

**Member State/Region:** Italy / Autonomous Province of Trento

**Subject:** Rural Development Programme 2007-2013 for the Autonomous Province of Trento (Italy) - CCI N° 2007IT06RPO011

## **I. DESCRIPTION OF THE RURAL DEVELOPMENT PROGRAMME**

### **1. TITLE OF RURAL DEVELOPMENT PROGRAMME**

"Piano di Sviluppo della Provincia Autonoma di Trento"

### **2. MEMBER STATE AND ADMINISTRATIVE REGION**

The plan covers the entire territory of the Autonomous Province of Trento. The area is not a "convergence" objective region.

### **3. CURRENT SITUATION, STRATEGY CHOSEN AND EX-ANTE EVALUATION**

#### **3.1. Situation in terms of strengths and weaknesses**

- *General socio-economic context of the geographical area*

The Province of Trento is considered entirely mountainous, with limited flat land areas at the end of the valley. The territory is divided longitudinally by the river Adige which divides Western and Eastern Trentino and gives its name to the Valley. The Province of Trento has a unique climatic and landscape variability, in just a few minutes it is possible to move from the Mediterranean climate of the Garda lake to the more harsh climates of the mountain peaks while passing through valleys covered of vineyards, orchards, fields and pastures, and alpine lakes. However, this prestigious and highly diversified landscape may at times create difficulties for mobility and economic activities which operate in such a diversified territory.

Moreover, more than 60% of the province surface lies above 1000 meters altitude, but more than 50% of the population lives in the 34 municipalities that are found at the bottom of the valley or below 400 meters (which means that 50% of the population is concentrated on a territory that represents only 15.2% of the total surface of the Province.)

Trentino is made up of numerous populated areas of small and very small size, with populations often below 1000 inhabitants. This distribution of the settlements throughout the territory and at different altitudes, makes more serious the social economic discomfort for the local population. It is often the case that in these municipalities the basic services cannot even be guaranteed.

Classifications of the territory, carried out on the basis of the EEC Council Directive n. 268/75 and on the basis of Legislative Decree 146/97, both still applicable, have defined the entire Province as *disadvantaged mountainous area (LFA 100%)*.

**Rural areas** have been identified according to the methodology set up in the national strategy, which classifies the national territory into 4 typologies: (A) urban areas, (B) rural areas with intensive and specialized agriculture, (C) intermediate rural areas, (D) rural areas with development gaps.

In particular, the entire Province territory can be classified under two of the four typologies: typology (A) "urban areas" including the municipality of Trento, and typology (D) "rural areas with development gaps" for the remaining territory.

In urban area (A) where there are municipalities with a high average population density, lies the capital city of the Province, i.e. Trento, with surface area of 157.94 km<sup>2</sup> and 703 inhabitants/ km<sup>2</sup>, while in rural area (D) lies the rest of the Province with surface area of 6206.88 km<sup>2</sup> and 64 inhabitants/km<sup>2</sup>.

The **demographical structure** is affected by a high rate of migration, continuously increasing. According to the 2005 Statistics Annual Report, the total population of the Province of Trento consists in 502,478 inhabitants of which 216,589 are employed. The employment rate in rural areas is lower than the national and province average, both for male and female.

Compared to the RDP for the previous programming period, the population is increasing in absolute terms, but its structure is being transformed, with the average age continuously increasing. This is a common phenomenon that can be found in several European countries, and is due to the fact that the life expectation is increasing due to improvement in the quality of life of old people, and birth rate is decreasing.

Crucial information to identify the characteristics of the population is given by the age structure analysis. In 2005, the age structure in the Province of Trento was the following:

0-14	15-64	more than 65
15.3%	65.9%	18.8%

In rural areas, the percentages remain basically unchanged when calculated on the rural population only (i.e. total population – Trento population).

57.19% of the adult population (25-64) of the Province had a complete **education** (upper-secondary and superior).

Nearly 55% of the **Province territory** is forestry land, while the area classified as *natural* covers 28.8%, and agricultural land covers only 13.1%. 2.8% is classified as *artificial*.

Agricultural land is used as follows: arable crops (i.e. cereal, potatoes, vegetables, green fodder, other) 3.22%; permanent crops (i.e. vines, apples, other fruits) 15.94%; grasslands and pastures 80.6%.

According to the data from the 2000 agricultural census, 34,694 holdings cover 76% of the whole Province territory, 7.9% of the agricultural and forestry land does not belong to any holding, and 16% of the land is not fertile.

It is worth of notice that there has been continued erosion of the land managed by the holdings since 1990. As a consequence there has been a reduction in the amount of UAA in favour of forestry land expansion. In 2000 the amount of UAA was of 146,989 Ha compared to the 149,907 Ha of 1990. Amongst the land not managed by the holdings, there has been a substantive increase in abandoned land, while amongst the infertile land the only significant data is the percentage increase in amount of land occupied by buildings.

It is important to note that, compared the average national agriculture on arable lands, the agriculture of the Province is typically mountainous and characterized therefore by pasture lands which represent 61.5% of the whole UAA of the Province. Therefore, pastures have a fundamental role in the economic-environmental system of Trentino.

In this framework, as in the previous RDP, the Province intends to give an important support to the animal husbandry activities linked to the difficult and disadvantaged mountain environments.

Forests represent 55.64% of the Province territory, of which 276,988 ha have productive characteristics. The presence of a manageable forest viability is one of the elements for a sustainable management and valorisation of forests. The requested support addresses mainly the adjustment of the existing road network that often has characteristics which are insufficient to guarantee the transit in security of means of transportation for forest operations.

**Economic profile** of the Province of Trento: in 2004 the GDP/capita was 28,384 Euro (while the national average was 23,874 Euro, and the EU average expressed in Purchasing Power Standard for the period 2000-2002 was 133 pps/capita). However, the percentage growth in the last five years, is below that achieved by Italy overall. Since the entire Province territory is defined as mainly rural, the GVA produced in the Province should be considered as produced in rural areas.

In 2004, the economy's structure was the following (%GVA by branch):

primary sector	manufacturing sector	tertiary sector
3.4%	26.5%	70.2%

Compared to the national average, in Province of Trento the contribution of the primary sector to the local economy is slightly higher than at the national level, while the percentage weight of the tertiary sector is almost identical to the national level. It is therefore the industrial sector which is locally underrepresented compared to the overall national situation.

The tertiary sector shows a peak increase in the transportation, storage, and communication sectors, with a 42% growth against a 23% national growth in the same sectors. Trade has instead modestly performed, with a growth half of the national level (only 3.9%).

Locally the food and beverages, and tobacco industry show a clear sign of crisis with a reduction of the produced added value of more than 14%.

According to the last available data the weight of the tourism industry on the regional economy was more than 10 % of the added value of the Province.

There remains a high productivity divergence between sectors, with agriculture having a productivity equal to half the one registered in the manufacturing and tertiary sectors.

The **employment** level in the Province is characterised by stability as opposed to the national level where the employment rate is decreasing. The unemployment rate is 3.2% while the average national rate is ca. 8 %.

In 2003, the employment structure was the following:

primary sector	manufacturing sector	tertiary sector
6.4%	28.4%	65.2%

According to the last available data, agriculture is the sector in which most of the workforce is above 50 years old.

- *Performance of the agricultural, forestry and food sectors*

#### **AGRICULTURAL SECTOR**

The added value of the agricultural sector in the Province is 3.3% compared to 26.5% of industry and 70.2% of the services sector.

In 2003, the total number of holdings was 26,010 with an average size UAA of 5.76 Ha, and an average economic dimension of 11.5 ESU (European size unit), with 43.09% of holdings with less than 2 ESU; 25.05% between 2 to less than 8 ESU; 24.36% between 8 to less than 40 ESU; 6.27% between 40 to less than 100 ESU.

In terms of agricultural holdings size: 89.12% of holdings have less than 5 ha of UAA; 9.81% of holdings have between 5 to less than 50 ha of UAA; and 1.08% of holdings have 50 ha or more of UAA.

Therefore holdings in the Province are typically small both in dimension and financially.

**Agricultural output** (GSP) in the Province reached 628.6 million EUR in the year 2004, (a 4% increase compared to the year 2000). Among all the production types, only wine making (viticulture) seems to have a constant growth trend, while the other sectors seem to be fluctuating. The sectors which mostly contribute to the

GSP of the Province are (in order of importance) fruit farming, winemaking (viticulture), processing, and animal breeding.

Apple production alone contributes with 79% of the GSP of the fruit farming industry of the Province. However, in the last 5 years, the amount of land for apple production has decreased by more than 7% with a consequent 22% reduction of the production. Small fruit production (strawberries, cherries, etc.) is the next significant production in the economy of the Province, accounting for about 12.7% of the fruit farming industry in the Province of Trento.

The GSP of wine has been growing significantly in the last few years, accounting for 153 million Euros, equal to 27% of the total GSP of the Province (2003). However, in terms of quantity, there has not been significant growth. The growth of the output is mainly due to an increase of the quality and the prestige obtained which has generated an increase in the average production price.

Production from herbaceous crops play a minor role to the total GSP, representing only 3.8% of the total (2004).

The zootechnical sector is a major component of the Province agriculture, especially in the mountainous areas where the production of other crops is not possible. It contributes to the agricultural GSP with 33%. In the past 5 years the GSP of this sector has had a 10% growth, for a total of 120 million Euros. This result is mainly due to the production of cow milk which accounts for 51% of the total production (2004), with ca. 1600 quintals of milk produced and which also shows a 10% increase. Output related to meat production (beef) has instead been decreasing with a value of not more than 15 million Euros. After some years of crisis due to adverse climate conditions, the apiculture sector is now showing some renewed interest with a constant increase of beehive farming.

Sheep and goat farming has shown a gradual increase of the number of livestock.

The wine-growing nursery sector is also present in the Province, represented by 30 holdings and one cooperative consortium with about 20 members. The holdings have their production units partly located in the Province, and due to the difficulty in finding suitable areas locally, are also partly located in the neighbouring province of Verona (Veneto Region). Production units cover a total area of 87 Ha of vineyards for different types of production. Following an intensive growth of productivity levels after the year 2000, there has been a slight decrease which has however now stabilised.

In terms of **human capital**, in 2004 the ratio between the % of farmers who are less than 35 and those who are 55 or more, was 0.23%. Only 12.5% of the farmers in the Province are young farmers (between 18 and 35). In 2000, 14% of farmers had basic/full education, including those in mountain areas, where everyone has been guaranteed a basic education. In terms of workforce, as opposed to the national trend, in the Province of Trento family-run farms prevail over external workforce run farms. Gender-wise, typically in the Province (as this does not reflect the national trend), women's role in agriculture is mainly linked to an assistance role.

The Province of Trento has highly invested in the mechanization of agriculture, more than other mountain regions, in order to improve its **land productivity** and

make it more profitable. The area with the highest ratio of machines / professional farm is the Non Valley which is also the most highly specialized agriculture area. In terms of competitiveness, the creation of fixed gross capital in agriculture amounts to 134 million Euros (2004), with a growth rate which doubles the national one. This figure covers not only investments in mechanization, but all types of investments.

90% of the agricultural production of the Province is managed by cooperatives.

To improve competitiveness: *Fruit sector:* need to improve the efficiency (also energy and environmental), and to innovate the production phases of conservation and/or processing in order to increase the competitiveness of the sector on the agricultural products market. *Wine sector:* technological and structural renovation is necessary especially in the processing phase in order to continue the quality improvement of products. *Dairy sector:* need to make holdings more efficient (also environmentally) and more productive, and need to intervene in the processing phase in order to increase the added value of production.

### *FOOD INDUSTRY*

The food industry represents 2.04% of the total Province GAV, with an employment rate of 2.1 %.

In the Province of Trento the processing sector which includes milk, grapes, and involves fruit consortia contributes to 24.8% of the GSP, and has been growing steadily in the past ten years, showing the importance of the first production phases after agricultural production. The fruit and vegetable sector (only apple production for this purpose) is that which mostly contributes to the processing output, followed by wine making and milk.

In the wine making sector, about 6% of the wine at the level of the Province is produced by private farms. Other privately managed production sectors are present, like apiculture (honey production) and fruit farming (fruit juice and/or apple vinegar) and minor cultures (jams).

The drink and tobacco sectors have had a negative performance, with a strong decrease in added value and volume compared to national, but a measured decrease in employment. Also fixed investments have been decreasing more than the national level. These sectors employ 4669 people distributed among 500 production units (2001).

Although labor productivity is higher than the national average, it has been decreasing while the national productivity has instead been increasing. The productivity indicator (2004) for the food industry is 50.8 thousand Euro (added value/employed people). GFCF (gross fixed capital formation) is 76 million Euro (2003). The GAV (gross added value) of the food industry (2004) is 238.7 million Euro.

### *FORESTRY*

The local forestry sector contributes with less than 4% to the GSP, and in the last five years it has been decreasing. However in the GSP, about 25% comes from

agricultural products processing, while in the forestry sector this phase is outside the primary sector and is not considered.

71% of the wood is for construction purposes, followed by wood used for fire (21%), and forest products (8%). The GSP of the sector has been decreasing rate of decrease on the sector between 2000 and 2004 has been limited to 11%.

The forestry sector of the Province of Trento is of high relevance in the national context. Forests in the Province account for 377,709 mc (2003) of the national wood supply, and 11% of the overall national production.

The average annual increase of the volume of FAWS (forests available for wood supply) is 1.98% (2003). In the Province, the costs for the provision of wood are higher than in the central European and Scandinavian context, which instead have a dominant position and determine prices of the wood market.

74% of the forests of the Province are public, and this explains why all the measures (except 123 and 312 which specifically address enterprises), address public entities.

Forest holdings are mainly private and very small, with less than 2 employees per unit (including the owner).

*The forestry sector is not included in the regional economic accounts therefore it is very difficult to calculate precisely the indicators related to the productivity in forestry and to the gross fixed capital formation in forestry.*

Forestry GFCF is however estimated to be: 84% biomass, 15% roads, 1% equipment, and GSP 2.4 million Euro.

Forestry production sector accounts for 615.4 million Euro and employs 5600 people. The economic importance of the wood sector is enhanced by the fact that it is located mainly in the peripheral and mountainous areas, giving work to 8% of the employed people. It is important to develop research, innovation, and investments (for forestry).

- *Environment and land management*

Agriculture in the Province has a long tradition of reduced environmental impact, and integrated agriculture technical protocols and legislation basically cover all the main production sectors. 13% of the land is cultivated according to the modalities of integrated agriculture and another 5% applies of minimum sustainability production standards for organic farming. Due to the climate conditions in the area, and the requirements of specialised agriculture, the use of **phytosanitary products** has however remained unchanged. Following implementation of the protocols, there has been a strong reduction in the use of synthetic and highly toxic products which have been largely replaced by organic phytosanitary products with a lower environmental impact.

**Irrigation** is a widespread practice in the local agriculture and covers most of the sectors: 14.8% of UAA of the Province is irrigated. The demand for irrigation water has been increasing to cover new sectors, guaranteeing product quality and stability of productivity. The main sources of water for irrigation are aqueducts, followed by underground waters, and water streams. Water is therefore available, but there is a need to rationalise its use and to invest in irrigation technology in order to avoid wasting water resources.

Implementation of the The Nitrates and Water Framework Directive 2000/60/EC is expressed through the adoption of the General Plan of Use of Public Waters (PGUAP) which is currently under approval by the Basin Authority. The Plan is the main tool for the management of water resources and land protection defining actions for the different sectors and foresees to manage water resources in terms of integrating quality and use. Moreover, the Plan aims at reducing the level of pollution of the water catchment basins through specific projects.

With reference to Council Directive 91/676/EEC (adopted nationally through the Legislative Decree 152/99), no **nitrate vulnerable areas** have been identified in the Province, since both in surface and underground waters no nitrate presence with concentration levels above 50mg/l have been identified. The same applies for **phytosanitary vulnerable areas**, for which the situation in the Province is quite reassuring. However, monthly monitoring of the quality of water is carried out by the local Environment Protection Agency.

The high percentage of forest coverage in the territory, also contributes widely to maintaining good water quality, and to the prevention of erosion and landslides. 99.18% of forests are protection forests used mainly for land and water protection.

**Organic farming** has been developing since the 1970s and is locally being promoted by small holdings with a relatively small and diversified production. There are 331 organic farms operating in the Province and 3,771 Ha of UAA devoted to organic farming (2005).

Nutrients in fertilizers are distributed as follows (Kg/Ha of fertilized area): 63.7 Nitrogen; 41.3 P<sub>2</sub>O<sub>5</sub>; 75.7 K<sub>2</sub>O. For the year 2004 the Province has used 180 Kg/Ha of fertilizers which locates it at an intermediate level in the classification of Italian Provinces. In terms of Nitrogen use instead, the use made by the Province of Trento is significantly lower than the national average.

**Green House Gases (GHG) emissions** coming from agriculture have been decreasing (5% decrease of ammonia between 1995 and 2000 from 1519 T to 1449 T), although agriculture and especially animal breeding remain the main sectors accountable for methane emissions. Carbon dioxide and ammonia emissions from agriculture: 46,800 tons CO<sub>2</sub>; 1449 tons of NH<sub>3</sub>. There are no indications available concerning agriculture areas for the production of biomass. However, this does not indicate that the contribution of agriculture to **clean energy** is null. In fact at times, waste from agriculture activities merge into the systems for the exploitation of forest biomass. Also organic matter present in forest soil is very important to prevent climate change as it serves as a reservoir for carbon absorbed by forests.

In relation to the environmental and land management issues, forests play a very important role for the protection of biodiversity, and play the role of buffer areas



between areas of intensive human activity and conservation areas. **Forest coverage** has been expanding in the last ten years (1993-2003) by 775 ha/year. On the contrary, productive land has decreased following an increase in the areas where costs for logging are higher than the proceeds. In terms of environmental value the expansion of forests, and the abandoning of extensive agricultural practices typical of the mountains areas, has brought to a simplification of the landscape and a modification of the alpine biodiversity. Due to the expansion of forest coverage, there has also been an increase in terms of biomass and its contents (11% increase between 1993 and 2003).

In relation to *climate change*, production of renewable energy from agriculture and forestry is expressed through the development of facilities that use biomass especially for heat production: 4 facilities above 2 MW; 4 facilities between 0.4 and 2 MW; numerous small facilities below 0.3 MW. Moreover, mixed (13.8%) and broadleaved (21,8%) forests have much increased due to the policy of reduction in use and favouring of natural forestry. Conifers remain the main forest type with 64.4%. Forests in the Province have high environmental health standards which are continuously improving. The number of plants affected by phytosanitary issues is quite low.

**Forest fires** are highly dependent on climate conditions and 18% of fires in the Province are due to natural causes (lightnings) which is much higher than the national average, while 36.5 % are voluntary fires. An average of 250.00 ha of forest areas have been affected by fire in the period between 2001-2003 against a national average in the same period of 69,434.00 ha. The Province of Trento has adopted its own plan in defense of forest fires, and based on the national classification the Province is considered *not at risk*.

The implementation of the European Action Plan for Forests is reflected in the adoption of the General Forestry Plan of the Province in 1993 which provides for a sustainable management of forests.

The following needs have been identified: 1) to develop a market that can produce raw material and services aiming at improving the forest and its environmental value; improving networking between local stakeholders and provide training in forestry; improving forest workers safety at work; 2) to intervene in Natura 2000 areas and maintain and increase forest biodiversity and potential for renewable energy, immobilization of carbon, decrease of soil erosion; 3) to improve the landscape aspects, increasing the social and cultural function of forests in the area.

Due to the mountainous territory of the Province, almost 99.18% of forests in the Province are **protective forests**, which do not have productive functions, but are meant for soil and water protection. **Protected areas** in the *Natura 2000* system in the Province of Trento cover 25.3% of the total territory, and 17.9% of the forests are located within protected areas, of which 15% is production forest and 29% protective forest. A peculiarity of protected areas is the presence of **biotopes**, which are areas of small dimension, characterised by special natural characteristics protective of the ecosystem and are managed by a special conservation regime. All biotopes in the Province identify important sites according to the Natura 2000 Directive. There are 152 Sites of Community Interest covering 151,633 ha and 19 ZPS (Special Protection Areas) covering 127,137 ha. Within these sites, are found

the **high nature value** (HNV) rural areas, and 3.2% of UUA is under Natura 2000 protected areas.

- *Rural economy and quality of life*

The **socio-economic characteristics** of rural areas can be summarised as follows:

The entire Province is classified as rural area with the exception of the capital, Trento. 1.81% of the population are farmers, i.e. 9,020 people out of a population of 497,546.

Unemployment is very low and much lower than the national average. Employment in rural areas is however much lower than the Province and national average. Agriculture is not the main employment sector in rural areas.

In general, infrastructures for **tourism** are highly developed compared to the rest of the country and are mainly located in rural areas with a strong development of rural tourism, and with tourism infrastructure indicator of 153,591 accommodation units available. Self-employment is quite developed in rural areas, with 8390 self-employed people and 39,500 in total.

Tourism is an important income-integrating activity especially in marginalised areas. This strategic sector is strongly supported by the local administration through financing, infrastructure development and training of the workers of the sector.

25.15% of farmers have other gainful activities in addition to agriculture, but this does not necessarily identify a rate of activity **diversification**. Younger farmers are more likely to take the risk to diversify their activities.

One of the main needs of the Province remains road **infrastructure** to improve connections between the marginalised areas and the lowlands. This would also stop the abandonment of agricultural areas which are not reachable.

The **availability and utilisation of the internet** is also a fundamental factor. Many areas of the Province are still isolated and with no coverage at all. Actions have already been taken up in order to cover with broadband connection many isolated areas through the adoption of wireless connection and other technology. Only 8% of the overall territory is covered by ADSL; 17.5% of families in the Trentino Alto Adige Region have access to broadband, and 19.9% in the municipality of Trento. *Data of population having access to ADSL in rural areas is not available.*

Governance in the Province is characterised by an ongoing institutional reform which aims at enhancing the involvement of local communities and further decentralising the decision-making competence. Agricultural cooperatives continue to be a main reference point in the governance structure of the Province, especially in the traditional mountain areas where the population is generally composed of elder people.

Lifelong learning is well developed in the Province as professional training institutions are traditionally widespread guaranteeing the dissemination of knowledge in rural areas. 9.8% of the adult population (25-64) in rural areas is involved in training and learning activities, against the national level of 6.9%.

- *Leader*

During the 2000-2006 programming period, the territory covered by **Leader+** was the Alta e Bassa Valsugana, and 3.06% of the population. 1 LAG was selected.

### 3.2. Strategy chosen

In the framework of the priorities set up at community and national level, the programme's strategy has identified an overall objective in the conservation, valorisation, and review of the rural mountainous landscape and its economic, environmental and cultural aspects.

This overall objective will be pursued through the three rural development thematic axes. For each axis, general objectives have been identified.

#### *Axis 1 – improving the competitiveness of the agricultural and forestry sector*

Taking into account the problems and the needs individuated by the analysis of the situation, and with a reference to the framework set up by the National Strategic Plan, the priorities of the axis will be to improve competitiveness in agriculture and forestry through:

1) investments on human capital, through enhancement of vocational training and entrepreneurial skills of workers; valorisation of young farmers; 2) development and upgrading of local infrastructure (with special focus on renovation of irrigation infrastructure for water saving, and provision of basic services to mountain areas); 3) development of process/product innovation to improve competitiveness of production sectors; 4) increase in quality of local agricultural and forestry products; improvement of service for marketing and promotion of products and tourism.

The financial weight of the axis is 30.3%.

#### *Axis 2 – improving the environment and the countryside*

The priorities of axis 2, which respect the framework set up by the National Strategic Plan, and are based on the evidences coming from the analysis, are to intensify the protection of biodiversity and promote the local environmental-landscape. In particular: 1) improved sustainable management of the territory to protect natural resources and valorisation of agroforestry activities with high naturalistic value and landscape diversity; 2) protection of the LFA mountain ecosystem and support to activities of biodiversity conservation; 3) quantitative and qualitative protection of water resources; 4) agroforestry activities for the reduction of greenhouse gases; 4) introduction and development of organic and extensive farming; 5) protection of species at risk of extinction; 6) protection of forests through development of prevention measures.

The financial weight of the axis is 52.9%.

#### *Axis 3 – quality of life in rural areas and diversification of the rural economy*

For axis 3, the priorities that have been individuated on the basis of the results of the analysis and taking into account the general objectives set up at national level,

are to increase the attractiveness of rural areas for businesses and the population, and to maintain and create new employment opportunities, through: 1) focus on areas with high environmental value and landscape diversity, and on areas with high loss of competitiveness or affected by abandonment; 2) encouraging creation and dissemination of services to the population and SMEs, including ICT; 3) favouring the growth of human capital in rural areas by increasing training and information activities.

The financial weight of the axis is 10.3%.

#### *Axis 4 – implementation of the Leader approach*

The priorities of axis 4 are to improve the local management and planning skills, and to promote the local resources. The financial weight of the axis is 6.0 %.

### **3.3. Ex-ante evaluation**

The 2007-2013 RDP presents continuity, in respect to the previous programming period. This continuity is justified, in the opinion of the evaluator, by the fact that there have been positive results from the 2000-2006 RDP which need to be consolidated, rather than identifying new objectives and new ways to reach them. Objectives and impacts are not quantified, and this could be problematic in the ex-post evaluation. According to the evaluator, the emphasis to the problematic issues and unsatisfactory results in some areas show that to a certain extent lessons learned from the last programming period have been considered. However, some problematic issues such as the problems faced by farmers in addressing the bureaucratic procedures related to the implementation of their activities, have not been addressed in the new RDP.

The programme also includes a summary of the SEA (the whole document is annexed to the programme). The SEA includes also an evaluation of the environmental situation of the Province, including the positive effects of proposed interventions and formulates recommendations for adjustments.

### **3.4. Impact from the previous programming period**

The RDP 2000-2006 had an EAGGF budget of about 107 Meuro with about 15Meuro currently left to be utilised. Compared to the original programme, there has been an overall increase in expenditure from own resources, a 2.5% increase in expenditure addressing measures for the improvement of quality of life and maintenance of the environment and landscape which have been prioritised; a 1.1% increase in the conservation of natural resources and improvement of land quality; a 3.3% decrease of the co-financed aid.

The main conclusions are the following:

- Intervention has helped crisis sectors recover.
- Intervention has stimulated innovation and the acquisition of modern equipment
- Intervention has contributed to improving the generational change in agriculture through the support of young farmers.
- Intervention has supported investments in holdings in order to create additional income-generating activities.

- Effects on productivity and incomes are difficult to determine (as they are more dependant on market and prices).

Leader+ provides for the financing of 1 LAG. The budget is about 7.6 Meuro in terms of public resources (3.7 Meuro EAGGF). 178 projects have been financed (of which 84 already concluded), with a commitment of 99.98% of the available resources.

#### 4. AXES AND MEASURES

##### *AXIS 1*

##### *Measure 111 "Vocational training and information actions"*

The measure objectives are the enhancement of entrepreneurial and human resources. In particular, the operations will aim to the promotion of professional adjournment and creation of new expertise, to respond to the need of information, innovation and technical knowledge of the agricultural and forestry sector.

Actions: Training actions: a) tutoring for young farmers; b) professional adjournment and training of agricultural and forestry sectors; d) training on agri-food and environmental issues.

Information actions: a) information dissemination activities for agriculture and forestry technicians; b) seminars for agriculture and forest operators.

Beneficiaries: entrepreneurs and agriculture and forestry workers, especially young; family farm workers and agricultural employees; agricultural and forestry specialists.

Aid intensity: 100% for all activities.

Output indicators: 3690 participants, 900 training days, 195 courses activated.

##### *Measure 112 "Setting up of young farmers"*

The measure will contribute to the objective of improving the competitiveness of agriculture and forestry, promoting the generational renewal

Action: single premium to young farmers who are setting up for the first time as head of holding.

Beneficiaries: Young farmers (between 18 and 40 years old) who are setting up for the first time as head of holding; young farmers who are not sole heads of holdings but for which the same conditions apply as if it were only one head of holding; Beneficiaries will have 36 months to comply with Community standards, and a grace period of 36 months to reach adequate skills/competence. The business plan analyses the activities of the holding, the strategy including the strategy to improve environmental sustainability of the holding, the organizational aspects, the development needs, the investment needs, the economic and financial perspectives.

Aid intensity: for agricultural holdings: single premium up to a max of 40,000 Euro, payable at once or in max 5 instalments; for agricultural holdings (other than zootechnical): single premium up to a max of 30,000 Euro, payable at once or max in 5 instalments, with additional 5,000 Euro for agricultural holdings with organic farming ex Reg. 2092/91.

Output indicators: 400 young farmers, 40 Meuro of total investments,

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

The measure aims to increase competitiveness and income of agricultural holdings by supporting tangible and intangible investments for modernisation, through the introduction of new technologies, targeting quality, organic products and diversification. The types of intervention would be targeted, quite small in size, but with a radical effect.

Actions: A) Investments for the fruit & vegetable production sector:

a) equipment and machinery for crop management practices; b) realisation and restructuring of on-farm processing and marketing structures for mainly on-farm vegetable produce (max 1/3 off-farm produce; main activity remains agricultural and output is still Annex I products); c) realisation and restructuring of greenhouses, nurseries, and roofings and purchase of related equipment. For greenhouses only investments for the restructuring of existing structures (realisation of new structures are targeted for the environment); d) realisation of irrigation systems, farm buildings and other structures for land improvement. For irrigation systems only restructuring of existing systems are envisaged in order to improve water saving, and subject to respect of the environment; e) purchase and installation of fixed hail protection nets.

B) Investments for the zootechnical production sector, including apiculture and snail farming:

a) purchase and restructuring of machinery and equipment for forage cropping, for stock management, including equipment and machinery used in grazings; b) purchase of structures for stock farming subject that it is advantageous environmentally and economically; c) realisation and restructuring of holding structures and equipment for the conservation, processing and marketing of zootechnical on-farm products (max 1/3 off-farm products; main activity remains agricultural and output is still Annex I products); d) creation of systems for the processing of zootechnical waste and biomass for on-farm production of renewable energy.

C) Other on-farm investments:

a) realisation and restructuring of farm roads; b) realisation and restructuring of electrification c) realisation and restructuring of the drinking water system.

D) Investments for the development of niche sectors (ex. honey, goat milk) that are not in competition with the main production sectors of the Province, but are complementary to them.

Beneficiaries: individual holdings; companies managing agricultural holdings; association of farmers managing the treatment of on-farm (only) zootechnical waste and biomass.

Aid intensity: up to 50% of eligible expenses (rate of support is fixed according to type of intervention); up to 60% in case of young farmers within 5 years of their establishment. In case of single or associated agricultural holdings that do not perform mainly agricultural activities, up to 40%.

N.B. The entire Province of Trento is classified as 100% LFA.

Limit: max 500,000 Euro/holding of investments over the whole programming period.

Coherence with first pillar: All Annex I sectors are admissible to the support. Restructuring and plantation of vineyards, plantation of olive growth and all other investment that can be supported by CMOs, however, will not be eligible. For *wine*, only investments concerning Registered Designation of Origin and IGT (typical geographical indication) wines will be eligible. *Fruit and vegetables*: see complementarity section (point 7 of the working document).

Output indicators: 4000 farm holdings supported; 100 MEuro investments

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

The aim of the measure is to increase the productivity and economic value of forests, especially wood in the specific case of the Province of Trento, by maintaining the sustainable management and multifunctional role of forests (ecological and recreational role).

Actions: a) purchase of specific forestry equipment to improve the measurement and sales systems; b) realisation of forestry holding infrastructure: (construction and restructuring of farm roads, building of areas for storage and processing of rough wood (with prior verification, if area is concerned, of respect of Natura 2000 areas).

Beneficiaries: private forest holders and their association; municipalities and their associations; bodies responsible for forest management based on a rental contract, which operate in private or municipality owned forests.

Aid intensity: Support may be granted up to 60%. Action a) between 30 and 40% of eligible costs according to type of beneficiary and equipment; limit: max 250,000 Euro for purchase of equipment/beneficiary/year. Action b): for roads between 40 and 60% of eligible costs, with limit max 120,000 Euro/km and 100,000 Euro/year/beneficiary for infrastructure.

Properties larger than 100 Ha have to have a management plan.

Output indicators: 50 forest holdings supported, and 13.8 Meuro total investments

### ***Measure 123 (Adding value to agricultural and forestry products)***

The measure aims: a) to promote a better integration between the processing and marketing sector and the agricultural and forestry producers, b) to concentrate supply and better adapt it to the market demand, c) to promote the quality and safety of the agri-food products, d) to improve competitiveness, through innovation, e) to secure new market outlets, through the valorisation of products, processes and technologies.

Actions: the actions will concern: a) the introduction of new technologies; b) the improvement of quality control; c) the re-orientation of production; d) the promotion of new market outlets; e) the improvement of processing and marketing of primary products; f) the introduction of new technologies for the utilisation or disposal of by-products and waste; g) the enhancement of environmental performances; h) the purchase of specific equipment for forestry work; i) specific infrastructure for processing. Eligible expenses will be: a) construction, acquisition or improvement of immovable property; b) purchase of new machinery and equipment including computer software; c) general costs up to 12%; d) traceability, quality control and environmental management systems (only linked to tangible investments).

Priority areas for financing for the agricultural sector (in order of importance): dairy sector/horticultural/small fruit (restructuring of existing factories); fruit/vegetable sector, wine sector (technological adaptation of plants and machinery).

Beneficiaries: single and associated processing and marketing holdings of agricultural products (Annex I of the Treaty). Support is limited to microenterprises and SMEs. For enterprises with a number of employees between 250 to 750, or 200 MEuro max of annual turnover, support is halved.

For the forestry sector only micro enterprises will be eligible, and only small scale sawing prior to industrial processing will be eligible. Companies which carry out the first processing of wood are excluded (sawmills).

Aid intensity: 40% of eligible expenditure for interventions in the zootechnical, dairy, horticultural, and small fruit sector; 30% of eligible expenditure for interventions in the fruit and wine sectors, and up to 40% in cases where the factory has to be moved outside the centres of urban areas for reasons related to environmental incompatibility with the continuation of activities.

Forestry sector: 30 to 40% of eligible costs according to type of equipment . Max eligible expenditure: 250,000 Euro/beneficiary/year for equipment;100,000 Euro/beneficiary/year for infrastructure.

Coherence with first pillar: All products listed in Annex I (except fishery products) and forestry products will be supported. Only investments with an appropriate market outlet, however, will be eligible. CMO quota or restriction will be taken into account. For the fruit and vegetables sector, the measure will finance: projects for the realisation, adjustment and modernisation of the agro-industrial facilities, including the technological systems needed for their functioning, above 1 MEuro; and projects for the selection and packaging of apples only for production quantities of at least 250 thousand quintals. The PO will instead finance investments not falling in the above categories, and investments for machinery.

Output indicators: 40 holdings supported for agricultural sector and 60 holdings supported for forestry sector; 120 MEuro of total investments for agricultural sectors and 10 MEuro for forestry sector.

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



The development and adaptation of infrastructure will concentrate on the following 4 main issues: 1) drainage; 2) irrigation; 3) rural roads; 4) infrastructure for forestry.

The objectives of *Issue 1* are: primary drainage operations of the lowlands, and land adjustment in order to maintain agricultural activities (and as consequence to protect urban areas from flooding), and environmental and landscape characteristics. Priority financing is given to infrastructure for hydraulic-agricultural drainage on areas subject to the parcelling of land.

The objectives of *Issue 2* are: investments for a more effective use of water, through the improvement of distribution mechanisms in respect of Water Framework Directive; to favour the collective management of water resources; to increase control of the use of water resources allowing for a more effective programming of interventions from the public administration; improve the condition of waterways; decrease underground water collection in order to safeguard the equilibrium of the ground water. All interventions within holdings are excluded.

The objectives of *Issue 3* are: to improve the road network in order to favour the development of agricultural activities and holding competitiveness and to improve the living and working conditions, and avoid the isolation of certain areas and reduce the administrative costs due to isolation.

The objectives of *Issue 4* are: to guarantee an adequate access to forests in consideration of their multifunctional role; to adapt existing roads to the needs of modern forestry by improving the chance to use mechanized systems.

Actions: a) investments for drainage systems improvement; b) realisation of new and investments for extraordinary maintenance of irrigation infrastructure and land reclamation infrastructures and wells respecting the environment; c) improving management of water resources and coupling of irrigation with other farming techniques; d) automation and telecontrol of irrigation systems; e) construction, augmentation, adjustment, and modernisation of water reservoirs up to a max of 200,000 m<sup>3</sup> / basin. e) realisation and investments for extraordinary maintenance of rural agricultural and forestry roads only for common use; f) creation of storage areas for forestry produce.

Beneficiaries: for *Issue 1*, the beneficiaries will be: consortia for land improvement, drainage consortia, and municipalities. For *Issue 2*, the beneficiaries will be: consortia for land improvement, and drainage consortia. For *Issue 3*, the beneficiaries will be: consortia for land improvement, and drainage consortia. For *Issue 4*, the beneficiaries will be: public and private forestry organizations; the Forest Service with the exception of government property; forest managers on the basis of a rental contact.

Aid intensity: *Issue 1* – 100% for drainage consortia; 70% for land improvement consortia; 40% for municipalities.

*Issue 2* – 90% for consortia for land improvement of second degree; 80% for consortia for land improvement of first degree and drainage consortia; 40% and max 50,000 Euro for consortia for land improvement of first and second degree and drainage consortia. In case of interventions linked to actions of land reorganization the support is increased by 10 percentage points up to 90%.

*Issue 3* – 45% or 75% for drainage consortia and consortia for land improvement of first and second degree according to type of surface. In case of interventions linked to actions of land reorganization the support is increased by 10 percentage points up to max 80%.

*Issue 4* – between 40 and 70% for the construction of new forestry roads; between 50 and 80% for renewal of existing roads; between 50 and 80% for forestry storage areas. For construction of new forestry roads: 200,000 Euro/Km; for renewal of existing roads and extraordinary maintenance: 120,000 Euro/Km; for forestry storage areas up to 100,000 Euro.

Output indicators: 750 initiatives supported, 111 Meuro of total investments, 5% economic growth over the whole programming period.

## **AXIS 2**

### ***Measure 211 (Natural handicap payments for farmers in mountain areas)***

The aim of the measure is to maintain sustainable farming in isolated, disadvantaged mountain areas where the rate of abandonment is high with critical consequences for the environment and the rural life. At high risk of abandonment are especially the small zootechnical holdings on which the measure focuses its support in consideration of their socio-cultural importance and their role in the environmental equilibrium.

Actions: one annual allowance will be granted to compensate the excess costs or the income foregone due to permanent disadvantaged area (determined according to altitude, slope level, dimension, livestock density, etc). Average payments may not exceed 250 Euro/Ha, however at holding level compensation allowance may vary from 80 to 600 Euro/Ha.

In addition to the respect of cross-compliance, compensation is given to farmers (mainly in mountain areas) who: cultivate at least 2 Ha of UAA or 0.3 Ha in case of olive or chestnut growing; to farmers who commit to pursue the agricultural activity, on the same surface area, for 5 years from the first compensation payment; who use practices which respect the environment beyond the minimum standards and especially who apply systems of sustainable agricultural production.

Beneficiaries: farmers

Output indicators: 1600 holdings and 19,000 Ha

### ***Measure 214 (Agri-environment payments)***

The general aim of the measure is to support sustainable development and to respond to the increasing demand for environmental services, through the support of agricultural production methods compatible with protection and improvement of environment, landscape, natural resources, soil and genetic diversity.

Localization: all the territory; however for some types of interventions support may be granted only for specific areas.

The measure is divided into 6 main areas of intervention:

#### *Action A – introduction and conservation of organic farming methods*

Action A provides a support for farmers who convert/maintain their holding to organic farming in conformity with Reg. (EC) 2092/91. The commitment lasts for at

least 5 years. The minimum surface area is 0.3 Ha. The farmer must register with the organic producer register of the Province. *Localisation*: all the Province territory with priority to areas with intensive farming.

There is no differentiation between amounts of support for conversion and maintenance, but instead compensation of higher expenses and lost revenues as follows: for horticultural crops support is 600 Euro/Ha; for other annual crops (arable) including green manure 450 Euro/Ha; for small fruit shrubs 600 Euro/Ha; in case of specialized tree crops and grape vine 900 Euro/Ha; in case of other crops like olive and chestnut trees 450 Euro/Ha.

#### Action B – management of grasslands and pastures

Action B provides support to farmers for the higher costs arising from the conservation of grasslands and permanent pasture areas, who moreover are not being compensated for the low income deriving from animal breeding. The commitment is for at least 5 years.

Action B1) concerning management of grasslands:

1) For permanent grasslands: annual mowing of grasslands (criteria and techniques are defined); cultivation of an area of at least 1Ha; respect limits for mineral fertilisation; exclude organic fertilizers for certain categories (in natural parks and areas to become national parks; in floodplain surfaces; in a setback area of respect of surface water bodies of 10m in case of liquid manure, and of 5m in case of solid manure); for holdings which carry out organic farming the commitment should be for at least 5 years. *Localisation*: all the Province with a differentiation of support for areas located 900m asl.

Support may be granted both to non-zootechnical holdings and zootechnical holdings with a livestock density LU/Ha not above 2.5, as follows:

a) 200 Euro/Ha: for zootechnical holdings when LU/Ha exceeds 2 LU/Ha of total forage area; b) 260 Euro/Ha: for non zootechnical holdings and zootechnical holdings when the LU/Ha does not exceed 2 LU/Ha of total forage area; c) 340/Ha for areas cultivated with organic farming and for grassland areas above 900 m asl.

2) For grasslands in Natura 2000 areas support may be granted to managers of agricultural land, and who cultivate areas as permanent grasslands of at least 1000 sqm, who have to respect mowing requirements and techniques (i.e. for protection of fauna reproduction and nesting) according to the type of grassland; draft a cropping protocol (in line with Natura 2000 management plans or conservation measures) which will define periods when mowing is banned and limits to use of organic fertilizers compatible with habitat conservation; creation of "shelter islands" (i.e. small areas of non cultivated surface to ensure shelter to fauna which normally reproduces in grasslands); ban on chemical fertilizers and limited use of cattle liquid manure.

Support is 450 Euro/Ha reduced to 380 Euro/Ha for rough grasslands, in consideration of the loss of revenue and additional costs to take on the commitments.

Action B2) Management of the pastures through the grazing of livestock.

Support may be granted to farmers, companies, organizations, grazing organizations and "malghe"<sup>1</sup>, to improve grazing conditions compared to the normal practice and baseline, in order improve biodiversity (flora and fauna) and quality of water of pasture areas. *Localisation*: pasture areas used for the summer grazing of livestock (usually between 1000 and 2500 meters altitude). Commitments: no herbicides; no mineral fertilizers; annual weed control through weed cutting before flowering; no mowing just for production of forage; adoption of grazing techniques (ex. guided pasture, rotation pasture) that favour a better environmental use of pastures.

Support is granted as an annual premium/Ha according to type of pasture and livestock used. It may be accumulated with the compensation allowance in measure 211. Support is 90 Euro/Ha for grazing of milk cattle with at least 15 milk cows or 100 milk sheep and goats; 72 Euro/Ha for the grazing of milk sheep and goats that do not reach the above-mentioned limits; 60 Euro/Ha for grazing of "malghe" with migratory herding.

Livestock density required: 1.4 LU/Ha and not below 0.4 LU/Ha. Moreover, should the density of livestock decrease below 0.6 LU/Ha, the aid will correspond to a reduced surface with a theoretical equivalent density of 0.6 LU/Ha. This will avoid an excessive extensification of the practice with a consequent risk of abandonment or degradation of some areas.

#### Action C – use of production methods especially destined to the conservation of biodiversity and of animal species

Action C aims to a better management of lowland areas which have undergone an impoverishment of the nature and landscape due to the increased use of technology in the countryside and a strong increase of the use of intensive agricultural practices. The measure focuses on two main actions: C1) care of the traditional agricultural landscape, with 3 subactions concerning hedges, row cropping, isolated trees and clusters of trees, and environmental management of drainage trenches; and C2) the survival of the Corn Crake.

For action C1) commitments for hedges are: maintenance operations (side cuts for containment, control of invasive species and selection of coppice shoots); maintain or restore hedges with selected species; ban of pesticides on respect areas (1 m on each side of the hedge), and spontaneous vegetation (grasses) have to be controlled manually or mechanically starting from the second half of July; for row cropping and isolated trees: maintain a respect area of at least 1 m wide on each side; ban of chemical fertilizers, pesticides, herbicides; maintenance operations only in periods of vegetation rest; ban of pesticides on respect areas, and spontaneous vegetation (grasses) have to be controlled manually or mechanically starting from the second

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<sup>1</sup> *Malghe*: It is the name given to typical rural buildings, located in isolated mountain areas, where productive activities (livestock husbandry, grazing, and milk processing) are being carried out especially in Spring and Summer time. These areas are owned by the municipalities and are used "in common" by farmers. The attractiveness of these areas is linked to the scenic landscape and the beauty of the nature in conjunction with typical food (especially dairy products) production. The importance of the "malghe" is growing in relation to rural tourism.

half of July; for drainage trenches: maintenance operations of riparian vegetation to be carried out outside the nesting period of waterfowl; trenches to be kept open air for at least 5 years; no removal of local plant species; create alternate respect areas on the banks where the removal of riparian vegetation is banned; create special 2 m respect areas where trench borders third party farmland; in these areas use of pesticides is banned and mowing will have to be manual or mechanical with ban between mid-April and mid-July.

Aid is granted based on UAA for the loss of income due to the reduction of areas cultivated with intensive farming and additional management: Ex novo: 0.25 Euro/sqm and up to 450 Euro/Ha for arables; 0.60 Euro/sqm and up to 600 Euro/Ha for horticultural; 0.60 Euro/sqm and up to 900 Euro/Ha for orchards and vineyards; Existing: 0.40 Euro/sqm up to a max of 450 Euro/Ha of UAA. For environmental management of drainage trenches support is granted up to 0.42 Euro/sqm and up to 450 Euro/Ha of UAA.

For action C2) the support is 450 Euro/Ha in consideration of the loss of revenue and additional costs to take on the commitments. Commitments: mowing not allowed in concerned areas between 5 May and 15 July in areas up to 1000 m asl, and until 25 July for areas above 1000 m asl; ban of chemical fertilizers and pesticides; cutting operations to be carried out at low speed from the center to the outside to allow flight to external areas and "shelter islands" (i.e. small areas of non cultivated surface to ensure shelter to fauna).

Calculations are detailed in specific tables in Annex 1 of the RDP.

#### Action D – removed

#### Action E – Breeding of local animal species at risk of extinction

Action E aims to protect the genetic heritage and native animal germplasm and to promote the agro-zootechnical systems of the areas, mostly peripheral, where the local races are currently bred. It provides a support for the conservation of seven local endangered breeds (2 horse breeds: *cavallo norico* and *cavallo da tiro pesante rapido*; 2 cow breeds: *bovini di razza Rendena* and *bovini di razza Grigio alpine*; 2 goat breeds: *capra bionda dell'Adamello* and *capre di razza Pezzata Mochena*; 1 sheep breed: *Pecore di razza fiemmesse tingola*). The seven breeds listed are considered endangered by FAO. This submeasure is a continuation of the measure activated in the previous programming period. Commitment for 5 years.

According to the calculations support is granted as follows: *horse* breeds: 200 Euro/LU; *bovini di razza Rendena*: up to 200 Euro/LU; *bovini di razza Grigio alpine*: up to 180 Euro/LU; *goat and sheep* breeds: up to 370 Euro/LU.

The support for the goat and sheep breeds (370Euro/LU) is higher than the indications of Regulation 1698/2005 because, in addition to being justified by the calculations, there is an urgent need to increase significantly the livestock population that is currently at serious risk of extinction. The calculations for the justification of the amount are indicated in Annex I of the RDP.

Action F – cropping and multiplication of vegetables suitable to local conditions and menaced by genetic erosion

The action's aim is to allow, through the perpetuation of the reutilisation of the seed practice, the conservation and survival of germplasm for future use in the field of genetic improvement of the species. The measure aims at changing the type of crop cultivation of some areas from mealy maize to grain maize. This type of change would lead to a reduced use of synthetic chemical fertilizers and the protection of soil fertility. To obtain support farmers should: a) make use of selected seeds; b) cultivate the areas for at least 5 years on an area of at least 3500 sqm; c) respect the criteria for fertilization; d) respect the rules for weed-killing; d) burying (and not burning) of cropping residues; e) cultivate at least one of the two local varieties of maize. Support is 260 Euro/Ha of cultivated area.

Action G – agro-environment measures in Natura 2000 areas

The action is divided into three main sub-actions: 1) conversion of arable land in grassland/pastures for biodiversity; 2) realization of cultivations that remain in the field to feed wild fauna; 3) creation and/or improvement of wetlands within agricultural areas.

Sub-action 1: minimum surface 500sqm, and 1000 sqm (if separate parcels of land). Support compensates for costs incurred for conversion and the missed income between arable and grassland. Support is 450 Euro/Ha. Commitments: farmers should convert to grassland as of the first year and maintain for 5 years; arable must be replaced by a mixture of forage essences of long duration with mainly gramineae in an amount 15-20% of the quantity requested for a normal sowing; must reconstitute the turf only with local flowers; have to mow the area at least once a year; cannot make use of pesticides, chemical and organic fertilizers. At the end of the commitment period, the original cropping can be recovered.

Sub-action 2: minimum surface: 300sqm; maximum surface: 3000 sqm; Commitments: minimum number of species to be employed in the cropping:2, to be chosen between grain maize, millet, rye, barley, buckwheat, spelt wheat, or turnip species; mineral fertilization in remaining holding surface has to respect limit of 40 kg/Ha of mineral nitrogen; no picking of produce which has to remain in the field for the natural feeding of mammals and birds belonging to wild fauna.

Support is 0.60 Euro/sqm and up to 450 Euro/Ha UAA. The premium is not cumulative with sub-action 1.

Sub-action 3: minimum surface area of each wetland: 100sqm, for a total surface amount of 500 sqm. Commitments: conservation and/or creation of wetlands; conservation of the type of use of the area concerned for the duration of the RDP; annual maintenance with closure from March until the end of July; prohibition to use fertilizers of any type and pesticides.

Support is 0.6 Euro/sqm up to a maximum of 900 Euro/ha UAA in the case of orchards; 600 Euro/ha UAA for horticultural; 450 Euro/ha UAA for arable.

The *calculations* justifying the aid amounts are indicated in Annex 1 of RDP and have been elaborated by the Province of Trento – “Servizio Aziende Agricole e Territorio Rurale” and certified by the Agricultural Institute of San Michele all’Adige, an independent entity not belonging to the public administration.

Beneficiaries: single and associated farmers that commit for 5 years to one or more of the agro-environment commitments that go beyond Community or national standards; for action B: zootechnical and non zootechnical holdings, managers of agricultural land; cooperatives for grazing.

Cumulation of actions only in the following cases: action A with sub-action C1; action A with action G; action E with ALL actions.

Output indicators: 2850 holdings, 50,000 Ha, 3000 environmental contracts, 200 operations for the conservation of genetic resources; 1800 LU at risk of extinction supported.

### ***Measure 226 "Restoring forestry potential and introducing preventive actions"***

The measure aims at preserving high nature value forest ecosystems and reinforcing the protective value of forests especially with respect to soil erosion and implementation of preventive and restoring actions. 99.2% of forests in the Province are located in mountain areas and are subject to recurrent damage due to natural disasters. Fire prevention is managed directly by the Province based on their own fire prevention plan. The whole Province territory is not at risk of fires as defined by the national classification.

Actions: a) recovery of forestry stands wrecked by natural disasters (fires, floods); b) reconstitution and forest renaturalisation following natural disasters or fires; c) interventions aimed at improving forest stability and preventing damages due to floods, landslides, avalanches by thinning out in the young phase in order to regulate the crown closure, mixing, and conformity: only one intervention on the same surface is admissible during the programming period; d) actions for the settlement of landslides with bioengineering techniques and preventive infrastructure construction.

Beneficiaries: forest owners and holders (public and private) and their associations; the Forest and Fauna Service of the Province.

#### Aid intensity:

Action a): up to 75% of the highest eligible cost; limit: 200,000 Euro/beneficiary/year

Action b): up to 75% of total eligible cost and up to 90% in case of associated management; limit: 2500 Euro/ha.

Action c): up to 80% of total eligible costs; limit: 150,000 Euro/beneficiary

Action d): up to 100% of total eligible costs; limit: 100,000 Euro/beneficiary

Output indicators: 800 preventive actions, 3000 Ha of damaged areas restored, 19 MEuro of total investments.

The reference to the forest protection plan is present.

### ***Measure 227 "Non productive investments"***

The measure aims to support the conservation of forest habitats and species of relevant naturalistic interest by supporting interventions aimed at the recovery and improvement of habitats of particular interest which are in a regressive phase. Action: cutting of vegetation and cleaning to reduce density of forest coverage and to support the recovery and improvement of habitats, species or single plants of particular naturalistic, landscape, or historical interest. Beneficiaries: forest owners and their associations, forest managers, the Forest and Fauna Service of the Province; aid intensity varies according to the action and can go up to 100%. Output indicators : 70 beneficiary forest owners and 6.5 Meuro of total investments.

### **AXIS 3**

#### ***Measure 311 "Diversification into non-agricultural activities"***

The overall objective of the measure is to improve the attractiveness of rural areas for enterprises and for the population and create new employment opportunities by supporting initiatives which allow for the diversification of income.

Specific objectives: to promote farm diversification towards non agricultural activities such as rural tourism and local product (non-agricultural) marketing and direct sale; development of renewable energy sources from agriculture or forests; supply of services for the maintenance of the territory; adoption and dissemination of information and communication and e-commerce of the rural tourism offer and non-agricultural products.

Actions: investments within agricultural holdings for the realisation or modernisation of structures, infrastructures or purchase of equipment and furniture in order to pursue the above mentioned objectives. Concerning the valorisation of renewable energy sources, priority will be given to the solutions aiming at cogeneration of electric / heat-producing energy up to 1MW.

Localisation: only rural (D) areas.

Beneficiaries: farmers (single and associated); members of the farm household.

Aid intensity: According to conditions fixed by *de minimis* Reg. Up to 50% and according to type of investment. In case of investments proposed by young farmers within 5 years of their set-up the support can go up to a max of 60%. In case of single or associated holdings that do not carry out agricultural activities as main activity support can go up to max 40%.

Output indicators: 100 beneficiaries; 20 Meuro of total investments. Results = 50 jobs created.

#### ***Measure 313 "Encouragement of tourism activities"***

The measure aims to the promotion of tourism and related activities in rural areas. The measure concerns only forest areas.

Actions: realisation of: a) didactic itineraries, information centres and production of explanatory documentation; b) creation of itineraries for on-foot access to natural areas, and small infrastructure including traditional wooden fences.



Localisation: only rural (D) areas.

Beneficiaries: forest holders and their associations; forest managers; the Forest and Fauna Service of the Province.

Aid intensity: According to conditions fixed by *de minimis* Reg. Up to 75% of total eligible cost; up to 90% in case of joint management of the owners. For action a) maximum eligible expenditure is 150,000 Euro per intervention; for action b) maximum eligible expenditure is 50,000 Euro per intervention.

Output indicators: 30 new tourist activities supported; 1.5 Meuro of total investments. Results = 12 learning centres created and 20km of equipped paths; 10 jobs created.

### ***Measure 321 "Basic services for the economy and rural population"***

The measure aims at improving and maintaining, through the realisation of basic technical infrastructure, the economic and social quality of life within rural areas.

Actions: construction, broadening, and reconstruction of roads servicing rural areas and the connection between settlements; construction and rehabilitation of aqueducts for drinking water; construction and rehabilitation of power transmission lines; construction and rehabilitation of technological communication lines and sewage network.

Financing priority: construction of aqueducts for drinking water and of power transmission lines by land improvement and drainage consortia.

Localisation: only rural (D) areas, including Leader rural areas.

Beneficiaries: municipalities and other public entities; land improvement consortia and drainage consortia except for road interventions.

Aid intensity: up to 80% eligible costs; up to 90% in Leader areas. It is possible to cumulate other public aid reaching 100% of public support.

Output indicators: 16 Meuro total investments; 60 km roads; 25 km aqueducts; 20 km power transmission lines; 15 km technological communication lines; 9 km sewage network.

### ***Measure 322 "Village renewal and development"***

The measure will contribute to the renewal and development of villages through two main actions: a) redevelopment and improvement of mountain villages (in disadvantaged mountain areas) through conservative recovery and restructuring of typical mountain buildings and assets of public and private interest with special characteristics (historical, cultural or architectural) only within the village development plan. The buildings may be then used for public services or for artistic, cultural, educational, naturalistic activities, or as sites for tasting of local products, wine and food, and rural tourism itineraries. b) recovery and restoration of historical

centres of villages through realisation of urban design structures (i.e. fountains, pavements, etc.).

The measure will be implemented via Leader.

Localisation: only rural (D) areas, including Leader rural areas.

Beneficiaries: municipalities and other public entities.

Aid intensity: up to 90% of eligible costs.

Output indicators: 15 villages renewed and 2.9 Meuro of total investments (results = 15,000 inhabitants with improved services).

### ***Measure 323 "Conservation and upgrading of the rural heritage"***

The measure aims to the conservation and enhancement of rural heritage especially in mountain areas, by improving the economic appeal of rural areas and improving the quality of life and living conditions of farmers, and by contributing to safeguarding the environment and the available natural resources.

Actions: a) drawing-up of Natura 2000 management and protection plans; b) investments for the improvement of habitats and environmental awareness in Natura 2000 areas and high nature value sites (creation of access areas, paths, observation points, information material, guides); c) investments for the extraordinary maintenance, renovation and improvement (not linked to production) of the "malghe" structures (including aqueducts and energy supply to service the traditional rural buildings of mountain pastures); d) restructuring of the traditional structure (only external) of the buildings for animal breeding; e) renovation and extraordinary maintenance (not linked to production) of rural buildings to be used as forest lodges (especially to support social, didactic, recreational forestry activities).

Localisation: only rural (D) areas / outside of villages

Beneficiaries: action a) public management bodies or equivalent of Natura 2000 areas; action b) also management bodies of Natura 2000 areas and high natural value sites, NGOs, private entities; action c) public entities, owners of collective properties and their consortia, public and private malghe owners; land improvement consortia; action d) public entities, owners of collective properties and their consortia; e) public and private forest owners and their associations; forest managers; Forest and Fauna Service of the Province. Property belonging to public administration is excluded.

Aid intensity: Action a): up to 100% of total eligible costs and max eligible expenditure 20,000 Euro/initiative. Action b): up to 90% and up to 100% in case of shared management of the owners, and max eligible amount: 100,000 Euro/intervention. Action c): up to 100% and up to 50% for private bodies. Action d): up to 100% of expenditure eligible for relief. Action e): up to 60% of eligible expenditure.

Output indicators: 160 initiatives and 32 Meuro of total investments. Results = 25,000 ha of Natura 2000 areas concerned.

#### **AXIS 4**

Interventions will mainly cover objectives of axis 3 and part of axis 1 actions. In order to concentrate resources and for maximum effectiveness, only *one* LAG will be selected in order to focus on one rural area.

Selection procedure for LAGs: 1 LAG will be selected through public tender within 2 years of the approval of the RDP based on the following criteria: *eligibility criteria:* local dimension of the territory, composition of local partnership; and *selection criteria:* characteristics of the territory, characteristics of the proposed strategy (has to envisage at least one transnational cooperation project), characteristics of the local partnership, arrangements of the management plan. The territory covered must have a population of at least 5000 inhabitants. The area covered by Leader concerns 10.18% of the whole territory of the Province and 3% of the total population.

Financial circuit: the LAG selects the proposals, formally approves them, and carries out the first level of control. Support is then granted to the beneficiaries directly by the paying agency (the paying agency receives indications of the amounts by the management authority).

#### ***Measure 41 "Implementation of the local development strategies"***

The measure's main objective is to support the implementation of local development strategies. The 5 specific aims of the measure are: a) to promote local products (with special focus on market access for small producers; b) promote natural and cultural resources and support tourist promotion; c) improve quality of life by improving and providing more basic services in rural areas; d) promote the local historical and cultural heritage, as basis for the population and its "rural" identity; e) identify and experiment new modalities of partnership to encourage competitiveness of enterprises and areas. The interventions will contribute to the priorities of axis 1 and 3.

Envisaged actions: 1) competitiveness(411); 2) quality of life / diversification (423).

Output indicators: 1 LAG; 600 km<sup>2</sup> territory; 14,000 people; 600 projects.

#### ***Measure 421 "Interterritorial and transnational cooperation"***

The measure aims at the reinforcement of local partnership and to the reduction of rural area's isolation, by searching for complementarity between different territories (including Third countries), and trying to reach a critical mass in order to implement certain projects that would not find application only in one area due to a limited availability of resources.

The projects will be selected by the management authority of the RDP. Selection will not take place before 2008. The one LAG selected will be the beneficiary.

Output indicators: 6 LAGs cooperating, 2 cooperation projects.

**Measure 431 "Running costs, acquisition of skills and animation"**

The measure's objective is to facilitate the implementation of the local development strategies through the support to LAGs in the acquisition of the necessary skills, competences, and the logistic support that allow to satisfactorily reach the planned objectives.

Running costs for LAGs will not exceed 15% of total public expenditure for axis 4. The LAG may benefit up to max 20% of the total public expenditure for axis 4.

Beneficiaries: the one LAG selected for the implementation of the local development strategy.

Output indicators: 8 supported actions.

## 5. FINANCING

### 5.1. Annual Contribution from the EAFRD (in EUR)

Year	2007	2008	2009	2010	2011	2012	2013	Total
Total	14,757,000	14,670,000	14,230,000	14,427,000	14,269,000	14,204,000	14,095,000	100,652,000

### 5.2. Financial plan by axis (in EUR total period)

Title	Public Expenditure	EAFRD Contribution Rate (%)	EAFRD Contribution (Euro)
Axis 1	87,223,608	35.00	30,528,263
Axis 2	121,059,823	44.00	53,266,322
Axis 3	29,583,300	35.00	10,354,155
Axis 4	17,142,857	35.00	6,000,000
Technical Assistance	1,143,773	44.00	503,260
Total	256,153,361		100,652,000

### 5.3. Indicative breakdown by Rural Development Measure (in EUR, total period)

Axis / Measure	Public Expenditure	Private	Total cost
111	3,649,143	0	3,649,143
112	5,178,571	0	5,178,571
121	28,653,494	28,653,494	57,306,988
122	2,000,000	500,000	2,500,000
123	21,186,797	31,780,196	56,966,993
125	26,555,603	12,138,011	38,693,614

<b>AXIS 1</b>	<b>87,223, 608</b>	<b>73,071, 701</b>	<b>160, 295,309</b>
211	56, 092,118	0	56, 092,118
214	56,922,250	0	56,922,250
226	3, 545,455	750,000	4,295,455
227	4,500,000	0	4,500,000
<b>AXIS 2</b>	<b>121,059, 823</b>	<b>750,000</b>	<b>121,809,823</b>
311	4,257,377	4,257,377	8,514,754
313	1,500,000	500,000	2,000,000
321	6,876,025.71	1,719,007	8,595,033
322 *	0	0	0
323	16,949,897	4,237,475	21,187,372
<b>AXIS 3</b>	<b>29,583, 300</b>	<b>10,713,859</b>	<b>40,297,159</b>
411	6,142,857	6,142,857	12,285,714
413	9,000,000	9,000,000	18,000,000
421	571,429	571,429	1,142,858
431	1,428,571	0	1,428,571
<b>AXIS 4</b>	<b>17,142,857</b>	<b>15,714,286</b>	<b>32,857,143</b>
511	1,143,773	0	1,143,773
<b>Total</b>	<b>256,153,361</b>	<b>100,249,846</b>	<b>356,403,207</b>

\* Measure 322 is financed via Leader.

#### 5.4 Additional National Financing (in EUR, total period)

Axis / Measure	Resources 2007-2013 (Euro)
112	13,000,000
121	50,000,000
122	10,800,000
123	40,200,000
125	61,000,000
<b>AXIS 1</b>	<b>175,000,000</b>
211	1,000,000
214	1,000,000
226	11,000,000
227	6,000,000
<b>AXIS 2</b>	<b>19,000,000</b>
311	12,000,000
321	7,000,000
322	3,000,000
323	24,000,000
<b>AXIS 3</b>	<b>46,000,000</b>
<b>Overall Total</b>	<b>240,000,000</b>

## 6. DESCRIPTION OF STATE AID MEASURES

Chapter 9 gives the general provisions for the respect of state aid rules. For some measures/operations falling within the scope of article 36 of the Treaty (see Annex 1), additional national financing is envisaged.

For some measures not falling within the scope of article 36 of the Treaty (122, 123.2, 311, 313), the programme indicates the respect of the *de minimis*.

## 7. DESCRIPTION OF THE COMPLEMENTARITY

Concerning the interventions of the first pillar of the CAP, the actions of the RDP will be complementary and synergic with the interventions of the CMOs.

Wine: for agricultural holdings, the RDP will support all types of interventions, except planting and replanting of vines; for agro-industrial holdings all types of interventions. CMO will support only restructuring and conversion of vines.

Fruit and vegetables: POs and their associates will be able to receive the support of the RDP only for certain types of investments (investments for the improvement of conservation and processing of products, equipment, holdings land and facilities improvement, irrigation systems, protection systems against adverse climate conditions, realisation, modernisation or upgrading of agro-industrial facilities including technology necessary for their functioning). CMOs will finance only small investments aiming at the maintenance of the good conditions of existing facilities.

Olive oil: supported through a 3-year joint action plan with the Veneto Region, and support through RDP is defined through measure 121. The RDP supports structural investments for production, processing and marketing. CMO support operation in the olive growing phase (maintenance of olive trees, improvement of environmental impact of production and processing, ecc.), processing phase into oil.

Milk: investments for production are not eligible where production exceeds regional quota.

Apiculture: the RDP will not support the following types of intervention: training and technical assistance to the bee-keepers, purchase of swarms and hives and equipment for transportation, which will be supported according to Regulation (EC) n. 797/2004.

Regarding the EFF, there are no measures concerning aquaculture in the RDP, for which only the EFF is concerned. If LAG and CAG operate on the same territory the respective action plan will have to include specific demarcation.

Complementarity with the ESF concerns training, which in the RDP is activated under measure 111 with reference to specific agricultural training. FSE finances other types of training activities not specifically related to agriculture.

Priority intervention areas under the EFRD which have strong complementary with the RDP are: energy/environment and technology (measures 121, 311); ICT (measure 311); new entrepreneurs (especially start up support for young entrepreneurs); local sustainable development (axis 2 measures). Demarcation criteria between EFRD and RDP are those defined in the NSP. With special reference to measure 125 and axis 3 measures referring to infrastructure, the actions proposed in the RDP refer to local infrastructural networks used to service and connect single local areas, while actions supported by EFRD refer to large scale infrastructure at Province and interregional level. With regards to the support for the development and the diversification of rural economy and the improvement of the quality of life in rural areas (axis 3), the potential complementarity is mainly with measure 311, where the EFRD supports only actions aimed at the improvement of the ICT networks between villages, while the RDP supports only the holding's connection to the ICT network.

Complementarity with the Guarantee Fund or other CAP instruments, the RDP will intervene where the available market instruments do not have the possibility to do so. The Province will guarantee that there is no accumulation of support to one beneficiary for the same investment through the exchange of information between the different services of the Department of Agriculture of the Province which are responsible for the financing requests and the types of eligible investments. The projects financed through the different operations instruments will be verified and evaluated separately and supporting documents of expenses will be marked in order to avoid double support

Moreover, to define demarcation between financing instruments and ensure that there is no overlapping, the Monitoring Committee of each support programme will be represented by a member of each of the other programmes.

A table listing complementarity and demarcation between funds for each axis and measure is provided in chapter 10 of the Programme. The information concerning the appraisal and means for the complementarity with cohesion funds, EFF and EAFG is also described in chapter 10.

## **8. PROGRAMME DELIVERY**

### **8.1. Designation of competent authorities and bodies responsible**

The Managing Authority will be the Department of Agriculture and Food of the Province of Trento.

The paying agency will be the national one, AGEA, until there will be a paying agency of the Province which will replace it.

The certification body will be Price Waterhouse Coopers S.p.A. (designated by AGEA, the Italian paying agency).

### **8.2. The monitoring and evaluation system**

The monitoring system will utilise the common indicators set up at community level. Monitoring reports will be available online in the RDP section of the Managing Authority's website, and an annual report will be elaborated by the 30 June of every year (starting from 2008 and until 2016). The evaluation process will be realised according to the regulation indications. It will be divided in three phases: ex-ante, intermediate, and ex-post. The Monitoring Committee members are listed in the Programme. The Committee's first meeting will be held within four months of the approval of the RDP. The Committee will then meet regularly once a year.

### **8.3. Information and publicity arrangement**

The communication plan will mainly target the beneficiaries (potential and final), and the local community (citizens, sectoral consortia, agriculture cooperatives, etc).

The main actions will be:

- a) Institutional tools: information sessions for the administrative bodies that will be involved in the programme's implementation, the potential beneficiaries and the partners about the content and the strategy of the programme. Publication of the

formal implementation phases of the RDP on the Official Bulletin of the Region Trentino-Alto Adige.

- b) Website of the Province for rapid and focused information dissemination, including a newsletter, and useful documentation for download. The use of the web will also foster relations between the different stakeholders. These instruments will provide information about the technical content of the measures and actions. The list of the programme's beneficiaries will also be published.
- c) Media: press conferences at relevant phases of the programme implementation, and at the initial stage also advertising on local specialized magazines to inform the citizens and the beneficiaries about the overall content of the programme and the specific measures.
- d) Posters: to promote existence of RDP and its objectives; to inform on activation of measures or projects considered highly relevant for a specific area.
- e) Playbills and plaques: where projects resulting from co-financed investments are implemented playbills and explanatory plaques will be attached in compliance with the regulation.
- f) Publications: production of information material, brochures, concerning opportunities arising for beneficiaries of the RDP. Some of the information available on the web will be printed in order to reach targets who do not have internet access and ensure equal opportunities. Final proceedings of conferences and of state of play of RDP actions will also be printed for specific targets.
- g) Participation in conferences, seminar, workshops
- h) Multimedia material: videos, cd-roms, etc. May be used to disseminate information and promotion of results achieved.

The communication plan is financed through measure 511 (Technical Assistance). The indicative budget for the first three years is 30,000 Euro/year, and 20,000 Euro/year for the following years, for a total of 170,000 Euro (15% of technical assistance).

## **9. PARTNERSHIP ACCORDING TO ART. 6 OF REGULATION NO. 1698/2005**

The consultation process began in parallel to the publication of the community strategic orientation and the definition of the first elements of the new programming period. Initially, a number of articles and publications were written to inform the different potential stakeholders. A number of meetings were also held, to define the overall objectives of the programme. The first draft of the RDP was presented to the Monitoring Committee of the previous programming period, in June 2006. A Green Table was established comprising the most significant representatives of the agriculture sector in the Province. The Green Table met several times but never put forth any suggestions, observations, comments concerning the draft RDP. Consequently a smaller core group within the Table was identified to bring forth comments and this proved to be successful in providing a complete draft supported by all partners. In July 2006 two main consultation days were organized for final discussions between all stakeholders. Final observations were discussed by the Green Table in December 2006, and the analysis of the observations and final draft of the RDP was presented between January and March 2007 to each stakeholder group in 6 separate meetings.



The complete list of the partners consulted and proposing observations and how they have been taken into consideration is included in the RDP.

#### **10. EQUALITY BETWEEN MEN AND WOMEN AND NON DISCRIMINATION**

The equality between men and women has been taken into account in the elaboration of the programme as the principle is already well integrated in the local legislation and supported by numerous ad hoc bodies. Nevertheless, in order to ensure the application of non-discrimination within the RDP activities, a member of the RDP Monitoring Committee will be appointed to sit in the Commission for Equal Opportunities established by the Province law n.41/ 1993.

Within the RDP, axis 1 and 3 address issues where women involvement is envisaged and encouraged (i.e. diversification of income through non-agricultural activities; agricultural entrepreneurial activities; training and information).

#### **11. DESCRIPTION OF TECHNICAL ASSISTANCE OPERATIONS**

Technical assistance finances the following operations: a) support to the organization and management of the RDP (analysis, preparation of Monitoring Committee meetings, elaboration of annual reports, etc.); b) support to information activities; c) purchase or rent of IT equipment; d) staff costs; e) purchase of multimedia equipment; f) support of the programme's monitoring and evaluation; g) seminars for forestry and agricultural workers to inform them about opportunities offered by RDP, procedures, and commitments requested for each measure.