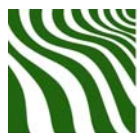


ONGOING, MIDTERM AND EX POST EVALUATION FOR THE  
EMILIA-ROMAGNA RURAL DEVELOPMENT PLAN (RDP)  
2007-2013



**NON-TECHNICAL SUMMARY**  
**UPDATE REPORT OF MIDTERM**  
**EVALUATION (2012)**

6 maggio 2013



AGRICONCONSULTING



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## **1. PURPOSES OF THE MIDTERM EVALUATION**

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The 2012 Update Report on the previous Midterm Evaluation (2010) of the Emilia Romagna Rural Development Programme (RDP) 2007-2013 was compiled by the independent Evaluator (Agriconsulting S.p.A.) at the request of the Emilia Romagna Regional Government.

As opposed to the previous Midterm Evaluation of 2010, the Update Report provides useful elements to gain better knowledge of and more accurately assess the effectiveness, efficiency, and relevance of the interventions promoted by the Programme and also provides food for thought in support of the new programming period.

## 2. CONTENTS AND STRUCTURE OF THE MIDTERM EVALUATION UPDATE REPORT

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The report is made up of four main parts:

- 1) Section 3 focuses on the purpose of the evaluation, i.e. the Emilia Romagna RDP, of which it summarises its objectives, strategic priorities, measures, dedicated resources, financial advancement and degree of progress in achieving strategic and territorial priorities;
- 2) Section 4 concisely illustrates the profiles, sources and methods for the analysis, as well as surveys made to investigate the various evaluation themes discussed in the Report, whose details are covered in the technical Annexes;
- 3) Section 5 is organised by themes - which largely coincide with the social, economic and environmental impacts of the Programme. Each paragraph first makes reference to the RDP intervention strategy, provides a few hints at its implementation, outlines the results emerged from the analytical surveys made in support of the evaluation and draws conclusions for each of the covered subjects. Section 6 provides an update of result and impact indicators. For each indicator, a brief illustration is made of the applied methods, the quantified results and the appraised effectiveness as opposed to the target values assumed in the RDP;
- 4) The final section of the Report draws a few conclusions and provides recommendations - structured by Axis and priority objective; here the results of the evaluation analysis are presented in order to provide a few useful suggestions and proposals to be used to design the future programming period 2014-2020 for the regional rural development.

The Report also makes an early overview of the Best Practices identified by the Evaluator and to be covered in the next communication action by the Regional Government, whose objective is to disseminate and promote initiatives or sets of initiatives that may provide useful examples to optimise the Programme offerings and ultimately improve the overall effectiveness of public support action, strengthen project capacity and optimise implementation methods in view of the next programming actions.

The 13 Report Annexes investigate the methodological and operational aspects for the quantification of impacts.

The foregoing structure and, more generally, the themes covered were shared with the RDP Managing Authority in the context of a permanent process of exchange and dialogue that has developed since the start of activities.

### 3. METHODS, INFORMATION AND CRITERIA BEHIND THE PROGRAMME EVALUATION

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The main methodological reference for the analytical surveys made was the Manual on the “Common Monitoring and Evaluation Framework (CMEF)” defined in the EU Regulation 1698/2005, which we ‘contextualised’ in the light of the peculiarities of the Emilia Romagna RDP and the evaluation requirements emerged at regional level.

In looking at the programming logic (based on a hierarchy of objectives) the other way round, our evaluation has investigated the ‘effects’ of interventions, which are also structured hierarchically and in a causal relationship, namely: *Products* as a first step towards the achievement of the operational objectives of the intervention (e.g. number of beneficiary agricultural holdings, overall agricultural surface covered by agri-environmental commitments, etc.); *Results*, meant as the “gross” direct and immediate effects of interventions on beneficiaries (e.g. raising the value-added of farms, the agricultural surface involved in a more sustainable form of environmental management etc.); and finally *Impacts*, meant as benefits arising from interventions and the Programme as a whole for direct beneficiaries, the population and the overall intervention areas ‘net of’ the other effects not caused by the Programme. An evaluation – also in quantitative terms – of such Programme ‘effects’ was made by a corresponding *System of Indicators* (specifically Product, Result and Impact indicators) some of which were those of all other European RDPs while others (supplemental indicators) were specifically defined for the Emilia Romagna RDP by the Programme Managing Authority jointly with the Evaluator.

The basic information used in the Evaluation were acquired from different sources and through different methods depending on their nature and scope of application, i.e.

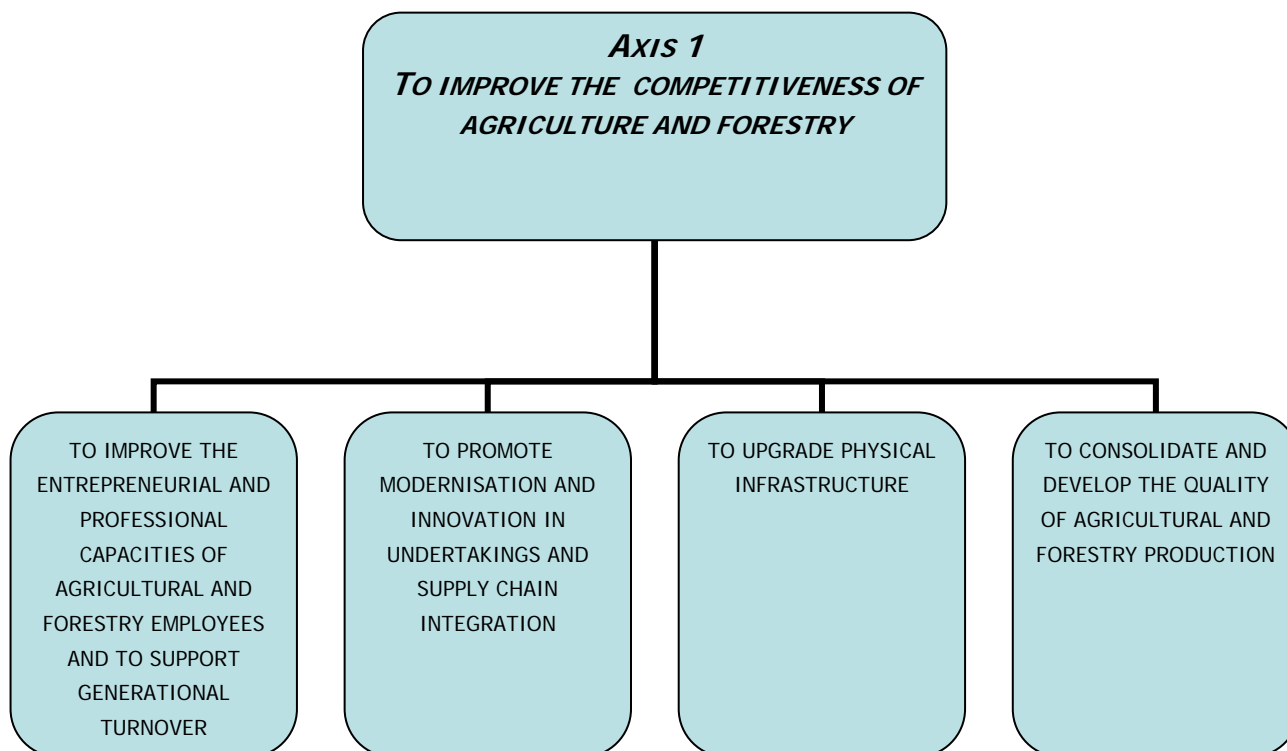
- collected from specific surveys made by interviewing statistically significant samples of beneficiaries or from case studies;
- excerpted from the existing statistical or administrative sources, such as, e.g.: the Regional Information System, which contains financial, procedural and physical information on individual applications for financing; the Business Plans submitted by beneficiaries; and the other official sources (statistics, studies and databases) currently available at national and/or regional level (EUROSTAT, ISTAT, ISMEA, SINAB, Chambers of Commerce and the FADN -farm accounting data network).

The information needed for the evaluation was collected through:

- a statistical analysis of the collected primary and secondary data, by which the values of calculated indicators for the RDP beneficiaries/interventions were compared to the values of similar indicators calculated or estimated in the counterfactual (i.e. no-intervention) situation or in the regional reference context, with an additional comparison made between the actual values of Indicators and their target values as defined in the RDP;
- a territorial analysis based on the use of the GIS (Geographic Information System), an instrument through which geographic information (i.e. various theme maps on soils, erosion risks, desertification risks, vulnerable areas, protected areas, etc.) is crossed with statistical alphanumeric information (e.g. statistics on the sales of fertilisers and plant-protection products) or information on interventions (i.e. chiefly information on ‘surface-based’ measures);
- an analysis based on the exchanges held between experts (i.e. focus groups, BS, NGT, etc.) designed to interpret data and acquire qualitative information or to explore the unexpected or unforeseeable effects of interventions or effects not sufficiently expressed by quantitative indicators;
- statistical simulation models for an evaluation of environmental impacts.

#### 4. MAIN PROGRAMME RESULTS

Below is a summary of the main results of the analyses made in the context of the Midterm Evaluation Update report divided by each of the priority axes into which the Programme is structured.



The Axis budget, 449 million euros, amounted to 43% of the RDP overall budget. committed financial resources accounted for 76% of the programmed resources while disbursed resources accounted for 52% of programmed resources.

Our conducted analysis – based on *ad hoc* surveys carried out among beneficiaries as well as on data extracted from Regional Databases and from the available technical and administrative documentation – has shown the effectiveness of the Measures of Axis 1 in pursuing priority objectives and the positive strengthening of strategic choices through the adoption of innovative instruments and implementation methods, such as the promotion of regional agri-food supply chains.

##### 4.1 To improve professional capacities and to support generational turnover

**Knowledge transfer** is a key precondition for the development of competitive and qualitative farming. The purpose of “improving professional capacities of farmers and other agricultural and forestry workers through integrated training, information and advisory interventions in support of the knowledge and dissemination of information” was pursued by the Emilia Romagna Regional Government by implementing a “Green Catalogue” containing training, information and advisory service offerings for farmers and forest holders.

Training and information actions promoted by **Measure 111 involved 12,783 beneficiaries** (64% of the target value) and concerned **7,384 agricultural and forestry holdings**.

Participants having **successfully completed** a training and information course in agriculture and/or forestry amounted to **6872 in total (38% of the target value)**. The large majority of successful trainees were among farmers (97%) and in the male gender group (75%) and a **fairly high degree of participation by young farmers (38%)** was also observed.



The **advisory service contracts** financed by **Measure 114** were **6,423 in total**, of which 6,213 in the farming sector (81% of the target value) and 210 in the forestry sector (151% of the target value) and involved **4,071 agricultural and forestry holdings**.

The agricultural holdings concerned by the two measures were **9,144 in total** or **14%** of the total **active holdings** registered under sections A01 and A02 of the regional **Chambers of Commerce** in 2011.

An impact on the activities of holdings in terms of acquired capacities was declared by nearly 70% of participants in training/information courses and advisory service beneficiaries. Increased safety at work ranked first among the declared effects and involved many other aspects of farming and forestry with special reference to the economic management of activities, respect of the environment achieved through cross-compliance, improvement of hygiene in breeding farms and, hence, animal welfare, and adoption of certified production systems. Significant effects in the training/information and advisory services were also reported with regard to energy and water-resource savings and the introduction of technological innovations into individual holdings. Such effects were even more significant in the comparisons made between the results of surveys conducted in 2012 and those measured in 2010.

As a whole, the participants **assessments** of training courses and advisory services were **positive**: a special word of praise was accorded by beneficiaries for the skills of trainers/advisors as well as for the organised activities which, they said, were consistent with and perfectly matched their goals and expectations. As for the innovative introduction of a **green catalogue** by the Regional Government, the level of autonomous users of this instrument was still low (25%); this result is indeed attributable to the significant role played by technical-support and training-service providers, which were preferably addressed by the large majority of beneficiaries. However, it is worth observing that the autonomous users of the green catalogue found its consultation easy, its headings and activity descriptions clear and the overall offering of training/information and advisory services in line with the needs of their respective holdings.

Training, information and advisory services (Measures 111 e 114) saw a high level of participation and appreciation by respondents. The majority of trainees belonged to the agricultural sector (97%) with a good level of representation of young farmers (38%). In comparison with the previous evaluations, a good perception and an extensive use of the green catalogue were found among farmers. Its knowledge and use however needs to be enhanced in order to raise the number of farmers who are able to autonomously consult it (currently nearly 25% of total) for them to positively assess and benefit from the offered services.

**Renewal of the agricultural base continues to be among the priorities of regional programming in an effort to find a solution to rural population ageing. Measure 112** was the main intervention instrument for young people through which **the employment of 1,295 young farmers with 1,237 farms was financed**.

**The measure was successful** (73% of the target value) **despite its** (already expected) **significant implementation complexities**, as it favoured “the setting up of young skilled farmers and the structural adaptation of farms”. The young beneficiaries of Measure 112 accounted for 28% of the total regional managers aged below 40. Women managers accounted for 27% of newly set up farmers, with a higher incidence compared to that of women managers aged below 40 at regional level (22%). 31% of newly set up farmers concerned by this measure held a general certificate of education in agriculture and 4% had a degree in agriculture. Employments were mainly recorded in relatively large sized farms in terms of ESU and surface extension (>40 European Size Units and >20 hectares).

In particular, this measure significantly contributed to:

- the generational turnover among farmers, with a reduction in the age of managers in assisted setting up to 32.4 years. This resulted from an average age of young farmers having taken over of 29.9, which compares to an average age of 62.3 of farmers having terminated their employment and retired;
- a reduction in the **negative balance** between new registrations and de-registrations in the company register of the Chamber of Commerce concerned. In the four-year period 2008–2011, assisted setting up registrations accounted for 19% of all new registrations in the period.

The attractiveness of farming among young people appeared high especially in **mountainous areas, where 67% of set up farmers originated from other sectors**, which confirmed the employment opportunities offered by agriculture to young workers in the areas most affected by employment problems.

Conditions for implementation have encouraged young people to draft suitable farm development plans and access Measure 121: the synergy between the two measures, which is favoured by a specific priority, concerned 51% of beneficiaries. Our evaluation analysis has shown that the synergy between Measure 112 and Measure 121 has favoured the introduction of innovations into the farm and determined higher efficiency in investments and better results in terms of increased value-added.

It is clear from the **economic results** obtained by newly set up young farmers, that a decisively higher level of spending efficiency was achieved by those who applied for both measures. These results confirm the validity of procedural instruments designed to favour synergism between measures that improve the efficiency of public spending. A comparison of these results with counterfactual results has shown that beneficiary farms increased their output and labour productivity through this programme; by contrast, non-beneficiary farms necessarily had to reduce their labour costs to keep their productivity levels constant.

**The average increase in value-added for beneficiary holdings amounted to 20,828 € per holding (or 10%).** Such increased value-added derived from a nearly 17% increase in their marketable output. Counterfactual holdings, on the other hand, saw their value added fall by 2,586 euros per holding (-3%) mainly as a consequence of their shirked production value.

Employment-wise, beneficiary holdings **increased their headcount by 0.19 Labour Units per holding**, while non-beneficiary holdings recorded a fall in employment levels to the tune of 0.18 labour units per holding on average. **Labour productivity in beneficiary farms increased 2,687 € per FTE (5%)** whereas labour productivity in the counterfactual group recorded an increase of 1,997 € per FTE due to reduced employment.

In order to counter the fall in production value and keep labour productivity unchanged, counterfactual holdings have adopted human resource policies which ultimately reduced employment levels. Beneficiary holdings, instead, have seen their output increase and managed to raise labour productivity, despite a more than proportional rise in variable costs.

Set up young farmers have also used the other opportunities offered by the RDP chiefly through the implementation of measures meant to improve their human potential, i.e. Measures 111 and 114, which concerned 76% and 35% of this group respectively.

#### 4.2 To promote modernisation and innovation in undertakings and supply chain integration

This priority objective is directly linked to Measures 121, 123 and 124 implemented either through individual interventions or through supply-chain projects.

Structural interventions (i.e. Measures 121, 122 or 123 – Actions 1 and 2) concerned most of the regional territory and were also extended to areas experiencing natural disadvantages and mainly located along the Apennine mountain chain.

The **beneficiary holdings of Measure 121 amounted to 2416** (55% of the target value) with an appreciable ESU size and surface extension and with planned **investments** normally designed for upgrades which ultimately proved to be more **demanding** in financial terms than the level estimated ex ante. Upgrades in beneficiary holdings were beneficial in income and employment terms; the effect of the provided assistance on the objective of economic growth was even more significant if compared to the contextual performance levels.

Our analysis of accounting results conducted on factual and counterfactual samples **recorded an average increase in value-added of 28,157 euros per holding (+15%)** – i.e. decisively above the increase observed in the control group (+7%).

In employment terms, beneficiaries **saw their headcount increase (+0.39 FTE per holding)** while, in the three years considered (2008 – 2010), the holdings in the control group recorded a drop in employment levels (-0.29 FTE/holding). Labour productivity in beneficiary holdings increased 5%, or 1,828 € per FTE.

In conclusion, beneficiary holdings **saw labour productivity** and output increase; by contrast, non-beneficiary holdings reduced labour costs to keep their productivity levels constant.

**The increases in value-added and headcount** of the beneficiary holdings under Measure **112** have already been fully illustrated and the collected data relate to the best results achieved in beneficiary farms. A comparison between the level of spending efficiency obtained in the interventions of young set up farmers who also benefited from Measure 121 and the level obtained by those who exclusively relied on Measure 112 clearly shows that spending efficiency was decisively higher for those who accessed both measures.

With regard to **Measure 123**, the **170** beneficiary holdings (100% of the target value) made up an overall investment volume of 261,5 million euros (with an average investment value of 1.538 million euros); of these, **99** were assisted in the context of Supply-Chain Projects (3 in the forestry sector) and contributed to an average investment equal to 40% of the average recorded by beneficiaries having received assistance through individual applications.

Main interventions pertained to the refurbishment/renovation of plants and buildings (39.5% of the overall volume of investments) followed by the introduction of innovative technologies to respond to new market opportunities (33.3%). The introduction of innovations in the production cycle was the item that absorbed an innovation investment of around 150 million euros, or 12% of the aggregate innovation spending measured by the Italian Statistics Institute (ISTAT) in 2010 in Italian enterprises active in the “food and beverage and tobacco” sector.

A comparison between the pre-investment and the post-investment situations shows **an increase in value-added of 9.3 million euros, +30.9% vs. the pre-investment value**. The significance of this difference is much greater in the comparison made on a sample of agri-food enterprises at national level by the Mediobanca research department (+5.6%). The increase in value-added was determined by an increase in turnover and contributed to set off the increased unit processing costs. Performance of Return On Sales (ROS), on the other hand, was unchanged in the period considered, which demonstrates that the pre-investment efficiency levels were retained.

In the context of **Supply-Chain Projects (SCPs)**, a total of **67 projects** were found eligible for financing. All Measures associated with SCPs were taken up in the implemented projects. Measure 121 accounted for 63% of the total submitted applications and 61.1% of the overall investments made; the 101 applications for assistance under Measure 123 (actions 1 and 2) had an incidence of 33.6% on the overall investments; the demand for training courses and advisory services characterised nearly half of SCPs and Measures 111 and 114 concerned 26% of all submitted applications. A high number of projects also related to Measure 124 (42 projects out of 67). SCP interventions implemented under Measures 121, 122 and 123, accounted for more than 95% of the total interventions in the Supply-Chain context and involved most of the regional territory including areas experiencing natural disadvantages.

The findings of direct surveys conducted among the beneficiaries of interventions and the analysis of secondary information (contextual data, monitoring data, etc.) show that the 67 SCPs financed in the main regional agri-food supply chains developed an investment volume in excess of 278 million euros, with an average investment per SCP above 4 million euros and a total number of 8,496 direct and indirect beneficiaries involved (95% of whom were farmers). These beneficiaries agreed on specific responsibilities and regulated obligations for the contribution and purchase of processed raw materials by signing a **Supply Chain Agreement**. It is worth noting that, in 79% of SCPs, beneficiaries agreed to be bound by obligations for the purchase/transfer of raw materials over a period exceeding the three years required by the relevant call for applications.

One of the main results of SCPs was therefore their ability to **create new and stable relationships** between market players and institutions by favouring a two-way flow of information and a shared knowledgebase in support of the decisions to be made by individual market actors and institutional actors. The extensive availability of agreements with a duration above the minimum period required by the call for

applications underscores the ability of the instrument to stabilise the existing contractual relationships between the different parties.

The quantity of **raw materials** involved in these new purchase/contribution contracts amounts to around 30% of the overall output in SCPs; in a few cases, the percentage rose to 100%, which clearly shows that the instrument has effectively formalised and developed trade relations between farms and processing/marketing companies, which already existed in a few cases but were not binding.

Our conducted surveys suggest a good level of **globalisation** achieved in a few production segments; in the fruit and vegetable segment, the quantity of products intended for export to the EU accounted for 26% vs. 4% of products to be exported to non-EU countries; in wine production, on the other hand, the proportion was equal to 24.9% of products intended for non-EU markets vs. 14.5% of products intended for the EU market.

SCPs have also created a favourable context for **innovation** by promoting pre-competitive research and easing technological upgrades and technological transfers between the undertakings concerned and research institutions or universities. Cooperation projects (Measure 124) designed for the promotion of pre-competitive research concerned more than 60% of SCPs with an overall spending of 4.3% of the total investment volume and an average investment per project worth around 165,000 euros. Innovation and pre-competitive research have contributed to create or strengthen relationships between undertakings active in supply chains and research institutions or universities located in the regional territory: in 21.4% of SCPs, new relationships between farms and research institutions/universities were created; in 64% of projects, continuity was given to the existing collaboration between research institutions/universities and the lead partners.

**Innovation was a distinctive element of all SCPs** even when no direct reference was made to Measure 124. It was an incremental type of innovation chiefly intended for the **improvement of products and processes** and implying the transfer of knowledge and technologies as well as their contextualisation through participatory processes. A further contribution to the improvement of relationships with market players was also given by **activities for the promotion of quality products** (organic products, PDOs, PGIs, etc.) promoted through Measure 133 “Supporting producer groups in information and promotion activities”, which was taken up in 33% of projects.

Support to **innovation** made possible by the regional programming was pursued through specific intervention priorities in the context of **Measures 121 and 123** and by **the use of Measure 124**. The **undertakings** having introduced **new products and/or new techniques amounted to 1,546** in aggregate (32% of the target value) of which 83% were the beneficiary farms of Measure 121, 10% were the beneficiary farms of Measure 124 and 6% were agri-industrial companies having applied for Measure 123. The investments made under Measure 121 were mainly designed for the introduction of **innovative technologies** and technological means of production as a result of, *inter alia*, the **reduction of production costs**. A comparison between undertakings having also applied for Measure 112 and those not having applied for this Measure clearly shows that the synergy with Measure 112 favours the introduction of innovations into the applicant undertaking.

The total volume of investments in innovations made by beneficiary agri-food companies under Measure 123 amounted to 149.7 million euros, or 12% of the overall spending for innovation measured by ISTAT in 2010 for Italian companies active in the “food and beverage and tobacco” sector. As regards the type of innovation, 71% of interventions were meant for process innovations vs. 29% for product and mixed innovations.

The use of **Measure 124** both in favour of individual undertakings and in a supply-chain context concerned a total of **86 projects**, i.e. above the Programme target value of 76, which demonstrates how successful this measure was in favouring investments in pre-competitive research.

An aspect worth highlighting is the different use of Measure 124 in the two forms of implementation: in the context of SCPs, process innovations prevailed, whereas the majority of individual interventions concerned farms in which field tests prevailed, with the development and testing of fruit and vegetable species and specific interventions in breeding farms.



As a result, cooperation projects were mainly of ‘technology-push’ type; in other words, interventions were driven by technology testing intended more for the improvement of processes and quality than for the testing of new products. In this context, the involvement of technology-product manufacturers (agricultural machinery or hi-tech equipment) and the ability to reflect and be inspired by past experience were indeed fundamental to create prototypes fully in line with the requirements of farms and agri-food businesses having established partnerships with research institutions. In order to favour the expansion of undertakings towards new markets, it might be appropriate to direct cooperation towards explicit commercial objectives, albeit limited to the pre-competitive phase, which could directly impact on the sector economy, by centring product and process innovations on a ‘market-pull’ logic. After all, this marketing logic can be perfectly adapted to a regional context characterised by production segments with proven marketability, and in which production and distribution are driven by demand.

### **4.3 To consolidate and develop the quality of agricultural production**

This priority objective is directly related to Measures 132 and 133. In addition, the RDP is intended to support interventions centred on the quality of production in the different Programme Measures through priority criteria dedicated to the upgrade of production in agricultural and forestry holdings (**Measures 112, 121 and 123**).

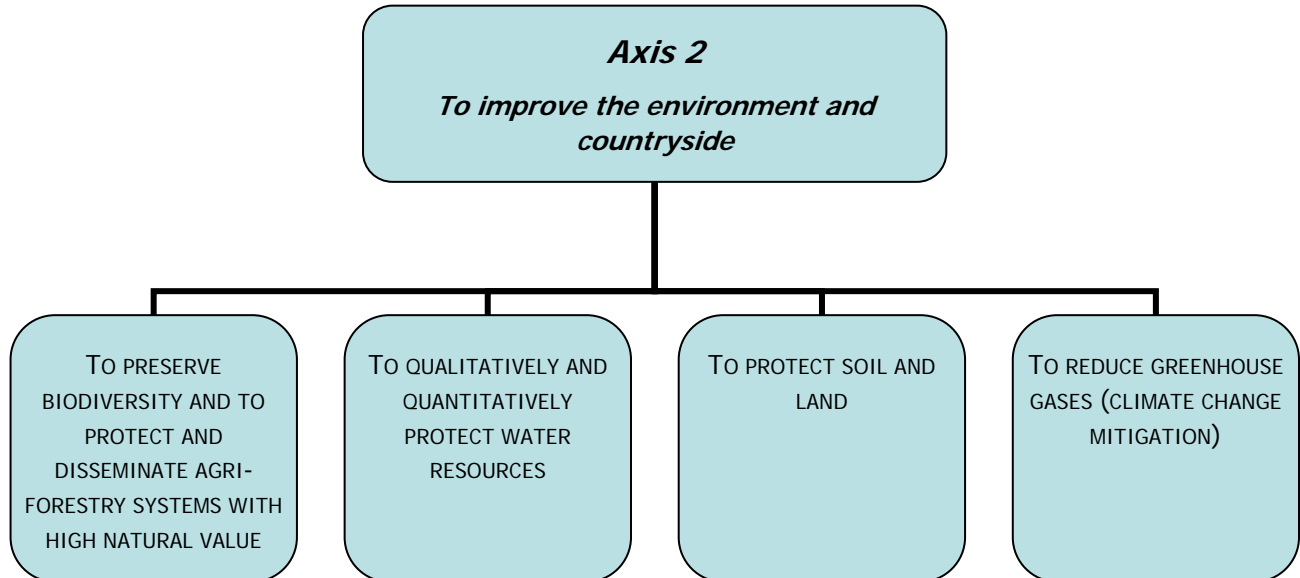
**Measure 121** is designed “to promote investments designed for the introduction of voluntary **quality certification** systems”: these interventions concerned **156 beneficiary holdings** (6% of the total beneficiaries) for an overall investment volume of 11.3 million euros. There was a fairly high dissemination of quality certification systems among the beneficiaries of Measure 121: **34% of beneficiary holdings subscribed to a quality system**. The findings of direct surveys show a high percentage of holdings benefiting from Measure 121 (**42%**) for the **qualitative improvement of production** through the deployed interventions. The effects of qualitative improvement perceived by the respondent beneficiaries mainly related to: adaptation of production to market demand, enhancement of the value of marketed products and reduction of the environmental impact of planted crops and applied breeding methods.

Even the holdings concerned with the setting up of young farmers (**Measure 112**) had planned, among the objectives intended to improve their development plan, the upgrade of production. In particular, **13% of ‘young’ beneficiary holdings had planned investments in the upgrade of production**. 29% of holdings in surveyed samples reported that the investments made had improved the quality of production in the sense of adapting it to market demand. Similarly, the beneficiaries of Measure 112 reported a good level of dissemination of quality systems: **36% of young people had set up in farms having subscribed to a EU quality system**, which in half of the investigated cases was an **organic product system**.

The **growth of quality production** concerned 87% of the sample of beneficiaries under **Measure 123**. The volume and value of total agricultural raw materials processed in the beneficiary undertakings determined a **growth in both the quality (20%) and value (26%) of raw materials with certified quality**. Quality products accounted for a turnover share of 54% with an increase between ex ante and ex post situation of 0.4%.

Subscription to quality systems supported by **Measure 132** mainly concerned (in 89% of submitted applications) the take-up of **organic-product** quality systems; these were followed, with a much lower incidence, by integrated controlled quality systems (6% of production), certification of CDO-CGDO wine production (5%) and finally PDO-PGI production (with a marginal incidence of 1%). There are many reasons behind this distribution, i.e. the characteristics of beneficiaries, the mechanisms for and restraints to access to the Measure, and the peculiar characteristics of the regional production system. The **logic underlying participation** in quality systems through the **incentives of Measure 132** has consequently proved to be **weak** for a production system based on PDO-PGI production, with significant structural characteristics and mainly consisting of farm cooperatives to which producers contribute their products. In most cases, cooperatives are parties to a supply chain placed either upstream or downstream and in which the dividing line between agricultural and agri-industrial systems is barely visible.

The projects related to **Measure 133** approved in the context of the supply-chain approach were 22 in total or **33% of the** financed **SCPs**. Applicants for this Measure were mostly active in the wine segment (27%) followed by the fruit and vegetable segment (23%) and the PDO milk and dairy segment (14%). In the SCPs under Measure 133, investments for information and promotion services had a significant incidence (7% of the total spending).



The priority objectives under Axis 2 are centred on the main environmental issues that farming or forestry activities may significantly contribute to solve: protection of biodiversity, water resources, soil and land, and mitigation of climate change. The budget allocated to this Axis, 435 million euros, accounted for 42% of the RDP. Committed resources amounted to 80% of programmed resources while disbursed resources amounted to 59% of programmed resources.

With regard to **Axis 2**, our evaluation update confirmed the relevance and consistency of the intervention strategy and of the instruments put into place for its implementation. In this respect, the Regional Government has implemented a 'zoning' project for the regional territory to reflect the differentiated environmental requirements with the specific objectives under the Axis directly related to each zone type. This programming approach was concretely reflected in the identification of eligible areas as well as in other applied minimum requirements, such as the characteristics of beneficiaries or the types of crops concerned, which as a whole contributed to a more targeted use of forms of assistance. However, the selection was limited and applications were in most cases all found eligible, which prevented a consistent concentration of interventions in most deserving areas and further prevented the maximisation of effects on all environmental objectives.

Once again, a key recommendation from the Evaluator is to more rigorously apply selection criteria and reconsider the instrument of Agri-environmental Agreements in view of an optimum concentration of commitments and a larger dissemination of interventions to the most deserving areas (i.e. 'critical mass').

Our evaluations on the achievement of the objectives under Axis 2 were based on a new interpretation of the results in terms of extension of the agricultural or forestry surfaces concerned by the different Measures/Sub-Measures/Actions under this Axis as well as on more in-depth surveys conducted for each specific objective. Results, in particular were judged consistent (i.e. in a causal relationship) with the 'objectives'.

#### 4.4 To preserve biodiversity and to protect and disseminate agri-forestry systems with high natural value

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The link between biodiversity and evolution (or maintenance) of farming and forestry production systems is one of the key elements driving the strategy of the Emilia Romagna RDP. Most of the Measures under Axis 2 contributed to this objective.

The total farmland covered by actions targeting biodiversity accounted for 20% of the regional total to which around 7,000 ha of interventions on forestland should be added: as a whole 240,000 regional hectares were concerned by initiatives designed to protect and enhance biodiversity and protect the farming and forestry systems with high natural value (HNV). The average incidence was positively higher in Nature 2000 areas (30.4%) or in areas under other forms of environmental protection (25.6%), i.e. those in which the Programme commitments/interventions were most effective and needed.

In order to assess the effectiveness of Measures under Axis 2 which contributed to improve the biodiversity of the environment, we used the Farmland Bird Index which measures the overall trend of bird species populations that are dependent on agricultural habitats to reproduce or feed. In Emilia Romagna, the Farmland Bird Index, which in the period 2000-2011 decreased 12.3% (source: Rural Network and LIPU 2011), showed an average increase in the areas subject to the intervention of 1.22 % compared to the areas not subject to the intervention, with positive effects on numerous species whose overall numbers increased. Our evaluation of the Biodiversity objective through the Farmland Bird Index (FBI) shows that the farming practices adopted in the areas concerned by the interventions under the RDP 2007-2013, such as e.g. the preservation of natural and semi-natural spaces of the rural landscape and the set-aside of land for environmental purposes, caused positive effects on numerous species and on the total number of a given species. The actions that determined the most outstanding effects fell in the group of non-production actions (214-9/10 and 221-1/2/3).

With regard to the preservation of agricultural and forestry habitats with high natural value, our impact evaluation - based on the quantification of the share of HNV farming areas directly concerned by commitments or interventions under the Programme - suggests that the total agricultural surface committed under the RDP Measures or actions related to HNV areas was equal to around 70,000 ha.

The physical size of the impact indicator for HNV agricultural areas seems high (40%) if considered in relation to the total Useful Agricultural Area (UAA) measured by the territorial units with the highest natural value in the Region (around 173,138 ha). The value achieved by this indicator was in line with the Programme target (around 66,000 ha of maintenance and around 6,000 ha of increase), although the estimation methodology has partly changed. Our performed calculations are a preliminary contribution to the procedure designed to identify and analyse "agricultural areas with high natural value" on which a broad exchange of ideas and experiences is now in progress at EU level. The results of calculations should be interpreted as an early possible interpretation of the regional territory - to be used for the evaluation of its relative natural value e.g. by means of exchanges to be made with experts and 'privileged witnesses' - chiefly at regional level.

#### 4.5 To protect water resources

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Correct water resource management and quality are among the priorities of the EU and of the Rural Development Policy 2007-2013. The Emilia Romagna RDP financed interventions for the **protection of water resources** under Axis 2 both in agriculture and in forestry.

The farming areas in which the land use and management practices in line with this objective were promoted extended over a total surface of nearly 156,000 ha (or 75% of the target value) equal to around 16% of the relative regional UAA (ratio of committed surface to UAA). **41% of the committed surface** (or 62,000 ha) corresponds to **areas subject to water resource protection** whereas **30% of the committed surface** corresponds to **Nitrate-Sensitive Areas (NSAs)**: committed-surface-to-UAA concentration indices in these two priority areas seem to be slightly below the regional average (both are equal to 13%), showing a good level of participation by undertakings based in intensive farming areas, which are generally more reluctant to apply for the committed resources.

In order to evaluate the effect of the Measures of the RDP 2007-2013 on the improvement of water resource quality, a sample survey was conducted to compare loads and releases of fertilisers and plant-protection products in holdings having applied for the committed resources (factual holdings) and in non-beneficiary, conventional holdings (i.e. counterfactual holdings).

**The survey suggests limited differences in the use of nitrogen and phosphorous fertilisers** due to the increasingly similar behaviours between the two groups of holdings. The average reduction of nitrogen loads per surface unit in the committed areas was equal to 42%, i.e. short of the RDP target of -47.2%, although the adoption of the Measures has in any case resulted in an **appreciable reduction of nitrogen loads in Sensitive Areas** for crops with a higher input. The regional impact, with due account taken of the extension of the overall surface concerned, was obviously lower, in other words a reduction by nearly 4.9% was observed **in the nitrogen load** on the whole farming surface used.

With regard to **plant protection products**, our analysis found a very limited use of toxic (T) products in all analysed situations and a significant reduction in the use of products with medium to high toxicity in the factual holdings having taken up the actions. The take-up of actions therefore has not changed the overall use of plant-protection products in the regional territory (i.e. as-is situation) but determined a **clear increase in the use of non-toxic products** authorised for organic farming to the detriment of those with less favourable toxicological and environmental characteristics.

With regard to the risk of contamination of surface and underground water, the estimated releases of nutrients and plant-protection products show an overall positive situation equally in the context of conventional farming. However, the take-up of **agri-environmental actions has further limited nitrogen releases**.

The take-up of the RDP actions has also **reduced the underground leakage of plant-protection products vs. conventional farming**. The positive effect of the actions is paramount considering releases weighted for toxicity (RFw), which show that the take-up of Actions has encouraged farmers to use products with better environmental characteristics (reduced mobility and residence time) and lower chronic toxicity.

#### 4.6 To improve the quality of soil

The Emilia Romagna RDP caters for soil problems by favouring interventions that reduce the risk of erosion and improve soil quality determined by organic matter content.

Committed farming and forestry surfaces having experienced a positive effect on the soil in the Region amounted to little more than 153,000 ha in total, or 73% of the RDP target. Nearly 146,000 of the committed surfaces were farming areas (16% of the UAA) and nearly 76,000 ha fell in the areas under potential erosion risk (hills and mountains) with concentration indices that were higher in classes with greater erosion risk.

Considering the extension of committed surfaces, our analyses suggest a 4% reduction in the erosion risk on the whole regional farmland at risk (hills and mountains). The commitments that most contributed to this objective related to the grassing of orchards, reduced cropping, and application of cover crops in arable land. The estimated reduction of the erosion risk on the surfaces committed under the forestry Measures was vary high.

An in-depth analysis designed to identify variations in the levels of **Stable Organic Matter** for the main regional crops as a function of the different applied farming techniques (organic, integrated and conventional/counterfactual farming) shows that crops most contributing to raise the level of Stable Organic Matter in the soil included lucerne, pear, vine and maize and that **organic crops** always determined positive levels although with modest increases.

Based on our conducted analyses, Measure 214 was found to increase the level of Stable Organic Matter (SOM) in the soil with differentiated contributions from the actions attributable to the effect per hectare and to the extension of the commitment. The action that most contributed to increase SOM was action 8 (maintenance/increase of grassland and pastureland in mountainous and hilly areas) given the high unit increase determined by this measure and its extensive dissemination, followed by action 4 (increase of



organic matter in the soil) which determined the highest unit increase. Although the overall quantities of SOM added to the soil as a result of the take-up of Measure 214 were high, their effect in terms of increase in the percentage content of organic matter in the soil was limited (+0.04% in the seven years of the RDP). Seemingly, this value did not determine a substantial qualitative improvement of the soil. An action that achieved an appreciable and perceptible improvement with regard to the soil quality was action 4 together with a few commitments (green manure), which ought to be more broadly disseminated.

#### 4.7 To reduce greenhouse gases (climate change mitigation)

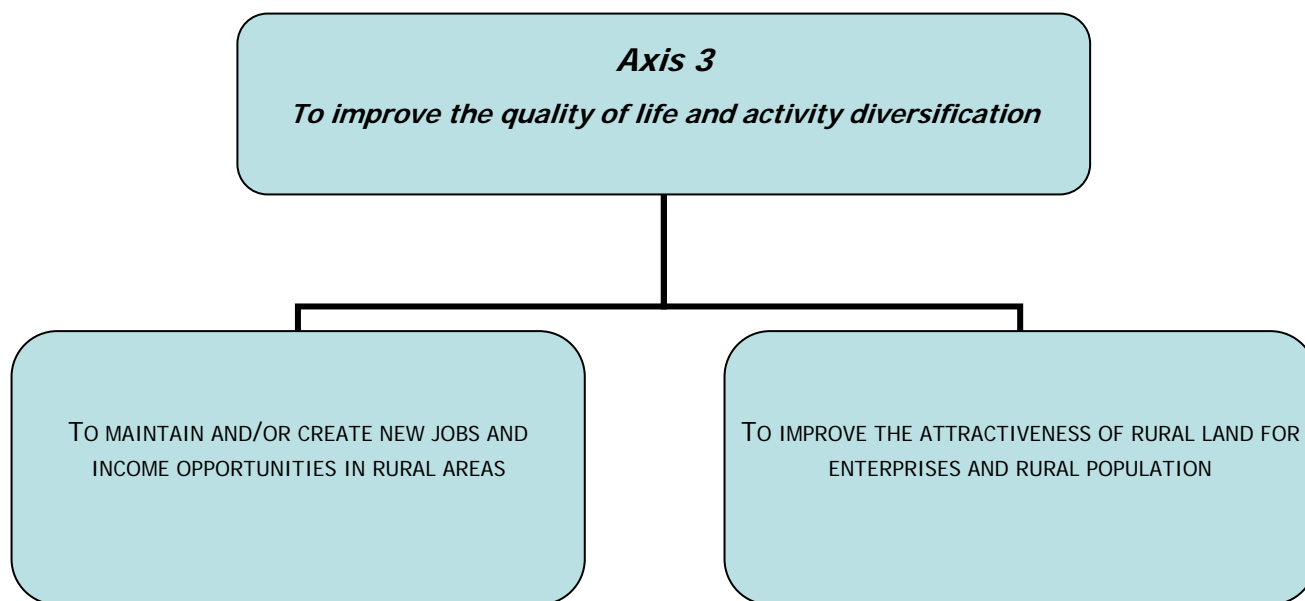
The effects of the interventions under Axis 2 – and the Programme as a whole – introduced for the achievement this objective were numerous and diversified and pertained to: the reduction of greenhouse gas emissions in the farming sector (i.e. nitrous oxide from mineral fertilisers; methane and nitrous oxide from breeding farms; and climate-altering gases from production processes); carbon sequestration and storage (C-sinks) in the agricultural and forest systems (increase of organic matter in farmland; afforestation and increase of wood biomass); and the development of energy from renewable energy sources. Analyses were conducted by using different approaches based on the peculiarities of the different Measures and actions and by aggregating the analysed components into a single synthetic indicator expressed in terms of tCO<sub>2eq</sub> – estimated equal to 201,891 tCO<sub>2eq</sub> per annum.

The performed analyses suggest an enormous potential of farming activities in climate change mitigation. Sustainable management systems such as organic farming and integrated production directly reduced emissions with – in a few cases – higher benefits in terms of carbon sinks in the soil and in the agricultural biomass. Agri-environmental commitments and afforestation projects determined a 4.7% annual reduction of regional nitrous oxide emissions from nitrogen fertilisers vs. the 2010 level.

The increase of organic matter in farmland arising from agri-environmental commitments and the increase of wood biomass in afforestation plantings were behind an annual reduction of the greenhouse gas concentration in the atmosphere equal to 2/3 of the overall Programme contribution.

On the other hand, our analysis of the animal-husbandry carbon footprint – conducted on organic dairy and meat cattle breeding farms – has shown a negligible impact of organic breeding vs. conventional breeding systems. This is partly attributable to the low take-up rate of organic breeding methods by farms having accessed the organic farming action for vegetable production only, which limited the expectedly positive effects on the reduction of greenhouse gases per livestock unit measured in terms of reduced methane and nitrous oxide emissions associated with enteric fermentation and livestock-excrement management in organic breeding farms.

As regards the development of energy from renewables, more than 500 projects under Axes 1 and 3 were implemented for electricity generation from renewable sources. The energy that could be produced in the plants considered was above the target value. The additional installed capacity increased the overall regional capacity by more than 3 percentage points. With respect to the regional objectives of developing renewables, the Programme marginally contributed to the achievement of the set target, i.e. 1.7% on an annual basis.



The budget of this Axis, 112 million euros, accounted for 11% of the RDP. Committed resources amounted to 76% of programmed resources while disbursed resources were only 38% of programmed resources.

Equally for **Axis 3**, our conducted in-depth analysis confirmed our previous midterm positive assessment of the strategy, which effectively met local demand (territorial approach), of programming choices made in view of implementation (which are judged consistent), and of the overall effectiveness of priorities for the more marginal territories and the less competitive undertakings.

The Measures of RDP 2007-2013 are pragmatically designed to cater for regional requirements and the Programme provides public and private actors with a choice of initiatives that seamlessly follow up on those of RDP 2000-2006. This has on the one hand implied a high take-up rate for the offered incentives (e.g. the target value in the 'basic services' Measure was overcome), chiefly by priority target groups (young people, 'D' areas and less competitive undertakings) through the applied selection criteria; on the other hand, however, the new forms of intervention were only partly possible. For the Measures of Axis 3, which were also implemented through Measure 413 of the LEADER Approach, a total of 1,735 applications were recorded – corresponding to 98 million euros worth of committed resources.

#### **4.8 To maintain and/or create new jobs and income opportunities in rural areas**

By helping agricultural holdings to diversify into non agricultural activities (**Measure 311**), the RDP definitively succeeded in achieving employment and income growth, with even more significant effects as the participation of small sized enterprises or even microenterprises in the RDP was encouraged by regional priority criteria.

Our sample surveys found positive results in terms of **value-added growth** in the pre-to-post intervention period considered (2008/2011) with an average increase per **beneficiary of 22,000 euros (+31%** vs. the pre-intervention situation), chiefly ascribable to a substantial increase in turnover (+28%) driven by the assisted diversification activities. The effect was obviously marked for new holiday farms. The increase observed in counterfactual holdings' value-added, instead, was lower (around 5,000 euros or +8%); indeed, a marked rise in production costs (+20%) almost totally set off their modest increase in marketable output (+14%).

As regards **employment**, our conducted surveys reported 3 positive results in the surveyed undertakings of our sample, with **an average increase of 0.41 of total labour units per undertaking (+21%** vs. the initial situation). The **most significant effects were felt in new holiday farms**, while effects were

negligible for interventions related to such initiatives as energy generation and retention of employment levels in the existing holiday farms. The effect on employment of Measure 311 was particularly marked for **women (+34%) and young people (+38%)**, who found new jobs in non-agricultural activities and whose massive direct access to the Measure was encouraged by regional priorities - 24% of beneficiaries were young, a percentage far above the level of representation of young people among farm managers (8%) and among holiday farm managers (18%) at regional level. By contrast, the employment of labour in counterfactual holdings was substantially stable, similarly to the result recorded by beneficiary holdings in relation to the agricultural component of employment only.

Finally, labour productivity grew less than 10% in both cases; among beneficiary holdings this was primarily ascribable to the high increase in value-added in the satellite sample as a result of the substantial employment stability.

Diversification activities contributed to **support farm incomes**, whose levels are falling following the difficulties experienced in conventional farming.

The development of diversification activities is therefore a possible response to the increasingly generalised and hardly solvable decline of conventional farming. It is however worth noting that all respondents **relied on the opportunities and positive effects offered** by the ongoing improvement and development of farms in both of their agricultural and multifunctional segments of activity, in view of the mutual strengthening of the two components. Hence, although the current situation was perceived as particularly difficult, especially for conventional farming, the respondent **farmers** intended to address such difficulties by **investing in their farm**, introducing innovations (most of the interventions targeted the improvement of production quality) and attempting to strengthen the component currently found as the weaker performer.

The diversification option was pursued in 1% of regional farms and **concerned 11% of the farms with other profit-making activities** measured by ISTAT 2010, with a special focus on farms generating energy from renewables. Now this result, quantitatively limited as it may be, is qualitatively interesting for the economic consequences it entails as well as for its possible implications in terms of organisational improvement and cultural value – to be also targeted in the future with a better resolve and a more innovative spirit.

#### 4.9 To improve the attractiveness of rural land for enterprises and rural population

The objective of improving the attractiveness of rural land for enterprises and rural population was pursued by various measures introduced on different levels – on the initiative of public agencies and associations – to improve land quality.

Our conducted surveys measured a **positive perception of the incentive** although it is clear that the RDP intervention capacity falls short of solving the unavoidable criticalities and threats to which rural land is exposed, especially in the most marginal areas.

The applied system of priorities, governance model and local concertation were behind a **high level of response from rural territories**, including the most depopulated and peripheral Municipalities; interventions on basic services (Measure 321) and the rural heritage (Measure 322) absorbed more than 40 million euros worth of public contributions in 63% of the Municipalities under areas C and D.

The high demand for assistance, above the target value – especially under Measure 321 – **demonstrates the relevance of this intervention** which, while being of conventional type, met the requirements of the local population (as confirmed in the focus group on the quality of life) and enabled Local Authorities to more easily provide services for the local population. Likewise, participants in the *Delphi* survey on the quality of life reported **positive potential impacts** on the quality of life **from the RDP forms of assistance** in terms of availability of infrastructures, services and cultural opportunities for the population.

**Even local undertakings** benefited from the positive **effects** offered by these opportunities (e.g. interventions on **tourism infrastructure** and the **building stock**), which were measured in terms of number of guests in the beneficiary rural farms and tourist flows in the rural Municipalities concerned by the interventions.

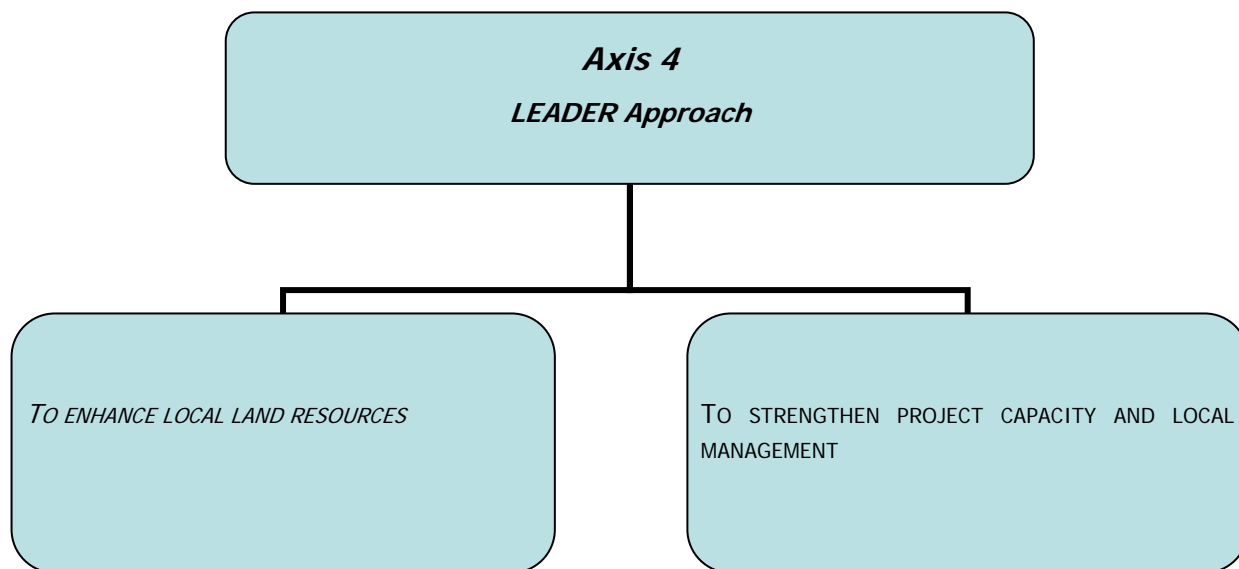
Our midterm evaluation update reported **30,000 additional guests in holiday farms**; the respondent farmers confirmed there was a **roughly 20% growth in tourist flows** on or around the dates of **events** organised locally; the Municipalities concerned by the support initiatives reported a positive trend reversal from the previous negative performance.

The support of **Measure 313** for food-and-wine itineraries was intended to promote, indeed on a still limited territorial scale, **positive dynamics in farms** thereby encouraging investments in the promotion of typical products (and the diversification into non-agricultural activities): these dynamics were particularly significant and visible in less 'mature' territories with a lower number of recognised typical products, where respondents reported an **increase** of farms and surfaces dedicated to the **production of typical products**.

However, the analyses made highlighted a number of **criticalities** which, under **Measure 321**, related to the completion of the initiatives and were due to the **financial difficulties of Local Authorities** and, under **Measure 322**, to the lack of certainties on the use and subsequent management of the rehabilitated building stock (by public or even private entities).

The **combined reading** of our analyses (sample surveys, case studies and quality-of-life evaluations) clearly shows the **relevance** of the programme action with a clear emphasis put on the **requirements** and fragility of rural areas.

Our measured results were confirmed in the perception of the privileged respondents interviewed in the **Delphi** survey, who identified **positive** and intense **interrelations between the RDP and quality-of-life indicators** that more directly **reflected the Programme objectives** (production system, income, sustainability of farming activities, quality of local villages and built-up areas, healthiness of local areas, employment and local governance). These indicators confirmed a **potential positive impact** of the Measures implemented on a few dimensions of quality of life and rural economy.



The budget of Axis, 51.5 million euros, amounted to 5% of the RDP. Committed resources amounted to 45% of programmed resources while disbursed resources only accounted for 18% of programmed resources.

#### 4.10 To enhance local land resources

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Our analysis was conducted to identify the value-added of LEADER in the enhancement of local resources - as opposed to regional methods of implementation. **Value-added** was measured in relation to **the integration and the multi-sectoral nature of projects financed** by Local Action Groups (LAGs), meant as their capacity to promote individual applications for aid (and therefore the investment projects of individual beneficiaries) within a broader territorial development strategy. Our conclusions were drawn by processing the findings of a self-evaluation questionnaire administered to LAGs.

For the RDP Measures implemented by LEADER approach, our analysis suggests that the financed projects did not achieve more than could have been obtained through ordinary instruments, whereas, through Specific Actions, LAGs managed to develop 'system-level' projects in combination with the themes identified in the Local Development Plan (promotion of tourism and local product supply chains). Through these actions, LAGs succeeded in encouraging the participation of local actors and in financing projects with a broader impact on each area or supply chain.

For the RDP Measures implemented by the LEADER approach, 32% of calls for applications allowed the implementation of projects in combination with the themes of the Local Action Plan. This integration was often done through LEADER Specific Actions. The **LEADER Specific Actions** selected by the Regional Government as synergetic Measures to complement those that LAGs could take under the other three Axes, enabled LAGs to carry out '**system-level**' or '**area-specific**' projects integrating local policies or local themes. These projects were developed and implemented through the facilitation activity carried out by LAGs, which involved local actors and stakeholders (through meetings, expressions of interest, focus groups and workshops) in order to achieve a better coordination between the parties concerned and existing projects. This action can be considered a way to promote and enhance the existing social capital in the context of specific intervention objectives.

#### 4.11 To strengthen project capacity and local management

From our analysis, a few elements can be inferred which are associated to what can be defined as **“the mission that each LAG fulfils in its reference territory”**, both with regard to the implementation of Axis 4 and for local development activities falling outside the European Agricultural Fund for Rural Development (EAFRD).

In the preparatory **phase of facilitation in view of the Local Action Plan implementation**, a local ‘listening’ activity is normally carried out in order to identify local requirements and write the Local Action Plan accordingly. In this phase, **only some of the LAGs were able to carefully identify the lines of intervention of LEADER specific actions; generally, coordination was sought with the relevant Provincial Governments** for the choice of Measures and themes to be addressed in interventions.

During the implementation of the Local Action plan, facilitation activities designed to support local projects and review applications involved the internal organisation of LAGs in terms of professionals to be engaged and workload to be carried out.

**During the implementation phase**, chiefly with regard to Specific Actions, **the LAG acts as a reference entity for the completion of projects with a wider, system scope**, by liaising with the different actors in a given territory on the specific themes of the Local Action Plan.

As regards implementation, the two **weaknesses** of the organisation system, in the Evaluator’s view, were the **duplicated management of the same procedure** (121 implemented in the context of the RDP and 121 implemented by LEADER approach) and **the management of Specific Actions**.

Each **LAG engages skilled staff for the review** of projects to be financed with respect to the calls for applications associated with **RDP Measures**. To that end, it uses a short list of experts (Official list of experts and consultants), who may be selected as theme specialists to review applications for aid. The **opinion of experts is not always sought**, instead, in relation to the **projects under specific actions**. Professionals are only involved at the later stage of project implementation (and their fees are financed by specific actions). This is **a critical element which affects the quality of each project proposal and the time required for the approval of each project**. Both parties, i.e. LAGs and the Programme Managing Authority, realised that the competences and skills required in the management and assessment of projects under Specific Actions would be such and so numerous that they could hardly be managed by the technical departments of LAGs and the regional offices.



## 5. LESSONS LEARNT FROM THE CURRENT EXPERIENCE AND SUGGESTED IMPROVEMENTS FOR THE INTERVENTION STRATEGY IN VIEW OF THE NEXT PROGRAMMING PERIOD

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The Midterm Evaluation Update Report has a short final chapter on “Recommendations” essentially containing proposals, assumptions or conclusions drawn from the evaluation process and to be potentially used for improving the current RDP as well as the already started phase of designing the programming period 2014-2020. Below is a summary of the most significant general “Recommendations”.

### 5.1 Recommendations on the interventions of Axis 1

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- To introduce procedures expressly devised to finance expenses for the coordination of Supply Chain Projects (SCPs) whenever necessary, so as to favour and improve their implementation for the benefit of undertakings without efficient organisation networks or dedicated systems for managing relations and providing support to their partners;
- To introduce a facilitation phase by public administration so as to organise informative actions on the SCPs designed for potential beneficiaries in advance of the publication of a formal call for applications;
- To improve the information instruments dedicated to the SCPs within the Region to meet any requests for clarification not merely in the preparatory phases of projects but also in the following monitoring and reporting phases;
- To further standardise the inter-provincial management of the intervention measures available for SCPs - not to create inequalities or differentiated treatments between the beneficiaries of different provinces;
- To promote specific instruments to check the financial feasibility of SCPs and optimise such instruments within the banking and credit systems so as to contribute to the implementation of interventions;
- To programme the intervention areas of Measure 124 with due account taken of emerging sectors and strategic priorities. It might be appropriate to focus the scope of action of this Measure on competition-related themes and emerging technologies;
- To coordinate the approach to innovation in a broader scope within the regional innovation framework and encourage more interaction – in all strategic, programming and implementation initiatives – with the regional research and innovation governance entities. Mechanisms should necessarily be created to delimit scopes of action and find complementarity with instruments in favour of industrial agriculture;
- To focus cooperation between undertakings and research institutions on clear commercial objectives, albeit limited to the pre-competitive phase, which could directly impact on the regional economy of the sector by centring product and process innovations on a ‘market-pull’ logic;
- To base the activities of partnerships under Measure 124 on patents and registrations. Currently, the patenting or registration of products in the various projects is very limited. Patents and registrations are a yardstick for innovation. The instrument should be defined in such a way as to support patenting results;
- To simplify mechanisms for access to Measure 124. The respondent beneficiaries complained about the complexity of the procedure especially with respect to the terms for submission of projects in the context of SCPs. In essence, Measure 124 envisages a cooperative approach in which the implementation mechanism falls in a wider scope of cooperation - i.e. SCPs. This ‘two-tier grouping’ mechanism is not well perceived by beneficiaries and the terms governing it should be simplified;
- To simplify the payment-reporting processes under Measure 124; beneficiaries complained about severe delays in the disbursement of balances despite their need to offset their farm’s financial exposure.

## 5.2 Recommendations on the interventions of Axis 2

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- To apply priority criteria for all of the Axis Measures so as to make interventions more effective. It is hereby recommended to reconsider the instrument of Agri-environmental Agreements in view of the optimum concentration of related commitments, and broader dissemination of interventions to the most deserving areas (i.e. 'critical mass');
- To identify new actions in Measure 214 that combine the reduction of environmental impacts with innovative agricultural techniques, in addition to those already introduced with the action "integrated production-Advanced Integrated Protection (DIA)". An example is process innovation in arable crops to reduce energy consumption and improve soil quality (conservation tillage, also known as "*agricoltura blu*", or 'blue agriculture' in Italian);
- To further disseminate organic farming in e.g. fruit and vegetable farms, by raising the level of incentives;
- To introduce further commitments for organic farming and integrated production in order to strengthen the effects on carbon sequestration in soils; in particular, to encourage such virtuous practices as using organic soil conditioners with a high C/N ratio, incorporating crop residues into the soil, shredding and burying pruning residues, promoting the practice of green manure and grassing orchards not merely on hilly surfaces but also elsewhere;
- To remedy the reduced practice of organic livestock production in farms having accessed to the organic farming action. Nearly 60 to 70% of breeding farms having subscribed to action 214/2 (organic farming) limit their organic production to vegetables. Such low take-up rate ultimately limits the expected effects in terms of reduction of greenhouse gas quantities, since, although lower emissions per livestock unit raised in organic breeding farms were found, the overall impact, considering the total number of organically raised livestock units, was very modest compared to the other surveyed areas (vegetable production, nitrous oxide from fertilisers, C-sink in biomass and renewable energy sources);
- To lower the weight of absolute territorial priorities in the scoring of forestry measures for scores to more closely reflect the effects of individual measures (for instance, Measure 226-fire risk);
- To encourage the participation of breeding farms, chiefly those with relatively low animal welfare levels, in which margins for improvement are therefore higher; considering that the IBA (Inventory of Important Bird Areas) is not an instrument for the evaluation of cross-compliance (eco-conditionality), our view is that, in the pre-access phase, all farms may be involved irrespective of their IBA score as on the date of their application. This must obviously be combined with an audit on the terms of cross-compliance and by the applicant's assumption of the commitment to achieve, within a period of transition (e.g. two years), an IBA class of above 3;
- To combine the IBA-based evaluation instrument with other, more dynamic evaluation instruments in order to assess the developments in breeding-management methods induced by committed resources and instruments for controlling the level of cross-compliance, with special reference to the "hygiene package" legislation;
- To simplify the procedure for access to the measures and reduce financial costs to be paid by beneficiaries for processing the IBA evaluation sheet; indeed, its potential function as an instrument for breeding-farm self-evaluation could be achieved by the use of check-lists;
- To improve training and information initiatives for technicians in charge of compiling IBA evaluation sheets and to increase the amount of information on the opportunities offered by combining together Measures 215 and 114, which combination exists but is currently still limited.



### 5.3 Recommendations on the interventions of Axis 3

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- In the context of new programming initiatives, to improve the initial fact-finding activity by applying surveying instruments designed for a more accurate appraisal of the multiple requirements of the regional context by establishing priority scales and causal relations in order to propose targeted and more customised interventions. In this respect , a special effort should be made for mountainous areas;
- To support less traditional and more innovative scopes of intervention (not merely with regard to technology) by insisting on accommodation facilities having received little focus in this programming phase (B&Bs);
- To retain and improve interventions on services by targeting new technologies designed to reduce the marginalisation of persons and enterprises with regard to the new possible functions to be played by farms (socially and beyond). These improvements may entail behavioural and cultural developments as well as economic advantages for the agricultural community as a whole;
- To promote new courses and initiatives by local facilitation activities; to disseminate pilot examples so as to create more dialogue and exchange opportunities; and to encourage networking in rural areas;
- To confirm a management and organisational model for interventions to be designed on a supra-municipal, multi-sectoral and integrated scale; to improve negotiated programming instruments in view of a better integration within (i.e. between measures) and outside the Programme (i.e. with other sources of financing) in any public interventions for the promotion of territorial attractiveness;
- to give more leeway to selection criteria designed to favour integration between interventions supported by public and private initiatives in the local territory; to ensure the sustainability of initiatives financed by public bodies with the subsequent management of assets by private entities as well;
- to more closely target the growth of human capital in rural areas; to develop training actions and accompanying actions on the use of new technologies including the provision of services; to increase exchange opportunities through social networks and the dissemination of best practices and pilot initiatives.

### 5.4 Recommendations on the interventions of Axis 4

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- Local Action Groups (LAGs) should be given the opportunity to use the RDP Measures. In this case, they could introduce local priority criteria to guide the selection of applications based on clear objectives (i.e. infrastructure development initiatives to create itineraries of holiday-farms/agricultural product stores, parking areas and tourist services) . Alternatively LAGs should be able to use the integrated-project instruments to select mutually integrated applications for aid with due regard taken to the themes identified in Local Action Plans;
- Specific actions are important because they enable LAGs to develop system-level actions which may hardly be implemented with ordinary instruments (surveys, networks, tourism offerings and demo pilot actions) and should therefore be confirmed in the new programming phase;
- LAG-management expenses should be designed in order to enhance what LAGs can do better than the Programme Managing Authority and the other delegated bodies, e.g. implementing system-level projects by coordinating different entities, establishing project partnerships, and avoiding duplications of the same procedures (e.g. in the review of applications for aid making reference to the same Measure, i.e. LEADER 121 vs. ordinary 121);
- If, in the future programming phase, LAGs were to use integrated-project implementation instruments to select integrated projects, the proximity of LAGs to the territory and potential beneficiaries would be

better exploited as they would more closely follow up the process of designing integrated projects and assess their actual integration while projects are in progress (expressions of interest, optimisation of proposals and project follow-ups);

- If LAGs would to use instruments for integrated-project design then it would be necessary to devise a suitable structure for Local Action Plans and find the best possible ways to organise the facilitation activity. The most important phase of the facilitation should be after the selection of Local Action Plans, as facilitation is aimed at providing assistance in and contributing to the selection of integrated projects. Local Action Plans could be a strategic area-level document to identify the scope of development of integrated projects and through which local stakeholders may more clearly and transparently define what they intend to do.