

WORKING DOCUMENT

Member State/Region: Italy/Lombardia

Title: Rural Development Programme 2007-2013 for Region Lombardia (Italy) – CCI N° 2007IT06RPO007

I. DESCRIPTION OF THE RURAL DEVELOPMENT PROGRAMME

1. TITLE OF RURAL DEVELOPMENT PROGRAMME

Regione Lombardia – Programma di sviluppo rurale 2007-2013

2. MEMBER STATE AND ADMINISTRATIVE REGION

The plan covers the entire territory of the Region Lombardia (NUTS 2). The region is not a "convergence" objective.

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*

Region Lombardia has a surface of 23.858 km² and a population of 9.400.000 inhabitants. Nearly 50% of the regional territory is low lying, more than 40% is mountainous and the rest is hilly.

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 and peri-urban areas, (B) rural areas with intensive and specialized agriculture, (C) intermediate rural areas, (D) rural areas with development gaps.

In Lombardia, all the four areas identified at national level are present. Rural areas cover 82% of the territory and are inhabited by 35% of the population. Rural population density is, on average, 163 inhabitants /km².

Rural area (B) is the most significant in terms of surface (9.389 km²) and inhabitants (2,3 million). It covers the southern and south-western plain of the region, and part of the hills of the east. Population density is 232 inhabitants /km². Rural area (C) has a surface of 6.789 km² and a population of approx. 0,9 million inhabitants. The density is 126 inhabitants /km². It occupies a significant part of the Lombard Alps and pre-Alps and some hilly areas located in the south and in the east. Rural area (D) covers 3.481 km² and has a population of approx. 0,2 million inhabitants. It occupies the mountain areas in the extreme north and south of the

region and is, from the economic and social point of view, the weakest area of the region. Population density is about 47 inhabitants /km².

Urban and peri-urban areas have a great importance in term of population (more than 5,9 million people) and surface (nearly 18%), and have a density of nearly 1.400 inhabitants /km². Urban area (A) is made up of the main towns and the large conurbation of Milan.

The **demographical structure** is affected by a declining birth rate and an increasing life expectancy.

In 2004, the regional age structure was the following:

0-14	15-64	more than 65
13,4%	67,8%	18,8%

In rural areas, the percentage of young residents is higher than the regional average and the population ageing process is in line with the regional one, or even lower.

The role of the regional economy in the national context is prominent: the region generates more than 20% of the Italian GDP. The **economic structure** of Lombardy is characterised by the importance of the secondary and tertiary sector. In 2003 the GDP/capita was 28.254 euro (40% more than the national average). In rural areas the income is approx. 87% of the regional average. This disparity is more evident in rural area (D), where the average income is 84% of the regional one.

In 2003, the economy's structure was the following (%GVA by branch):

primary sector	manufacturing sector	tertiary sector
1,5%	33,6%	64,9%

According to the last available data (2005) the weight of the food industry on the regional economy was 2,2%.

The main features about regional **employment** are summarized below. The unemployment rate is 4,7%, with no significant differences between urban and rural areas. In rural area (D), the rate is slightly higher.

In 2003, the employment structure was the following:

primary sector	manufacturing sector	tertiary sector
1,5%	36,5%	62%

According to the last available data the importance of the food industry on regional employment was approx. 1,8%.

53% of the regional adult population has a complete **education** (upper-secondary and superior). This percentage increases to 73% amongst young people. In rural areas, the percentage of population with a complete education is lower.

Nearly 57% of the **regional territory** is dedicated to agriculture and forestry, while total UAA covers 43% of it. In urban and peri-urban areas, agriculture and forestry cover 31% of the territory. In rural areas, the figures rise to 61%.

In rural area B, more than 77% of the total surface is dedicated to agriculture and forestry. Agricultural land occupies nearly 650.000 Ha (70% of the total surface). In rural area C, agriculture and forestry occupy 44% of the total surface while UAA is 22% (about 150.000 Ha). In rural area D, 51% of the surface is dedicated to agriculture and forestry. Agricultural land accounts for approx. 90.000 Ha (25% of the total surface).

Between 1990 and 2000, agricultural and forestry areas decreased by approx. 1,1% per year. This trend is continuing to the present day. The decrease has been more intense in mountains and hill areas because of land abandonment on the one hand, and urbanisation on the other.

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

AGRICULTURAL SECTOR

According to the last available data (2003), the Utilised Agricultural Area is 981.000 Ha, the total number of farms is 61.600 and the annual work units (AWU) are 81.000. Regional farms have, on average, an economic dimension of 37,9 ESU, a surface of 15,9 Ha UAA, and employ 1,3 AWU.

The composition of UAA is the following: 74,1% arable, 22,3% permanent pastures, 3,9% permanent crops. Regional agricultural output reached in year 2005, 6.143 million EUR (approx. 14% of the national agricultural output).

The most important **agricultural sector** of the region is cows' milk, which accounts for nearly 33% of the total agricultural output. The yearly production is about 4 million tonnes (approx. 38% of the total national production). 20% of it is utilised for fresh consumption, while the rest is transformed into numerous dairy products. Meat production (beef and pork) is also extremely significant, as it accounts for 23% of the regional agricultural output. The beef sub-sector is highly integrated with the dairy sector, as 20-25% of the L.U. slaughtered in the region comes from dairies. Pork production is also integrated with the dairy sector, as it utilises the whey coming from cheese production as fodder. Arable crops are very important. They are usually utilized as fodder (i.e. maize), but in some cases also for human consumption. This is the case of rice, but also of some horticultural products, like tomatoes and other vegetable crops. Production coming from permanent pastures and permanent crops plays a minor role, but some crops have an important role at local level. This is the case of viticulture, which covers 20.000 Ha, and is concentrated in 3-4 local areas, characterized by high quality production.

Regional **agricultural holdings** can be divided into four categories: "non market" or "self consumption" farms, "subsistence" farms, "de-structured" farms and "professional" farms. Professional farms are the most significant in terms of surface, income generated and work units. Their labour productivity is elevated and

their average dimension is large (44 Ha UAA). They are usually localised in the plains. Subsistence farms occupy only 11% of the regional UAA and generate less than 6% of the regional agricultural income. Their productivity is extremely low, and not comparable to other sectors. Their average UAA is less than 5 Ha, and they are usually located in mountains. De-structured farms are not important in terms of surface, income and working days, but have good performances in terms of productivity. They are usually owned by part-time/non-professional farmers, and characterised by the use of contractors. They utilise less than 0,3 working unit per holding, and have an average surface of 14 Ha UAA. Self-consumption farms are extremely small, in terms of income generated and average surface. As mentioned before, phenomena of land abandonment are present and affect mainly the de-structured farms, often located in rural areas C and D.

In terms of **human capital**, the main characteristics are the following. 21,5% of farmers have basic/full education. The figure is higher than the national and European average, but varies significantly according to the area and the age. In mountain areas, the figure is lower. Nearly 8% of the regional farmers are less than 35 years old and 56% are more than 55. In comparison to the national data, young farmers are more widespread. The region has developed a specific indicator, concerning the presence of young people on farms in more than 30% of regional farms a "young presence" can be recorded. This importance is generally higher in professional farms. In weaker areas, the ageing process is higher and the quantity of labour is decreasing, as old farmers are not replaced by young ones.

Labour productivity is higher than the European and national average. In mountain areas, productivity is lower (minus 30-40%), while in the lowlands is above the regional average. The productivity is higher in livestock farms and in farms with permanent crops (i.e. vineyards). It is lower in arable.

Land productivity is more than double the EU15 average, and 1.5 times more than the national one. This can be explained by the soil fertility and the availability of irrigation in the regional lowlands. Also in this case, there is a dichotomy between the fertile plains and the mountains, where land productivity is much lower. Fixed investments are higher than both the national and European average.

With the exception of direct marketing/ sale on the farm, which is done by 28% of the regional farms, **diversification** is not very common. Agri-tourism holdings are less than 1% of the regional farms, and farms with recreational activity 0,4%. Both activities are increasing, especially in protected areas.

According to Region Lombardia, in 2004 the agricultural Gross Value Added was 3.497 Meuro, which accounted for approx. 12% of the Italian GVA. The major contribution to the regional GVA comes from the lowland provinces, where intensive agriculture and livestock production is located. In 2005 the GVA diminished to less than 2.900 Meuro. The reasons for this decrease could be seen in the increase of intermediate costs and in the first effects of the CAP reform.

FOOD INDUSTRY

In Lombardia, there are more than 8.200 food industries, which employ 71.300 people. The importance of regional industry on the national one is 16% in terms of employment and 11% in terms of production units. As in the rest of Italy, in Lombardia the food industry is extremely polarised between small and large

holdings: the units with less than 20 employees are more than 93%. Other characteristics of the industry are, in some cases, a certain fragmentation and a scarce integration of the industry.

Bread and biscuit making is the most important **sector**, in terms of production units (60%). Within this category, however, there are numerous micro-enterprises, whose activities are more related to distribution rather than production. Milk and dairy production is, in economic terms, much more important (400 holdings per more than 18.000 employed), followed by meat (600 holdings per 12.000 employed) and drinks.

In terms of **economic development**, the regional food industry accounts for 20% of the national total and is approx. 5.000 Meuro. In the last 10 years, GVA has increased at a rate of 4% per year. In 2001, investments in terms of GFCF, were 1.300 Million EUR (25% on the national total). **Labour productivity** is higher than the national and European average and has increased at a rate of 5,7% in the last four years.

One of the strengths of the regional food industry is represented by **quality products**. There are 36 regional products classified under a community quality scheme: 17 wines, 9 types of cheese, 7 processed meats, 2 olive oils and 1 variety of fruit. A good number of them are produced in large quantities and are present on national and international markets. The others are niche products, usually characterised by high qualitative standards.

FORESTRY

According to the last available data forests have a **surface** of 566.000 Ha. There are, however, some newly-formed woods, located in mountains and hills, whose quantification is difficult (according to CORINE data, forests cover a total surface of 660.000 Ha).

Forest cover varies significantly between mountains (46%), hills (27%) and lowlands (4%). On average, forest cover is 23%.

More than 90% of the regional forests are located in mountain and hill areas. In these areas, however, wood production is frequently not economically viable, because of the small size of the holdings, the difficulties of access, and a general lack of organisation of the industry. In lowlands, forests can be divided into two categories: natural forests, which occupy a small fraction of the territory and have a high environmental value, and poplar woods, highly productive and used for paper production.

According to the data provided by Region Lombardia, **forest productivity** is higher than the national average (because of the presence of poplar woods). There are no data on the labour productivity. 68% of the regional production is utilised by the timber industry (paper, furniture), and 32% for energy production. There are some interesting possibilities for biomass production.

NEEDS

The needs of intervention for the improvement of the competitiveness of the agricultural and forestry sector have been individuated taking into account the

different territories and sectors present in the region. The main conclusions are summarized below (specific needs per sector and per area are listed in the programme):

1. to improve the infrastructures related to the development of agriculture and forestry;
2. to improve the integration between food industry and primary production, mainly in areas with intensive agriculture and quality products;
3. to promote innovation, quality and food safety;
4. to adjust physical and human potential and support generational renewal, with a priority for weaker rural areas;
5. to improve and rationalise the use of water, in areas with intensive agriculture and peri-urban zones;
6. to promote direct marketing and to shorten the chain between producers and consumers;
7. to promote the production of bioenergy.

- *Environment and land management*

Regional **land cover** is the following:

Agricultural and forestry areas	Natural areas	Artificial areas
74%	15%	11%

22% of the regional UAA is classified as less favoured. The less favoured areas are located in the north and in the south-western part of the region. As mentioned before, these areas are affected by abandonment.

As described before, regional agriculture is essentially intensive. There are however some areas where **extensive grazing** is present, in two alpine provinces (approx. 110.000 ha).

Farmland areas with high nature value (HNV) are also present. These are represented by protected areas, Natura 2000 sites and by large part of the regional rice fields, which represent an important habitat for certain species of birds (herons). 15% of the regional territory falls under Natura 2000 with a total surface of approx. 370.000 Ha and 245 sites, while parks and other protected areas are 92 and cover 131.000 Ha. The incidence of forest and other woodland under Natura 2000 is considerable, as it is approx. 18% of the regional forestry surface (nearly 110.000 Ha). The incidence of forests protected for other reasons (i.e. for landscape conservation), is less significant.

The indicator related to **farmland bird population** shows a significant decrease in number in some of the most common species of farmland birds. On the other hand, the number of species recorded in the region is increasing.

As mentioned before, the development of forests has been increasing. The **condition of the forest ecosystem**, however, is not particularly good, and it is worse than the European average, with a de-foliation percentage of more than 30%.

In Lombardia, 25% of the forestry land is coniferous, 15% mixed and 60% broadleaved.

Water quality is a major issue. Intensive agriculture is one of the main causes of the nitrates and pesticides pollution recorded in Lombardia. 56% of the regional surface (62% of the plains) has been individuated as Nitrate Vulnerable Zone. Nitrate and Phosphorus surplus are more than double than the national average (130 kg/Ha and 70 kg/Ha, respectively) and are increasing. Another important factor that should be considered, linked with the intensification of agricultural production, is the pollution by pesticides: all the data reported by Region Lombardia show an increasing level of pollution. Irrigation is extremely important in regional agriculture, and has some relevant effects for water quality: 53% of regional UAA is irrigated. Surface water is extremely widespread (rivers, canals, etc.), and usually utilized for irrigation. Water is therefore abundant, but there is a need to rationalise its use, in order to prevent pollution and to better manage the decrease of water fall and increase of droughts, recorded in the last years.

In Lombardia, **soil erosion** is lower (2,4 t/ha/year) than in the rest of the country and it is not, like in other Italian regions, an important issue. As a consequence, the loss of organic matter is not a major problem. On the other hand, soil contamination due to agriculture is present, mainly in the intensive areas.

In the regional context, the role of **organic farming** is not significant. In fact, organic farms cover only 2,3% of regional UAA. 47% of the total forestry surface is classified as protective.

Green House Gases (GHG) emissions coming from agriculture were, in 2001, 7.900, which means nearly 20% of the total national emissions coming from agriculture. The figure is even more significant, if we consider the fact that regional UAA is less than 8% of the national one. GHG emissions are concentrated in the lowlands, where intensive agriculture and livestock production is located. Less than 0,7% of the regional UAA is devoted to **renewable energy**. Its incidence is therefore negligible, but increasing at a rate of nearly 18% per year.

Rural areas have a strategic role in the management of the regional natural recourses: more than 90% of wooded areas and 75% of protected areas are in rural areas, and 90% of irrigated land is also there.

In relation to the environmental and land management issues, the regional rural areas present different characteristics. In rural area B, intensive agriculture is widespread. Water pollution, both from nitrates and pesticides, is a major issue, and the emission of greenhouse gases is significant. Protected areas are less spread than elsewhere, but they have their importance also for re-creational and public-use purposes. Forestry is mainly devoted to poplar production, and natural forests are extremely rare. In rural areas D and C, extensive agriculture and high natural value farmland are present. Here, natural areas are more important, and forests, mainly coniferous and broadleaved, play an important role for the protection of biodiversity. In rural area D, in particular, protected areas are strategic, because they cover nearly 50% of the territory.

On the basis of the analysis, the region has individuated the following intervention needs, related to the situation of the environment in Lombardia:

1. to develop the production of biomasses, mainly in rural areas;
2. to preserve biodiversity and landscape and to enhance the public amenity value of rural areas and green areas, in all the regional surface but especially in peri-urban zones and areas with intensive agriculture;
3. to improve water quality and land management, in areas with intensive agriculture;
4. to support agriculture in less favoured areas, in order to prevent abandonment, landslides and erosion;
5. to extend forests and improve their management, in all the region but especially in rural and peri-urban areas with intensive agriculture;
6. to promote the sustainability of livestock production and in particular to reduce nitrate pollution, especially in rural and peri-urban areas with intensive agriculture.

- *Rural economy and quality of life*

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

- Lower incomes and lower levels of education, but employment rate similar to the regional average (with the exception of rural area D, where unemployment is higher).
- Importance of secondary and tertiary sectors both in terms of employment and GVA, but a significant dimension of the primary sector, especially in mountain areas and in areas with intensive agriculture.

As described before, the regional agricultural sector is highly professional and specialised and, in some cases, is able to generate incomes comparable to those of other sectors. The percentage of **farmers with other gainful activities** is, therefore, lower than the national and European average.

In general, **tourism** infrastructures are less developed in Lombardia than in the rest of the country and, as seen before, agri-tourism holdings are less than 1% of total farms. On the other hand, self-employment is quite developed, both in urban and rural areas.

Net migration is an important indicator, to estimate the attractiveness, and therefore the quality of life, of a certain territory. As mentioned before, the region is facing an increase in population, due mainly to the migration from other regions/countries. In rural areas, net migration is positive, and usually higher than in urban zones. In rural area D, however, net migration is considerably lower.

In order to promote the socio-economic development of rural areas, **human capital** is a key issue. As mentioned before, in rural areas education levels are generally lower. Life-long learning is another important aspect, which is not being particularly developed in the region.

Finally the **availability and utilisation of the internet** is another fundamental factor. In 2004, DSL coverage reached 89% of the regional population. There are, however, some areas which will not receive DSL coverage in the near future. These areas are all rural and localised in mountain zones, but also in some lowland zones.

On the basis of the analysis, the region has found the following intervention needs, related to priority axis 3:

1. to create new employment in weaker rural areas;
2. to qualify and consolidate existing employment in weaker rural areas;
3. to improve the attractiveness of rural areas for residents, enterprises and tourists;
4. to improve tourism in rural areas;
5. to promote the utilisation of biomass and agricultural by-products in rural areas, in order to develop multi-functionality and diversification of agricultural holdings;
6. to promote the multi-functional role of agriculture, mainly in the weaker rural areas;
7. to support the economic and social development of weaker areas.

- *Leader*

1. During the 2000-2006 programming period, the territory covered by **Leader+** was 5.751 km², for a population of 383.000 inhabitants. 234 municipalities were involved and the supported LAGs were 6. Other 31 bottom-up groups have been co-financed by SF, in the objective 2 Single Programming Document (SDP).

3.2. Strategy chosen

In the framework of the priorities set up at community and national level, the programme identifies an overall objective, which is "to accompany the regional agricultural system towards a new model of agriculture". This overall objective will be pursued with the four rural development axes.

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

Taking into the problems and the needs individuated in the analysis , and with a reference to the framework set up by the National Strategic Plan, the priorities of the axis will be: 1) the valorisation of young farmers, 2) the enhancement of entrepreneurial capacities and the valorisation of human capital, 3) the development of infrastructures aimed to improve the competitiveness of mountain farms, 4) the adjustment of irrigation infrastructures for water saving and rationalisation, 5) the support to product/process innovation and production reconversion, 6) a better integration between primary production and processing/marketing, 7) the diffusion of quality products and processes and 8) the valorisation of regional quality products.

The financial weight of the axis is 33,4% (comprising Leader measures). The measures will focus on promoting innovation and restructuring and developing physical capital (84,5% of the axis). The improvement of human potential will be also relevant (13,8%), while the improvement of quality, though strategic, will concentrate on few products (1.7%)

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 the following: 1) to support agricultural and forestry activities in mountain areas, 2) to realise "green territorial systems" for water purification, creation of ecological corridors and countryside valorisation, 3) to promote low impact agricultural practises, 4) to promote biomass production.

The financial weight of the axis is 52,8% (comprising Leader measures). The measures supporting the sustainable use of agricultural land will be very important (72% of the axis). Agri-environment, in particular, will have almost 50% of the financial resources of axis and more than 25% of the entire programme. The measures for the sustainable use of forestry land will also be relevant (28%)

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 take into account the general objectives set up at national level, are: 1) the development of rural tourism and of related services/activities, 2) the support to the development of integrated and multi-functional activities in rural and less favoured areas, 3) the promotion of renewable energy production (and linked services), 4) the creation of basic services for the rural population and economy.

The financial weight of the axis is 11% (comprising Leader measures). The measures to diversify the rural economy will use 76.4% of the axis 3 resources, while the measures for the improvement of quality of life will be less relevant (21,6%). 2% of the resources will be used for training and information.

Axis 4 – implementation of the Leader approach

The priorities of axis 4 are: 1) to integrate agriculture in local development, 2) to strengthen local partnerships. The financial weight of the axis is 5%, and it will contribute to the achievement of the objectives of rural development

3.3. Ex-ante evaluation

According to the evaluation, the RDP will have a positive effect on economic growth and employment, while labour productivity will remain stable. Environmental objectives are more significant than in the previous programme. The intervention should have a positive effect on biodiversity, natural areas protection and water quality. Contribution to combating climate change will be, according to the evaluator, more relevant.

As stated in the report, the programme is coherent with the Community priorities and the National strategy and shows a good level of complementarity with SF. The emphasis to the new instruments (measure "packages" and integrated project) shows that the regional authority has taken into account the lessons from the last programming period. The recourses and the instructions given in the programme are coherent with the regulation requirements and should guarantee a successful implementation of the intervention.

The SEA working group has started to analyse the programme's draft in July 2006, and has suggested modifications/integrations about environmental analysis and the

content of some measures. Stakeholders consultation has been carried out through an internet forum and various meetings. A plenary session has been held at the end of November 2006. Observations have been collected and are listed in the report (prescriptions on how to avoid negative impacts).

3.4. Impact from the previous programming period

RDP 2000-2006 was approved in September 2000 and had a budget of 806 Meuro. Expenditure was approx. 900 Meuro, because of the utilisation of top ups and additional EAGGF recourses. 243 Meuro had been utilised for transitional measures (Reg. 2078 and 2080), the rest for the 18 measures approved.

The main conclusions of the MTE update (2005) are the following:

- Intervention has affected positively the quality of agricultural products
- Intervention has stimulated innovation and the acquisition of modern equipment
- Professional holdings took the major advantage of the support, to increase their competitiveness
- Intervention has contributed to the introduction of environmental friendly techniques
- Effects on productivity and incomes are difficult to determine, but should be limited (as they are more dependant on market and prices).

Leader+ provides for the financing of 6 LAGs. The budget is about 15 Meuro in terms of public resources. Consistency of selected areas, partnership' role and integration with other instruments are the main point raised by the MTE update.

4. AXES AND MEASURES

AXIS 1

Measure 111 "vocational training and information actions"

The measure will contribute to the objective of enhancing entrepreneurial capacities and valorising human capital.

Actions: a) training activities for farmers, farm workers and forest holders; b) information actions for farmers, farm workers, forest holders and other subjects providing advisory, training and information services to the agricultural and forestry sector.

Beneficiaries: public/private bodies

Financing: 5,9 Meuro (2,5 EAFRD)

Demarcation with ESF: the measure will finance the only the training about some technical issues (such as correct use of chemicals, irrigation, etc.). The training activities implemented by ESF will cover more general subjects (management, normative aspects, etc.)

Aid intensity: up to 100%

Output indicators: 9000 participants, 1080 training days

Measure 112 "Setting up of young farmers"

The measure will contribute to the objective of valorising young farmers.

Actions: single premium (or interest rate subsidy) of 25.000 Euro in less favoured areas and 17.000 Euro elsewhere.

Beneficiaries: farmers between 18 and 40 years, who possess adequate skills /competence, present a business plan and are setting up for the first time as head of the holding. Compliance with business plan will be verified within five years from the grant of the support. Beneficiaries will have a grace period of 36 months to reach adequate skills/competence. There will be the possibility to combine different measures through the business plan, and in particular measure 111, 114, 121, 132 and 311. 40% of the beneficiaries will be in less favoured areas.

Financing: 18,9 Meuro (8,1 EAFRD); transitional amount is 270.000 Euro.

Output indicators: 914 setting-ups, 139,5 Meuro of total investments

Measure 114 "Use of farm and forestry advisory services"

The measure will contribute to the objective of enhancing entrepreneurial capacities and valorising human capital.

Actions: support for the use of advisory services, classified in the following two categories: category A (cross-compliance and occupational safety standards) and category B (cross-compliance and occupational safety standards + improvement of economic performance of the holding).

Beneficiaries: farmers and forest holders

Financing: 15,5 Meuro (6,6 Meuro EAFRD)

Aid intensity: 80% for a maximum amount of 1.500 Euro per advice

Advisory bodies will be selected by Region Lombardia on the basis of the following requirements: availability of qualified staff and administrative/technical facilities , advisory experience and reliability and no involvement in the management/control of other agricultural subsidies.

Output indicators: 5.170 beneficiaries

Measure 121 (Modernisation of agricultural holdings)

The measure will contribute to the objective of supporting product/process innovation and production reconversion

Actions: a) land improvement, b) permanent crop plantation/restructuring (with the exception of plantation and restructuring of vineyards), c) realisation and restructuring of on-farm processing and marketing structures, d) investments related to the introduction of quality certification, e) investments on irrigation equipment for water saving, f) investments for renewable energy production, g) investments to comply with newly introduced community standards or of existing community standards in case of young farmers, h) purchase of new machinery and equipment for production, processing and conservation, i) fixed investments for the processing and conservation, j) greenhouses construction, k) general costs up to 10%. The investments having a priority will be those for the improvement of the environmental performance of the holding, for the hygiene and the safety of products and for the reduction of energy consumption. The newly introduced standards are the following: Directive 91/676/CEE, Directive 96/61/CE

Beneficiaries: farmers who present a business plan

Financing: 143 Meuro (61,2 EAFRD); transitional amount is 12,5 Meuro

Aid intensity: 40% in mountain areas, 30% in other areas (+5% in case of young farmers)

Coherence with first pillar: The quota and the limits set up by the EAGF support schemes will be taken into account. The investments that can be financed by the CMOs will be excluded from the support. For the fruit and vegetable sector the measure will support the investments realised by farmers who are not members of a PO. In case of members of a PO, only the investments that are not financed in acc. to the CMO will be supported.

Output indicators: 2.400 farm holdings supported, 408 Meuro of total investments

Measure 122 (Improvement of the economic value of forests)

The measure will contribute to the objective of supporting product/process innovation and production reconversion

Actions: a) thinning activities and temporary infrastructures (forest roads, etc.) related to the harvesting operations, b) pruning and other activities related to the recover of chestnut trees, c) investments for harvesting equipment. Support will be granted according to the following conditions: the forests must have a management plan and must be located in less favoured areas.

Beneficiaries: forest holders. The investments will be granted for forests owned by private owners and their associations or by municipalities and their associations.

Financing: 5,4 Meuro (EAFRD)

Aid intensity: 60% (the support is granted only in less favoured areas)

Output indicators: 120 forest holdings supported, 6,1 Meuro of total investments

Measure 123 (Adding value to agricultural and forestry products)

The measure will contribute to the objective of integrating primary production and processing/marketing.

Actions: the actions will concern: a) construction, acquisition and improvement of immovable property, b) purchase of new equipment and machinery, c) general costs up to 12% of the cost of the investment. Priorities and limits for sector and territorial areas have been defined. The investments having a priority will be those for the processing and marketing of quality products and for a better integration in the agri-food chain.

Beneficiaries: micro, small and medium-sized enterprises, and other enterprises with less than 750 employees and with a turnover of less than 200 Meuro, for agricultural products. Micro enterprises, for forestry products.

Financing: 55,8 Meuro (23,9 EAFRD); transitional amount is 3,5 Meuro

Aid intensity: 40% (20% for enterprises larger than micro and SME)

Coherence with first pillar: The quota and the limits set up by the support schemes financed by the EAGF will be taken into account. The investments that can be financed by the CMOs will be excluded from the support. For the fruit and vegetable sector the measure will support the investments realised by the enterprises who are not member of a PO. In case of members of a PO, only the investments that are not financed by the CMO will be supported.

Output indicators: 120 holdings supported, 186 Meuro of total investments

Measure 124 (Cooperation for development of new products, processes and technologies in the agriculture and food sector and in the forestry sector)

The measure will contribute to the objective of supporting product/process innovation and production reconversion, through the cooperation between primary producers, the processing industry and the research bodies.

Actions: a) planning and training of personnel linked to the cooperation, b) purchase of computers and software, c) studies and researches linked to the new processes d) research, feasibility studies, tests, e) acquisition of patent rights and licenses.

Beneficiaries: agricultural and forestry holdings, processing and marketing enterprises, product organisations, research institutes.

Financing: 1,8 Meuro (0,8 Meuro EAFRD)

Aid intensity: up to 50% for studies and non material investments, up to 30% for investments. For enterprises larger than micro and SME), the support will be halved.

Output indicators: 22 cooperation initiatives supported

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

The measure will contribute to the objective of adjusting irrigation infrastructures for water saving and rationalisation, and of developing infrastructures for the development of agriculture and forestry in mountain areas.

Actions: for sub measure A – water management a) realisation and extraordinary maintenance of infrastructures related to the irrigation network (no increase of irrigated land), b) extraordinary maintenance of land reclamation infrastructures, c) realisation of innovative systems for the management of water resources, d) production of energy, for the reduction of the costs of water delivery, e) realisation of wells, f) water purification); for sub measure B – realisation of rural roads and infrastructures for energy supply and water supply, extraordinary maintenance of rural roads; aqueducts and electroducts.

Beneficiaries: for Action A, the beneficiaries will be irrigation and land reclamation consortium. For Action B, mountain communities, consortium, municipalities, groups of farmers and forestry holders.

Financing: 40,3 Meuro (17,3 EAFRD); transitional amount is 0,2 Meuro.

Aid intensity: Action A – up to 90%; Action B – up to 80% (50% for farmer groups) for rural roads, up to 60% (40% for farmer groups) for aqueducts and electroducts.

Output indicators: 160 initiatives supported, 50,4 Meuro of total investments

Measure 132 (participation of farmers in food quality schemes)

The measure will contribute to the objective of valorising regional quality products.

Actions: annual incentive, to cover the fixed costs arising from participation in the scheme (up to 3.000 Euro per farm/year – maximum 5 years)

Beneficiaries: farmers who participate in the following quality schemes (a list of the products is present in the programme):

- Geographical indications and designations of origin for agricultural products and foodstuffs (Council Regulation 510/2006)
- Traditional specialities guaranteed (Council Regulation 509/2006)
- Organic production of agricultural products (Council Regulation 2092/91)
- Quality wine produced in specified regions (Council Regulation 1493/1999)

Financing: 2,5 Meuro (1,1 EAFRD)

Coherence with first pillar: operations supported by art. 69 of R. 1782/03 are excluded

Output indicator: 2000 agricultural holdings supported

Measure 133 (Information and promotion activities)

The measure will contribute to the objective of valorising regional quality products

Actions: support to the realisation of information/promotion programs, such as a) information activities consumers, b) promotion, advertising and public relation to market operators, c) participation in fairs and exhibitions both national and international (internal market).

Beneficiaries: Producer groups participating in the food quality scheme supported by measure 132.

Financing: 2,4 Meuro (1 Meuro EAFRD)

Aid intensity: 70% (50% for promotion activities)

Coherence with first pillar: the operations and the products supported by art. 69 of R. 1782/03 are different from those financed by the measure. If the information and the promotion of a product has been already financed in acc. with R. 2826/00, the markets and the activities already financed will be excluded from the support.

Output indicator: 40 actions supported

AXIS 2

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

The measure will contribute to the strategic objective of supporting agricultural and forestry activities in mountain areas.

Actions: payments to a) livestock farms with a density of 0,5-3 LU/Ha and a surface of at least 3 Ha of permanent pasture, b) other farms with a UAA of at least 0,5 Ha. Payments will decrease above certain dimensions and will be the following:

- Permanent crops and vineyards: 150 euro/Ha
- Vineyards with terraces: 300 euro/Ha
- Meadows: 150 euro/Ha (185 euro/Ha for livestock farms)
- Permanent pastures: 125 euro/Ha (only livestock farms)

Beneficiaries: agricultural holdings and cooperatives

Amount: 71,1 Meuro (35,6 Meuro EAFRD)

Output indicators: 37.450 holdings and 70.000 Ha

Measure 214 (Agri-environment payments)

The measure will contribute to the objective of realising "green territorial systems" for water purification, creation of ecological corridors and countryside valorisation and to the objective of promoting low impact agricultural practises. The measure is divided into 6 different actions:

Action B – integrated production

The commitments are:

- respect of integrated production rules
- control, certification and calibration of the spreading machinery
- implementation of a fertilisation plan, based on the principle of nutrient balance (reduction of N fertilisation by at least 30%, with reference to the normal agricultural practice and/or the limits set up by cross-compliance)
- to keep a green cover in vineyards and fruit yards
- technical assistance

The action will apply on vineyards, fruit crops and vegetable crops, for a period of 5-7 years (depending on the year in which the payment is granted for the first time). The foreseen environmental advantages are a more rational use of fertilisers and a reduction of pesticides, with positive effects on the quality of water and the conservation of biodiversity. Annual support is 270 Euro/Ha for horticultural crops and 500 Euro/Ha for permanent crops. The action will apply on the entire regional surface, with a priority in natura 2000, NVZ and protected areas.

Action C – Management of meadows

The commitments are:

- maintenance of meadows
- prohibition of chemicals and herbicides utilisation
- adoption of a fertilisation plan (N fertilisation less than 160 kg/Ha – minus 35% with reference to the normal agricultural practice and/or the limits set up by cross-compliance)
- good management of the meadow
- obligation of three cuts and removals per year
- prohibition of sewage sludge utilisation

The action will apply on meadows of new introduction or introduced acc. to PDR 2000-2006, for a period of 5-7 years (depending on the year in which the payment is granted for the first time). The foreseen environmental advantages are the improvement of landscape, the protection of soil and water quality and the conservation of biodiversity. Annual support is 130 Euro/Ha. The action will apply in lowlands and hills, with a priority in natura 2000, NVZ and protected areas.

Action E – organic farming

The commitments are:

- to respect the provisions of Reg. 2092/91 on the entire/part of the farm
- to convert all the farm to organic production by the fifth year of commitment

The commitment will last for 5/7 years (depending on the year in which the payment is granted for the first time). Annual support for maintenance of the organic production method is: a) 140 Euro/Ha for arable crops, b) 300 Euro/Ha for forage crops for organic livestock, c) 290 Euro/Ha for vegetable crops, d) 550 Euro/Ha for permanent crops, e) 130 Euro/Ha for meadows and pastures. In case of introduction of organic farming, annual support is: a) 154 Euro/Ha for arable crops, b) 300 Euro/Ha for forage crops for organic livestock, c) 320 Euro/Ha for vegetable crops, d) 600 Euro/Ha for permanent crops, e) 143 Euro/Ha for meadows and pastures. The action will apply on the entire regional surface with a priority in natura 2000, NVZ and protected areas.

Action F – buffer areas and hedgerows

The commitment consists in the maintenance of buffer areas and hedgerows, established with the support of measure 216 or with the support of the 2000-2006 programme (measure F). The use of herbicides and chemicals will be also forbidden. The foreseen environmental advantages will be the conservation of biodiversity and the improvement of water quality. Annual support is 450 Euro/Ha and the commitment will last for 10 years. The action will apply in the plains, with a priority in natura 2000, NVZ and protected areas.

Action G – landscape features

The commitment consists in the introduction of a set-aside period of 15 years, on arable land. The retired land will be converted to high value biotopes (wetlands, etc.). The foreseen environmental advantages will be the conservation of biodiversity and the improvement of landscape. The commitment will apply in lowland areas with a priority in natura 2000 and protected areas. Annual support is up to 450 Euro/Ha.

Action H – local endangered breeds

The commitment consists in the breeding of local endangered breeds and will last for 5/7 years (depending on the year in which the payment is granted for the first time). Annual support is 200 Euro/U.L.

The calculations justifying the amounts have been elaborated by Region Lombardia. The University of Milan – Department of Agricultural Economics and Politics is certifying the accuracy of the calculations. Cross-compliance requirements according to Reg. (EC) n. 1782/2003 have been taken into account, as a base-line for the abovementioned calculations. Minimum requirements for fertilizer and plant protection products have also been taken into account in the calculations.

Beneficiaries: farmers and, in case of action H – local endangered breeds, also other breeders.

Financing: 228 Meuro (100,3 EAFRD); transitional amount is 86,4 Meuro

Output indicators: 15.640 holdings, 250.000 Ha, 31.300 environmental contracts, 300 operations for the conservation of genetic resources)

Measure 216 (Non productive investments)

The measure will contribute to the objective of realising "green territorial systems" for water purification, creation of ecological corridors and countryside valorisation. The measure is related to the agro environmental actions F and G.

Actions: a) creation of buffer areas and hedgerows, b) recover and improvement of springs, c) environmental improvement of wetlands, d) environmental improvement of other high natural value habitats, on the basis of natura 2000 management plans.

Beneficiaries: farmers

Aid intensity: 100%

Financing: 34 Meuro (15 EAFRD)

Output indicators: 5.270 interventions, 11.000 Ha

Measure 221 (First afforestation of agricultural land)

The measure will contribute to the objective of realising "green territorial systems" for water purification, creation of ecological corridors and countryside valorisation and to the objective of promoting biomass production.

Actions: First afforestation of agricultural land, according to one of the following typologies of plantation: a) permanent forest with environmental and/or protective purpose; in this case the commitment lasts 15 years but the surface is classified as a forest on a permanent basis; b) long/medium cycle forest, for high quality wood production (commitment 15 years); c) medium-short forestry for biomass production (with rotation time of 8-10 years and first cutting after 5 years), d) fast growing species (rotation time of at least 8 years and less than 15 years).

The support will be granted only for afforestation of arable crops. The measure will apply in lowlands – it will be possible to implement the measure in hilly areas, only for category a) and b) and for protective purposes.

Beneficiaries: farmers, other public/private subjects. Definition of farmer = individual who earns 50% of his income and dedicates 50% of his time to farming activities. In LFA, the percentage is 25%.

Selection criteria will grant a priority to interventions realised by farmers and/or located in Natura 2000 and other protected areas, in nitrate vulnerable zones and near rivers. Interventions aimed to the realisation of ecological corridors and to enlargement of existent woods will also have a priority. No afforestation with a negative effect on a Nature 2000 site will be implemented.

The public/private subjects other than farmers are not admissible for action c) fast growing species.

Aid intensity and grants: support will cover the first establishment costs, an annual premium for maintenance for a maximum of five years, an annual premium for loss of income for a maximum of 15 years. Public bodies will receive only the contribution for establishment costs. Support will be split up according to the following scheme:

- permanent forest = max. admissible expenditure for establishment 6.500 Euro/Ha, premium for maintenance 500 Euro/year, premium for loss of income 700 Euro/Ha in lowlands, 550 Euro/Ha in hill areas, 290 Euro/Ha in mountain areas. For private law bodies and natural persons other than farmers, premium is 150 Euro/Ha.
- long/medium cycle forest = max admissible expenditure for establishment 5.000 Euro/Ha, premium for maintenance 650 Euro/year, premium for loss of income 550 Euro/Ha in lowlands, 325 Euro/Ha in hill areas, 150 Euro/Ha in mountain areas. For private law bodies and natural persons other than farmers, premium is 150 Euro/Ha.
- Medium-short forestry for biomass production and fast growing species: max admissible expenditure for establishment 3.500 Euro/Ha

Maximum amount of support for establishment cost per beneficiary/year is 200.000 Euro. For establishment costs, aid intensity is 80% in mountain areas and natura 2000 areas and 90% for permanent forest realised by public bodies. For medium-short rotation forestry, aid intensity is 40% (50% in case of young farmers). In all other cases, aid intensity is 70%.

The calculations justifying the amounts have been elaborated by Region Lombardia. The University of Milan – Department of Agricultural Economics and Politics is certifying the accuracy of the calculations.

Financing: 120,2 Meuro (60,1 EAFRD); transitional amount is 78,3 Meuro

Output indicators: 1.300 beneficiaries, 11.000 Ha

Measure 223 (First afforestation of non-agricultural land)

The measure will contribute to the objectives of realising "green territorial systems" for water purification, creation of ecological corridors and countryside valorisation.

Actions: First afforestation of non agricultural land, with the plantation of permanent forest with environmental and/or protective purpose. The support will be granted for the afforestation of non agricultural land, defined as follows: abandoned agricultural land, other non agricultural surfaces.

Beneficiaries: farmers, other public/private subjects

Selection criteria will grant a priority to interventions realised by farmers and/or located in Natura 2000 and other protected areas, in nitrate vulnerable zones and near rivers. Interventions aimed to the realisation of ecological corridors and to

enlargement of existent woods will also have a priority. No afforestation with a negative effect on a Nature 2000 site will be implemented.

Aid intensity and grants: support will cover the first establishment costs and an annual premium for maintenance for a maximum of five years. Support will be granted according to the following scheme:

- max. admissible expenditure for establishment 7.000 Euro/Ha, premium for maintenance 500 Euro/year. For establishment costs, aid intensity is 80% in mountain and Natura 2000 areas and 90% for permanent forest realised by public bodies. In all other cases, aid intensity is 70%. Maximum amount of support for establishment cost per beneficiary/year is 200.000 Euro.

Financing: 4,3 Meuro (1,9 EAFRD)

Output indicators: 100 beneficiaries, 700 Ha

Measure 226 "Restoring forestry potential and introducing preventive actions"

The measure will contribute to the strategic objective of supporting agricultural and forestry activities in mountain areas.

Actions: a) restoration of forests damaged by fire or natural disasters (removal of dead trees, re-afforestation with autochthonous species, etc.), b) realisation of fire breaks/cleared areas and their maintenance, c) enhancement of forests with a preventive purpose (vegetation control, thinning, diversification of vegetation structure – only in areas with a forest management plan), d) forestry land consolidations and water management interventions in forests at risk of landslides, etc.. Intervention b) and c) will apply only in high or medium forest fire risk areas.

Beneficiaries: forest holders (public and private)

Aid intensity and grants: Aid intensity is 60% in less favoured and Natura 2000 areas. For public bodies, aid intensity is 100%.

Financing: 7 Meuro (3,1 EAFRD)

Output indicators: 35 preventive actions, 700 Ha of damaged area restored, 8,8 Meuro in terms of total investments.

AXIS 3

Measure 311 "Diversification into non-agricultural activities"

The measure will contribute to the objectives of supporting the development of integrated and multi-functional activities in rural and less favoured areas, and of promoting renewable energy production (and linked services).

Actions:

- (1) Renewable energy production: realisation of power plants and purchase of machinery and equipment connected to the production of energy. The technologies supported will be: cogeneration and heat from biomasses, biogas and solar energy.
- (2) Agritourism: a) improvement of immovable property and purchase of machinery and equipment for agritourism activities, b) purchase of machinery and equipment for farm production processing linked to the agritourism activities (into non annex I products), c) realisation of green areas, camping areas, on-farm paths and other infrastructures for recreational activities.
- (3) Other diversification activities: a) realisation of on-farm paths and itineraries, horse-keeping and other pet-keeping services; b) realisation of nurseries/crèches, environmental education services for school classes and groups, on-farm social activities for disabled or old persons, c) set up of rural tourism and basic services activities, in coordination with the operations financed by measure 313 and 321.

Beneficiaries: farmers and their relations which exercise an agricultural activity in the farm (except farm workers).

The measure will apply in the rural areas, with a priority for rural area C and D. For agritourism, the measure will exceptionally apply in some zones of area A with physical disadvantages and characteristics of rurality. The other diversification activities will apply in "Leader areas" and in other touristy zones of rural area B.

Demarcation: For renewable energy, EAFRD will support the realisation of power plants below 1 MW. For the diversification activities, EAFRD support will concentrate on farms and on the members of the farm household.

Aid intensity: 50% in mountain areas, 40% in other areas (+10% in case of young persons)

Financing: 53,2 Meuro (23,7 Meuro EAFRD)

Output indicators: 700 beneficiaries, 152 Meuro of total investments. Result: 250 jobs created

Measure 312 "Support for business creation and development"

The measure will contribute to the objectives of supporting the development of integrated and multi-functional activities in rural and less favoured areas.

Actions: support to the development of micro-enterprises (support to the following investments: machinery and equipment for the improvement of production's quality, the production of renewable energy, the restoration/re-qualification of shops in order to create "multi-service centres", the setting up of B&B and basic services activities).

Beneficiaries: micro-enterprises

Support will be granted only in "Leader areas". In case of investments for renewable energy production, support will be granted also in the protected areas of rural area B.

Demarcation: For renewable energy, EAFRD will support the realisation of power plants below 1 MW. In case of tourism and craft activities, EFRD will not support the operations listed above, in the rural and the other areas where the measure is implemented.

Aid intensity: 50% in mountain areas, 40% in other areas (+10% in case of young persons)

Financing: 2,4 Meuro (1,1 Meuro EAFRD)

Output indicators: 30 beneficiaries

Measure 313 "Encouragement of tourism activities"

The measure aims to the promotion of tourism activities in rural areas.

Actions: a) realisation and restructuring of information centres and signposting; b) creation of recreational areas, infrastructures for rural and eno-gastronomic itineraries, improvement paths, itineraries, etc. c) realisation of services for the improvement of tourism such as e-booking, information, etc.

Beneficiaries: LAGs, local administrative bodies (provinces, municipalities, etc.), bodies responsible for eno-gastronomic itineraries, consortium of forestry holders, agri-tourism associations, NGOs

The measure will apply in the "Leader areas" and in other touristy zones of rural area B, with a priority for rural area C and D. For category a) and b), the measure will exceptionally apply in some zones of area A with physical disadvantages and characteristics of rurality.

Demarcation: EAFRD support will concentrate on the valorisation of the agritourism, rural tourism strictures and cultural sites localised in the rural areas. EFRD will not support the operations listed above, in the rural and the other areas where the measure is implemented.

Aid intensity: 90%

Financing: 5,9 Meuro (2,6 Meuro EAFRD)

Output indicators: 120 actions, 11,9 Meuro of total investments

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

The measure will contribute to the objective of creating basic services for the rural population and economy and of promoting renewable energy production.

Actions: a) creation of service centres for entrepreneurship (services and tutoring/mentoring for the start-up of new enterprises), b) implementation of social services (i.e. assistance services for disabled and/or old persons, mobility services, crèches, child care assistance etc.), c) cultural and educational activities, d) production of renewable energy, for public interest purposes.

Beneficiaries: LAGs, local administrative bodies (provinces, municipalities, etc.), NGOs

The measure will apply in the "Leader areas". For the production of renewable energy, rural area B will be admissible (with a priority for rural area C and D).

Demarcation: For renewable energy, EAFRD will support the realisation of power plants below 1 MW. For the other operations, EFRD will not support any of them, in the areas where the measure is implemented.

Aid intensity: 100%

Financing: 5,5 Meuro (2,4 Meuro EAFRD)

Output indicators: 11 initiatives, 11 Meuro of total investments

Measure 323 "Conservation and upgrading of the rural heritage"

The measure will contribute to the objective of developing rural tourism and related services/activities and to the objective of supporting the development of integrated and multi-functional activities in rural and less favoured areas.

Actions: a) drawing-up of protection and management plans related to Natura 2000/protected sites and environmental awareness actions; b) conservation and upgrading of rural buildings, with an historical/cultural value; c) conservation and upgrading of mountain pastures buildings.

For action a), support will be concentrated in Natura 2000 and protected areas. Action b) will be implemented in "Leader areas", while Action c) will be implemented only in mountain areas.

Beneficiaries: Natura 2000/protected areas management bodies and provinces for action a), public/private owners of the building for action b), owners, tenants, local administrative bodies, mountain pasture management consortium for action c).

Demarcation: EFRD will not support any of the operations listed above, in the areas where the measure is implemented.

Aid intensity: 100% for the realisation of management plans related to Natura 2000/protected sites, 70% for environmental awareness actions; 70% for conservation and upgrading of rural buildings (50% if owned by private); 80% for mountain pastures operations (70% if made by local administrative bodies and consortium, 50% if made by private)

Financing: 11,9 Meuro (5,3 Meuro EAFRD)

Output indicators: 110 initiatives, 19,8 Meuro of total investments

Measure 331 "training and information"

The measure objective is to support training and information activities for the diversification of rural economy.

Actions: training courses, seminars, informative meetings related to the activities supported by measures 311,312,313 and 321.

Beneficiaries: qualified bodies, NGO and Associations

Financing: 1,6 Meuro (0,8 EAFRD)

Demarcation with ESF: the measure will intervene only for the training of economic actors operating in the fields covered by measure 311, 312, 313 and 321 and for gender equality in the rural areas. In these fields/area, ESF will not intervene.

Aid intensity: up to 100%

Output indicators: 800 persons participating, 3.000 days of training

AXIS 4

Measure 41 "Implementation of the local development strategies"

Admissible area: it will be possible to implement Leader strategies on rural areas C and D and in some other rural territories with socio-economic disadvantages. The area covered by Leader approach is 51,8% of regional territory (12.360 km²).

Selection criteria and procedures: LAGs will have to 1) consist in a public-private partnership (socio-economic partners and other representative at least 50% of the partnership, at the decision-making level); 2) propose a strategy concerning an admissible area; 3) propose a strategy on an area with population between 5.000 and 150.000 inhabitants (in duly justified cases, these limits will be lowered/increased). LAGs will be selected by tender. Selection will be based on the characteristics of the area, the partnership and the strategy and on the coherence between strategy and financial resources. A priority will be given to the LAGs who will integrate cooperation and innovation into their local development strategy.

Implementation procedures: final beneficiaries will be local entities or the LAGs themselves. In the first case, LAGs will select the final beneficiaries and check the eligibility of expenditure. In the second case, the MA will select the projects and check the eligibility of expenditure. In both cases, regional PA will make the payments;

Financing: 26,8 Meuro (14,8 EAFRD); approx. 49% for axis 3 measures, approx. 13% for axis 2 measures, approx. 37% for axis 1 measures

Output indicators: 10 LAGs supported, 8.750 km² and 711.000 inhabitants covered, 10 projects (strategies) financed

Measure 421 "Interterritorial and transnational cooperation"

Selection procedures: within 1 year from the LAGs selection, a call of proposal (tender) will be organised.

Financing: 2 Meuro (1,1 Meuro EAFRD)

Output indicators: 10 LAGs cooperating, 10 cooperation projects supported

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

Actions: studies on the area concerned by the strategies, information and animation on the strategies and the areas, training of personnel, running costs. Running costs will not exceed 15% of the total public expenditure of the local development strategy.

Financing: 7,2 Meuro (4 Meuro EAFRD)

Aid intensity: 100%

Output indicators: 20 actions

5. FINANCING (PG. 231-233)

5.1. Annual Contribution from the EAFRD (in EUR)

Année	2007	2008	2009	2010	2011	2012	2013
Total	58.049.000	57.708.000	55.978.000	56.752.000	56.135.000	55.878.000	55.449.000

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

Title	Dépenses publiques	Taux contr. FEADER (%)	Contribution FEADER
Axe 1	291.656.542	42,80	124.829.000
Axe 2	464.716.480	44,00	204.475.251
Axe 3	80.516.854	44,50	35.830.000
Axe 4	35.995.364	55,00	19.797.450
Assistance technique	26.871.461	41,00	11.017.299
Total	899.756.700	44,01	395.949.000

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

Axe/Mesure	Total dépenses publiques	Dépenses privées	Coût total (1)
111 Formation	5.893.322 €	1.473.331 €	7.366.653 €
112 Jeunes agriculteurs	18.908.262 €	0 €	18 908 262 €

113 Retraite anticipée	70.000 €	0 €	70.000 €
114 services consultatifs	15.508.743 €	3.877.186 €	19.385.929 €
121 exploitations agricoles	142.988.428€	265.549.938 €	408.538.366 €
122 valeur économique forêts	5.403.245 €	3.602.163 €	9.005.408 €
123 Valoriser produits	55.831.479 €	130.273.451 €	186.104.930 €
124 Coopération	1.783.505 €	2.675.258 €	4.458.763 €
125 Infrastructure	40.331.481 €	10.082.870 €	50.414.351 €
126 Reconstitution du	10.329	0	10.329
132 qualité alimentaire	2.502.180 €	1.347.328 €	3.849.508 €
133 information et promotion	2.425.568 €	1.306.075 €	3.731.643 €
AXE 1	291.656.542 €	420.187.600 €	711.844.142 €
211 zone à handicaps naturels	71.132.243 €	0 €	71.132.243 €
214 agri-environnement	228.039.245 €	0 €	228.039.245 €
216 invest. non productives	34.005.852 €	0 €	34.005.852 €
221 boisement terre agricole	120.220.691 €	25.476.190 €	145.696.881 €
223 boisement terre non agr.	4.317.243 €	1.079.311 €	5.396.554 €
226 Restaurer et prévention...	7.001.205 €	1.750.301 €	8.751.506 €
AXE 2	464.716.480 €	28.305.802 €	493.022.282 €
311 Diversification	53.204.485 €	98.808.329 €	152.012.814 €
312 Création entreprises	2.409.782 €	3.614.673 €	6.024.455 €
313 activités touristiques	5.927.085 €	5.927.085 €	11.854.170 €
321 Services	5.504.854 €	5.504.854 €	11.009.708 €
323 héritage rural	11.854.171 €	7.902.781 €	19.756.952 €
331 Formation et information	1.616.476 €	285.260 €	1.901.736 €
AXE 3	80.516.853 €	122.042.982 €	202.559.835 €
411 Leader Compétitivité	9.995.976 €	9.995.977 €	19.991.953 €
412 Leader Environnement	3.557.927 €	0 €	3.557.927 €
413 Leader Qualité de vie et..	13.244.669 €	13.244.670 €	26.489.339 €
421 coopération	1.997.718 €	499.430 €	2.497.148 €
431 Diriger le GAL et...	7.199.073 €	0 €	7.199.073 €
AXE 4	35.995.363 €	23.740.077 €	59.735.440 €
511 Assistance technique	26.871.461 €	0 €	26.871.461 €
Total	899.756.700 €	594.276.461€	1.494.033.161 €

6. DESCRIPTION OF STATE AID MEASURES

Chapter 9 gives the general provisions for the respect of state aid rules. Annex 7 gives the information concerning the measures which falls outside of article 36 of the Treaty.

For all measures/operations falling within the scope of the article 36 of the Treaty, no additional national financing is envisaged.

For the measures/operations outside the scope of the article 36 of the Treaty, support will be granted either according to the “de minimis” rule. In case of investments for renewable energy, an existing aid will be utilised.

7. DESCRIPTION OF THE COMPLEMENTARITY

The information concerning the appraisal and means for the complementarity with cohesion Funds, EFF and EAFG is described in chapter 10 of the programme.

The complementarity with the EFRD will concern various fields of intervention. The EFRD operations for regional development will be related to the improvement of infrastructures and for the innovation and the accessibility for the industrial enterprises, while the EAFRD measures (axis 1 and 2) will concentrate on the agricultural sector. With regard 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 between the two Funds is more relevant. For each measure of axis 3, demarcation criteria have been individuated. They are based on the typology of intervention, on the area concerned and on the beneficiary. In case of renewable energy, EAFRD will support the realisation of power plants below 1 MW, while EFRD will support the realisation of bigger power plants.

In case of training activities, the EAFRD will support some specific interventions (i.e. tutoring of young farmers and training connected to the fields of intervention of axis 3), while the ESF will realise other types of training activities.

The RDP doesn't foresee any intervention for fisheries/aquaculture, and any possible overlapping with the local development strategies will be avoided in the implementation phase.

In order to guarantee the complementarity between the rural development programme and the other programmes supported by the Community Funds for the 2007-2013 programming period, a specific working group has been established. The working group has individuated the areas where coherence and complementarity should be achieved and has defined some demarcation criteria. The demarcation criteria will be based on the beneficiary's dimension and typology, on the territorial scale and on the type of implementation instrument (with a particular focus on integrated projects). A representative on the concerned managing authorities will participate in the programme's monitoring committee. Moreover, a special coordination body will be established, at the start-up of the 2007-2013 programming period.

The complementarity and the criteria for the demarcation between the RDP and the measures financed by the EAGF are described at chapter 10 of the document. When a possible overlapping exists, the criteria for the demarcation are individuated and explained (i.e. see measure fiche 121, 123 and 133). The administrative rules for ensuring that the operations benefiting from RD support are not also supported by other CAP instruments are the following: the department for agriculture of the regional administration is responsible for the management of both the first pillar and the second pillar operations. A cross-check on all the applications will be made through the regional agricultural informative system, thus avoiding any possible double-payment.

8. PROGRAMME DELIVERY

8.1. Designation of competent authorities and bodies responsible

The Managing Authority will be Regione Lombardia – DG Agriculture

The paying agency will be the regional one, already operating for the CAP payments: DG “Presidenza” – “Organismo pagatore regionale”.

The certification body will be, for the year 2007, 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. The information will be sent by SFC every two months, and an annual report will be

elaborated by the 30 June of every year. The evaluation process will be realised according to the regulation prescriptions. The Monitoring Committee's members are listed in the programme. The Committee will meet at least once a year.

8.3. Information and publicity arrangement

The communication plan will involve the beneficiaries (effective and potential), the citizens, other partners and stakeholders, information bodies, opinion leaders and other members of the regional administration.

The main actions will be:

- (1) Meetings and seminars, to inform 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.
- (2) Internet site, newsletters, direct mail and FAQ. These instruments will provide information about the technical content of the measures. The list of the programme's beneficiaries will also be published, from 2008.
- (3) Advertising (on TV, magazines and newspapers) to inform the citizens and the beneficiaries about the content and results of the programme.
- (4) Press releases, press tours and workshops and other instruments to inform the media.
- (5) Participation in fairs and forums, where videos and brochures about the programme will be distributed.
- (6) Front office activities.
- (7) Promotional literature (specialist magazine, brochures, flyers, posters, etc.), to inform citizens, beneficiaries and partners.
- (8) Common logos and slogans, to co-ordinate all the information activities.

The provisional budget of the plan is 2,7 Meuro. The results of the information activities will be evaluated by interviews, questionnaires and focus groups on the following categories: citizens, beneficiaries and partners.

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

The consultation process began in July 2004. In this first phase, an internet site was created, to provide information and to collect the first contributions from the stakeholders. A series of meetings were also held, to define the overall objectives of the programme. In a second phase, starting in September 2005, the stakeholders and partners have communicated to the regional authority their proposal concerning the priorities and strategies of the programme. At the end of this second phase, the project was defined.

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. A specific working group has been established, in order to better integrate the gender issue in the rural development policies. During the implementation phase, the issue will be considered in relation to the following aspects: definition of selection criteria, information and publicity. In the monitoring and evaluation phase, specific indicators will be settled and a specific evaluation methodology adopted. The non discrimination principle will be also taken into account, in all the programming steps.

11. DESCRIPTION OF TECHNICAL ASSISTANCE OPERATIONS

Technical assistance finances the following operations: a) support to the preparation; b) support to the managing and implementation (analysis, preparation of MC meetings, elaboration of annual reports, etc.; c) support of the programme's monitoring; d) support to the programme's evaluation; e) support to the information activities; f) support to the control activities. The support will cover the acquisition of services and consultancies and the purchase of the machinery and equipment (i.e. software and hardware for the monitoring activities). The National Rural Network is an independent programme