



Regional Cabinet  
Programming and Planning Department

# ONGOING EVALUATION OF THE VENETO REGION RURAL DEVELOPMENT PROGRAMME (RDP) 2007-2013

## EXECUTIVE SUMMARY

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AGRICONSULTING

## CONTENTS

<b>1.</b>	<b>IMPLEMENTATION PROCEDURES .....</b>	<b>1</b>
<b>2.</b>	<b>FINANCIAL ADVANCEMENT.....</b>	<b>1</b>
<b>3.</b>	<b>COMMUNICATION ACTIVITIES .....</b>	<b>1</b>
<b>4.</b>	<b>SELECTION CRITERIA.....</b>	<b>2</b>
<b>5.</b>	<b>MAIN RESULTS.....</b>	<b>2</b>
<b>6.</b>	<b>RECOMMENDATIONS BASED ON THE RESULTS OF THE EVALUATION .....</b>	<b>10</b>

## 1. IMPLEMENTATION PROCEDURES

The activity performed by the Regional government ever since the approval of the Veneto RDP has been intense and included both amendments to the Programme – introduced after the changes in the EU and national regulatory frameworks and in the overall context – and the Programme implementation. In the years 2008, 2009 and 2010, the first, second, third and fourth general calls for applications were published for Measures under Axes 1, 2 and 3. The selection of Local Action Groups (LAGs) started in February 2008 and ended in March 2009 in compliance with the two-year period running from the RDP approval as fixed by Reg. 1974/06. The guidelines for LEADER Measures were approved in 2009 and, during 2010, LAGs published the majority of calls for applications. At the end of 2009, the decision was made to open the period for the submission of applications for the Measures under Axes 1 and 3 in relation to Health Check activities (HC).

## 2. FINANCIAL ADVANCEMENT

The RDP implementation resulted in the granting of aid which in June 2010 reached 34.9% of the total public expenditure. Aid was granted for all Measures under Axis 1, except for new Measures 144 "Holdings undergoing restructuring due to a reform of a Common Market organization" and 126 "Natural disasters prevention/restoring", and for Measures 211 "LFA mountain areas", 214 "Agri-environmental payments", 216 "Non-productive investments agriculture", 221 "First afforestation of agricultural land" and 227 "Non productive investments forests" under Axis 2. With regard to the implementation of Axis 3, commitments have so far concerned Measures 311 "Diversification into non-agricultural activities", 323 (action c) "Conservation of the rural heritage" and 331 "Training and information " (in addition to spillovers on Measure 321). In Axis 4, aid granting procedures for LAG management (Measure 431) were completed; the local development strategy implemented by LAGs was instrumental in the commencement of aid granting on Measure 413.

In Axis 1, commitments are high (212.7 Meuro, commitment capacity 44.2%) while payments, given the lead times for interventions under investment-based Measures are relatively low (85.8 Meuro, expenditure capacity 40.4% and advancement capacity 17.8%). In Axis 2, commitments amount to 128.5 Meuro (commitment capacity 34.0%) and payments to 61.7 Meuro (expenditure capacity 48.1% and advancement capacity 16.3%). In Axis 3 commitments amount to 9.4 Meuro (commitment capacity 14.8%) and payments to 4.3 Meuro (expenditure capacity 46.6% and advancement capacity 6.9%). In Axis 4 commitments amount to 11.9 Meuro (commitment capacity 11.9%) and payments to 2.7 Meuro (expenditure capacity 22.8% and advancement capacity 2.7%).

## 3. COMMUNICATION ACTIVITIES

The Programme communication was implemented through initiatives ranging from the dissemination of information among the parties involved in its implementation to activities designed for potential beneficiaries and the population – reached through different means of communication (seminars, events, IT media and multimedia products and articles on specialised periodicals). Direct surveys among the beneficiaries of the Measures Training (111) and Setting up of young farmers (112) suggest that the majority of them (59%) acquired information on the RDP exclusively from 'non-institutional' sources and the remaining 41% used institutional communication on an exclusive basis (19%) or jointly with 'non-institutional' information (22%). Among the institutional information channels – those most used by the interviewed beneficiaries were websites (Veneto Regional Government and AVEPA - i.e. the paying agency of the Veneto Region), newsletters and bulletins (AVEPA News, Veneto

Agricoltura Europa, Mondo Agricolo Veneto and Newsletter Regione Veneto). The judgement on the completeness and effectiveness of such means of communication was positive for 60% of the interviewed users. The survey conducted among the agents of Integrated Production-Chain Projects, in stead, suggests an almost unanimously positive judgement. The institutional information channels were judged of great importance, with special regard to the websites of the Regional Government (50%) and AVEPA (17%); 54% of respondents attributed a key role to meetings and seminars locally organised by the Regional Government.

#### **4. SELECTION CRITERIA**

The consistency of selection criteria with the programming purposes and the sectoral and local priorities has normally been observed. In particular, in Axis 1, the application of sectoral priorities in Measures 112 "Setting up young farmers" and 121 "Modernisation of agricultural holdings" has implied the funding of projects meeting high strategic sectoral priority criteria. The strategy aimed at improving the competitiveness of the agricultural and forestry sectors was enhanced through an integrated production-chain approach and a 'Youth Package'. In Axis 2, a fact worth noting is the absolute prevalence of priority elements based on the area for which interventions are designed, as a correct operational transposition of a locally focused programming approach. The potential environmental effects significantly depended, all other conditions being equal, on the environmental characteristics (potentials/limiting factors) of the area in which actions were implemented (e.g. water quality improvement in drainage basin areas, nitrate-vulnerable zones and aquifer recharge areas; and protection of biodiversity in Nature 2000 areas). In Axis 3, the system of criteria adopted for the selection of initiatives was, in general terms, made up of a few elements defining contributions that were consistent with the strategic priorities of the Programme and the multiple objectives pursued by the types of interventions contemplated in the RDP. On compiling PSLs (Local Development Plans), LAGs opted for the introduction of further criteria in order to better characterise the selection of beneficiaries depending on the requirements and specificities of their respective areas. Such criteria, after a few exchanges between the LAGs and the Managing Authority, were included in the "Guidelines to LEADER Measures".

#### **5. MAIN RESULTS**

##### ***Axis 1 - Improving competitiveness in agriculture and forestry***

In Axis 1, actions in the area of training and information implemented through Measure 111 "Vocational training and information actions" facilitated the acquisition of specific skills in the agricultural sector designed to improve the management efficiency of holdings, utilise information and communication technologies, rationalise and innovate production technologies, ensure quality of production, protect the environment and meet new regulatory standards. The implemented actions therefore meet the objectives of the Measure in relation to required additional investigations on all related themes as suggested in the Programme. With regard to informative actions (i.e. Actions 1, 2 and 4), the number of participants varied in relation to each of the operational objectives of the Measure, and it was observed that the highest level of participation was registered for the "consolidation of a lifelong learning system for the agricultural and forestry sectors" (47%), followed by the "growth of the human potential and entrepreneurial culture" (23%) and the "dissemination of innovative information and learning methods and techniques" (12%).

With regard to training actions – the highest effects on beneficiaries were observed for "safety at work" and "adaptation to the requirements of cross-compliance". In addition, two main groups stood out among all other beneficiaries. The first group, on whom no effect was

generated by courses, was characterised by a higher average age and a lower level of education; the motivation of trainees to participate in courses can be summed up as "I was suggested the course and I thought it was interesting". The second group, instead, with a five-year lower average age and a higher level of education, declared having been encouraged during the courses by the possibility to use other types of benefits and support for their projects.

On analysing the effects of personal training (Measure 111 Action 3) on the activities of beneficiaries of Measure 112 ('PGB' i.e. Youth Package B), its fundamental role seems clear in that it encouraged entrepreneurs to introduce management adaptations and conform with the requirements of cross-compliance.

The regional choice to implement Measure 112 through integrated holding-specific projects (i.e. a Youth Package) was instrumental in directing aid towards qualified and motivated young people, thus enabling them to make sizeable investments in the modernisation of their holdings, in view of their best possible business performance, their compliance with the numerous EU and national regulatory requirements and their positioning on the market by shortening the production chain and by a more marked qualitative improvement of production. Investments in human capital pursued through Measures 111 "Vocational training and information actions" and 114 "Use of advisory services" were by no means inferior in their ability to create competitive holdings in a position to cope with new market challenges.

The counselling system promoted by Measure 114 "Use of advisory services" had an impact on the adaptation to cross-compliance requirements (93%), chiefly with regard to the application of obligatory management criteria (OMC) for the environment (80%) – especially in holdings operating in plane areas – and for animal welfare practices in mountain areas (13%). The latter areas constitute an absolute priority target in the Veneto region: more specifically, a 25% reserve of the budget set aside for each Youth Package type has been allocated to projects for setting up in mountain areas. These projects therefore amount to 25% of the total approved projects with a granted average premium slightly above the average (26,681 euros).

Measure 121 "Modernisation of agricultural holdings" supports actions meant for the modernisation of holdings' facilities, equipment and organisation, by means of capital contributions differentiated by area (mountain vs. ordinary) and management class. The applications for aid approved for financing by 2009 involved 1,263 holdings (26.6% of target value) for an overall total planned investment volume of 211 million euros. The average investment by beneficiary (150 thousand euros/holding) shows a higher propensity to invest as opposed to the level estimated *ex ante* (95 thousand euros/holding) in the previous programming phase.

The implementation of Measure 122 "Improving economy value of forest" originates from the need to improve the profitability of forests prevalently used for production and to protect the ecosystem function of forest covers through sustainable land management. It is further intended to capitalise on the forest biomass resulting from forest tree care by incentivising silviculture and investments in infrastructure to launch/develop short "forest-wood-energy" production chains and therefore contribute to the production and use of electricity generated from renewables. 50% of investments were allocated to projects for the purchase of machinery and equipment and 37% to projects for the improvement of road links mainly through the construction of new roads.

The Sustainable Forest Management certification in accordance with PEFC or FSC standards is an important strategic and commercial instrument for the financed farms and provides the opportunity for diversification and improvement in the use of forests. Moreover, in view of the need to encourage the sustainable management of the forest heritage, the collected data show that about one third of interventions approved for financing fell in protected areas, chiefly Nature 2000 areas.

Measure 123 "Adding value to agri and forestry products", aimed at improving the competitiveness of agricultural products processing industries through process and product innovation, has been applied, as a priority (97% of beneficiaries and 99% of resources), within the integrated production chain projects for promoting the activation of synergies between the different production chain steps (primary production, processing and marketing) in order to increase the participating holdings' strength and capacity to penetrate into the market. Within the integrated production chain projects has been involved 1.615 economic entities of whom food processing and marketing industries represent 11%; actions have focused mainly on the use of consulting services (56%), on the modernisation of agricultural holdings (46%) and, subsequently, on investments in food processing and marketing industries and participation in food quality systems. Currently the available information on the advancement of the measure derives from analysis of documents (secondary origin qualitative data) and from calculations on data kept with the regional monitoring database (quantitative data). Applications for aid approved for financing by 2009 represent more than 70% of the number of beneficiaries estimated ex ante, for an overall total investment of 142.546.110 euros (57% of target value).

Submeasure 123F which sustains (tangible and intangible) investments related to forestry products' processing and marketing, shows a low degree of advancement in terms of number of holdings (12% of target value) and volume of investments (14% of target value). However it is worth noting that the majority of beneficiaries has adopted the Custody Chain Certification which assures, together with the sustainable forest management, reliable provenance of wood from certified forests by reconstructing the whole production chain. The majority of the 38 investments approved for financing is related to the purchase of machinery and equipment for wood's secondary processing (26%) and transport (13%). It is interesting to notice that the propensity of forestry operators to invest in production of products for energy use (machinery for the collection of woody biomass, equipment for energetic use of wood and pellet production) for which about 15% of total resources was committed.

The support granted by Measure 131 "Meeting standards" for the adaptation of agricultural holdings' production processes to the recent standards on the agricultural use of animal husbandry wastewaters, and for the adaptation of production processes of 'intensive' breeding farms in view of pollution prevention and reduction concerned 2,293 beneficiary holdings, of which 93.5% in areas vulnerable to nitrates of agricultural origin. The Measure was immediately implemented in the years 2008 and 2009 and reached the majority (60%) of farms potentially interested in adapting the management and organisation of their production processes to the recent standards on the agricultural use of animal husbandry wastewater and integrated pollution prevention and reduction.

Measure 132 "Participation farmers in food quality schemes" finances the fixed costs incurred by agricultural producers to access specific quality systems. Although the Veneto region is characterised by numerous agricultural product types protected by quality systems - i.e. a total of 29 including PDOs and PGIs, one TSG (traditional specialty guaranteed), 29 wines with a designation of origin and several regional branded fruit and vegetable products, which are a key strength for the regional agricultural sector - the number of beneficiaries under the Measure seems low, in particular for the grape and wine sector.

The Veneto RDP fully qualifies the priority objectives defined for Axis 1 in the context of the national strategy and in line with the requirements emerged from the regional territory through an integrated approach either fine tuned to individual holdings (Youth Package) or extended to the full production chain.

The priority objective of "*promoting modernisation and innovation of agricultural holdings and production chain integration*" is linked to the specific objective of promoting innovations by easing access to the results of research and testing activities (directly related Measure: 124 "New products, processes and technologies") and promoting economic growth in the

agricultural, food and forestry sectors (directly related Measures: 121, 122, 123, 123/F and 144). The latter Measures, with the exception of Measure 144, were implemented in the form of individual interventions, integrated production chain projects (PIFs, PIFFs) or holding-specific projects (Youth Package).

The integrated production-chain approach was introduced with due account taken of the purposes of the National Strategy Plan (NSP) in order to foster the coordination of entrepreneurial behaviours in all of the production chain steps, ranging from primary production to consumption, so as to reduce transaction costs associated with the trading of materials and the exchange of information within the production chain. Through this approach the RDP has promoted the aggregation in all sectors with high involvement of agricultural holdings towards chain's objectives helping to introduce and spread innovations (especially related to improving current production processes) and advanced tertiary services (information systems, new marketing methods and tools, financial and legal counselling, processes engineering). One of the most important results so far achieved in the implementation of PIFs has been the consolidation of the regional and local offers as perceived by stakeholders at various levels of the institutions and holdings concerned. The key objective of the integrated production chain approach is to intensify these relationships and make them as stable as possible, even beyond the conclusion of a PIF, by creating a contractual type of relationship within which information flows and physical interchange flows are managed between PIF participants.

Following the request for a revision of the Common Market Organisation, regional tobacco producers at all levels of the production chain decided not to implement the integrated supply chain projects planned by the Regional Cabinet Resolution DGR no. 199/2008. The Evaluator recommends defining operational interventions for the use of financial resources in the context of the regional strategy for the tobacco sector restructuring and reconversion.

The priority objective of *"improving the entrepreneurial and professional capacities of agricultural and forestry employees and supporting generational turnover"* is linked to the specific objectives of improving the professional capacities of agricultural and forestry entrepreneurs and farmers (directly connected Measures: 111 and 114) and of supporting generational turnover and the enhancement of the entrepreneurial capacities of young farmers (directly connected Measure: 112). The offer of training courses promoted by the Regional Government through the RDP has created further demand for training in the key themes and seems to respond to generalised requirements in the production community.

The choice to implement Measure 112 through a Youth Package qualifies this form of public support intended to guide young farmers in the setting up and development of their farms. The terms for implementation have favoured the inclusion in the Youth Package of farm-modernisation interventions (78% of beneficiaries), training (91%) and farm counselling (46%). The efficacy analysis conducted on the priority criteria applied to the various Youth Packages 'B' (PGB) with farm-specific investments has demonstrated that implementation criteria determine the selection of the best projects in terms of investment priority and location (mountain). This was made seamlessly during the full programming period; at the end of 2009, the number of young beneficiary farmers under Measure 112 corresponded to 24% of the target value. In such respect, the Evaluator calls for the need to consider the opportunity of strengthening interventions in favour of the Youth Package by privileging the modernisation of farms (Youth Package B).

The interviewed beneficiaries of the Youth Package declared having reached 90% of the objectives envisaged in the Business Development Plan. Economic objectives were those that most encouraged young farmers to implement business development projects, with priority given to production cost containment (65% of respondents), increase of the economic value of production (46%) and quality improvement (46%). Among the environmental objectives, the most sought after included: adaptation to cross-compliance standards (31% of respondents)

and reduction of the environmental impact of agricultural activity (25%). 40% of respondents further declared having improved conditions of safety at work.

The priority objective of “*consolidating and developing the quality of agricultural and forestry production*” is linked to the specific objective of improving the environmental performance of agricultural and forestry activities (directly connected Measure: 131) and promoting agricultural products protected by quality systems (directly connected Measures: 132 and 133). Measure 131, which came into operation in 2008 with the first general call for applications and in 2009 with the second general call for applications, involved 2,293 beneficiary holdings as a whole (i.e. 60% of potentially interested holdings) and favoured the adaptation of production processes of farms to the recent standards on the agricultural use of animal husbandry wastewater (Ministerial Decree of 7 Apr. 2006, Regional Cabinet Resolution DGR 2405/2006) and on the conformity of production processes of intensive breeding farms with the regulatory requirements for integrated prevention and reduction of pollution from animal husbandry (Legislative Decree no. 59/2005, DGR no. 668 of 20 March 2007 and DGR no. 1450 of 22 May 2007).

The experience of implementing Measure 132 “Participation farmers in food quality schemes”, which saw a poor level of participation from farmers (5% of target value), poses the need to revise mechanisms for access to the Measure; premiums are scarce in economic terms and can only be obtained after a lengthy and rather complex access procedure – which is far from incentivising and sustaining participation from individual holdings. It is therefore recommended – and this recommendation also applies to other regions while bearing in mind the limitations arising from EU regulations – to simplify the terms of access to such Measure (participation in food quality schemes) through procedures minimising the administrative costs of filing applications to be incurred by applicants.

The approved actions (79% of target value) under Measure 133 “Information and promotion activities” are mainly intended for consumers and include such activities as disseminating information and promoting certified organic products, PDO and PGI quality systems and CDO/CGDO wines. The beneficiaries of promotion and information include special farmers’ organisations for the protection of products with designation of origin (*ConSORZI di tutela*) as well as producers’ associations (for organic agricultural products).

Finally, the “*improvement of physical infrastructure*” is linked to the specific objective of favouring a sustainable use and exploitation of forestry/silvicultural/pasturage resources, activities and products (directly connected Measures: 125 “Agricultural and forestry infrastructure”, 126 “Natural disasters prevention/restoring”). In particular, Measure 125 contributes to improve the infrastructural system in mountain areas chiefly through the construction of inter-municipal and/or inter-farm roads. Such interventions which have involved almost all financial resources, in developing synergies with the initiatives implemented under Measure 122 “Improving economy value of forest”, have ultimately improved the conditions for access to silvicultural/pasturage estates, as a precondition for a more efficient management of agricultural and forestry resources. By contrast, projects for land consolidation and improvement in *malghe* (mountain pasture areas), which are very useful for containing discontinuation of traditional agricultural activities in the Veneto mountain areas, were of minor importance both in terms of number of projects financed (27% of target value) and in terms of resources’ amount. Among the main interventions there are electrification works, energy connection and production works, waterworks and actions for restoring cattle’s watering places.

## **Axis 2 – Improving the environment and countryside**

The main strength of the Measures under Axis 2 is their high degree of consistency in terms of programming contents, terms and instruments implied by the recently introduced “strategic



vision” of the rural development policy, which requires the strengthening of requirements/instruments making public support to the primary sector more effective in relation to the environmental priorities that the community of stakeholders has set out to pursue in the EU.

This search for improved effectiveness of support actions has pivoted around two main elements:

- the adoption of “cross-compliance” as a reference base for identifying additional commitments and corresponding payments under Measure 214; this has implied the definition of more effective agri-environment actions which do not merely imply the introduction of specific “practices” but more often an actual and even radical change in the *modus operandi* and criteria for the technical and economic management of production processes in view of increased environmental sustainability;
- the programming approach and implementation methods for Measures under this Axis – whose distinctive features are, in essence, a local focus on and integration of forms of support and innovative types of interventions intended to solve the existing specific priority environmental issues, in view of concrete positive developments in the sustainability of production systems and not merely for the maintenance of a *status quo*.

The result of this combination of elements has therefore implied the definition and early implementation (2008-2010) of an organic system of partially innovative forms of aid. This is indeed a more “selective” and demanding system than the former one; yet it is also potentially more effective and efficient.

However, the results of the first two-year period, with special regard to some lines of action under Measures 214 “Agri-environmental payments” and 221 “First afforestation of agricultural land”, were below expectations, at least in terms of “physical” dimension (i.e. number of farms and surfaces concerned) of the interventions effectively proposed and financed. By contrast, the implementation trend in 2010 (only partially examined in this Report) shows signs of a higher degree of participation from potential beneficiaries, presumably favoured by the adaptations introduced, which included the addition of new actions and Measures.

The possible reasons or factors behind a low response from the field to the innovative and qualified forms of aid offered under Axis 2 in its very early phase of implementation were the object of a few exchanges with and between the “privileged witnesses” in the regions – whose outcomes are illustrated in the Report and may be further investigated in the next phases of the evaluation process.

The first elements emerged from the analyses performed on the interventions developed in the two years 2008-2009 were the following:

- a significant contribution from the interventions under Axis 2 to the specific objectives of “*preserving biodiversity and agricultural areas with high natural value*” and “*strengthening and enhancing the natural-resource and landscape protection functions of agricultural activities in mountain areas*”, specifically through an extension of the surfaces covered by the related Measures/actions, which extension was made more effective by a higher intervention capacity in the regional Nature 2000 areas and protected areas. The maintenance and improvement of the “high natural value” of the agricultural areas involved (in which pasture and grazing uses prevailed) was confirmed by the early results of the specific comparative (factual/counter-factual) surveys conducted on the richness of bird species. Similar surveys further confirmed the positive effects on bird species of the agri-environment actions ensuring the maintenance of hedges and tree clusters (Submeasure 214/A) or eliminating the use of toxic pesticides in orchards – i.e. organic farming (Submeasure 214/C);
- on the other hand, the results so far obtained with regard to the specific objective of “*conservation and qualitative upgrading of water resources*” are less significant if assessed only in terms of entities and distribution of the areas targeted in the interventions therein envisaged on the total regional agricultural surface; however, in plane areas, a significant

effect in terms of abatement of circulating macronutrients was due to interventions for the maintenance and creation of Wooded Buffer Strips (WBS) and the forestation of agricultural surfaces;

- the contribution to the specific objective of "*protecting the soil from main degradation phenomena*" pertained to agro-environment and forest interventions favouring agricultural practices or uses of the soil reducing surface erosion and/or organic matter depletion;
- with regard to the objective of "*enhancing the contribution of agricultural and forestry activities for the mitigation of climate change and the improvement of air quality*", the main effect of interventions under the Axis was the reduction of greenhouse gases (specifically nitrous oxide) following the lower use of nitrogenous fertilisers induced by several agro-environmental commitments and the forestation of agricultural surfaces; in the latter case, the effect in terms of carbon absorption in the wood biomass was also estimated;
- further, more specific results worth mentioning include a relatively significant support action from Submeasure 214/C for organic farms, specifically those active in the fruit and vegetable sector, which determined significant improvements as opposed to the 'pre-aid' situation. Finally the case studies conducted in relation to Measure 227 showed, in a few cases, the effect of non-productive investments for the public development of forest areas in terms of better (and more sustainable) use of forests.

The main 'recommendation' that can be made at this stage is to strengthen the lines of action in plane areas and in more intensive agricultural systems or, in any case, those meant for the protection and improvement of water quality and soil protection, with special reference to the function of organic matter in the soil. With that in mind, the monitoring and accompanying measures for new agro-environment and forestry actions introduced following the health check (HC) might be particularly useful together with a broader dissemination and promotion of support actions for the maintenance and creation of WBS.

It will also be useful to develop more in-depth analyses and surveys – equally in the context of and with the contribution of Evaluations – on factors of various types (i.e. structural, economic, environmental, etc.) as well as farm-specific and contextual factors, which indeed influence or impact on farmers' behaviours/attitudes and their choice to participate in agro-environment actions and – more generally – in the development of sustainable production systems.

### **Axis 3 - Quality of life and diversification of economic activity**

The strategy developed by the RDP within Axis 3 for "improving the quality of life and encouraging the development of rural economy" uses the set of Measures offered by Regulation 1698/2005 which, on various accounts are intended to increase the multifunctionality of agriculture and promote environment and land qualification and the growth of human capital in rural areas in an integrated way. The Programme purports to improve the effectiveness of aid by meeting the specific requirements of regional systems, while leaving a broad margin to the LEADER approach and integrated projects (Integrated Rural Area Projects or "PIAR" in acronym) while envisaging local eligibility limits for rural areas and, if need be, 'demographic' size limits for Municipalities (for some Measures).

The RDP development strategy for rural areas is structured around seven specific objectives subordinately to the two priority objectives of the RDP, i.e. the priority objective of "*growth of income and job opportunities*" is pursued through three lines of action (Measure 311 "Diversification into non-agricultural activities", Measure 312 "Support for the creation and development of micro-enterprises" and Measure 313 "Encouragement of tourism activities") which cope with sectoral problems in an integrated way (agriculture, non-agricultural micro-enterprises and tourism). As regards diversification into non-agricultural activities (Measure 311), the projects currently in progress revive the most common farm-holiday model (rural tourism), while social functions and environmental and energy services are 'less successful'.

Similarly, in Local Development Plans (PSLs) two thirds of resources are intended to expand offers in rural tourism.

The further key element on which the strategy of Axis 3 is based is “*improving the attractiveness of rural land for enterprises and rural population*”, thereby removing a few weakness factors determining delays in rural areas, specifically mountain areas, in the region. What is more, improving rural land attractiveness is a precondition to favour the setting up of “family-run businesses” and enterprises and therefore activate a virtuous circle that may generate a growth of income and job opportunities. In such respect, the regional strategy is designed to favour the inclusion of agricultural and non agricultural undertakings and, concurrently, enhance the rural heritage, whose conservation and requalification ultimately favour the development of rural land by “stabilising” residents and increasing the attractiveness of such areas for tourist flows.

The recognised condition of isolation of peripheral areas and the need to improve access to ICT, the cultural heritage, the landscape and architectural resources by the population underlies the specific objective of “*improving the availability of and access to services in rural areas by, among other means, the use of ICT*”, pursued primarily through Measure 321 (Basic services for the economy and rural population).

The evaluation of the degree of achievement of priority objectives and specific objectives under Axis 3 is based on merely preliminary and potential results, since the quantification of result indicators may only happen at a more advanced stage of the Programme, when initiatives are completed and work at their full capacity. The projects financed under Measure 311 (regional call for applications) fall under C and D areas (46%) and, for the remaining 54%, under B areas, with a positive participation from women and young people. In the *malghe* that benefit from Measure 323 “Conservation of the rural heritage”, propensity to set up non-agricultural activities (rural tourism in particular) by lessee farmers is higher in comparison with the rest of the region. More specifically, 44% of the *malghe* benefiting from aid are active in rural tourism, which is by far a higher percentage than that recorded in the 485 surveyed regional *malghe* (17%) and even more so compared to exclusively publicly owned *malghe* (11%).

The importance of the *energy* objective prompted the Follow-up Committee, in its meeting of 5 March 2010, to revise the regional limits for the implementation of action 3 under Measure 311 in view of a broader and more effective impact of the same, equally in LEADER areas, whenever their implementation is not envisaged by the applicable Local Development Plan (PSL).

Such ‘extension’ should also be considered for Measure 321, action 3, whose implementation is only envisaged in six PSLs; this would avoid disadvantaging the areas included in the LEADER areas, especially more vulnerable areas and, even more so, mountain areas.

#### **Axis 4 - LEADER**

In the context of the implementation of Axis 4, by adopting suitable selection procedures, the Region has met its planned targets in terms of number of covered LAGs (14 out of 14) and covered surface (13,125 km<sup>2</sup> vs. the planned 13,037.6). The population involved was above the regional estimates (1,722,978 resident inhabitants vs. 1,156,335) probably for the inclusion among LEADER areas of the more populous B1 municipalities (55% of the population covered by Axis IV).

In comparison with the previous LEADER+ experience, it seems that the choice of Measures available to LAGs is no way smaller. The Evaluator recommends reflecting on how the LEADER approach can be improved in view of future programming – especially when one looks at the good practice of the current programming – by favouring the exploitation of the local potential and the pilot nature of the LEADER initiative.

In addition, the Evaluator suggests the Commission to focus more on the LEADER approach through the corresponding implementing rules contemplated by EU Regulations – in particular, rules on imprests, on the implementation of specific Measures and on the recognition of the LEADER approach within the ERDF and ESF. Other recommendations in view of future programming specifically pertain to the fixing of minimum budget thresholds for the implementation of Measures within Local Development Programmes, the definition of more to-the-point criteria on the quality of strategies and the definition of additional priority criteria.

## **6. RECOMMENDATIONS BASED ON THE RESULTS OF THE EVALUATION**

The analyses performed in the evaluation provide a satisfactory picture of the ability to implement the strategy and select interventions consistently with the Programme priorities.

For Axis 1, implementation rules have strengthened – through an integrated approach – the objectives of innovation and integration of the main regional production chains. A question to be imminently discussed relates to interventions in the tobacco sector, in respect of which the best working methods will have to be defined so as to funnel available financial resources towards reconversion and restructuring objectives.

The intervention in favour of generational turnover has been made more powerful by improving the professional capacities of young farmers and favouring the modernisation of farms involved in the setting up process. With regard to the latter process, the Evaluator calls for the need to consider increased aid in favour of young farmers, by directing financial resources towards the modernisation interventions for agricultural holdings that were developed in the context of the Youth Package B (PGB).

A recommendation that generally extends to the other regions - with due regard taken of limitations arising from EU Regulations - relates to the simplification of terms for access to Measure 132 (Participation in food quality schemes) possibly through procedures minimising the administrative costs for filing applications to be incurred by applicants, which have probably discouraged participation in the Measure.

In the light of the early results of the Midterm Evaluation, the main 'recommendation' that can be made for Axis 2 at this stage is to strengthen lines of action designed for plane areas, for more intensive agricultural systems or, however, for water quality protection/improvement and soil protection, with special reference to the functions of organic matter in the soil. With that in mind, a useful contribution may come from the 'monitoring' actions and accompanying actions introduced after the HC as a complement to the new agro-environment and forestry actions, as well as from the broader promotion and dissemination of support actions for the maintenance and creation of WBS.

It will also be useful to develop more in-depth analyses and surveys – equally in the context of and with the contribution of Evaluations – on factors of various types (i.e. structural, economic, environmental, etc.) as well as farm-specific and contextual factors, which indeed influence or impact on farmers' behaviours/attitudes and their choice to participate in agro-environment actions and – more generally – in the development of sustainable production systems.

As for Axis 3, the Evaluator recommends supporting, equally through LAGs and Area Integrated Projects, facilitation initiatives in favour of more innovative forms of diversification, given – among other things – the few signs of difficulty of the rural tourism sector (reduction in the rate of use and average period of stay), which may run counter to the expected income and employment objectives set out for Measure 311. In the specific case of rural tourism, in order to remedy the negative trends of the latest period – which were also observed nationwide – it might be appropriate to target the qualification and enrichment of farm offerings rather than create new bed spaces.

In this respect, it might be useful to introduce criteria linking the creation of new bed spaces to the development margins within the sector by area, e.g. based on the rate of use of facilities and per-capita concentration of bed spaces.

In 2010, the Regional Government revised the regional limits for the implementation of Measure 311-3, Energy equally in LEADER areas, for all instances in which the Local Development Programmes (under the responsibility of LAGs) do not provide for such implementation and, in any case, in the event that the resources allocated by Local Development Programmes are exhausted. Such 'extension' should also be granted for Measure 321, action 3, whose implementation is only envisaged in 6 such Programmes, so as to avoid disadvantaging the LEADER areas, especially more vulnerable areas and, even more so, mountain areas.

In the Evaluator's view, the Leader mainstreaming in the RDP of the Veneto Region has not weakened or reduced the instruments available to LAGs in order to implement local strategies. However, there is a need to reflect on how the LEADER approach can be improved in view of the future programming, especially if one looks at the best practice of current programming. With that in mind, the integrated approach introduced in the RDP is a reference model for its adopted implementation mechanisms. Integrated projects are promoted by a number of entities having pooled together around a powerful development idea, are directly designed to solve local, thematic and production-chain specific issues and are consequently more effective than the LEADER in favouring cooperation between entities/enterprises. Secondly, the adoption of an integrated approach requires the preparation of intense communication, facilitation, consultation and project fine-tuning activities that could complement and benefit the activities performed by LAGs in their respective areas.

As a result, considering that the Axis IV approach in the Veneto RDP is valid, the Evaluator suggests pondering over the following elements immediately in view of the future programming phase:

- introducing specific LEADER actions for promoting the use of local potentials and the pilot nature of the LEADER, since LAGs can locally coordinate projects that supplement the RDP objectives and provide them with added value;
- giving LAGs the opportunity to use integrated area-specific project development mechanisms ("micro integrated rural area projects" or "micro-PIARS") in the context of Local Development Plans encourages the LAG governance role in the facilitation of small project partnerships (i.e. favours governance and encourages cooperation between entities).

With regard to the implementation of the LEADER approach (LAGs selection and regional management of LEADER measures), on the basis of the evaluation activities carried out so far, the Evaluator suggests:

- in selecting Local Development Plans, setting a minimum mark of allocation funds for activating a measure;
- in selecting Local Development Plans, defining most relevant criteria for the quality of final score attribution's strategies;
- in writing Local Development Plans, binding the definition of additional priority criteria whose validity is evaluated in selecting Plans.