



REGIONE LIGURIA

LATTANZIO
MONITORING & EVALUATION

**INDEPENDENT EVALUATION OF THE REGIONAL RURAL
DEVELOPMENT PROGRAM FOR THE 2014-2020 PERIOD OF THE
LIGURIA REGION FUNDED BY THE EUROPEAN AGRICULTURAL
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Non-technical synthesis**

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1. Introduction

The 2019 Annual Evaluation Report (hereinafter AER) concerns the analysis of the use of resources and the verification of the effectiveness and efficiency of the 2014-2020 RDP of the Liguria Region. The document is designed according to the structure envisaged for the Annual Evaluation Reports, supplemented by the formulation of the answers to the evaluation questions foreseen by the Common Evaluation Questionnaire - hereinafter referred to as the CEQ - for rural development (Annex V to Reg. (EU) No. 808 / 2014). For this reason, the Report has a particular value as it draws a first balance of the results of the development and sustainability policies implemented through the RDP, which can be appreciated to date.

In particular, this AER, related to the state of implementation of the Program at 31 December 2018, in addition to marking a half-way milestone useful for drawing the first evaluation conclusions, is certainly a crucial step to provide the first answers to the cognitive needs of the Managing Authority (MA), of the stakeholders and of the European Commission - DG AGRI: the latter, finally, is also called to judge its completeness and relevance on the basis of the answers provided for the CEQ. In fact, the incomplete answer to all 30 CEQ questions, or in any case the lack of adequate justification for the partiality or the inability to fully answer some questions, may also lead to the blocking of payments by the European Commission.

Going into the specifics of the content of the AER, it is underlined how it aims at evaluating the first net impacts attributable to the investments made by the RDP. From this point of view, the report is affected by the fact that some Measures are, at the end of 2018, in a state of implementation such that the number of projects already concluded, and for which the positive effects connected to the projects carried out are already fully deployed, are either null or of negligible entity.

With reference to the first questions of the common questionnaire (from 1 to 18), regarding the implementation and financial results achieved by Focus Area, it is possible, although in a non-homogeneous way for all the topics, to somehow summarize what the RDP has already achieved as of December 31, 2018.

Also for the questions from 19 to 21, relating to cross-cutting aspects of the Program (synergies between interventions, role of the Technical Assistance and Communication service, interaction between the Region and the National Rural Network), a complete response was formulated to the CEQ despite a certain limitation of the details provided due to survey dimensions, which refer to aspects of the process "in the making" and which are not directly referable to the impacts of the Measures activated.

Finally, it should be noted that, as regards questions 22 to 30 about the assessment of the objectives at EU level, the measurement of the net effects attributable to the RDP investments in relation to more general aspects of the macro economic and environmental sphere is, at present, difficult to perform from a strictly quantitative point of view. It was not always possible, in fact, to draw clear correlations between the variations of the indicators that occurred in a given territory and the interventions financed by the Program and concluded to date, the latter being of a limited percentage compared to the total of the interventions envisaged.

The ongoing evaluation is completed by a summary of the main results that emerged from the analyses conducted and the related conclusions and recommendations made by the Independent Evaluator. There is also a first reflection on the impacts that could be generated by the RDP interventions on the objectives "Europe 2020".

2. The strategy of the RDP Liguria 2014-2020

The RDP Liguria 2014-2020, approved with decision of the European Commission n. 6870 of 6 October 2015, will finance actions under all six rural development priorities, with particular attention to enhancing the competitiveness of the agricultural and forestry sector, the conservation, restoration and enhancement of ecosystems connected to agriculture and forestry, as well as to the promotion of the social inclusion and economic development in rural areas.

The strategic guidelines pursued by the various priorities are briefly illustrated below.

The transfer of knowledge and innovation in the agricultural and forestry sector and in rural areas has the specific objective of increasing the interest of the recipients in training and consultancy proposals as well as in strengthening the link between the agricultural, forestry and food sectors by one hand, and the research on the other, through the implementation of the IEPs.

The competitiveness of the agricultural, rural development and sustainable forestry sectors will be enhanced by contrasting the aging trend of agricultural entrepreneurs and the extremely small size of Ligurian farms by supporting young farmers to start their own business and by supporting the modernization of farms.

The organization of the food supply chain, including the processing and marketing of agricultural products, animal welfare and risk management in the agricultural sector will be pursued through the promotion of quality products, the participation of farmers in quality development schemes and the strengthening of supply chains, including short supply chains and local markets, in order to improve the market outlets for regional products.

To preserve, restore and enhance ecosystems related to agriculture and forests, 20% of the EAFRD budget will be used for area-based payments to farmers for the use of environmentally friendly climate and land management practices, including organic farming, support for areas with natural constraints and aid for areas affected by constraints resulting from the management of Natura 2000 sites.

Resource and climate efficiency will be pursued through support for the prevention and restoration of damaged forests, the resilience and the environmental value of forest ecosystems as well as investments for the production of renewable energy capable of increasing carbon conservation and sequestration.

Social inclusion and local development in rural areas are promoted through support for the development of farms and businesses through diversification into technological innovation and ICT activities and services, and through basic services and village renewal in rural areas.

The RDP foresees public funding of almost 310 million euros for the 2014-2020 period (133 million euros from the EU budget and 176 million euros of national co-financing): at 31/12/2018 the overall progress of the expenditure is equal to 20.4% referring, almost entirely, to resources of the current programming, marking an increase of 4.1% compared to the same period of 2017.

This level of financial implementation, in addition to "quantifying" the effort put in place by the administration between 2017 and 2018 in terms of speeding up the procedures (publication of calls, identification of rankings, liquidation of expenditure) has allowed the Program to avoid risk of disengagement of resources for the Ligurian rural development (so-called "N + 3").

Below is a summary table of the financial progress by individual priorities. The next chapter instead highlights the physical and implementation results achieved towards firms and in the territory through the activation of planned interventions.

Table 1- Details of the resources planned, committed and spent by Priority as of 31/12/2018.

Resources (in €)/ Priority	Committed public expenditure (a)	Public expenditure incurred (b)	Public expenditure planned (c)	% Paid resources/committed (b/a)	% Total expenditure/planned resources 2014-2020 (b/c)
2	34.724.514	22.474.727	105.260.000	64,7	21,3
3	15.808.523	11.128.854	29.090.000	70,4	38,2
4	54.491.626	22.811.798	95.385.000	41,9	23,9
5	7.359.088	1.080.993	24.865.000	14,7	5
6	17.326.071	5.433.049	44.365.000	31,4	12,2

3. Summary of main results and first considerations on impacts

The main results that emerged and the related conclusions formulated from the surveys conducted for the preparation of the Annual Evaluation Report are summarized below for each of the Rural Development Priorities.

The main considerations that emerged for the evaluation of the objectives at the level of the European Union are also indicated (Common Evaluation Questions from 22 to 30).

Priority 1

In Liguria, the entrepreneurial system (existing, newly entered and the one that will be composed of "young" conductors) needs support at the level of training, information and consultancy activities to counter the low specific preparation rate currently present (around 2,7% of entrepreneurs possesses a higher educational qualification than agrarian diploma or degree). Moreover, the collaboration, cooperation and organization of supply chains must also be relaunched through the creation of innovative projects able of promoting competitiveness in the agricultural sector.

The cross-cutting interventions planned in this priority through measures 1, 2, 16 and 19, up to now, have contributed rather marginally to the improvement of the specific needs defined in the programming phase due to delays in the publication of specific calls or due to specific implementation delays. Therefore, the first analysis shows mainly a physical progress of the operations but little can be say about the real strategic contribution of the interventions with respect to the increase in skills and the incentive to innovation. However, it should be noted that the training offer, implemented with measure 1, appears to be distributed evenly between the various sectors of interest. However, their activation times did not contribute to improving access to other strategic measures given the long time required.

Finally, regarding the promotion of cooperation (measure 16.1), the selection of 24 IEP groups (18 in the agricultural sector and 6 in the forestry sector) has to be noted. When evaluating the partnership's composition, it can be said that these IEP groups express a good combination of members from both private partners and associations.

For these reasons, the recommendations revolve around the need to accelerate the implementation of the entire Priority 1, which has cross-cutting implications for the entire Program and for its main actors.

Priority 2

Priority 2 was designed to reinforce the process of modernization and generational change in Ligurian farms, in continuity with previous programming periods.

The negative dynamics of the sector (decrease in the farm's number - of medium / small size -, low market propensity and scarce utilization of new production models), according to the evaluation findings, were dealt with in a rather significant way by the interventions carried out.

An improvement in economic performance of agricultural and forestry farms has in fact been registered, as well as a general inclination for diversification, and a factual, strategic support for young people's entry into the agricultural sector. Young farmers benefiting from the RDP Liguria represent 75% of the new farms registered to the regional chambers of commerce, and measure 6.1 supported 278 new settlements.

The RDP has also acted on other aspects: 78% of the investments supported by measure 4.1 foresees several projects with environmental purposes; finally, it can be stated that the set of initiatives launched, aimed at a 360 ° structural strengthening of farms, may have some kind of impact on the employment side.

Finally, the importance of accompanying this process with a substantial training and information activity must be underlined, which however, as noted above, still suffers from implementation delays.

Priority 3

Priority 3 comprises two rural development macro areas, which are rather crucial for Liguria: On the one hand, in fact, the interventions aim to support and protect quality productions (an important sector for the region in both the "food" and "wine" branches). On the other hand, the action moves towards the protection of climate change and environmental emergencies faced by farms on the territory.

As of 2018, the Program's results with respect to the participation of farms in organic and quality label products, as well as to the adoption of agri-food safety standards – also pursuing environmental objectives – appear satisfactory.

In continuity with the interventions envisaged in the past programming, the offered aid was intended to reduce individual companies' direct costs linked to control and verification of compliance with regulations. Out of 75 companies benefiting from measure 3.1, 51% of them joined organic quality systems and quality brands, and 49% have chosen to join voluntary certification schemes for regional fruit and vegetables. Others have joined associations for expenses derived from information and promotion activities, participation in events, fairs, etc. (M3.2).

M4.2, dedicated to improving the integration of primary producers in the agri-food chain, playing a key role when it comes to system productivity, showed excellent financial performance, with an 84 % ratio between liquidated resources and programmed resources.

The support of the RDP in favour of the quality of agricultural production must also be assessed with reference to the animal welfare measure (measure 14) which, however, at 31/12/2018, records the presence of 1 single beneficiary. Therefore, the actual judgment must be postponed for further in-depth analysis.

With regard to natural disasters risk prevention and management for regional agricultural and forestry structures, the RDP has programmatically defined a strategy aimed at supporting risk prevention and management, and at reducing the consequences of natural disasters and adverse weather events. The implementation stage, however, does not allow, as of 31.12.2018, to adequately appreciate the key role this strategy plays in supporting territorial rebalancing and agricultural landscape protection instruments, as well as in spreading prevention operations. Nevertheless, a good response from the territory to the 2019 call bodes well for the progress of the measure and its potential effects.

Finally, the recommendations made for this priority: in summary, these refer to the rapid implementation of the measures that contribute to FA 3A and 3B, aiming at supporting the development of the regional agri-food system, favouring the construction of a productive fabric leveraging on certified quality and supply chain organization, and at ensuring the sustainable management of natural resources by sustaining agricultural activities with information and consultancy tools on specific topics.

Priority 4

The RDP's results for this priority, which aims at safeguarding fundamental elements of nature, are listed according to the 3 key elements to which it refers: biodiversity, water and soil.

As to the first aspect, the RDP is believed to be positively contributing to the protection of genetic, species and regional ecosystem diversity. However, the evaluation suggests to enhance the effectiveness of environmental measures (10 and 11) to improve certain avifauna's conditions in agricultural habitats through the reduction of chemical inputs, and to continue proposing measures that increase complexity (and self-protection) of the landscape.

When it comes to the water quality, data show critical issues for groundwater in nitrate vulnerable areas (ZVN), which in Liguria, however, have a territorial area limited to the Centa and Argentina basins only.

The in-depth assessment suggests continuing to implement the ZVN Action Plan, providing the necessary support for interventions aimed at reducing the agricultural impact in the ZVN.

Finally, with regard to the quality of soil and to erosion risk-related problems, it may seem that the RDP intervention has not succeeded in obtaining considerable and perceptible increases in the average content of organic substance in the soil (value already good *per se* in Liguria) nor a good impact on the erosive phenomenon.

Priority 5

The themes programmed within the Priority in question for the Liguria Region, from an evaluation point of view, would seem to have obtained not entirely satisfactory results, since they have not been crucial for the aims of interventions selected so far.

The analysis focused on the interventions carried out under measure 4.1, relating to investments within farms. Starting with water saving measures, this study showed how the logic of "economic" investments within farms prevailed at the detriment of those that would have affected the efficiency of irrigation systems, leaving the RDP a low role for this aspect. In the future, however, it may be interesting to review this position, analysing the extent of the interventions on water savings to be implemented with measure 4.3 with a view to the "farms system". In relation to the production of energy from renewable sources within the framework of selected projects, it represents a small portion of the whole, noting the low value of the total related investments.

The same goes for the increase in organic carbon in soils part of the surfaces subject to commitment: the RDP recorded a rather reduced result (0.05%) with an increase of organic carbon in the soils of the areas subject to commitment equal on average to 377 kg/ha.

On the other hand, there has been a good outcome of structural measures (M8.3, 8.4, 8.5), that intervene on the integrity of the forest system, favouring the adaptation of forests to climate change and improving the resilience of forest ecosystems, which have effectively improved the Carbon x sequestration process with a good potential demand expressed by the territory.

In general, recommendations push to investigate the reasons underpinning the reduced adhesion to the M10 and 11 able to strengthen the RDP's effect on environmental issues and to evaluate, also for operations not strictly aimed at the production of energy from renewable sources, the possibility of introducing a specific criterion for interventions dedicated to the production of energy from renewable sources for self-consumption purposes.

Priority 6

Creation, diversification of businesses, local development and, in general, social inclusion through the reduction of the margins of the territories and their inhabitants, are objectives pursued by the interventions included within Priority 6.

The interventions for the broad band's construction (Measure 7.3) have started, but the target populations residing in rural areas (16.46%) is still far from being reached; therefore, it is suggested to accelerate positive actions for this measure.

A positive note is the trend of measure 6.2 (starting of extra-agricultural businesses in rural areas) for which there has been an 11% advance in financial provision and the selection of six interventions in the forestry sector.

Worth noting, regarding the LEADER strategy is the start of the self-assessment process of the LAGs (5 selected for the same number of SSL) with the evaluator's support. In this case, it was suggested to the Region to keep a constant and alive dialogue with the LAG, in order to facilitate the identification of shared and strategic choices and paths for the territory.

Given, however, the poor physical and procedural progress of most of the strategically relevant interventions in this Priority, the evaluation could not provide clear evidence of the Program's contribution to each of those objectives (to which should be added an estimate of the overall contribution of the LEADER approach to the achievement of RDP objectives). These, in turn, also translate into job creation and ICT benefits obtained by the population.

Evaluation of the objectives at Union level

The last part of the Report investigates the impacts of the Program on various "Macro themes" concerning socio-economic, sectoral and environmental aspects of the Ligurian territory. The main conclusions and recommendations made, where possible, are listed below. Indeed, the progress of the RDP also affects the impact assessment by not making it possible to quantify the direct effects but still leaving an interpretative margin on the initiatives implemented.

Macro themes: "Employment, Poverty, Balanced Territorial Development"

The three macro themes are strongly correlated to each other: the creation and maintenance of work, the enhancement of human capital, the improvement of basic services and the ability to activate networks and cooperation on the territory are the main levers activated by the RDP through the measures programmed in priorities 1, 2 and 6.

In the 2013/2017 period, the statistical data show good signs for the regional labour market that the interventions financed by the ESI Funds can contribute to fuel, even if the objective of inclusive growth expected at European level is highly challenging.

The contribution of the RDP to the creation of new jobs has considered only the investment projects concluded for at least two years: at the end of 2018, the projects potentially producing employment effects refer exclusively to the commitments deriving from the previous programming period. Based on the investigations carried out as part of the 2007/2013 ex post evaluation, the number of jobs created is quantified in 59 units. In the future, it will be essential to ensure the correct implementation of those interventions, among which the role of the LEADER is central, which aim at creating jobs.

Same applies for the fight against poverty: the available regional indicators regarding poverty show a situation which is generally quite favourable, even if there is a marked gap between urban and rural areas. Significant for the latter is the contribution of the M13 as well as the choice to direct most of the resources to the territories D.

Finally, the balanced development of the territories, translated in terms of per capita GDP improvement, is showing some stability, if not progress: these progress will have to be supported in the future with actions (in particular M7.3 and M19) aimed at fill in the structural gaps in rural areas.

Macro themes: "Reduction of greenhouse gases and renewable energies, biodiversity, sustainable management of resources and climate"

As regards the overall assessment of the environmental effects, according to what was said above on the results and as far as possible in this programming phase, the contribution of the RDP to the EU strategy was analysed in its complexity taking into consideration all the environmental sectors and all human-environment interactions.

The analysis of the environmental effects of the RDP (biodiversity, energy efficiency and other topics) showed an action still not very significant, as highlighted above.

Macro themes: "Research and Innovation and Competitiveness"

Innovation and research are the topics covered in the current programming that contains solid elements aimed at promoting the interrelationships between the various stakeholders for the creation of the network for innovation and the subsequent transfer of this to the territories. If, on the one hand, it is still not possible to establish the actual weight of this "incentive" to the activation of a coherent and lasting process, it is possible to affirm that the objectives set by the PSR Liguria regarding the support for research and innovative initiatives are ambitious, with an expenditure related to this objective equal to over 6% of the total expenditure of the Programme.

As regards Competitiveness, the RDP is guaranteeing - mainly through measures M4.1 and M6.4 - significant support for the competitiveness and diversification of regional farms by aiming to improve economic performance, increasing the farm size, and favouring structural business investments with a positive estimate with regard to employment effects.

By connecting the theme with the generational change, once the training, consultancy and cooperation system has become fully operational, it is possible to say that the conditions will exist to counteract the ageing of the sector by fully supporting the training and professional growth path of the farmers.