entire 6 challenges in their related community programs (see table 3).

It is worth highlighting how broadband has proved to be the most planned challenge (18 regions), followed by water resources and biodiversity (16/21), climate changes (15/21), dairy sector restructuring (11/21) and by renewable energy (10/21).

Although the new challenge of innovation is not included in the following table, it has been added by the Regions within the measures/operations of other challenges, by involving innovative actions while implementing RDPs priorities (for example, giving priority to the most ground-breaking solutions).

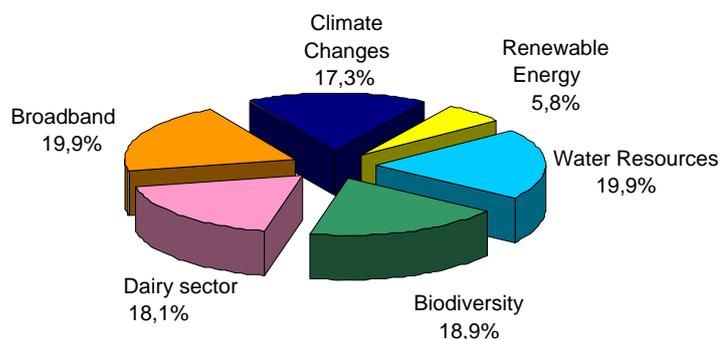
Table 3: New challenges using additional resources

Regions	New challenges						Total
	CC	RE	WR	Bio	D	BB	
Piedmont	X	X	X	X	X	X	6
Valle d'Aosta		X		X			2
Lombardy			X	X	X	X	4
A.P. Trento	X		X				2
A.P. Bolzano	X		X		X		3
Veneto	X	X	X		X	X	5
Friuli Venezia Giulia			X	X	X	X	4
Liguria	X	X	X	X		X	5
Emilia Romagna	X		X	X	X	X	5
Tuscany	X		X	X	X	X	5
Umbria	X			X	X	X	4
Marche	X	X	X	X		X	5
Lazio	X	X	X	X		X	5
Abruzzi				X		X	2
Molise				X		X	2
Campania	X		X		X	X	4
Apulia	X	X	X	X	X	X	6
Basilicata	X	X	X	X	X	X	6
Calabria	X	X	X	X		X	5
Sicily	X			X		X	3
Sardinia		X	X			X	3
TOTAL	15	10	16	16	11	18	21

Note: CC= climate changes; RE= renewable energy; WR: water resources; Bio= biodiversity; D= Dairy sector; BB= broadband

Source: NRN data processing on 2007-2013 RDP data

Funds allocated by the Regions to the different objectives and challenges have proved to be substantially equal one another (see chart 1).

Pie chart 1: Allocation of additional resources (HC e RP) in national challenges

Source: NRN data processing on 2007-2013 RDP data

In particular, most resources have been allocated for water management and broadband (19,9% of the Health Check and Recovery Plan overall resources); as well, 18,9% and 18,1% of the overall resources have been respectively allocated for the new challenges “biodiversity” and “dairy restructuring”, while 17,3% was for “climate change”.

Funds allocated by the Regions for “renewable energy” have been significantly reduced compared to the others (only 5,8%); in any case, this figure is underestimated because it does not consider measures/operations included in “climate changes” challenge, which are even useful for the development of renewable energy.

Table 4 shows the additional public expenditure from Health Check and Recovery Plan to be allocated for new challenges by the Regions and the related rate allocation at regional level.

By analyzing the rates of the overall resources for each challenge at national level, it is worth highlighting how this allocation on different objectives is so far diversified.

Most of resources are allocated by the Regions within the competitiveness objective as far as “water resources” challenge is concerned (85%) and, among them, there are Emilia Romagna and Lombardy with respectively 17% and 13% at first. Furthermore, as far as “biodiversity” challenge is concerned, 4 regions tower above the others, Lombardy with more than 28%, Apulia with 15%, Sicily and Lazio with 9%, while the rest of the Regions have planned for reduced allocations. Dairy sector restructuring involves a higher amount of resources in the North of Italy, particularly in Lombardy (29%) and Veneto (19%); however, even the Regions of Campania and Apulia, with respectively 12 and 8%, have a significant rate for allocations referred to this challenge. Calabria and Umbria earmarked the most of their resources for climate change with nearly 15% and 12%, while broadband is the only one to be balanced among the whole Italian territory. (see table 4).



Table 4: Public expenditure from Health Check and Recovery Plan allocated by challenge and by Regions in % and absolute value on the total amount allocated by challenge at national level

Regions	Climate changes		Renewable energy		Water resources		Biodiversity		Dairy sector		Broadband		Total	
	.000 €	%	.000 €	%	.000 €	%	.000 €	%	.000 €	%	.000 €	%	.000 €	%
Piedmont	13.635	10,6%	910	2,1%	16.833	11,4%	8.404	6,0%	17.105	12,8%	7.293	4,9%	64.182	8,6%
Valle d'Aosta	-	-	2.400	5,5%	-	-	3.091	2,2%	-	-	-	-	5.491	0,7%
Lombardy	-	-	-	-	19.620	13,3%	39.242	27,9%	39.242	29,3%	7.970	5,4%	106.074	14,3%
A.P. Trento	2.411	1,9%	-	-	13.663	9,2%	-	-	-	-	-	-	16.074	2,2%
A.P. Bolzano	13.857	10,8%	-	-	1.167	0,8%	-	-	3.000	2,2%	-	-	18.023	2,4%
Veneto	13.933	10,8%	7.550	17,4%	11.067	7,5%	-	-	25.451	19,0%	5.241	3,5%	63.243	8,5%
Friuli Venezia Giulia	-	-	-	-	4.971	3,4%	2.030	1,4%	4.000	3,0%	2.218	1,5%	13.220	1,8%
Liguria	2.275	1,8%	817	1,9%	3.833	2,6%	5.716	4,1%	-	-	2.099	1,4%	14.740	2,0%
Emilia Romagna	926	0,7%	-	-	25.372	17,2%	5.447	3,9%	12.486	9,3%	6.957	4,7%	51.188	6,9%
Tuscany	8.585	6,7%	-	-	9.052	6,1%	2.576	1,8%	1.717	1,3%	6.688	4,5%	28.618	3,9%
Umbria	16.008	12,4%	-	-	-	-	2.734	1,9%	3.048	2,3%	3.612	2,4%	25.403	3,4%
Marche	700	0,5%	5.128	11,8%	6.300	4,3%	3.910	2,8%	-	-	3.366	2,3%	19.404	2,6%
Lazio	3.956	3,1%	4.062	9,4%	2.307	1,6%	12.528	8,9%	-	-	5.655	3,8%	28.509	3,8%
Abruzzi	-	-	-	-	-	-	5.642	4,0%	-	-	3.162	2,1%	8.803	1,2%
Molise	-	-	-	-	-	-	7.860	5,6%	-	-	1.629	1,1%	9.489	1,3%
Campania	6.530	5,1%	-	-	9.795	6,6%	-	-	16.324	12,2%	18.235	12,3%	50.884	6,9%
Apulia	10.166	7,9%	7.058	16,3%	7.058	4,8%	21.599	15,4%	10.587	7,9%	16.966	11,5%	73.435	9,9%
Basilicata	3.000	2,3%	2.822	6,5%	2.423	1,6%	3.321	2,4%	1.116	0,8%	7.642	5,2%	20.323	2,7%
Calabria	20.250	15,7%	4.663	10,7%	2.500	1,7%	3.500	2,5%	-	-	13.040	8,8%	43.954	5,9%
Sicily	12.640	9,8%	-	-	-	-	12.932	9,2%	-	-	25.408	17,2%	50.980	6,9%
Sardinia	-	-	7.970	18,4%	11.954	8,1%	-	-	-	-	10.843	7,3%	30.768	4,1%
Italy	128.872	100,0%	43.380	100,0%	147.914	100,0%	140.530	100,0%	134.077	100,0%	148.025	100,0%	742.805	100,0%
Total - Competitiveness	76.287	59,2%	28.837	66,5%	126.139	85,3%	99.179	70,6%	106.050	79,1%	66.734	45,1%	503.229	67,7%
Total - Convergence	52.585	40,8%	14.543	33,5%	21.776	14,7%	41.351	29,4%	28.028	20,9%	81.291	54,9%	239.576	32,3%

Source: NRN data processing on 2007-2013 RDP data

1.2.1. *Climate change*

Community priorities on “Climate change” have been strengthened thanks to the new strategic guideline 3.4 bis, which requires a higher contribution from forestry and rural sector as far as GHG emissions reduction and carbon sequestration increase are concerned. These indications have been included in NSPs national strategy.

The National strategy, indeed, explains how climate changes significantly affect Italian agricultural sector increasing water consumption, reducing the distribution areas of species and the single productions, thus even requiring the introduction of new crops, able to grow in altered environments. In order to face with this challenge, NSP is focusing on adaptation strategies aimed at stabilizing productivity through a sustainable management of water resources and the introduction of proper rural technical guidelines and new productions which are less sensitive to cold temperatures and changes in terms of harvest time and farming techniques.

Furthermore, there is also the need of reducing emissions from livestock, from agricultural mechanization and from off-road traffic, as they represent almost 10% of the overall emissions in agriculture, with 80% of these emissions coming from farm tractors.

As a consequence, NSP suggests several key actions, referring particularly to measures from:

- Axis 1 - support for energy saving investments and alternative energy production
- Axis 2 - support for reducing emissions and carbon sequestration and actions in favor of climate change adaptation
- Axis 3 – investments for renewable energy involving emissions reduction as well.

As mentioned in the previous chapter and in compliance with Community and National guidelines, the Climate Change challenge has been followed by several Autonomous Provinces and Regions (15 RDP) which used up to nearly 128,87 million euro of their public expenditure to finance this particular objective, that is almost 17% of the Health Check e Recovery Plan financial resources.

Table 5: Measures adopted by Regions and aimed at facing climate change challenge

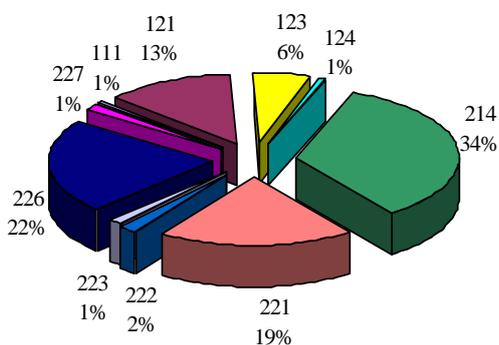
Climate changes - Adopted measures										
Regions	111	121	123	124	214	221	222	223	226	227
Piedmont	X	X	X	X						
Valle d'Aosta										
Lombardy										
A.P. Trento		X								
A.P. Bolzano					X					
Veneto					X	X	X	X		
Friuli Venezia Giulia										
Liguria									X	X
Emilia Romagna					X					
Tuscany									X	
Umbria					X	X			X	
Marche		X								
Lazio					X					
Abruzzi										
Molise										
Campania		X	X							
Apulia					X					
Basilicata		X			X					
Calabria					X	X			X	
Sicily									X	
Sardinia										
Total	1	5	2	1	8	3	1	1	5	1

X = implemented measure non-implemented priorities

Source: NRN data processing on 2007-2013 RDP data

In order to face with this challenge, a wide range of measures has been applied (10), taking particularly into account those from axis 1 and 2, while measures from axis 3 have been used for “renewable Energy”. In any case, it is worth highlighting that Regions are focusing on axis 2, which involves almost 70% of the related overall resources (see chart 2).

Pie chart 2: % allocation of public expenditure earmarked for climate change challenge by measure at national level



Source: NRN data processing on 2007-2013 RDP data

Considering each measure, it is interesting analyzing the detailed actions applied and their related potential effect.

In **axis 1**, the measure 121 “modernization of agricultural holdings” has been applied by 5 regions and it involves nearly 13% of the overall resources for this challenge. In most cases, the new actions are undertaken to guarantee mitigation measures, such as investments for reducing methane emissions coming from livestock.

Piedmont and Campania are the only regions using the above mentioned measure even to adapt agriculture to climate change. These are investments aimed at reducing adverse effects of climate-related extreme events.

Noteworthy are the new guidelines from Marche region involving the new climate change challenge, aimed at introducing sod seeding for the reduction of chemical inputs and soil management.

6% of the overall funds has been allocated for measure 123 “Adding value to agricultural and forestry products”, which, on the other hand, has been applied by only 2 regions, Campania and Piedmont, by introducing new actions for energy saving investments in the agro-industry sector.

At last, there are measures 111 and 124, respectively “Vocational training and information actions” and “Cooperation for development of new products” with a limited financial envelope provided for Piedmont only, whose purpose is strengthening human resources and the potential for innovation and knowledge transfer related to climate change mitigation and adaptation.

Under **axis 2**, the measure 214 “agri-environment payments” has been applied by 8 regions and it involves nearly 34% of the overall resources for this challenge.

Undoubtedly, this is the most important measure for the related challenge and it includes actions aimed at doing the following:

1. Reduction of GHG emissions thanks to rural practices saving chemical inputs
2. Higher concentration of carbon sinks through good rural practices
3. Agriculture adaptation to climate changes.

Unlike the others, half of the Regions introduced new agri-environment actions.

Among them, the most significant actions provide for fostering rural practices and extensive agriculture with the consequent reduction of CO₂, methane and nitrous oxide emissions (grazed areas, pastures) and, in general, the increase in soil organic matter.

It is worth highlighting the planned innovative protection of rural areas by the Region of Veneto, thanks to minimum or no-till farming methods, catch crops and support for more sustainable crop rotations compared to cross-compliance requirements.

Another measure (226) “Restoring forestry potential” has been applied by 5 regions and it involves a good 22% of the overall resources to face with this challenge.

Anyway, there is a general mitigation and adaptation to climate changes (carbon sequestration and forest-fire emissions reduction).

All the actions provided for the challenge in question were already included within RDPs before Health Check.

An additional measure (221) – first afforestation of agricultural land – plays a significant role and it has been provided for by 3 regions. To this measure nearly 19% of the public expenditure has been allocated.

At last, always in the region of Veneto, a secondary role in facing with the present challenge has been played by the measures 222 and 223 “First establishment of agro-forestry systems on agricultural land” - “First afforestation of non-agricultural land”, focusing on the benefits coming from afforestation of agricultural and non-agricultural land, while, the Liguria region provides for adaptation actions through measure 227 – Support for non-productive investments. The forestry and agri-forestry measures under axis 2 aim at contributing to mitigation of cli-

mate changes in terms of N₂O nitrous oxide emissions reduction, by replacing agricultural crops with canopy and carbon sink cover produced by plants.

Within Italian RDPs, 36 actions are included in the measures of axis 1 and 2, aimed at facing with Climate change challenge. 17 of them (equal to nearly 47%) have already been included within the RDPs, while the remaining 19 actions are completely new.

1.2.2. **Renewable Energy**

The Council decision of January 19 2009 (2009/61/EC) has also included the alternative Energy within the new challenges and it provides for using renewable Energy in order to reach and comply with EU goals in terms of fuel and energy consumption within 2020.

Indeed, the Renewable Energy challenge has already been supported by the 2006 strategic guidelines, which were focused on alternative energy development, bio-energy in particular, with all their actions and measures included in.

As a result, the new Community guidelines are considered as a strengthening of an already existing strategic development policy. Thus, even the National Strategic Plan was adapted so far by developing new productive chains, starting from local renewable and agricultural raw materials which play an important role in terms of energy supply, fight against climate changes and new job opportunities in rural areas.

As a consequence, NSP suggests several key actions, referring particularly to measures from:

- Axis 1 - support for investments in installations/infrastructure of renewable energy sources (biogas, solar and wind power, geothermal) and investments in technologies and transport/logistics networks, specifically those related to energy marketing and district heating.
- Axis 3 - support for renewable energy investments (production and related distribution) which is considered as income diversification by creating and developing new job opportunities in rural areas.
- Axis 4 – investments for local partnerships by creating specific projects within the related territory, aimed at developing agri-energy chains.

As mentioned in the previous chapter and in compliance with Community and National guidelines, the Renewable Energy challenge has been followed by 11 Autonomous Provinces and Regions (within RDPs) which used up to nearly 43,38 million euro of their public expenditure to finance this particular objective, that is almost 5.8% of the Health Check e Recovery Plan financial resources.

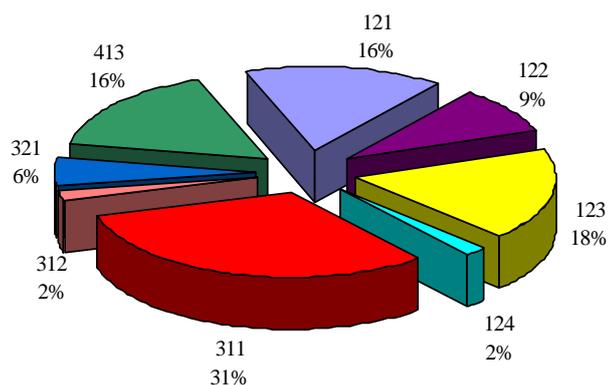
Table 6: Measures adopted by Regions and aimed at facing renewable energy challenge

Renewable energy - adopted measures								
Regions	121	122	123	124	311	312	321	413
Piedmont				X				
Valle d'Aosta					X			
Lombardy								
A.P. Trento								
A.P. Bolzano								
Veneto		X	X					
Friuli Venezia Giulia								
Liguria						X		
Emilia Romagna								
Tuscany								
Umbria								
Marche	X				X			
Lazio					X		X	
Abruzzi								
Molise								
Campania								
Apulia								X
Basilicata	X				X			
Calabria					X			
Sicily								
Sardinia	X		X					
Total	3	1	2	1	5	1	1	1

X = implemented measure non-implemented priorities

Source: NRN data processing on 2007-2013 RDP data

Pie chart 3: % allocation of public expenditure earmarked for renewable energy challenge by measure at national level



Source: NRN data processing on 2007-2013 RDP data

All the Regions adopted measures under axis 1 and 3, involving more than three quarters of overall resources for this new challenge, while the remaining share has been allocated for axis 4.

Considering each measure, it is interesting analyzing the detailed actions applied and their related potential effect.

In **axis 1**, the measure 121 “modernization of agricultural holdings” has been applied by 3 regions and it involves nearly 16% of the overall resources for this challenge. This measure is undertaken to guarantee investments for the processing of agricultural/forest biomass for renewable energy, biogas production using organic waste (on farm and local production) or other renewable energy sources such as solar and wind power.

The Piedmont region provides for using measure 124 “Cooperation for the development of new products” by financing related projects of processing agricultural/forest biomass for renewable energy.

As far as measure 122 is concerned “Improving the economic value of forests”, the Veneto region provided for 2 actions in renewable energy: the first one aims at developing the productivity of forests and the second one is for first woodworking operations, thus fostering forest biomass processing and the development of woody biomass collecting equipments.

The actions and measures related to renewable energy provide for fossil fuel replacement as the specific resulting potential effect. In some cases, methane (CH₄) reduction could be added as well, thus contributing to face with climate change challenge too.

The same potential effects and same operations could be found within measure 123 “Adding value to agricultural and forestry products”, implemented by 2 Regions and considered as completely new.

Under **axis 3**, measure 311 “Diversification into non-agricultural activities” is the most developed action facing with this challenge, involving investments for installations/infrastructure for renewable energy sources.

In particular, in the region of Apulia the actions favoring renewable energy under measure 311 are implemented through axis 4 (measure 413).

As far as measure 321 “Basic services for economy and rural populations” is concerned and specifically in action b) “small-scale infrastructure”, the region of Lazio provides for a sub-action including operations financed through Health Check resources for renewable energy, such as investments for infrastructure and equipments processing agricultural/forest biomass for renewable energy and other related sources. In this case, the operations cannot exceed the maximum power of 1 MW and the biomass has to essentially come from the local territory.

To sum up, the Italian RDPs provide for 18 actions aimed at facing the Renewable Energy challenge. Half of them are considered as already existing actions by the Regions involved.

1.2.3. Water management

The revising process of the Community Strategic Guidelines stresses the importance of a sustainable water management based on water saving and efficient use.

As main users of water and water resources, agriculture and forestry have a major role to play in sustainable water management both in terms of quantity and quality. Water management will be an increasingly important part of the adaptation strategy to deal with already unavoidable climate change.

Following water scarcity and drought related serious problems, the European Council considerations on “Water scarcity and drought” on October 30th 2007, underline the need to increase the emphasis on water management in terms of water quality within the CAP instruments.

The National Strategic Plan, already providing for this objective in axis II, proposed a set of actions referring especially to measures under:

- axis I aiming at supporting investments intended to improve and develop water supply, efficiency and saving infrastructures;

- axis II aiming at fostering soil management practices that contribute to protect and improve water quality.

Water management was the major “environmental” challenge faced by Regions and Autonomous Provinces (16), with a global financial envelope equal to nearly 147,9 million €, that is around the 19,9% of the Health Check and Recovery Plan financial resources.

All measures adopted (8) by Regions in order to deal with such a priority are falling within axis I and axis II.

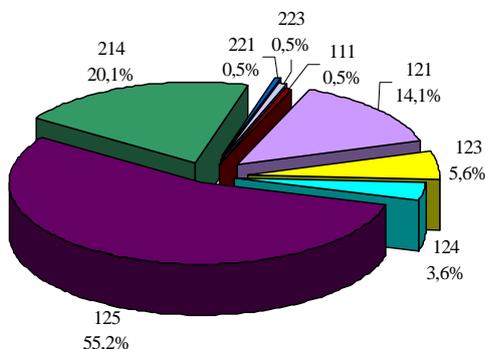
Table 7: Measures adopted by Regions aimed at facing the Water resources challenge

Water resources - adopted measures								
Regions	111	121	123	124	125	214	221	223
Piedmont	X	X	X					
Valle d'Aosta								
Lombardy					X			
A.P. Trento		X			X			
A.P. Bolzano					X			
Veneto						X	X	X
Friuli Venezia Giulia						X		
Liguria			X		X			
Emilia Romagna					X	X		
Tuscany					X			
Umbria								
Marche		X			X			
Lazio					X			
Abruzzi								
Molise								
Campania		X	X	X				
Apulia					X			
Basilicata		X		X				
Calabria					X			
Sicily								
Sardinia					X			
Total	1	5	3	2	11	3	1	1

X = implemented measure non-implemented priorities

Source: NRN data processing on RDP 2007-2013 data

Pie chart 4: Measures aimed at facing the Water challenge (% HC and RP public expenditure)



Source: NRN data processing on RDP 2007-2013 data

When considering measures individually, it is interesting to analyze in detail measures actually implemented and the potential effect provided by Regions.

Under **axis I**, the measure that Regions most focused on is that of *improving and developing infrastructure related to the development and adaptation of agriculture and forestry* (125); to this measure more than half of the total resources (55,2%) has been allocated. All actions provided for under such measure are falling within those operations related to water saving technologies, water storage and water saving production techniques whose potential effect is that of improving the capacity to use water more efficiently and improving the capacity to store water.

In order to face the new challenge, the Region of Emilia Romagna introduced ex novo measure 125 aiming at supporting infrastructures in order to optimize the use of water and ensuring the right quantity of water for an economic and social sustainable development, also protecting water resources in terms of quality, in compliance with directive 2000/60/EC. The types of intervention provided for referred for example to reservoirs for water collection, ancillary works (fences, gates, ladders to aid in climbing up, signboards, etc.), water supply systems for individual farms, water supply network management systems, (remote sensing and telecontrol plants).

Farm modernization (121) is a further measure provided for by 5 Regions and aimed at facing the challenge. To this measure nearly the 14% of the public expenditure has been allocated. Actions included are mainly referred to investments targeted to purchasing machinery and equipment for irrigation systems efficiency and waste water treatment plants improvement. The same types of interventions have been implemented by measure 123 aimed at *adding value to agricultural and forestry products*, addressed to agricultural processing undertakings that Regions consider as new operations.

Measure 124 on *cooperation for development of new products, processes and technologies in the agriculture and food sector and the forestry sector* has been adopted by 2 Regions and it is intended to support innovative operations aimed at improving water management. In particular, the RDP of Campania Region provides for supporting initiatives aiming at the development of new products, processes and technologies that can lead to water saving, with particular regard to: automatically controlled irrigation systems efficiency on territorial and farm level; water saving within working operations and processing industry of agri-food products.

As for measures under **axis II**, thanks to measure 214 on *agri-environmental payments*, adopted by 3 Regions using nearly the 20% of the total resources, actions related to soil management practices aimed at reducing the losses of different compounds into water - including phosphorus – have been strengthened. Among these actions, the Regions focused on integrated and organic production, arable land and orchards sustainable management, replacing nitrogen or synthetic fertilisers with livestock manure and crop rotation practices aimed at protecting water quality. Such a practice, introduced by Veneto Region as a new action under measure 214, aims at expanding the roots activity of crops as a natural nitrogen filter in order to protect surface or ground water in terms of quality. This purpose will be reached through the use of unfertilized cover crops in crop rotation practices, with the function of agricultural land cover also during the lower growing seasons. These actions aim at reducing drainage and run-off of cultivated land nitrogen and phosphate compounds into surface and ground water.

First afforestation of agricultural land (221) and *first afforestation of non-agricultural land* (223) are the less used measures. The types of operations provided for ex novo under such measures by Veneto Region, contribute to protecting and improving water quality through conversion of agricultural land into forest/agro-forestry systems with high density plants for groundwater recharge.



To sum up, the Italian RDPs provide for 32 actions aimed at facing the water management challenge. More than half of the actions (nearly the 63%) are new while those remaining were already included within the RDPs.

1.2.4. Biodiversity

Within the revising process of the Community Strategic Guidelines, one of the most important EU purpose is that of halting biodiversity decline by 2010 in order to reach such a purpose the EU designed a detailed action plan¹. However, mid-terms assessments on action plan implementation underline a growing number of difficulties that require a stronger effort by Member States in identifying policies, strategies and programs that need to be translated into actions aimed at protecting biodiversity and integrating agricultural policies with environmental ones. In this context, agriculture and rural development have a key role to play in protecting biodiversity which is strictly related to and dependant on both agriculture and forestry.

In order to protect the natural and semi-natural heritage, the National Strategic Plan identifies a wide range of key actions that refer, in particular, to measures under:

- axis I, aimed at the dissemination of knowledge related to protecting biodiversity as well as the development of technologies, products and processes related to such challenge;
- axis II, aimed at the set-up and management of habitats within and outside Natura 2000 sites, with special regard to plant and animal species related to habitats included in Special Protection Areas (SPAs), in Special Areas of Conservation (SACs), to species of community interest, to high nature-value areas and for the conservation of plant, animal and microbial genetic diversity;
- axis III, where actions intended to enhance and define protection and management plans of Natura 2000 sites and other high nature-value areas are falling within the operational objective aimed at improving rural areas attractiveness for people and farms.

In line with the community and national Guidelines, 16 Regions took up the Biodiversity challenge using a financial envelope equal to 140,5 million € (18,9%) of the Health Check and Recovery Plan total resources.

¹ Communication from the Commission “Halting the loss of biodiversity to 2010 – and beyond. Sustaining ecosystem services for human well-being.

Table 8: Measures adopted by Regions aimed at facing the Biodiversity challenge

Biodiversity - adopted measures						
Regions	111	124	213	214	216	323
Piedmont	X			X	X	X
Valle d'Aosta			X		X	
Lombardy				X		
A.P. Trento						
A.P. Bolzano						
Veneto						
Friuli Venezia Giulia			X	X	X	
Liguria					X	
Emilia Romagna				X		
Tuscany				X		
Umbria				X		
Marche				X		
Lazio				X		
Abruzzi				X		
Molise				X		
Campania						
Apulia				X	X	
Basilicata		X		X		
Calabria				X		
Sicily			X	X		
Sardinia						
Total	1	1	3	14	5	1

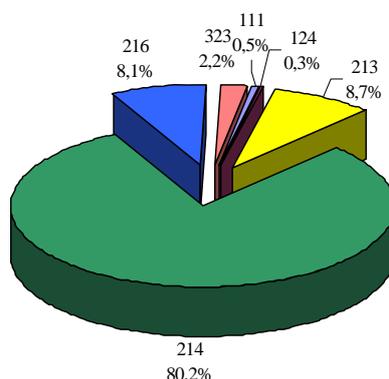
X = implemented measure non-implemented priorities

Source: NRN data processing on RDP 2007-2013 data

Most of the resources have been allocated for the *agri-environmental payments* measure, that is more than the 80% of the financial envelope allocated for the biodiversity priority. 14 Regions decided to strengthen such priority using the *agri-environmental payments* measure (214) and 9 of these Regions use such measure with the only purpose of facing the challenge. It is also worth underlining the increasing financial envelope of *Natura 2000 payments* measure (216) adopted by 2 Regions, and *non-productive investments* measure (216) adopted by 5 Regions. The total amount of the resources allocated for such measure correspond to a little more than the 8% of the public expenditure allocated for such challenge.

When considering measures individually, it is interesting to analyze in detail measures actually implemented and the potential effect provided by Regions. Measures adopted to face such challenge under **axis I**, refer essentially to the measure adopted by Piedmont Region on *vocational training and information actions* (111) with types of operations aimed at fostering the dissemination of knowledge related to protecting biodiversity, and the measure adopted by Basilicata Region on *cooperation for development of new products, processes and technologies in the agriculture and food sector and the forestry sector* (124) intended to support innovative operations aimed at maintaining biodiversity.

Pie chart 5: Measures aimed at facing the Biodiversity challenge (% HC and RP public expenditure)



Source: NRN data processing on RDP 2007-2013 data

Under **axis II**, the types of operations provided for by measure 214 on *agri-environmental payments*, identify interventions aimed at maintaining genetic biodiversity, conserving species-rich vegetation types, protecting and maintaining grassland, protecting birds and other wildlife, improving biotope network, reducing entry of harmful substances in bordering habitats, and conserving protected fauna and flora.

In most cases, actions aimed at facing the challenge were already included within the RDPs. However, more than half of the Regions included new types of actions such as: territorial-related projects aimed at protecting genetic resources, protecting land under pasture and conserving extensive forms of livestock management for maintaining biodiversity.

Measure 216 on *non-productive investments*, implemented by 5 Regions, aims at supporting on-farm investments which can enhance the public amenity value of a Natura 2000 area or other high nature value areas, or provide for interventions related to the creation of hedges and tree lines, or wetland. These actions can be considered essential for improving ecological connectivity and rural landscape and protecting birds and other wildlife.

Thanks to the revision of the Health Check, 2 more Regions decided to adopt the measure *Natura 2000 payments on agricultural land* (213) using an considerable financial envelope, thus rising to 6 the number of Regions involved in such measure.

This can be considered an important step although difficulties due to the limited implementation of management plans and conserving measures, and to the farmer tasks within Natura 2000 sites that still need to be exactly identified.

Under **axis III**, Piedmont Region adopted measure 323 on *conservation and upgrading of the rural heritage* for financing interventions aimed at defining Natura 2000 sites protection and management plans.

To sum up, the Italian RDPs provide for 35 actions aimed at facing the biodiversity challenge. 17 of these actions (nearly the 48%) are already included within the RDPs while more than half of the actions have been included ex novo.

1.2.5. **Dairy restructuring**

This new challenge is intended to allocate rural development resources from the Health Check to actions aimed at introducing dairy farms to the free market. The European dairy sector restructuring process falls within the Health Check new challenges.

In this context, the NSP stressed the importance of key actions referred to measures under axis I intended to foster investments in individual farms and in the production system. As for individual farms, these actions aim at restructuring, enhancing modernization, fostering quality products, affordable costs and technological and standards adjustment, with regard to sustainable production techniques. As for production systems, the actions aim at improving the dairy sector competitiveness through innovative products and processes and fostering coordinated and integrated contracts, as well as creating an effective logistics system. In line with the Community and National Guidelines, 11 Regions took up this challenge using a financial envelope equal to nearly 134 million € of the public expenditure, that is nearly the 18% of the Health Check and Broadband total resources.

Table 9: Measures adopted by Regions aimed at facing the Dairy restructuring challenge

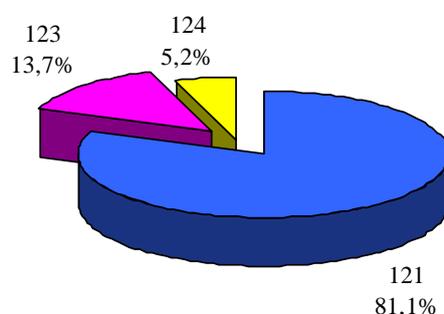
Dairy structuring - adopted measures			
Regions	121	123	124
Piedmont	X	X	X
Valle d'Aosta			
Lombardy	X		
A.P. Trento			
A.P. Bolzano	X		
Veneto	X	X	
Friuli Venezia Giulia	X		
Liguria			
Emilia Romagna	X		
Tuscany		X	
Umbria	X		
Marche			
Lazio			
Abruzzi			
Molise			
Campania	X	X	X
Apulia	X		
Basilicata			X
Calabria			
Sicily			
Sardinia			
Total	9	4	3

X = implemented measure non-implemented priorities

Source: NRN data processing on RDP 2007-2013 data

In order to face the Dairy restructuring challenge, a limited number of measures under axis I has been adopted. For measure 121 on *farm modernisation*, that is the most used measure, the 81% of the total resources aimed at facing such challenge has been allocated.

**Pie chart 6: Measures aimed at facing the Biodiversity challenge
(% HC and RP public expenditure)**



Source: NRN data processing on RDP 2007-2013 data

A detailed analysis of the effectively implemented actions showed that the major objective pursued through actions implementation is that of improving dairy sector competitiveness.

As for the types of operations, through measure 121 on *farm modernisation*, the Regions provided for investments aimed at farm modernization and restructuring and technological and standards adjustment (environment, hygiene and animal welfare status, food and occupational safety, greenhouse gases reduction), such as: setting up and restoration of loose housing systems or conversion of existing stall facilities into loose housing systems; setting up milking and refrigeration plants for high quality milk and PDO products; interventions aimed at reducing the impact of farming on environmental protection, rationalizing production cycles and reducing production costs.

Under measure 123 on *adding value to agricultural and forestry products*, the Regions provided for investments aimed at improving dairy sector products processing and marketing such as: the improvement of logistics systems, of cow's milk distribution and collection stages and of dairy produce packaging in order to gain access to new markets; the acquisition of certificates in order to raise products profile and quality.

The measure on *cooperation for development of new products, processes and technologies in the agricultural and food sector* (124) adopted by 3 Regions for facing the challenge, is intended to support cooperation initiatives for innovation techniques aiming at developing new products, processes and technologies in order to facilitate innovations transfer and increase production processes competitiveness.

To sum up, the Italian RDPs provide for 16 actions aimed at facing the dairy restructuring challenge. Only 6 of these actions (nearly the 38%) are already included within the RDPs while more than half of the actions have been included ex novo.

1.2.6. ***Innovation***

The new Community Strategic Guidelines and the EC Regulation no. 74/2009 aim at strengthening the strategic role played by innovation, contributing to the development of new technologies, products and processes and they will therefore underpin the Health Check efforts to tackle the new environmental challenges: climate change, renewable energies, water management and biodiversity.

Most of the innovations to be fostered are included in the Community Strategic Guidelines of the RDP 2007-2013 that are also included in the NSP. The resources under axis I aimed at improving the competitiveness of the agricultural and forestry sector can contribute to strengthen the agri-food sector, make it more dynamic and focused on knowledge transfer, modernization, innovation and food supply chain priorities, and on the priority sector of human and natural capital investments.

A widespread innovation has positive impacts on rural areas and leads to the following key actions:

- restructuring and modernisation of the agricultural sector: successful agricultural adjustment can be the key for improving competitiveness and environmental sustainability of the agricultural sector;
- supporting innovation and the access to research and development (R & D) in agriculture, agri-food and forestry sectors: the introduction of new products and processes could significantly contribute to the smaller processors and farms better performance. In particular, new forms of cooperation could facilitate the access to R & D, innovation and actions carried out under the Seventh Framework Programme;
- fostering the take-up and diffusion of information and communications technologies (ICT);
- improving the environmental performance of farms and forestry: a long-term sustainability will depend on the ability to produce what consumers wish to buy, while achieving high environmental standards. Investing in increased environmental performance can also lead to efficiency gains in production, creating a win-win situation.

The NSP, including such guidelines, also defines four priorities:

- fostering farms modernization and innovation and supply chains integration;
- consolidating and developing the agricultural and forestry output in terms of quality;
- improving the standards of physical and telematics infrastructures;
- improving professional and entrepreneurial competences of people working in the agricultural and forestry sector, and supporting a demographic renewal.

For most of the RDPs, innovation is considered a transversal priority aimed at fostering innovative approaches for actions and measures intended to face the other 5 challenges. Indirectly, different measures aim at facing the innovation priority (e.g. measure 121 on *farm modernisation* or measure 125 on *infrastructures*), but the only one “directly” facing the challenge is measure 124 on *cooperation for development of new products, processes and technologies in the agricultural and food sector*.

Because of the transversal nature of the priority, the exact amount of the resources aimed at facing the challenge appears particularly difficult to be assessed, thus leading to a limited information availability on regional interventions effective innovative approaches. The only available data refer to resources allocated for measure 124.

Only 3 Regions (Basilicata, Campania and Piedmont) used additional funds coming from the Health Check to implement measure 124, for a total amount of nearly 14 million € (14.489.755 €), that is a little less than the 5% of the total public expenditure allocated for axis I. In particular, Piedmont Region assigned to such measure 2,7 million € (2.729.933 €), Campania Region assigned 9,7 million € (9.794.500 €), while the Region of Basilicata allocated nearly 2 million € of the public expenditure (1.965.321 €).

However, among Regions that did not provide for additional funds to implement measure 124, some of them had already allocated a substantial financial envelope pre Health Check. The most considerable financial envelope - as absolute value - has been allocated by Sicily Region with nearly 30 million €.

Table 10: Measure 124 on Cooperation for development of new products, processes and technologies in the agricultural and food sector

Regions	Mainstream		Health Check e Recovery Package		Total		% on Italy	% on tot. RDP
	FAERD	Public expenditure	FAERD	Public expenditure	FAERD	Public expenditure		
Piedmont	4.010.000,00	9.113.636,36	1.772.000,00	2.729.933,75	5.782.000,00	11.843.570,11	6,70%	4,20%
Valle d'Aosta	0	0			0	0	0,00%	0,00%
Lombardy	763.340,00	1.705.025,69			763.340,00	1.705.025,69	1,00%	0,20%
A.P. Trento	0	0			0	0	0,00%	0,00%
A.P. Bolzano	352.000,00	795.660,04			352.000,00	795.660,04	0,40%	0,10%
Veneto	5.440.000,00	12.363.636,36			5.440.000,00	12.363.636,36	7,00%	0,60%
Friuli Venezia Giulia	350.793,00	781.276,67			350.793,00	781.276,67	0,40%	0,10%
Liguria	450.000,00	1.285.714,29			450.000,00	1.285.714,29	0,70%	0,60%
Emilia Romagna	4.676.000,00	10.627.272,73			4.676.000,00	10.627.272,73	6,00%	3,60%
Tuscany	4.400.000,00	10.000.000,00			4.400.000,00	10.000.000,00	5,60%	1,50%
Umbria	8.436.570,00	19.174.022,73			8.436.570,00	19.174.022,73	10,80%	1,10%
Marche	1.419.476,00	3.226.081,82			1.419.476,00	3.226.081,82	1,80%	0,20%
Lazio	3.610.147,00	8.027.900,82			3.610.147,00	8.027.900,82	4,50%	1,70%
Abruzzi	5.810.538,00	12.703.406,21			5.810.538,00	12.703.406,21	7,20%	3,10%
Molise	660.000,00	1.500.000,00			660.000,00	1.500.000,00	0,80%	0,20%
Campania	5.151.245,00	8.406.078,66	5.876.700,00	9.794.500,00	11.027.945,00	18.200.578,66	10,30%	2,60%
Apulia	8.625.000,00	15.000.000,00			8.625.000,00	15.000.000,00	8,50%	1,90%
Basilicata	4.493.819,00	7.812.619,96	1.179.193,00	1.965.321,67	5.673.012,00	9.777.941,63	5,50%	2,90%
Calabria	2.300.000,00	3.833.333,33			2.300.000,00	3.833.333,33	2,20%	1,40%
Sicily	13.124.640,00	29.600.000,00			13.124.640,00	29.600.000,00	16,70%	2,80%
Sardinia	2.970.000,00	6.750.000,00			2.970.000,00	6.750.000,00	3,80%	5,40%
Total	77.043.568,00	162.705.665,67	8.827.893,00	14.489.755,42	85.871.461,00	177.195.421,09	100,00%	1,00%

Source: NRN data processing on RDP 2007-2013 data

1.2.7. **Broadband**

The take-up and diffusion of information and communications technologies (ICT) and, in particular, an improved broadband internet access, represent one of the most important EU priority aimed at preventing rural areas isolation and remoteness in order to foster innovation and development processes.

Within the *European Economic Recovery Plan* approved by the European Council of 11 and 12 December 2008, it has been set up a set of objectives aiming at improving the broadband internet access in order to achieve a full 100% high-speed internet coverage by 2010. It has been also underlined the need to upgrade the performance of many existing networks, alongside efforts to promote competitive investments in fibre networks and wireless broadband.

The European Commission calls on Member States, Regions and Local Authorities to assess the option of amending their RDPs in order to better emphasize information and communications technologies and internet access priorities. This is particularly referred to the RDPs mid-terms assessment provided for by 2010.

For this purpose, the broadband strategic priority of the revised NSP 2007-2013 is strictly related to the priority objective under Axis III and provides for "Basic services for the economy and rural population"², where new information technologies can enhance the rural economy in

² The specific interventions provided for by the NSP and the related additional resources available for rural areas will be used in a coherent, synergic and complementary way according to what is stated by the National Plan for bridging the Digital Divide provided for by the Ministry of Economic Development and laid down by Law 69/2009 - ex De-

terms of growth, diversification and innovation, and can reduce rural areas isolation and remoteness.

At regional level, 18 RDPs decided to include the broadband strategic priority; 17 RDPs adopted measure 321 on basic services for the economy and rural population, while Tuscany Region is using the Leader Axis with measure 413.

Except for Tuscany Region that adopted the Leader approach, nearly 148 million € of the public expenditure have been allocated to measure 321 in order to face such challenge.

Table11: Measures adopted by Regions aimed at facing the Broadband challenge

Broadband - adopted measures		
Regions	321	413
Piedmont	X	
Valle d'Aosta		
Lombardy	X	
A.P. Trento		
A.P. Bolzano		
Veneto	X	
Friuli Venezia Giulia	X	
Liguria	X	
Emilia Romagna	X	
Tuscany		X
Umbria	X	
Marche	X	
Lazio	X	
Abruzzi	X	
Molise	X	
Campania	X	
Apulia	X	
Basilicata	X	
Calabria	X	
Sicily	X	
Sardinia	X	
Total	17	1
X = implemented measure		non-implemented priorities

Source: NRN data processing on RDP 2007-2013 data

The only three Regions that did not allocate resources within their RDPs for facing the challenge are Valle d'Aosta, A. P. of Trento and A. P. Bolzano. This because they had already planned, provided for and partially implemented actions aimed at reaching the objective imposed by the EC by using alternative funds.

cree Law 1082 bis – aimed at bridging the infrastructural gap of not served areas or whose connection capacity is limited (< 2 Mbit/sec).

The main actions related to such priority and included in measure 321 of the RDP are falling within the following types of operations :

- Creation of new broadband infrastructure including backhaul facilities (e.g. fixed, terrestrial wireless, satellite-based or combination of technologies);
- Upgrade of existing broadband infrastructure;
- Laying down passive broadband infrastructure (e.g.: civil engineering works such as ducts, and other network elements such as dark fibre), also in synergy with other infrastructures (energy, transport, water, sewerage networks etc.).

To sum up, almost all the actions aimed at facing the Broadband challenge are considered new by the Regions. Only Tuscany Region adopting measure 43, considers it as an already existing measure.

2. CONCLUSIONS

What comes to light from this analysis is the strong reprogramming effort at national and regional level made in the context of the National Strategic Plan (NSP) and the Rural Development Programmes (RDPs).

In line with NSPs guidelines and although the different priorities, the Regions suggested a strategy update of the new challenges included in the reform package programmes.

Funds allocated by the Regions to the different objectives are substantially equal one another. What needs to be underlined is the marginal attention that “renewable energy” and “innovation” challenges have been given. The “renewable energy” priority has been partially included within the “climate changes” challenge as well as the “innovation” priority has been generally included by Regions within measures/operations referred to other challenges (e.g. giving priority to innovative solutions).

In order to face the new challenges, pre-existing or new actions/measures have been adopted. Most of the new actions have been set up and carried out in order to face the “broadband challenge”, followed by the “biodiversity” and “water management” challenges.

However, the general tendency has been that of strengthening RDPs existing strategies, measures and actions, thus aiming at pursuing the same objectives provided for by the Health Check new challenges.

Another important signal comes from the fact that most of the resources appears to be allocated to actions under Axis I, more than to those under Axis II or to other Axis. This seems to favour interventions aimed at fostering the agricultural sector competitiveness in order to face the existing economic crisis.

Therefore, all involved institutions could successfully carry out and complete the complex RDPs revising process within the time limits (by the end of 2009), thus leading Regions to a rapid measures implementation.

The Financial Plans undergo a change as a direct consequence of the additional funds allocation to different axis and measures. Such a change led to a resources reallocation linked to the first results of the public expenditure trend and programs implementation, monitored by the management authority.

In conclusion, it can be stated that the rural development mid-term revision process not only led 2007 -2013 RDPs focusing on the new challenges, but also outlined the future CAP strategies for 2014-2020 programming period.





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Dipartimento delle politiche competitive del mondo rurale e della qualità
Direzione generale della competitività per lo sviluppo rurale

Via XX Settembre, 20 - 00187 Roma

reterurale@politicheagricole.gov.it
www.reterurale.it

