



**INDEPENDENT EVALUATION SERVICE OF THE REGIONAL
RURAL DEVELOPMENT PROGRAMME FOR THE PERIOD 2014-
2020 OF THE LIGURIA REGION**

CIG: 7070449F14

**DISSEMINATION SYNTHESIS
THEMATIC REPORT - ANALYSIS OF SELECTION
CRITERIA FOR SUB-MEASURES 4.1 AND 6.1**

Rome, December 2020

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Summary of the Thematic Report on the Analysis of the selection criteria of the RDP Liguria (part two)

The Report to which this summary document refers is the third thematic in-depth analysis, concerning the implementation modalities foreseen by the RDP in relation to the evaluation criteria used for the definition of the scores and therefore for the selection of the applications for support under some sub-measures. The document follows the one already produced in 2019 focusing on sub-measures **4.2** “*Support for investments in favour of the processing/marketing and/or development of agricultural products*”, **4.4** “*Support for non-productive investments linked to the fulfilment of agro-climatic-environmental objectives*”, and **6.4** “*Investments in the creation and development of non-agricultural activities*”.

The analysis focuses on sub-measures **4.1** “*Support for investments in agricultural holdings*”, and **6.1** “*Start-up aid for young farmers*”. The decision to focus the analysis on the above-mentioned sub-measures is linked to the fact that for both sub-measures there are closed calls for proposals, with a suitable timeframe for carrying out final effectiveness analyses and consequent evaluations with respect to the respective selection criteria adopted.

1. Main elements emerging from the analysis of the selection criteria of SM 4.1

Sub-measure 4.1 “*Support for investments in agricultural holdings*” responds to Requirements **F09**, **F10** and **F12** and contributes to **Focus Area 2A**, aimed at improving the economic performance of all agricultural holdings, encouraging the restructuring of agricultural holdings, in order to:

- improve farm economic efficiency;
- increase farm added value through on-farm processing and direct farm sales of farm produce;
- improve farm environmental performance with particular reference to water and energy saving, reduction of polluting emissions, protection of soil from erosion;
- improving work safety conditions.

Table– SM 4.1: SM 4.1 Selection criteria distinguished between calls for proposals.

	DGR 1394 of 15/12/2015 (First call)		DGR 546 of 04/07/2017 (Second call, first band)		DGR 966 of 24/11/2017 (Second announcement, other bands)	
Criterion	Declination	Score	Declination	Score	Declination	Score
C.1 Young farmer	age not more than 40 years who have been established for less than 5 years	15 points	Young farmers who have been established for less than 5 years	up to 15 points	Young farmers who have been established for less than 5 years	up to 15 points
C.2 Recovery of abandoned land	0.25 points for each point % recovery of abandoned land, over 10%, starting at 2 points	up to 10 points	0.25 points for each point % recovery of abandoned land, over 10%, starting from 2 points	up to 10 points	0.50 points for each point % recovery of abandoned land, more than 10%, starting at 2 points	up to 13 points
C.3 Increasing Standard Production (SP)	0.25 points for each point % increase in farm size, in terms of standard production, over 10%, starting from 2 points	up to 10 points	0.25 points for each point % increase in farm size, in terms of standard production, over 10%, starting at 2 points	up to 10 points	0.50 points for each point % increase in farm size, in terms of standard production, over 10%, starting from 2 points.	up to 10 points
C.4 Location in Area D	Score awarded in full, without graduation, to enterprises with land predominantly located in rural areas D	10	> 50% of UAA in area D = 10 points < 50% of UAA in area D = 5 points	up to 10 points	increase in farm size, in terms of standard production, over 10%, from 2 points	up to 10 points
C.5 Collective investments	Machinery and buildings = 2 points; facilities for treatment, recovery or re-use of farm effluent, waste and by-products = 5 points	up to 5 points	Machinery and buildings = 2 points; facilities for the treatment, recovery or re-use of farm effluents, waste and by-products = 5 points	up to 5 points	> 50% of UAA in area D = 10 points < 50% of UAA in area D = 5 points	up to 2 points
C.6 Farm economic dimension	Full score, without graduation, for enterprises with an economic size between €25,000 and €50,000 in terms of Standard Production when the investment is complete.	5 points	Full score, without graduation, for enterprises that, once the investments have been completed, have an economic size between 25,000 and 50,000 Euros in terms of Standard Production	5 points	Machinery and buildings; Equipment for treatment, recovery or reuse of farm waste	up to 5 points

	DGR 1394 of 15/12/2015 (First call)		DGR 546 of 04/07/2017 (Second call, first band)		DGR 966 of 24/11/2017 (Second announcement, other bands)	
Criterion	Declination	Score	Declination	Score	Declination	Score
C.7 Adhesion to certified quality schemes	0.1 points for each percentage point of incidence of the specific intervention on the total of the operation	up to 5 points	0.1 points for each percentage point of incidence of the specific intervention on the total operation;	up to 5 points	DP for investments completed between 25,000 and 50,000 = 5 points DP for investments completed between 50,001 and 100,000 = 3 points	up to 2 points
C.8 Environmental impact reduction	0.5 points for each point % incidence of the environmental investment on the total of the operation	up to 25 points	Other investments related to quality products = up to 2 points (0,04 points for each % point)	up to 25 points	0,1 points for each % point of the total operation of the specific measure;	up to 28 points
C.9 Reduction of impact in NVZs	0.1 points for each point % incidence of the specific intervention on the total of the operation	up to 5 points	0.5 points for each percentage point of impact of the	up to 5 points	Other investments relating to quality products = up to 2 points (0,04 points for each % point)	up to 5 points
C.10 Sectoral priorities and horizontal criteria	0.1 points for each point % impact of the specific intervention on the total of the operation. (sectoral only, no transversal)	up to 10 points	of the environmental investment on the total of the operation	up to 10 points	0.5 points for each percentage point of the impact of the environmental investment on the total of the operation	up to 10 points

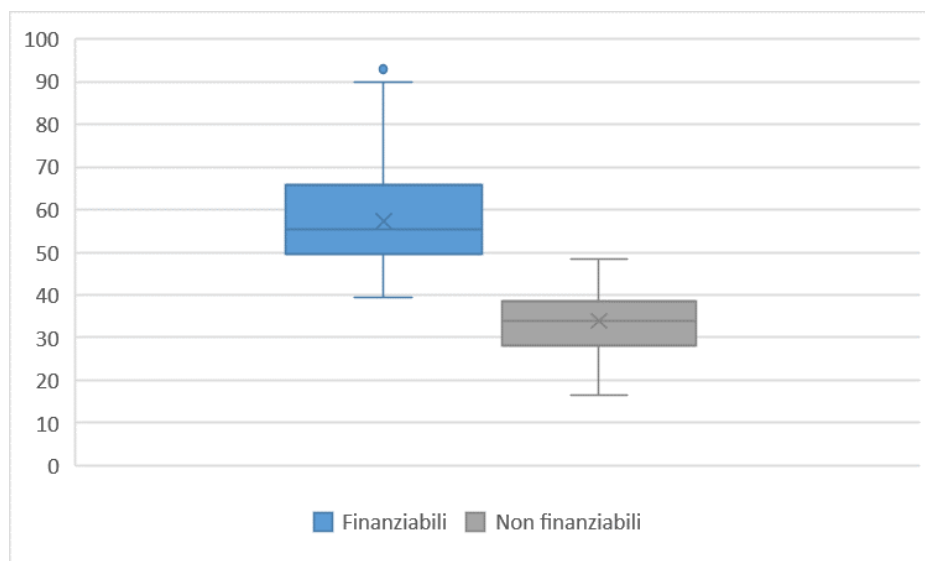
In grey the modalities and scores common to the first call; in blue the modalities and scores adopted for the second call from the second bracket onwards.

For the sub-measure 4.1, the evaluation of the effectiveness of the selection criteria, based on the comparison of the scores of the eligible and non-eligible applications, was conducted on the calls of the **second, third and fourth band** provided for by Resolution No. 966 of 24 November 2017.

Looking at the scores obtained by the fundable and non-fundable applications in aggregate for the second, third and fourth band calls, the first group obtained an average score of 57.3. On average, the score of the non-fundable applications was significantly lower (Average=33.9).

Overall, referring to the scores obtained, fundable applications showed a higher variability compared to non-fundable applications which were all characterised by similar scores.

Figure - SM 4.1: Average scores of eligible and ineligible applications (fundable applications; non-fundable applications)



The criteria most able to select the beneficiaries that the Programme Manager intended to favour, in line with the needs and the priority and specific objectives foreseen by the strategy of the RDP Liguria 2014-2020, were the **age of the applicant (criterion C.1)**, the **increase in farm size** (in terms of DP) following the investment (**criterion C.3**) and the **commitment to recover abandoned land (criterion C.2)**.

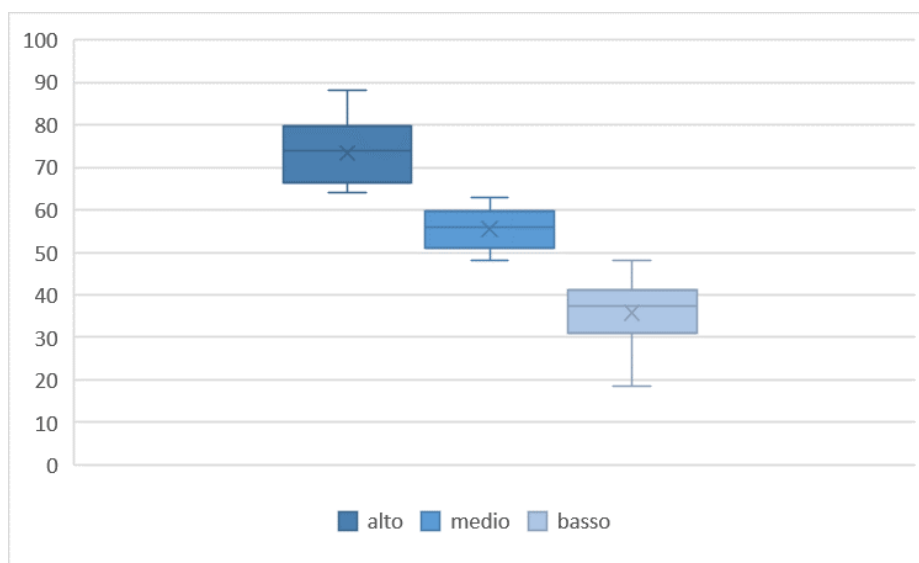
Of all the selection criteria adopted, the one that allowed applicants to score the most points was **C.8 - Reduction of environmental impact**. With an average score of 24.1, the funded applications reached 86% of the maximum score achievable. This criterion therefore **contributed to the ranking by virtue** of the weight given to it. The **objective** of SM 4.1 to encourage innovation in companies aimed at improving not only productivity but also the company's environmental performance **is considered to have been achieved**.

Criteria C.1 and C.3 also played a **decisive role** in defining the ranking. The evidence found for criteria C.1 and C.3 showed that the intention to **support young people** at the beginning of their careers in the implementation of innovative measures that would allow **the company to grow** was pursued with **fair results**.

Not particularly high scores were achieved for criterion **C.2 - Recovery of abandoned land and for criterion C.4 - Location in Area D**. The latter **did not perform very well**, since the average score of eligible applications was 4.3 out of 10, while the average score of eligible applications was 2.3.

The analysis carried out for the admitted applications with reference to the **fifth band** only **confirmed the results obtained**, investigating jointly the results of the preliminary assessments of the second, third and fourth band calls. In order to observe the effectiveness of the selection criteria, the applications were divided into three homogeneous score classes (high, medium, low). The first class was characterised by an average score of 73 points, the second by 56 points and the third, which showed greater variability in values, by 36 points.

Figure - SM 4.1: Average scores of successful applications (high, medium, low)



Observing the scores obtained by the three classes for each selection criterion, it could be seen that the criteria that most determined the ranking were criteria C.8, C.1, C.2, C.3 and C.4. The characteristics of all these companies were therefore largely in line with the expectations of the Planner, especially since these were the criteria to which the highest weights were attributed.

2. Main elements emerging from the analysis of the selection criteria for SM 6.1

Sub-measure 6.1 “Aid for the start-up of agricultural enterprises for young farmers” responds to Requirement **F12** and contributes to pursuing the objectives of **Focus Area 2B** and indirectly of Focus Area 6B.

Sub-measure 6.1 aims to encourage the entry of suitably qualified young farmers into the agricultural sector and the consequent generational change. **The entrance of young people** also leads to a **greater predisposition for innovation** and **greater environmental awareness in the entire agricultural sector**.

For sub-measure 6.1 the analysis of the effectiveness of the selection criteria was carried out on the basis of the results of the preliminary investigations related to the different programmed bands that made up the call for proposals published with DGR 1004 of 30/11/2017 and amended with DGR 389 of 01/06/2018. The breakdown of the criteria is summarised in the following table

Table - SM 6.1: SM 6.1 Selection criteria distinguished between different calls.

	DGR 1394 of 15/12/2015 and DGR 372 of 16/05/2017		DGR 1004 of 30/11/2017		DGR 389 of 01/06/2018	
Criterion	Declination	Score	Declination	Score	Declination	Score
C.1 Former age of the holder	Proportionally as the age of the transferor increases: from 58 years to 65 years = 3 points from 66 to 70 = 6 points over 70 years = 10 points	Up to 10	Proportionally as the age of the transferor increases: from 58 years to 65 years = 3 points from 66 to 70 = 6 points over 70 years = 10 points	Up to 10	Proportionally as the age of the transferor increases: from 58 years to 65 years = 3 points from 66 to 70 = 6 points over 70 years = 10 points	Up to 10
C.2 Beneficiary age	18 to 24 years = 10 points 25 to 28 years = 7 points 29 to 33 years = 4 points 34 to 38 years = 2 points 39 years and over = 0 points	Up to 10	18 to 24 years = 15 points 25 to 28 years = 10 points 29 to 33 years = 7 points 34 to 38 years = 5 points 39 years and over = 3 points	Up to 15	18 to 24 years = 15 points 25 to 28 years = 10 points 29 to 33 years = 7 points 34 to 38 years = 5 points 39 years and over = 3 points	Up to 15
C.3 Abandoned land	Land abandoned for at least five years provided it is not polluted. 0,5 points for each point % of land recovered in relation to the farm's UAA.	Up to 20	Land abandoned for at least 5 years provided it is not polluted. 1 point for each % point of land recovered in relation to the farm's UAA.	Up to 20	Land abandoned for at least 5 years provided it is not polluted. 1 point for each % point of land recovered in relation to the farm's UAA.	Up to 20
C.4 Integration SM 4.1	Depending on the eligible expenditure of the application for support under measure 4.1: Up to € 10,000 = 0 From 10,001 to 25,000 = 10 From 25,001 to 50,000 = 15 From 50,001 to 100,000 = 20 From 100,001 to 200,000 = 30 Over 200,001 = 40	Up to 40	Depending on the eligible expenditure of the application for support under measure 4.1: Up to € 10,000 = 5 From 10,001 to 25,000 = 15 From 25,001 to 50,000 = 20 From 50,001 to 100,000 = 25 From 100,001 to 200,000 = 35 Over 200,001 = 45	Up to 45	Depending on the eligible expenditure of the application for support under measure 4.1: Up to € 10,000 = 5 From 10,001 to 25,000 = 15 From 25,001 to 50,000 = 20 From 50,001 to 100,000 = 25 From 100,001 to 200,000 = 30 Over 200,001 = 35	Up to 35

C.5 No. of jobs created	5 points for each full-time job (or full-time equivalent) created, including the job of the holder	Up to 20	5 points for each full time job (or full time equivalent) created, including the job of the holder	Up to 10	5 points per full-time job (or full-time equivalent) created, including the job of the owner	Up to 10 points
C.6 Location zone D					Young person setting up in a company based in zone D	10 points

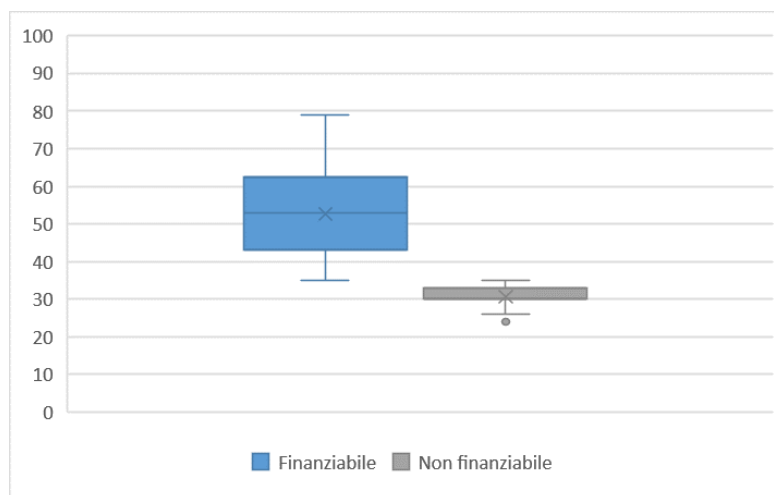
In white the modalities and scores common to the first call; in light blue the modalities and scores adopted for the second call from the second bracket ; in dark blue the latest modalities and scores adopted for the third call onwards.

The third call for applications under sub-measure 6.1 of the RDP Liguria 2014-2020 obtained a **progressively lower response** in the various bands, probably due to the contraction of available financial resources.

The **first band**, which was opened with the call for applications published by DGR 1004 of 30/11/2017, saw the participation of 101 applicants, of which 91% were admitted to the ranking list and 79% were considered eligible for funding, for a total of 73 applications. 19 applications were not funded.

On average, the scores obtained by eligible applications reached 53 points with some variability in the score values. On the other side the 31 non-eligible applications showed very similar scores.

Figure - SM 6.1: Average scores of eligible and ineligible applications (fundable applications; non-fundable applications)



Five selection criteria were used to assess the applications received, relating to the age of the beneficiary, the age of the holder prior to setting up, the proportion of land abandoned for at least five years that constitutes the holding, the amount of financial resources committed by the beneficiary and eligible under SM 4.1, and finally the number of jobs created following setting up.

Looking at the average scores achieved for each criterion by funded and unfunded applications, it was possible to see that the two categories of applications differed mainly in the proportion of farmland that had been abandoned for at least five years. With respect to criterion **C.3 - Abandoned land**, which showed an **excellent selective capacity**, the eligible applications reached a score of 60% of the maximum achievable, denoting a good performance, while the non-eligible applications reached only 1%.

Criterion C.2 - Age of the beneficiary also **performed well**, with an average score of 10 out of 15 points for eligible applications. 38% of those funded were under 24 years of age, and more than half (59%) were under 28. A selective capacity similar to that of criterion C.2 was also attributed to criterion **C.4 - SM 4.1 integration**.

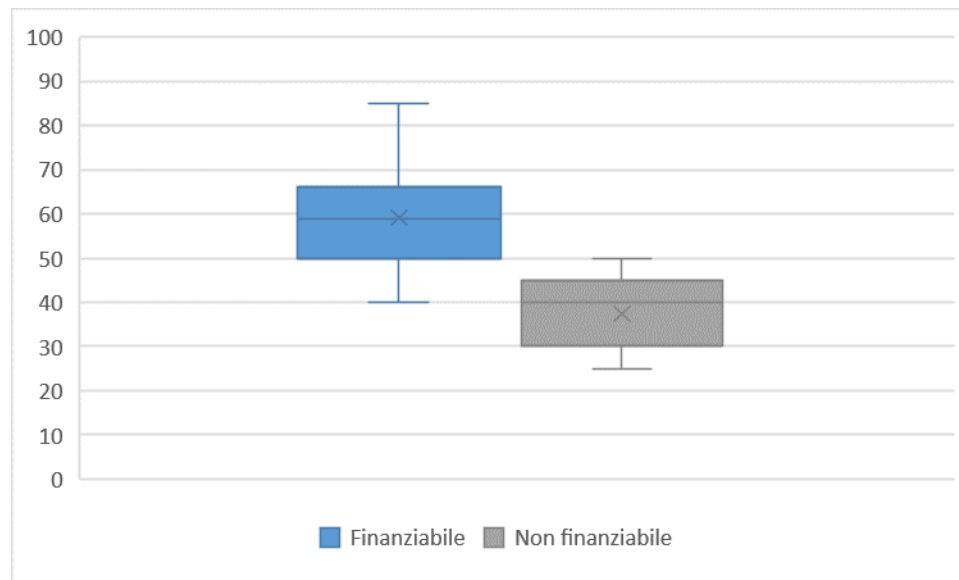
In terms of the **number of places created, (criterion C.5)** funded and unfunded applicants scored 5.5 and 5.3 respectively out of a total of 10 points. Overall, therefore, the **selective power** of this criterion was **practically nil**.

Finally, the effectiveness of criterion **C.1 - Age of previous beneficiary** in selecting applications for funding was also **very limited**.

Starting from the second band, with DGR 389 of 01/06/2018, some changes were introduced to the notice published with DGR 1004 of 30/11/2017, which provided, among other things, the addition of the sixth selection criterion, related to the location of the farm in RDP area D.

On the whole, the applications financed in the **second and third brackets** had obtained an average score of 59 points, while the applications not financed had obtained an average score of 37.

Figure - SM 6.1: Average scores of eligible and ineligible applications (fundable applications; non-fundable applications)



With the exception of **criteria C.1 - Age of previous beneficiary** and **C.5 - Number of jobs created**, the scores achieved by applicants for the various criteria were higher than those achieved in the first band.

A detailed analysis of the scores at criterion level showed that criterion **C.3 - Abandoned land** - had the highest **selective power**.

Financed applications also differed from unfunded applications with respect to criteria **C.4 - SM 4.1 integration** and **C.6 - Zone D location**, showing a **good selective capacity**.

The **effectiveness of criterion C.6 - Zone D** location, in selecting the applications for support received, was demonstrated by the significantly higher percentage (41%) of funded young people in Zone D, compared to the percentage of non-funded young people (17%).

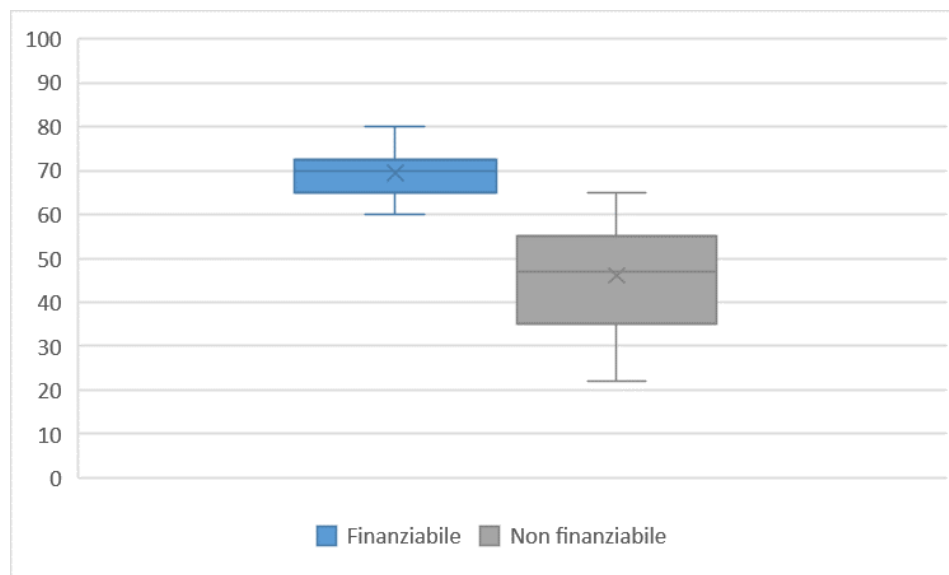
From the results obtained, selection criterion **C.2 - Beneficiary age** did not appear to be **particularly effective** in determining fundability.

As also noted for the first band, the **selective power** of criterion **C.5 - Number of places created** was decidedly limited.

Compared to the previous bands, however, the **fourth** and **fifth bands** were characterised by a more limited participation, as a consequence of the reduction of the budget available for both calls.

The results of the preliminary enquiries for these two bands showed that the percentage of those funded out of the total was low for the fourth band (35%, No. 17) and especially low for the fifth band (25%, No. 11).

Figure - SM 6.1: Average scores of eligible and ineligible applications (fundable applications; non-fundable applications)



In view of the limited financial resources allocated to the fourth and fifth brackets, **the group of applicants** who received funding included those who were most likely **to possess the characteristics indicated as most important by the Programmer**, i.e.: the size of the amount eligible for funding under SM 4.1 (**criterion C.4**), the proportion of land abandoned for more than five years on the farm (**criterion C.3**), and the age of the beneficiary (**criterion C.2**). In fact, the beneficiaries obtained very high scores on these three parameters, respectively 79%, 93% and 74% of the maximum achievable.

Although not reaching the performance values of the selection criteria just considered, **criterion C.6 - Zone D location** - was nevertheless well received. In fact, funded applications scored on average 57% of the maximum possible. On the other hand, the applications that were not financed scored only 30%.

The results obtained by analysing the results of the fourth and fifth tranche applications confirmed the findings of the second and third tranches, as regards criteria **C.5 - No jobs created** and **C.1 - Age of the previous holder**, i.e. **the first criterion was practically ineffective and the second criterion had the opposite effect**.

3. Conclusions and recommendations

The analysis of effectiveness, through a punctual examination of the impact of the criteria on the determination of the final rankings for each sub-measure, made it possible to identify those that played a discriminating role and those that made a less significant contribution.

Synthesising the **main findings** for each sub-measure, starting from **4.1**, the following considerations can be made.

- The overall eligibility rate is high, ranging from 88% to 91%, while the percentage of eligible applicants receiving funding is lower.
- Participation in the sub-measure has continued to be good despite the progressive reduction in the financial resources allocated to the call. This indicates that many farmers feel the need to innovate their farms, but they need public support to carry out their investments.
- The weighting system conceived by the Programmer tends to privilege the presence of characteristics linked to the protection of the natural and landscape heritage, and to generational change.

- The selective capacity of the criteria to which greater weights were assigned was on the whole very good for criteria C.3 - Increased Standard Production and C.8 - Reduced Environmental Impact. The average scores obtained by the funded applications reached 80% and 86% of the maximum achievable respectively.
- The ranking was not influenced by the size of the investment.

Considering the greater propensity to invest and innovate that has been recorded in recent years in Liguria, it seems appropriate to **recommend** increasing the budget available for this sub-measure, especially because it manages to combine the needs of business development with those of environmental sustainability and care of the territory and, in particular, could provide concrete help to support technological innovation for the containment of emissions in the agricultural sector, which is currently experiencing a phase of stalemate.

As far as **sub-measure 6.1** is concerned, the main aspects can be summarised as follows.

- The results of the analyses carried out on the three groups of programmed bands considered, agree in attributing the greatest selective effectiveness to the criteria that the Programmer had identified as most important on the basis of the maximum score attributed: C.4 - SM Integration 4.1, C.3 - Abandoned land, and C.2 - Age of the beneficiary. The selective capacity of criterion C.6 - Zone D location - was also good.
- Among these three criteria, criterion C.3 - Abandoned land is by far the one that received the most feedback.
- In two out of the three groups analysed, the criterion linked to the age of the farmer who ran the farm (C.1) before setting up had the opposite selective effect: it was the unfunded applications that responded most to the requirements considered by the selection criterion.
- It turned to be more likely that the setting up happens if the young farmers can buy lands and machineries from relatives. Some kind of family relationship between the young farmer and the former owner was even more common when the latest was elderly.
- The scores achieved by both eligible and unfunded applications increased as the economic resources allocated to the call for proposals decreased.

In general, it can be concluded that the criteria established ensured a selection of interventions in line with the objectives identified by the Programme Manager. However, it seems **advisable** to review the declination of criterion C.1 - Age of the previous conductor, because it is not effective at the moment.