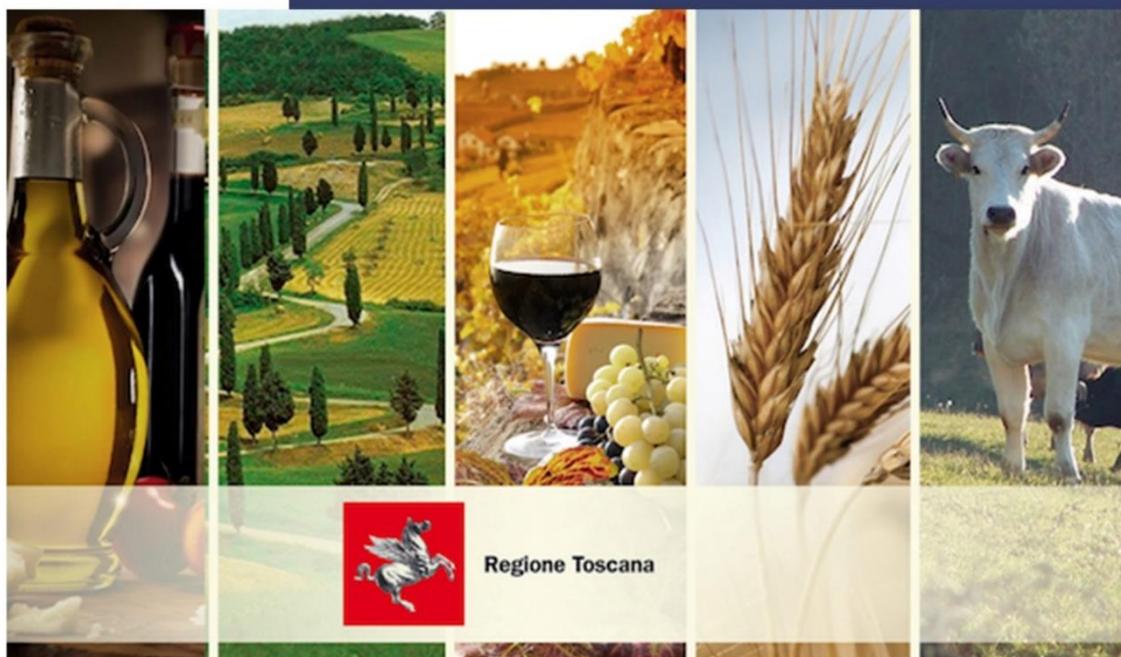


LATTANZIO

MONITORING & EVALUATION



Roma, December 2019

REGIONE TOSCANA

RURAL DEVELOPMENT PROGRAMME 2014-2020

**B1.2 Mid term evaluation report
Executive Summary for public**

With the Rural Development Programme (RDP) 2014-2020 the Region of Tuscany supports the **development of rural areas and the regional agricultural system**, activating public resources for **more than 949 million euros** for economic **incentives** and financial **benefits**.

The European Union has set **six priorities** for rural development policy:

1. **promoting** knowledge transfer and **innovation in agriculture, forestry** and rural areas;
2. **to enhance the profitability of farms** and the competitiveness of agriculture in all its forms in all regions and to promote innovative technologies for farms and sustainable forest management;
3. **promoting the organisation of the food supply chain**, including the processing and marketing of agricultural products, **animal welfare** and risk management in the **agricultural sector**;
4. **preserving, restoring and enhancing ecosystems** related to agriculture and forestry;
5. **promoting resource efficiency** and the transition to a low-carbon and climate-resilient **economy** in the agri-food and forestry sector;
6. work for **social inclusion**, poverty reduction and economic development in rural areas.

Over the years, the RDP of the Region of Tuscany has undergone some changes that have brought it closer to the needs of the regional territory. The recession, which has hit the Eurozone since the end of 2007 and which has persisted in Italy for more than a decade, has also affected Tuscany in the last programming cycle. In recent years, corresponding to the start of the 2014-2020 programming, there has been a good recovery at regional level, with a progressive growth in per capita income, despite the fluctuating trend in labour productivity in the primary sector.

Until 2018, approximately **€ 1,109,289,712.26** was committed (**69.9%** of planned public expenditure while total public expenditure disbursed amounted to **€ 513,745,640.53**). **The** number of RDP beneficiaries is 26,398. **The** progress of the expenditure is equal to **28%** of the programme's budget and relates to operations carried over from the previous programming period for only **15%**.

Priority	Payment of commitments 2007-2013	Payment of commitments 2014-2020	Total payment	Payments 2007-2013/total	Payments 2014-2020/total	Scheduled Resources 2014-2020	Total payments/Scheduled resources 2014-2020
2	16.190.535,77	49.470.926,67	65.661.462,44	25%	75%	219.859.954,00	30%
3	4.867.344,87	21.945.660,48	26.813.005,35	18%	82%	179.842.416,00	15%
4	47.688.753,55	79.474.229,35	127.162.982,90	38%	62%	301.187.874,00	42%
5	16.235.796,85	12.282.288,17	28.518.085,02	57%	43%	136.723.786,00	21%
6	1.168.732,46	10.061.134,18	11.229.866,64	10%	90%	97.103.860,00	12%

In addition to the use of indicators to monitor the achievement of expected results and the implementation of activities, each RDP also includes an evaluation service aimed at analyzing the use of resources, efficiency and effectiveness of the Programme. In 2019, this evaluation takes stock of the following results in relation to the six priorities.

Priority 1

The socio-economic context shows a low level of specialization in Tuscan farms: in fact, less than 4% of farm managers have obtained a degree in agriculture. There is also reduced access to training, which is reflected in a lack of knowledge on the part of farmers about biodiversity, landscape, renewable energy sources, water management, effluents, soil and climate change, plus a low level of qualification and recognition of the professionalism of those working in the forestry sector. In order to address these challenges, the cross-cutting nature of knowledge transfer actions has been fully taken into account in the new RDP 2014-2020, where training and information should contribute to meeting the needs arising from the analysis of the regional situation related to rural development priorities.

The regional reality, on the other hand, also requires an effort to bring together the various players involved in innovation, starting with companies and their specific needs and consulting services, with reference to climate change mitigation and adaptation, biodiversity preservation, water protection, renewable energy, sustainability, as well as new models of intervention based on support for "young" companies. It seems necessary to favour the access of agricultural entrepreneurs to innovative information related to economic and social growth, as well as the promotion of the training of suitable figures to favour and support the processes of change in rural areas and to promote innovation at a local level. The organisation of the RDP sub-measures contributes effectively to the identification and promotion of innovation in a collaborative way by supporting both the cultural and technical growth activities of the operators and the support offered to the cooperation projects by innovation advisors/support services. The establishment and operation of the Operating Groups (OGs) will lead to the development of a holistic approach to supporting innovation, combining all three paths: the identification of new ideas (the starting point for OGs), the ability to innovate (the support of consultants / innovation support services) and creating an environment conducive to innovation (the results of OG projects).

The regional strategy adopted to respond to the identified needs also focuses on an effective knowledge system governance structure aimed at improving relations between actors, stimulating the production of new tools and methods for knowledge transfer and using networks and different forms of cooperation in a multi-actor approach. The strategy foresees, in fact, the strengthening of integrated and territorial planning with training, consultancy and cooperation as complementary operational tools, while the innovative solutions for training and learning will be oriented on methods already used in the managerial field.

Priority 2

Between 2013 and 2016, the **regional agricultural sector was affected by a significant reduction in the number of farms**, which fell by 32%, more than at national level. This decline has affected, first and foremost, the smaller companies. The agricultural area has also undergone a certain decrease, although of a much smaller amount, estimated at -7.2%, while, as evidence of the process of strengthening the regional sector and an increasingly professional agriculture, **the average size of the farm has increased from 10.6 to 14.5 hectares**. The company's investments were mainly directed towards restructuring and modernisation measures with a potential significant impact on competitiveness. As far as diversification is concerned, it is interesting to note that the company's investments were mainly directed not only towards the traditional agritourism sector, but to a significant extent towards social activities. This is an area that is always developing in regional rural areas, also thanks to the Regional Law on Social Agriculture.

The Youth Package, i.e. the composition of RDP measures dedicated to young people, continues the positive experience of the 2007-2013 cycle, with some new features mainly linked to the reduction in the number of measures that can be activated both on the basis of the interest found and for management reasons. The participation of young entrepreneurs in the Package was very positive (about 94% of the total), probably stimulated by the greater contribution recognized compared to the prize alone. On the other hand, the share of new settlements compared to takeovers

is low (about 10%). Finally, the introduction of a simplified *business plan* at the time of application has generated less administrative burden for potential beneficiaries and regional offices.

Priority 3

In Italy there are numerous certified productions: in the food segment alone there are 167 Protected Designations of Origin (PDO), 130 Protected Geographical Indications (PGI), 2 Traditional Specialities Guaranteed (TSG); among the wines, 405 are PDO and 118 PGI. Tuscany, with a total of 91 denominations, occupies the 1st position among the Italian regions in the IG Food & Wine ranking drawn up annually by Ismea-Qualivita. To have an order of importance of Tuscany in the universe of denominations of origin and, at the same time, a measure of the weight of these productions for the regional food industry, consider that in 2017 alone the value of certified quality products is equal to 1.30 M€ (11.2% of the national total) and involves 23,753 operators, of which 13,393 related to food and 9,360 related to wines. Most of the economic impact is generated by the wine segment with a production value of about 926 M€.

On the basis of the available data, it can be stated that the RDP investments are contributing to the consolidation of the quality of agricultural production, improving the overall positioning of companies on the markets. The companies benefiting from the contribution showed, in fact, a strong interest in the organic production system (more than 70%). In particular, the participation of primary producers in quality schemes has improved with the participation of farms (21) receiving support for participation in quality schemes.

The broad support and positive results registered to date can only confirm a positive judgement on the renewed experience of the Integrated Supply Chain Projects in the RDP of the Region of Tuscany, which, enhancing the successful experience of the 2007-2013 programming cycle, has sought to recognize this implementation tool a strategic importance both in financial terms, and increasing its effectiveness (through the distinction between the energy supply chain wood from the food supply chains). One of its **strengths is that Integrated Supply Chain Projects (PIF) has successfully brought together hitherto fragmented production sectors**. In fact, the RDP has favoured the aggregation in **supply chains** which, once structured, have ensured, for the duration of the Supply Chain Agreement, a stable remuneration of production, allowing many companies to overcome the economic crisis that would otherwise have led very probably to the closure of the same. Similarly, the RDP allowed the aggregation of micro-enterprises for the **collective purchase of inputs** that, in the absence of funding, would not have been sustainable by individual companies. Among the **weaknesses**, two aspects emerge: on the one hand, delays in the financing of projects resulting from the **complexity and duration of the entire procedural process**; on the other hand, the choice to use this tool mainly in the RDP for the implementation of measures leads to **the exclusion of many companies** that, due to their characteristics, prefer the "single" approach.

Priority 4

In the description of the strategy of the Tuscan RDP, the focus area 4A aims at safeguarding, restoring and **improving biodiversity, including in Natura 2000 areas and in areas subject to natural or** other specific constraints, in agriculture of high naturalistic value, as well as in the landscape of Europe.

As far as biodiversity is concerned, it is interesting to highlight some data. The territorial extension of the Natura 2000 areas in the region is equal to 14% of which 13.3 of Sites of Community Importance and 5.7% of Special Protection Areas, in line with other regions of central Italy (Marche and Umbria), while it is lower than the same value of Lazio (23%). The agricultural area used in N2000 areas represents 5.3% of the regional total, thus showing a prevalence of other land uses (forest areas) within Natura 2000. The value of the index on the population of birds in rural Italian areas, on the other hand, was 90.43 in 2017, a decrease of -9.57% since 2000. Areas of high natural

value occupy 59.9% of the utilised agricultural area, while at national level these cover a percentage of 51.3%¹.

The interventions of the Tuscan RDP considered potentially favorable to the restoration, protection and improvement of biodiversity can be indicated in grouped form according to the expected effect prevailing (although not exclusive) with respect to the theme:

- reduction or non-use of toxic pesticides for the benefit of wildlife;
- increase in the complexity of the ecosystem and of the "crop mosaic" of agricultural environments, improvement of the biodiversity of the soil and of the refuge areas and nutrition of the fauna, enlargement of the ecological corridors and contrast to the forest recolonization of the pasture areas in a mountain environment;
- maintenance and reintroduction of the cultivation of plant varieties naturally adapted to local and regional conditions threatened by genetic erosion.

As far as the pressures of agriculture on water are concerned, the analysis of the context data shows a relatively good situation: the phosphorus surplus in the Region is close to 0 (-4 kg/ha), this occurs when the inputs (fertilizations) are lower than the removals (yields). This condition shows, therefore, that on average phosphate fertilization is carried out in a virtuous way and that phosphorus does not seem to be an element of particular "pressure" on the environment. Moreover, the data published by ISTAT on the 2010 census compared to the previous one of 2000 shows that the number of farms with farms has drastically decreased by 8,686 units (-47%) for all types of farms. The latter data, if it can be read negatively where it is considered a possible greater concentration and therefore more intensive forms of breeding, could however make more convenient the management of wastewater (for example by building plants for the production of biogas).

The estimation of the improvements brought about by the application of the RDP measures concerned both the total nitrogen and phosphorus loads brought about by fertilisation and the nitrogen and phosphorus surplus calculated on the basis of the simplified balance. Significant reductions in loads have also been achieved with the adoption of organic farming techniques.

The protection and conservation of the resource "soil" is another priority objective of the agricultural policy for rural development, which provides for its protection:

- physical quality (defence against water erosion and hydrogeological instability)
- chemical quality (maintenance of the organic substance and protection against pollution)

The distribution of RDP interventions shows a high concentration of committed areas in the classes with the highest rate of erosion, thus showing a good concentration in the areas with the greatest need for intervention.

Priority 5

The theme of water saving is addressed by the Tuscan RDP by a wide range of interventions that activate investments and awards aimed at greater efficiency in the use of water resources in agriculture. However, at this stage of the programme's implementation, the portion of the intervention directly linked to the company's investments pays for **delays in implementation which do not yet allow the formation of a project pool eligible for funding** and, therefore, evaluation analyses in this regard.

As far as energy consumption is concerned, direct consumption by agriculture and forestry in Tuscany corresponds to 4.1% of direct consumption in the sector in Italy and 1.46% of total regional

consumption, while direct consumption by the Tuscan agri-food industry corresponds to 3.4% of national consumption and 1.28% of total regional consumption.

The production of renewable energy from the agricultural and forestry sectors, on the other hand, stood at 5% of the total regional production of renewable energy in 2011, against a national value of 13%. Overall, RDP-funded installations to date will be able to **guarantee the annual production of energy from renewable sources equal to 0.2% of renewable energy production from the agricultural and forestry sectors** surveyed by EUROSTAT and SIMERI-GSE in 2011. If we consider the obligations arising from the Burden Sharing Decree, it can be seen that **the measures financed currently contribute only 0.09% of the target by 2020**.

Finally, a word on emissions from the agricultural sector. Those accounted for as non-ionising radiation in the Tuscany region account for 2.2% of national emissions in 2015. The area covered by the RDP commitment contributing to the reduction of greenhouse gases is 106,000 hectares, or 18% of the agricultural area of the region. 95% of this is associated with organic farming (old and current programming), the remaining 5% with other operations. Overall, RDP measures contributing to the reduction of greenhouse gas emissions from agriculture result in a reduction in annual nitrogen input of around 1019 tonnes compared to conventional agriculture. In particular, integrated agriculture (previous programming) contributes more than 24% while 69% of the total is obtained through organic farming, the remaining 7% of the reduction is shared among the other actions².

Regarding the absorption of CO₂ by the regional forest sector, the cumulative figure shows that forests have a large incidence representing 28% of total emissions. Overall, the total amount of forest areas contributing to carbon sequestration or conservation represents only 0.4% of the total regional forest area. In view of this, the Managing Authority of the RDP has proposed an amendment to the Programme to transfer the unused resources to other forest submeasures properly aimed at the management of existing wooded areas, both in economic terms, through productive investments for the enhancement of the forest/wood chain, and in environmental terms, for the strengthening of forest ecosystems and for the enhancement in terms of public utility of forest areas.

Priority 6

In the last five years, the Tuscan region has seen the population living in rural areas remain substantially stable, both in intermediate areas (areas C) and in those with overall development problems (areas D): both, in fact, only record a decrease of 0.3% compared to 2013. On the other hand, intensive rural areas (B), whose population is decreasing by 0.1%, remain more stable. The demographic situation is therefore consistent with the national trend, which records a decrease in the resident population of 0.36% in areas C and 0.31% in areas D, a very slight increase in areas B (0.1%) and slightly higher in areas A (0.3%). Two other relevant contextual indicators are those relating to the role of the primary sector in the structure of the economy and in the structure of employment: in the first case, between 2013 and 2017, there was a slight decrease of 0.27% (in line with the national figure of 0.20%); in the second case, however, the regional situation is in contrast to the national figure, as there was a slight decrease of 0.01%, against the increase in the positive Italian trend (+0.2%). Finally, we must take into account the poverty rate which, in the years between 2013 and 2017, recorded a decrease of 0.6%, in contrast to the negative national trend (+1.9% in 2017) which recorded 12.3% of the total Italian population, compared to 5.9% recorded in Tuscany.

Support for the development of rural areas and their populations is provided through the implementation of the LEADER method. The Tuscan Local Action Groups (LAGs) are 7, in continuity with the previous programming and cover (with the Integrated Local Development Strategies - SISL) a territory comprising 189 municipalities (one less than the previous programming), an area of about 16,774 km² and a population of 885,130 inhabitants. Compared to the previous programming, the

rural territory and the population covered by the Tuscan LAGs have increased on average by 0.94% and 7.1% respectively.

As can be seen from the comparison between the last and the current programming period, the situation as regards the composition of the partnerships remains broadly stable as regards the total number of LAG members, which has risen from 233 to 236. There was a 4% decrease in the share of municipalities and a 1% increase in the share of agricultural representative associations compared to the previous programming. Moreover, in the current programming, there is a slight prevalence of private members (55%) compared to public members (45%).

Finally, there is the intervention for the creation and modernization of broadband infrastructures, also aimed at creating solutions for online public administration services and applications for information technologies. Measure 7.3 financed two operations, one involving the installation of a high-speed line and the other a very high-speed line.

Altogether 33,107 inhabitants of rural areas (corresponding to 3.9% of the population living in rural areas) benefit from this innovation. The impact of the Measure on the accessibility, use and quality of ICT in rural areas is still limited compared to what was set as a target for the end of the Programme: in fact, out of a population of 500,000 potential people to benefit from the innovations funded, currently 33,107 inhabitants are affected (6.6%).