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**“EVALUATION FOR DEVELOPMENT OF
RURAL AREAS”: AN INTEGRATED
APPROACH IN THE EVALUATION OF
DEVELOPMENT POLICIES**

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“Evaluation for Development of Rural Areas”: an integrated approach in the evaluation of development policies

Abstract

Rural development is one of the themes examined by the midterm evaluation of the Community Strategy Framework (CSF) 2000-2006 for the Objective 1 regions. In order to disseminate evaluation results, a workshop on "Evaluation and development policies in Rural Areas" took place in Rome on March 10, 2005. The CSF sets two goals for its intervention in rural areas: *Improvement of agricultural systems and agro-food chain competitiveness* and *Rural development*. These were the main issues discussed during the workshop. The debate clearly showed that the implementation of the CSF focused mainly on one of the two goals: improving agriculture and food chain competitiveness and land management systems. It neglected interventions aimed at creating new and diversified job opportunities and at improving quality of life in rural areas, even though, as clearly stated in the CSF strategy, such interventions are crucial for the development of rural areas. The debate also made it evident that integrated tools (such as integrated projects and Leader programme) have been more effective in both creating a demand for innovative rural development solutions that would transcend sector boundaries and in supplying them. Indeed, a place-based approach produces better results not only for rural development interventions, but also for the sector-based part of this policy. A territorial approach to competitiveness interventions produces a better strategy, but facilitates the much-needed integration between rural development tools and regional development policies. Finally, the main finding of the workshop was that policy-makers need to integrate rural development policy and regional policy at all levels (strategy, implementation, and evaluation).

“Valutazione e Sviluppo delle Aree Rurali”: un approccio integrato nella valutazione delle politiche di sviluppo

Sommario

Lo sviluppo rurale è stato uno dei temi oggetto della valutazione intermedia del Quadro Comunitario di Sostegno 2000-2006 (QCS) per le regioni Obiettivo 1. Per la disseminazione dei risultati di tale ricerca valutativa è stato organizzato a Roma, il 10 marzo 2005, il seminario “Valutazione e Sviluppo delle Aree Rurali”. *Miglioramento della competitività dei sistemi agricoli e agro-industriali e Sviluppo dei territori rurali*, sono i principali obiettivi del QCS per le aree rurali e sono stati anche i principali temi di discussione. Dal seminario è emerso come la politica di sviluppo rurale, conservando un carattere fortemente settoriale, si sia concentrata prevalentemente su interventi in favore della competitività del settore agro-alimentare e a carattere ambientale, a discapito della diversificazione delle fonti di reddito della popolazione rurale e del miglioramento della qualità della vita dei territori rurali, elementi particolarmente importanti per il raggiungimento dello sviluppo di queste aree. Si è poi osservato come gli strumenti integrati (progettazione integrata e programma Leader) si siano rivelati più efficaci nel far emergere domanda e corrispondente offerta di soluzioni di sviluppo rurale più innovative, permettendo di superare l'ottica settoriale e tradizionale. Il seminario ha anche mostrato la rilevanza degli aspetti territoriali non solo per la politica di sviluppo delle aree rurali più trasversale e integrata con altri settori, ma anche per quella parte più strettamente settoriale, per la quale le caratteristiche del territorio sono importanti nella definizione delle strategie di intervento e nella capacità di integrare gli strumenti di sviluppo rurale con quelli della politica di coesione. Infine, è emersa con vigore la necessità di integrare politica di sviluppo rurale e politica regionale a livello di strategia, attuazione della stessa sui territori e attività di valutazione dei risultati.

This paper has been drawn up by Sabrina Lucatelli and Alessandro Monteleone within the context of activities carried out by the National Evaluation System of the Community Support Framework Objective 1.

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I. Outcomes of the workshop on “Evaluation and Development of Rural Areas”

This paper gathers together the numerous reflections that emerged during the workshop on “Evaluation and Development of Rural Areas”, held on 10 March 2005 and organised by the Public Investment Evaluation Unit (UVAL) and by Italy’s National Agrarian Economy Board (INEA).¹ Its aim is to provide a wider public with information coming from evaluations of rural development interventions, integrated with that coming from other forms of research geared at interpreting what happens in rural areas. The workshop set itself a two-fold objective: to ensure transparency to a wider public and to spur the use of those lessons learnt from discussions and from the redefinition of intervention policy. Such lessons entail improvements in the tools used to apply said policy in the territories, i.e. the programmes.

Paragraph I.1 briefly summarises those policies aimed at developing Italy’s rural areas, taking into consideration both the actual rural development policy as well as the cohesion policy. Paragraph I.2 presents the workshop both as the tool selected to spread the outcomes of the midterm evaluation of the Community Strategy Framework (CSF) 2000-2006 for the Objective 1 regions, as well as a step in the process of evaluation and understanding. Clearly, this process will necessarily accompany the entire design phase of future programming, for which Italy is currently preparing. Paragraphs I.3 and I.4 are devoted to the main questions that arose and to the lessons learnt during the workshop sessions regarding agro-food chain competitiveness and rural development, respectively.

This contribution is useful both to the present phase of analysis and parallel programming of the National Strategic Framework for the Community’s regional policy and to the National Strategic Plan for rural development.

I.1 The rural development policy: objectives and tools

The rural development policy is one of the two “pillars” of the Common Agricultural Policy (CAP). As such, it is often evaluated, especially by operators, as a part of the sectorial agricultural policy and its development is seen as an attempt to identify new, more sustainable paths compared with the models of agricultural development currently

¹ This paper summarises the minutes of the workshop. The complete version of this text is available in Italian in electronic format at the following address:
<http://www.dps.mef.gov.it/materialiuval>

followed. In actual fact, the rural development policy must be more correctly viewed as a tool for regional development. Thus, as is true of all regional development tools, it allows for the financing of both sectorial-type interventions and territorial-type interventions. The optimal combination of these types of intervention is entrusted to the policy makers, who, in turn, should obviously adapt it to the characteristics of the individual rural areas, based on their different needs and development potentials.

In this sense, it is significant that the conclusions drawn by the European Conference in Saltsburg² (2003) reconfirmed the role of the rural development policy as a fundamental tool for European economic and social cohesion.

Nevertheless, this aspect of the rural development policy is relatively recent. Indeed, before the Single European Act of 1986, Community structural intervention financed by the European Agricultural Guidance and Guarantee Fund (EAGGF) was centred almost exclusively on supporting farm modernisation projects, with a clearly sectorial objective. It was only after the first reform of structural funds with *The future of the rural world* (European Commission, 1988), followed by the second reform of structural funds (1994) and the Cork Conference (1996), that operators shifted their attention. They began to increasingly focus on the need to no longer promote an agricultural sector development policy but rather a rural development policy having inter-sectorial and territorial worth, via the introduction within the FEOGA of both farm and economic diversification as well as integrated territorial planning instruments such as the Leader³ (Mantino, 1996; De Filippis, Storti, 2002; Sotte, 2004).

It is with Agenda 2000 and the subsequent reform of structural funds (2000), that the rural development policy tends to become more organised and systematic. First and foremost, the fact that rural areas are multi-functional and that farmers must be encouraged to exploit all entrepreneurial opportunities offered to them is reiterated. The European Commission also confirmed the creation of complementary or alternative sources of income and employment for farmers and their families as a fundamental facet of rural development policy (European Commission, 2000). Secondly, all

² The European Conference in Saltsburg was organised by the Commission in order to stimulate debate and encourage comparisons amongst Member States and amongst the different players involved, either directly or indirectly, in the programming (Commission, Managing Authority, LAG, Universities, Research Institutes, etc.) with a view to redefining the rural development policy for 2007-2013.

³ Leader is a Community programme which reached its third edition during the 2000-2006 programming period. Its main features include an integrated territorial approach promoted by local public-private partnerships, Local Action Groups (LAG), through Local Development Plans, in which initiatives that are innovative and relating to intangible assets are financed (ReteLeader, 2004).

structural-type interventions financed by the EAGGF fall within a consolidated regulation on rural development (Regulation (EC) 1257/99). The subsequent medium-term reform of the PAC (2003) resulted in the implementation of only some corrective actions, which, nevertheless, impact directly and indirectly on rural development. On the one hand, with Regulation (EC) 1783/03, the medium-term reform modified the rural development policy by allowing for the financing of five new measures⁴ (Mantino, 2004). On the other hand, said reform modified the ways by which direct financing is granted to the agricultural sector by introducing the decoupling mechanism⁵ and making eco-conditions mandatory⁶, thereby significantly impacting on interventions in the agricultural sector. Likewise, it also introduced the modulation mechanism⁷, which will bring in new financial resources to the rural development policy.

The recent proposal regarding reform of cohesion and rural development policies for the period 2007-2013, put forward by the Commission in July 2004, reinforces the principles already set down in Agenda 2000. Novelties include the setting up of a consolidated fund for the rural development policy (EAFRD), the reunification of all rural development interventions within a single system of programming and the insertion of the Leader approach as the method by which to carry out such interventions within the system.

During the period 2000-2006, Italy's rural development policy was implemented differently depending on if it was applied to Italy's centre-north regions, outside Objective 1, or to Objective 1 regions (INEA, 2002 and 2005). In the former, all of the interventions pertaining to agricultural structures and to rural development were incorporated into the Rural Development Plans (RDP), with the co-financing of the EAGGF Guarantee.

In contrast, in Objective 1 regions, the programme's organisation proved to be more complicated. On the one hand, interventions co-financed by the EAGGF Guidance were integrated with the programming of the other structural funds within the context

⁴ These include two measures pertaining to the quality of agricultural products, two measures aimed at upgrading agricultural products so as to bring them into line with EU standards and a fifth measure aimed at supporting local partnerships.

⁵ The uncoupling mechanism calls for direct aid to the agricultural sector to be progressively separated from production.

⁶ Eco-conditionality requires that direct financing to the agricultural sector depend on the beneficiary's commitment to meet a series of commitments regarding the correct agronomic management of lands, environmental protection, public health and the welfare of animals (MiPAF, 2005).

⁷ The modulation mechanism foresees the mandatory transfer of a share of resources from the market agricultural policy to the rural development policy starting from 2005 (Henke, 2004).

of the Community Support Framework and the Regional Operational Programmes (ROP). On the other hand, the regions had to draw up an *ad hoc* programme, the Rural Development Plan, co-financed by the EAGGF Guarantee, for the former accompanying measures⁸ and the indemnity compensation. These programmes are joined by the EU initiative Leader+, carried out in all of Italy's regions and autonomous provinces through the Regional Leader Programmes (RLP). Thus, for Objective 1 regions, the programming period 2000-2006 has represented the last real opportunity for the EU principle of integration to be applied at programme level. Against this backdrop, the rural development policy has been seen as an integral part of the strategy by which to pursue the general objectives of the CSF Objective 1 especially, as shown in the following paragraph, via the action carried out within Axis IV – Local Development.

I.1.1 Rural areas within the Community Strategy Framework 2000-2006 Objective 1

Besides the rural development policy, rural territories in Italy are also subject to the Community cohesion policy, the objective of which is “... *to reduce gaps in development amongst the various regions and the backwardness of less favoured or isolated regions, including rural regions*”, (Treaty establishing the European Community, art. 158).

Specifically, as regards Objective 1 regions, starting from the key fact that more than 80 percent of land in the Mezzogiorno is rural, the CSF defines “rural” based on its two principal meanings. The first is more sectorial. It underlines the importance of the agro-food system from the point of view of the *food-chain* (it is not by chance that ample space is devoted to the importance of the agro-food industry in the economy of some areas in the Mezzogiorno). The other is more territorial. It inserts agricultural activity in “*a wider economic and territorial context, in relation to its capacity to generate income by promoting and enhancing natural, landscape and cultural resources, also via contributions from other sectors (tourism, handicrafts)*”, and refers to the development of so-called “rural systems”⁹.

On the basis of these premises, the strategy set forth in the CSF identifies two main objectives linked to the development of rural areas:

- *to improve the competitiveness of agricultural and agro-industrial systems in the context of a food-chain;*

⁸ This includes two agro-environmental measures, afforestation of farmland and early retirement.

⁹ See the text of the CSF page 103.

- *to support the development of rural territories and to promote and enhance agricultural, forest, environmental and historical-cultural resources.*

It should be noted how such objectives (hereinafter the *Competitiveness Objective* and the *Rural Development Objective*) are primarily part of a more general strategy aimed at local development (Axis IV of the CSF), where the start-up and consolidation of local development processes is followed via the definition of various strategic lines. One of these is the *promotion of local and district production systems and exportation systems*, via the promotion and enhancement of territorial and sectorial factors of competitiveness and the creation of new firms. One of the specific objectives of this strategic line obviously includes, amongst other things, that of boosting the competitiveness of agricultural and agro-industrial systems.

Another key strategic line is the *improvement of product quality, of company processes and of technological innovation*, in order to strengthen the firm's competitive edge and, at the same time, increase efficiency and environmental protection (better insertion of the firms within the processes of internationalisation; improved supply and quality of services; development and transfer of scientific results and innovations; technological upgrading of plants, systems, etc.). This macro-strategy also aims *to support the development of rural territories and to enhance and promote agricultural, forest, environmental, historical and cultural resources*. This objective goes alongside other sectorial objectives, including that of supporting industry, trade and tourism. Clearly, the other sectorial interventions, such as those in favour of the tourism sector, can likely contribute to the development of rural territories.

Even in this strategic context, an entire paragraph (3.8.1) is devoted to closely examining the development strategy for agriculture and the rural world, with a clear need to clarify the role of the EAGGF within the CSF. The two objectives can thus be explained in relation to two main types of areas: the more dynamic agricultural realities and the rural areas that have greater difficulty developing. Even though the lines of intervention foreseen within the two objectives can be applied to all rural territories, those in the *Competitiveness Objective* explicitly refer to the more dynamic areas whilst those in the *Rural Development Objective* refer to those undergoing difficulty in the process of development.

The lines of intervention aimed at achieving the first objective regard production re-conversion (in order to obtain production systems that are compatible with market prospects); the introduction of innovations to reduce unit costs; the promotion,

enhancement and upgrading of quality productions; the introduction of integrated management systems; training projects and actions designed to facilitate generational turnover and improve infrastructural equipment. In general, in order to reach the *Competitiveness Objective*, efforts have focused primarily on improving the functioning of the *food-chain (filiera)*, with a view to integration. Nevertheless, this strategic goal has not always been taken into account in regional programmes or in their actual application in the territory.

The *Rural Development Strategy* primarily aims at improving the use of all existing endogenic resources in the areas considered, ranging from entrepreneurial to environmental and landscape resources to those linked to the cultural and social identity of the individual areas. Specifically, given that the areas involved are prevalently those where the agricultural sector is not able to ensure adequate income levels, the strategy is designed to support and diversify local business systems so as to expand the employment opportunities in sectors linked to agriculture (rural tourism, farm holidays, handicrafts). The assets to bet on at local level also include the micro food-chain (*filiera*) and quality products. In addition to infrastructural improvements, the lines of intervention the QCS follows to reach this objective also include the improvement of *essential services*.

The above analyses also pertain to that part of the development strategy regarding the Mezzogiorno, explicitly devoted rural development. Moreover, there is a series of intervention axes that, though not explicitly referring to rural areas, can potentially impact on development in these areas. Some of these interventions, such as those in favour of Natural Resources, Cultural Resources and Human Resources (Axes I, II and III), though financed by other funds, can have direct and obvious impacts on rural areas. In other cases, such as interventions in favour of Cities or Service Networks and Systems, the potential impact, though possible, is less direct (Axes V and VI).

Box A – Regional and environmental policies: possible impacts on rural areas

The environment is a transversal intervention priority in the 2000-2006 programme. Even if Axis 1 strategic objectives and interventions only give marginal consideration to rural territories, many of the planned interventions unquestionably impact on rural areas. For example, at strategic level the CSF states that the key objective is: “to create new opportunities for growth and sustainable development, to ensure the control of the territory, starting with mountainous areas, also by means of agricultural activities, and to maintain long-term growth possibilities and increase the quality of life.” In order to pursue this objective, Axis I (Natural Resources) gives strategic priority to NATURA 2000 network areas and to protected areas (important sub-systems of the Ecological Network) for the implementation interventions therein set forth. The CSF allocates a consistent amount of financing to the Ecological Network (980 million euros, a greater sum than the amount allocated to the entire Leader + programme in Italy). The strategy is aimed at linking the protection and conservation of environmental assets with economic and social development that utilises the quality of said resources as a competitive edge and reinforces, in the medium-long term, the local communities’ interests in looking after the territory. In addition to the restoration and usability of the areas and the promotion and enhancement of local micro-production cycles, the lines of intervention of the Ecological Network also call for actions to be carried out in strict collaboration with the initiatives of Axis IV (local development systems). The latter include: the promotion of local activities in marginal fields (such as the promotion and enhancement of agricultural activities and handicrafts, the development of professional skills and the promotion of new entrepreneurship, the maintenance and recovery of landscape and environmental assets, the promotion and enhancement of local specialties) and the improvement of life conditions in marginal rural areas by strengthening the network of primary services for the population and for firms. Moreover, it should be noted that of all Italian towns located in protected areas, around 61 percent are rural or semi-rural.*.

* The distinction between rural and semi-rural municipalities is based on the definition provided by ISTAT in 1981. The municipalities located in protected areas have more or less 10 percent of their surface land under protection.

Though not designed exclusively for rural areas, due to its features as an integrated local development instrument, the Integrated Territorial Project (ITP) certainly contributes to the development of such areas. According to a classification of such projects’ themes, no less than 17 percent of ITPs focus on historical and archaeological tourism whilst 9 percent focus on environmental protection and natural parks and another 7 percent concentrate on agricultural and rural development and typical products. These key themes are central to the integrated exploitation of assets available in rural areas and form one of the strategic lines of the rural development objective. Even if 41 percent of the ITPs underway in Italy consist of groupings of towns having fewer than 20,000 inhabitants¹⁰, it is significant how, up until today, the midterm evaluations have not taken enough account of this form of programme in relation to the development of

¹⁰ See Workshop Progetti Cantieri, presentazione di Marco Magrassi su “Strategie e Strumenti per lo Sviluppo nei Comuni Minori”, DPS, Aprile 2005. Available in Italian at the following website: <http://www.cantieripa.it>

rural areas. This fact is due to delays in completing the ITP's projects as well as to EAGGF's weak participation in said projects¹¹.

At regional level, a series of interventions designed to improve the economic context has been carried out. Such actions have included, for example, those aimed at transportation networks, at other infrastructures, at IT networks and credit systems, all of which can contribute to both of the key objectives that the CSF has set itself for rural development. Specifically, the improvement of the economic context in which an agro-food-chain operates is fundamental to determining the competitive position of such firms (see paragraph I.3.1). Finally, there are also some National Operational Programmes (NOP) capable of impacting on rural areas, such as the NOP Local Development and the NOP Research.

In all of these cases, although the interventions can take place in rural areas and, by their very nature, can to a greater or lesser extent contribute to the fate of such areas, it is necessary to remember that the strategies have not been drawn up based on a precise geographical reference. Thus, even if it is possible to imagine the repercussions, they are neither part of a precise, strategic plan, nor are they monitored and evaluated from a territorial perspective.

I.2 The workshop as a dissemination tool

In order to keep evaluation from becoming its own end and instead allow this activity to carry out the myriad functions attributed to it (to ensure the transparency of development actions and their effects on the population as a whole; to satisfy the information needs of socio-economic and institutional partners and to provide information and suggestions to the Managing Authority for possible audits of the programme), the results must reach all of the subjects potentially involved. Such subjects range from the inside players to the administration responsible for the Operating Programmes (Managing Authority; those responsible for Axes and Measures; Central systems; Guarantee organisms for transversal themes), to other institutional partners (European Commission; Ministries in charge of Funds; Local Authorities), from economic and social partners (labour unions, various representative associations,

¹¹ The EAGGF finances around 8 percent of total resources destined to the ITPs. In contrast, if consideration is given to total resources allocated by the EAGGF, a share totalling 10.9 percent is destined to ITPs, a percentage similar to that of the Social Fund, but less than half of that destined to the EFRD (25.2 percent).

NGOs), to actual or potential beneficiaries of the actions (including players that actively operate in the territory, such as local development operators), up to the general public. It is equally clear that the above players' information needs are diverse. Thus the various dissemination tools (from paper versions of Midterm Evaluation Reports or of sections thereof, to their publication on the web, from the diffusion of technical and informative material to the organisation of various types of events such as *workshops* or seminars) can more or less easily reach the different subjects and can prove to be more or less suitable also depending on the stage of programming.

The workshop on "Evaluation and Development of Rural Areas" was conceived from this perspective, considering that this theme was the subject of deeper study in the CSF Midterm Evaluation and that widespread interest was confirmed when this Evaluation was updated.

The workshop represented an opportunity to share the initial results of the Midterm Evaluation with a wider public. Moreover, it was seen not only as a chance to disseminate and present the results to those involved in the works (which could have been achieved by simply sending out the Final Midterm Evaluation Report or posting it on the web), but also as an opportunity to compare results with contractors, with the different realities subject (or object of the ...?) to the evaluations and with experts in the sector.

The workshop was held in March 2005, at the same time work was begun to re-define the evaluation questions in order to update the Midterm Evaluation. Extending the comparison to include more players contributed greatly to this update and was done in the firm belief that the quality of the evaluations is closely linked to a desire for information on the part of both the programmes' managers and users¹².

In light of the evaluation and its contribution to the available pool of information, it was decided to reflect on the CSF's two key objectives for rural development (see paragraph I.1.2), around which the workshop's study sessions were built.

Nevertheless, in order to fully understand what really happens in the territories, the decision to not limit the debate to Objective 1 regions but rather to extend questions of economic policy to include all of the country's rural areas proved to be extremely

¹² See Materiali Uval n.5 - 2005, "Evaluation questions, field research and secondary data: Indications for evaluative research – *Guidelines for the Midterm Evaluation of the operational Programmes of the Community Strategic Framework 2000-2006 Objective 1 (module VI)*" (only the abstract is available in English).

important. Reflections were thus extended to include experiences in centre-north regions as consideration was also given to results obtained in the Rural Development Plans (RDP). All of the subjects who took part had the chance to debate, to exchange experiences, to share problems and to pinpoint best practices on a broad territorial scale. The decision to consider all Italian territories was also backed by the prospective creation of a single fund for rural development that delineates a future for the programming of rural development, overcoming the divide that currently exists between Objective 1 regions and centre-north regions.

In order to more deeply understand and interpret what is really happening in rural areas, not only in terms of fulfilment of the Community's programme, it was decided to include participants from outside the evaluation field, in the strict sense. Specifically, there were representatives from the academic world, experts on specific topics and, based on their daily contact with the territories, local development players.

Encouraging dialogue between the world of research, that of evaluation, and that of local operators in order to maximise knowledge about the territories is especially important in this current phase, when preparation of the next cycle of programming is also underway.

Reflection began with a presentation by the CSF's independent evaluator of the results of the "In-depth study on rural development of the Midterm Evaluation Report". The evaluator presented the outcomes of the analysis aimed at determining the financial weight of each of the two objectives¹³. This work made it possible to read the programmes' final progress in the light of a language that was not strictly the programmes' own, but rather one capable of capturing the economic policy choices and potential changes in the territories. This analysis helped to identify key topics, which were discussed and studied in-depth during the course of each session.

In the session on Competitiveness, starting from the fact that resources are strongly concentrated in those measures more directly aimed at modernising the food-chain sector, efforts were first focused on understanding the relation between this modernisation and the need for sectorial intervention. Starting from this point, the discussion then sought to determine 1) if the subjects financed correspond to the programmes' target population and 2) if the interventions financed are generating

¹³ In such analyses all of the interventions of the different ROPs were classified in such a way as to make it possible to attribute them to one or the other of the CSF's objectives.

positive effects in the agro-food chain sector. At the same time, two important transversal questions were tackled: the relation between sectorial interventions and development in rural territories and the possibility of improving the effectiveness of the interventions.

In light of the considerable disproportion in financing to the disadvantage of the objective of rural development and the promotion of resources in rural territories, the session devoted to rural development set out to determine which interventions are most prevalently carried out in the different regions. Distinctions were made between investments to improve the quality of life of the populations (for example, by improving the offer of local services), interventions to upgrade infrastructure in the territories (rural roads, irrigation networks, restoration of rural homes, etc.) and those designed to diversify income-earning opportunities in favour of the resident populations. Finally, the discussion turned to why programmes have not yet produced the expected results, analysing whether there is a problem in the strategies' design, or whether it is necessary to question the objectives or the instruments used to pursue said objectives.

In both sessions, encouragement was given to those presentations of evaluations that, more than the others, investigated the programmes' results and impacts on the territory. Only marginal discussion was given to questions more closely linked to the evaluation methodologies. Finally, as discussed more thoroughly in the following two paragraphs, it should be noted that one of the questions that emerged during the seminar regarded the capacity of the Programmes' Midterm Evaluations to provide answers and to help understand the reality of the territories and the changes brought by the programmes on the territories.

From this viewpoint, numerous questions need answering:

- Is it possible to detect a problem of scarce ownership of the evaluation on the part of the Managing Authority (MA)? What was the involvement of the MAs at the time of the definition of the evaluation questions? Did said authorities involve social partners during the definition so that the needs of those who work and live in the rural areas were heard?

- Were the guidelines of the Common Evaluation Questions ¹⁴ (CEQ) used in an effective manner? Were they seen as a request coming from above (the Commission) or were they used as suggestions to be adapted to the realities of the different regions?
- Did the single fund perspective used to carry out a large part of the evaluations perhaps lead to a loss of useful information? What are the reasons at the basis of such an approach? The idea that the evaluations must respond to the managers of the funds and not to a larger public interested in the territories?
- What are the underlying reasons for the slight use of research methods such as field surveys? Why was there so little attention paid to hearing from those who benefit most from the programmes?

I.3 The session devoted to competitiveness in the agro- food chain sector

In the session devoted to analysing aspects of the CSF objective aimed at *improving agricultural systems and agro-food chain competitiveness in a filiere context*, most of the discussion focused on the role of three main measures adopted in the programmes:

- investments in agricultural holdings;
- setting up of young farmers;
- investment for improving processing and marketing of agricultural products.

The result was a series of opportunities for reflection on ways to boost the effectiveness of the intervention in its current phase of programming and to identify new pathways for the 2007-2013 programme

However, not all interventions possibly having a positive impact on the sector's competitiveness were analysed. This fact indicates that the different subjects involved in the seminar too often have a limited vision of the tools that can contribute to reaching this objective.

¹⁴ The Common Evaluation Questionnaire is the method proposed by the European Commission to evaluate rural development interventions financed by the EAGGF. The questionnaire contains specific questions regarding the effects of the single measures financed by the EAGGF (European Commission, 2000).

I.3.1 Questions emerged

In Italy, the regions' strategic decisions have often concentrated on the sectorial aspect of rural development, thus with a view to improving the competitiveness of the agro-food chain sector. This element is present in both the ROPs of Objective 1 regions and the RDPs of centre-north regions. As shown in the introductory report regarding the Midterm evaluation of CSF Objective 1¹⁵, many measure contribute, at least theoretically, to reaching this objective and account for a consistent share of the programmed and utilised financial resources (around 64 percent in Objective 1).

The experiences described by the different speakers thus focused on the capacity of the financial instruments to effect changes in the agro-food chain sector, on the possibility that these changes have had positive effects on the sector's level of competitiveness and on the territories where the firms operate.

The principal questions that emerged refer to three main aspects:

- the context of the intervention;
- the effects of the interventions;
- the evaluation method.

As regards the context of the intervention, the reports show how the situation appears to be changing in the agricultural sector and, more generally, in the transformation and marketing of agro-food chain products.

Nevertheless, light was shed on different weaknesses that hinder the agro-food chain sector in Objective 1 regions from being fully dynamic and competitive¹⁶. Specifically, these regard:

- the small size of farms, especially compared with those in centre-north regions;
- the diffusion of large-scale distributors and their relations with the agricultural sector;
- the lack of "logistics" in favour of the agro-food chain sector.

¹⁵ R. Fanfani, Independent evaluator of the CSF, "Presentazione del Rapporto di Valutazione del QCS, Approfondimento sullo sviluppo rurale e Casi di Studio in corso". See Annexes for the entire version of the single contributions. (available only in Italian)

¹⁶ See R. Fanfani Ibid; L. Lanini "Commercializzazione e logistica dei beni agro-alimentari come elemento fondamentale della competitività: quale ruolo per le politiche?". See Annexes. (available only in Italian)

As regards the effects of the interventions, these must be seen as referring to only a part of the whole of possible interventions. The analyses and the in-depth studies carried out are essentially important on a regional level. Nevertheless, some results can lead to interesting reflections regarding the rural development policy¹⁷.

First and foremost, it clearly emerges that there are no apparent problems of “demand” for measures calling for incentives to the agricultural and agro-food chain sector. This is especially evident if one compares the resources allocated with those utilised or spent. In general, the financial measures employed for these interventions post good financial performances¹⁸. However, notice should be taken of a certain difficulty in reaching the target of beneficiaries. Indeed, some analyses have revealed a gap between the programmes’ desired effects and those actually produced. In Sicily, for example, studies revealed that larger firms (in terms of UAA¹⁹) were favoured more than intended in the programme. In contrast, in Emilia Romagna, many young farmers who were beneficiaries of the setting up incentive declared that, in any case, they would have started up their activity with or without the aid received. This fact weakens the measure’s ultimate objective, which is to motivate new start-ups. These two examples highlight the difficulties that, in some cases, the weaker categories of agricultural entrepreneurs can encounter in accessing the programme and show how known, long-standing phenomena still exist. On the one hand, many firms in the agricultural sector encounter difficulty in accessing credit and thus, in taking part in investments. On the other, there is scant awareness about the opportunities for financing offered by the programmes (Monteleone, Romano, Storti, 2004). The Midterm Evaluations have shown how this is true especially for those living in the most marginalised rural areas.

A second aspect of effectiveness that was analysed and studied more deeply was that regarding the measures’ capacity to impact positively on the competitiveness of the beneficiaries, especially in terms of the farm’s income and use of production factors²⁰. However, the effects reported were evaluated individually for each measure, thus making it difficult to understand the presence or absence of a systematic effect on the

¹⁷ It should be remembered that during the session, discussion was given to the results of the evaluation of the Basilicata ROP (A. Scotese – F. Sbattella), of the ROP Sicily (F. Varia), of the RDP Tuscany and of the RDP PSR Emilia Romagna (N. Ricciardulli).

¹⁸ See N. Ricciardulli: “Primi risultati da alcune Valutazioni intermedie dei Piani di Sviluppo Rurale”; F. Varia: “Effetti inattesi di spiazzamento: il caso di un’analisi svolta su un campione di misure FEOGA del POR Sicilia”; A. Scotese – F. Sbattella: “Valutazione Intermedia e Revisione del POR: l’adeguamento alla strategia di Filiera”. See Annexes. (available only in Italian).

¹⁹ The Used Agricultural Area (UAA) indicates the part of the firm’s surface used for production activities.

²⁰ Cfr. N. Ricciardulli, *Ibid.*; A. Scotese – F. Sbattella, *Ibid.*

different *food chains* subject to interventions and, more generally, on the competitiveness of the agro-food chain sector.

A third significant element that emerged during the workshop regards the relation between interventions aimed at boosting competitiveness in the agro-food chain sector and the territories involved. It was underlined how, in territories where administrative decentralisation is in an advanced stage (Emilia Romagna, Tuscany), the features of the programme and its implementation are of the bottom up type. Thus, despite maintaining a marked sectorial aspect, these programmes are closest to the needs, not only sectorial, of the territories that promoted them. Though in a very different context, the same bottom up direction was apparent in the re-programming of the Basilicata ROP. Here the logic of food chain interventions was shifted from the exclusively sectorial level, which foresees the use of closed measures, to an open sectorial and territorial approach. Most importantly, this change gives the ITP, and thus the territory, the possibility to achieve integration along the territorial *filiera*²¹.

Some interventions also shed light on a possible crowding out effect in favour of stronger firms located in more competitive agricultural systems to the detriment of smaller firms (in terms of economic dimensions or land size) located in weaker rural areas (Sicily, Emilia Romagna).

Finally, as regards aspects strictly linked to the evaluation method, it should be noted how, in Midterm Evaluation Reports, ample, perhaps even excessive, recourse was made to secondary sources. Such sources certainly help to explain the results and repercussions of the programmes and to back up the evaluators' conclusions, but it would be more correct not to utilise them exclusively. In some cases, the exclusive use of secondary sources was justified by the particular moment the Midterm Evaluations were carried out, i.e. when it was too soon to identify and evaluate results and impacts. However, there were some experiences (this is the case of Emilia Romagna) in which recourse to primary sources, for example, by means of surveys directly involving the beneficiaries, was extremely useful in evaluating the policy's effects.

One positive sign was the fact that all of the evaluators who took part in the workshop emphasised their desire to use primary sources, via both direct surveys and field surveys, in view of an update of the Midterm Evaluation.

²¹ See. A. Scotese – F. Sbattella, *Ibid.*. (available only in Italian)

As regards the use of the evaluation, the governments sought to acknowledge and assimilate the suggestions arising from the evaluation research in numerous ways²². This fact represents a change in the evaluation field in Italy and indicates the progress made by the governments in recent years in terms of quality and, consequently, in terms of the usefulness and use of the evaluations.

I.3.2 Lessons learnt

The difficulty some subjects encountered in accessing the aid and in reaching the set targets calls for some reflection in order to determine what the most suitable instruments are and how to ensure participation of the target users in the programme. Many possible steps can be taken to overcome these problems. In future, it would be useful to more thoroughly consider the following possible actions:

- to increase and better finance those activities designed to provide information and to stir interest so as to ensure that all subjects interested in public financing have equal access to information opportunities;
- to identify financial engineering instruments and to provide incentives for their use. Community-level involvement is absolutely necessary for this aspect, in that, in the current programming, the regions that have shown interest in adopting such instruments have come across various difficulties in acknowledging that their use is allowed.

As stated earlier, there have also been positive effects, in terms of competitiveness, coming from the interventions in the farms financed. Nonetheless, the difficulty encountered by programmes in effectively linking together the different intervention tools in favour of the agricultural and the agro-food chain sector was underlined. This difficulty is clearly reflected in the evaluators' decision to analyse the contribution of the different interventions (measures) separately and to not analyse possible joint effects, due to the independent nature of the measures in the strategic design of the different programmes. Thus, the basic question for the future regards not only integration of the food chain, perhaps through the adoption of suitable instruments, but also the programmes' capacity to provide guidance. Such capacity involves the definition of clear

²² See F. Varia, *Ibid.*; A. Scotese – F. Sbattella, *Ibid.*; N. Ricciardulli, *Ibid.* (available only in Italian)

strategic guidelines to effectively direct the investments of market operators and to exploit the different opportunities offered by the programmes.

The question of the quality of agro-food chain products is partly linked to the definition of clear strategic guidelines, taking account of the failure of the measures to accomplish this in the programmes currently being carried out. The debate triggered by the workshop has shown, nonetheless, how the concept of quality (also in a broad sense: see products' standard requirements, traceability, regularity of supplies, etc.) is fundamental to determining how the market currently operates and to relations between distribution and agricultural producers. Quality is no longer merely a factor to improve the competitiveness of some products. Rather, in many cases, it is an almost essential condition both for access to markets (especially organised large-scale distribution) and for consumers. Future programmes should thus take decisions that are in line with this strategy, not only by promoting one or more measures explicitly aimed at this objective, but also by utilising other available tools: information and training, consultancy services, promotion of investments in firms, infrastructural- or system-related actions.

Moreover, it was noted how logistics represents a weak point in Italy's agro-food chain system. This aspect is particularly important because it is an element of potential and fundamental integration with future cohesion policies. Indeed, logistics interventions regard both operations to be financed with the future rural development fund (EAFRD) that are either firm-based or sector-based interventions (organised distribution platforms) as well as operations that extend beyond the agro-food chain sector (infrastructure, research, innovation, development of new professional figures). In this case, the effort needed to guide operators cannot only come from structures responsible for programming rural development. An active role must also be played by those national and regional structures responsible for defining the strategies of future regional development programmes (considering those programming instruments most suitable to logistics, a system that implies a supra-regional effort).

Finally, light was shed on the importance of the sectorial policies at territorial level. Indeed, one of the most important guiding principles for the rural development policy is the multi-functional role of agriculture, for which the presence of a flourishing farm in a territory is not only important from an economic point of view, but also from a social and environmental point of view. The models of integrated, territorial design, the

partnership approach and bottom up programming are concepts that can also be applied to planning sectorial interventions.

I.4 The session devoted to the development of rural areas

In-depth studies regarding the CSF objective aimed at *sustaining the development of rural territories and enhancing and promoting agricultural, environmental, historical and cultural resources* regarded the following main lines of intervention:

- the enhancement and promotion of all endogenous resources in the areas involved, from entrepreneurial to environmental to landscape resources to resources connected to the cultural and social identity of the individual areas;
- the conservation, protection and commercial promotion of environmental resources;
- the support and diversification of the local firm system to expand employment prospects, also in sectors linked to agriculture;
- the expansion of commercial outlets for quality agricultural products and micro-food chain products in the territory;
- the improvement of the infrastructural context and of essential services to the rural areas.

The reports given by the various speakers contributed to:

- reconstructing the state of achievement of the objective, considering the whole of financial resources allocated to rural areas in the different programmes²³;
- indicating the types of interventions that were primarily carried out;
- indicating what programming tools were utilised.

Attention was above all focused on the ability of the evaluations to reconstruct those changes brought about by the territorial programmes, i.e. results and impacts. Whenever the evaluations did not tackle these aspects, efforts were put forth to identify possible obstacles or problems.

²³ Indeed, the discussion delved deeper into this topic, keeping a multi-programmatic viewpoint and without limiting the analysis to rural development measures financed by the EAAGF in the ROPs of Objective 1 regions.

I.4.1 Questions that arose

The main questions to arise were those regarding:

- the policy's effects (and the interventions regarding this objective);
- the instruments;
- the evaluation and the capacity to interpret changes that have taken place in the territory.

With reference to the policy's effects, it should be noted that in Italy, on the whole, evaluations still do not in provide final users with an adequate level of information. Often, it is not possible to go beyond a mere reconstruction of the stage of financial advancement of the investments and an analysis of the instruments utilised for their application. The analysis carried out by the CSF's Independent Evaluator on the Regional Operation Programmes (ROPs) of Objective 1 regions demonstrates how, up to now, the programmes have been highly unbalanced in terms of allocation of resources in favour of the *Competitiveness Objective*. Considering Objective 1 regions as a whole, only a small share of the resources (22 percent) was designated to reaching the rural development objective²⁴. This imbalance characterised, to a greater or lesser extent, all of the regions considered, with the sole exception of the ROP for Campania.

A deeper analysis of the contents of the rural development policy revealed how, out of the total of resources allocated, interventions relating to infrastructure take the lion's share of no less than 72 percent. Within this category, works to upgrade rural roads are the most common. In contrast, only around 18 percent of resources are devoted to the diversification of agricultural activities (with a net predominance of interventions in favour of the farm holiday sector). Finally, very small percentages were allocated to services to rural areas and to modernisation activities, amounting to 6 and 4 percent, respectively (R. Fanfani)²⁵. This imbalance in favour of infrastructural interventions is evident in nearly all of the regions considered (the minimum related share of resources

²⁴ The evaluator explained the Environment objective separately. Thus, the thematic analysis proposed involved a breakdown of the CSF into three objectives, Competitiveness, Rural Development and the Environment. Had the evaluation redistributed the resources attributed to the Environment between the other two objectives (Competitiveness and Rural Development), the disproportion would have certainly been lessened.

²⁵ For the analysis of the rural development objective, the evaluator identified four types of intervention: modernisation of rural areas (restoration of building structures; maintenance of rural spaces and small interventions in favour of forestry farms), rural infrastructure (interventions on rural roads, electrification, expansion and building of rural waterworks), services for rural areas (including both services to the actual areas as well as to rural populations), diversification of activities (indirect and direct interventions in the farm holiday sector, incentives to handicraft activities in rural areas).

amounts to around 55 percent). The result is a rather disappointing picture of the interventions aimed at rural development. They are far from being able to integrate resources in the territories, from promoting products by means of quality enhancement strategies and from offering rural populations viable income alternatives and opportunities to increase their level of life. Instead, offer is limited infrastructural needs, some of them basic (rural roads, rural electrification).

A comparison between the reality of Objective 1 regions and that of the rest of the country was possible thanks to the multi-programmatic setup proposed by INEA.²⁶ This approach revealed how a scarcity of resources devoted to rural development is a common element (an Italian average of 7 percent of the total programmed, slightly higher for Objective 1 regions). A look at the type of interventions carried out shows that the expenditure for income diversification, especially for the farm holiday sector, was high in both areas of the country. In contrast, one can see how in the centre-north regions there is less emphasis on restructuring villages and more on improving the quality of life of rural populations (transportation services, creation of small day care centres and recreation centres, direct dial assistance structures²⁷). Such decisions can be explained by the lesser need for architectural restructuring in centre-north regions and by the greater complexity of measures related to social services. The latter call for specific local-level planning and organisational skills in order to identify the needs of the local populations and to draw up appropriate projects. The lower concentration of resources in such types of intervention in the Mezzogiorno certainly does not appear to be linked to a lower demand for social services in southern rural areas.

In terms of successful outcomes in the territories, the overall picture changes if attention shifts to the forms of integrated planning, particularly to the *Leader* programme. Indeed 46 percent of *Leader's* resources was destined to the local production system, thus to the support of small- and medium-sized firms; 22 percent to interventions in rural (and environmental) patrimony²⁸; 19 percent to interventions aimed at improving the quality of life (thus services) and 13 percent to operational

²⁶ See C. Zumpano, "L'obiettivo dello Sviluppo delle Aree Rurali con una prospettiva multi-programmatica". See Annexes. (available only in Italian)

²⁷ In reality, two regions were used as examples for best practices: Tuscany and Campania. In Tuscany, for example, some social centres for youths, women and people with handicaps were opened, following a process of concentration with the local realities. In Campania a mobile outpatient treatment service was financed (C. Zumpano).

²⁸ This regards small interventions to recover assets having artistic value or relating to local traditions (mills, churches, oil mills, historical homes etc.).

costs²⁹. A look at integrated planning also shows that the EAGGF took part in 52 ITP experiences, the majority of which focused on two main ideas:

- rural tourism and the promotion and enhancement of cultural patrimony;
- the promotion and enhancement of endogenous resources (quality products, the environment, etc.).

However, contribution coming from the EAGGF was limited to measures prevalently pertaining to infrastructures. Thus, the contribution that some particularly innovative measures could have made to reaching the objectives set by the subjects promoting the ITPs was not fully exploited.

It is extremely important to understand why, up until today, the evaluations have not been able to adequately analyse changes that have taken place in the territories in terms of accomplishments, outcomes and impacts resulting from the interventions financed by the programme³⁰. Integrated programming not only leads to achievements in terms of results and impacts (kilometres of road built, quantity of local products marketed, increased profitability enjoyed by rural operators etc.), but also undoubtedly spurs growth in terms of social capital due to some fundamental elements. These include the:

- improvement of governance mechanisms at central government level (the so-called “agricultural civil servants” that get used to working with the so-called “non-agricultural civil servants”);
- active role of local players;
- mechanisms of collaboration and of decentralisation of decisions;
- information sharing activity (*knowledge pooling*) that involves different types of players;
- setting up of partnerships between private and public subjects.

The *Leader* programme has played an important role in pooling knowledge and in creating an information network, producing a common vision of rural areas’ future prospects throughout Europe³¹. In the *Leader* II Final Evaluation Report, importance was given to a particular aspect of the programme defined as “*Leader* spirit”, a sort of

²⁹ See C. Zumpano, *Ibid.*

³⁰ See *Evaluation questions, field research and secondary data, Guidelines for the Midterm Evaluation of the Operational Programmes – Community Strategic Framework 2000-2006 Objective 1*, Materiali UVAL Number 4, 2005 (only the abstract is available in Italian).

³¹ See C. Ricci, “Gli insegnamenti della valutazione *ex post* del *Leader* II”. See Annexes (available only in Italian).

human lever effect that can be related to the growth produced by this programmes in terms of social capital. This effect certainly deserves to be evaluated, keeping in mind that, in these cases, the analysis must necessarily go beyond a purely financial assessment.

With reference to the questions regarding tools, it was shown that the *Rural Development Objective* was pursued in a more innovative manner in territories where, thanks to the type of programming tool utilised, there was a sort of self-definition of the strategy. In these cases certain lines of intervention, outlined below, were preferred:

- integrated promotion and enhancement of the resources;
- multi-sectorial initiatives involving small- and medium-sized firms;
- pursuit of strategies for the differentiation of agricultural products in favour of products having a higher value added;
- attempt to bring about integration with other territorial assets, such as natural resources and cultural assets.

Moreover, it was demonstrated that social- and health-related interventions in favour of rural populations likewise grew in importance when the territories plan their own strategies. Thus there is no lack of demand for innovative interventions by the territories. Instead, there is a problem of interception of such demand and supply on the part of classic programming tools. During the workshop it was repeatedly pointed out how integration, sought after with such great difficulty via policies and instruments, is much more advanced in the territories³².

Integrated tools unquestionably grant the territories greater self-determination via the active role of local players, promoters of their own development. However, it must be remembered that the tools in question require a rather complex organisational and managerial setup, they require important amount of time for their implementation in the territories and are still, from a financial viewpoint, niche experiences³³.

Adequate governance implies both horizontal and vertical integration of different administration levels and, at the same time, a partnership between private and public players present in the territory³⁴. Close co-ordination amongst those in charge of

³² See F. Mantino, "Conclusioni". See Annexes. (Available only in Italian)

³³ See F. Barca, Conclusions of the OECD Conference "*Designing and Implementing Rural Development Policies*", Oaxaca April 2005 (publication underway).

³⁴ See C. Zumpano, Ibid; and C. Ricci, Ibid.

programming at regional level, local authorities and movement groups in the territories is especially important. It is also fundamentally important that there be a process of decentralisation of the functions (administrative, financial and decisional), as aptly described C. Ricci, evaluator of the *Leader II* Programme: “*the importance of decentralisation can be summed up in the slogan ‘autonomy in exchange for accountability’ whereby the Managing Authority grants autonomy for the carrying out of a series of functions, but in exchange asks for returns in terms of quality and the way in which resources are managed and used in the territory*”³⁵. An interesting example of the governance needed to organise integrated rural development tools is provided by the Integrated Rural Programmes just launched by the Campania Region³⁶.

In order to create a partnership effect at local level, however, the programmes often contain timetables and deadlines that are difficult to respect. Indeed, it should be noticed how in many territories, the organisation of the different levels of the partnership have considerably lengthened the times needed to carry out the *Leader Programme*³⁷.

Traditional intervention tools, such as the measures contained in the ROPs and in the RDPs, have proven to be scarcely efficient in pursuing the *Rural Development Objective*. The programming choices of the individual regions have, in actual fact, more effectively pursued the *Competitiveness Objective*. For example, the analysis³⁸ revealed difficulties relating to the measures foreseen by art. 33 of the Regulation, those that support economic diversification and those aimed at improving the quality of life in rural territories. These measures are new and innovative, and the the regions have not always shown the organisational skills and courage needed to launch and truly pursuing them . Indeed, far from granting an award or an incentive to a particular firm enterprise on a specific basis, the measures in question require organisational skills and a high-level of motivation in order to organise and formalise the latent demand in the territories. Considering both integrated and non-integrated instruments, some speakers underlined

³⁵ C. Ricci very clearly describes the opportunities and risks in this extremely delicate relationship. After all, it is decentralisation that provides a push and local credibility to the agencies, along with numerous threats. Indeed, the relationship is very delicate and easily “jammed”. Not infrequently, the supply of funds is interrupted or the resources given to partnerships are either employed badly or are insufficient with respect to the task to which they are allocated. Other times, the very amount and weight of such tasks results in a shifting of all resources utilised at local level to the management of administrative and financial aspects, whilst the actual mission of the LAGs, to invigorate the territories, is forgotten.

³⁶ See A. Falessi, “Il ruolo dell’approccio integrato nello sviluppo rurale: il caso della Regione Campania”. See Annexes. (Available only in Italian)

³⁷ See C. Ricci, Ibid.

³⁸ See C. Zumpano, Ibid.

the negative influence coming from the mechanism of automatic disengagement in the implementation of these instruments. In the midterm phase of programming, many regions redesigned or even eliminated some of these measures in response to the simple need to speed up expenditure.

As regards the evaluations, these have not always permitted reconstruction of the changes in rural areas brought about by the programmes. The significant imbalance in financial allocation and the disproportionate amount put towards the more sectorial objective have unquestionably prompted evaluators to focus attention on other aspects of the programme. However, a fundamental purpose of the evaluation is to investigate and analyse what does not work in a programme.

This very purpose was clearly stated at the start of the workshop by F. Mantino, who said “the evaluation of rural development is increasingly more an evaluation of interrelations within the sector and between the agricultural and other sectors, and is increasingly less an evaluation of the sectorial type.” This statement implies that a measure by measure or fund by fund evaluation is quite limiting when defining the terms of the problems. To this end, mention should be made of an interesting methodological exercise³⁹ whereby the evaluator starts from some evaluation requisites contained in the Common Evaluation Questions (CEQ)⁴⁰ and demonstrates how it is necessary to consider more measures, including those pertaining to different funds. As regards the diversification of income and a better quality of life for rural populations, on the one hand, attention must be paid to opportunities coming from other sectors, such as tourism, handicraft, the environment, support to the SME . On the other hand, it is absolutely necessary to have a social system that can ensure a dignified life to the population of these areas, one offering basic services that meet the standards of a developed country, such as integrated social and healthcare systems, cultural events, etc..

The importance of overcoming fund-based evaluations was made clear by an evaluation exercise⁴¹ that identified interventions carried out in rural areas which were financed by the EFRD and contained in the SPD for Tuscany. The resulting picture is extremely important. By analysing the monitoring data at project level and considering both rural

³⁹ See A. Bagnulo, “Valutazione dello Sviluppo delle Aree Rurali della Puglia in un’ottica territoriale e di integrazione tra fondi”. See Annexes. (available only in Italian)

⁴⁰ The questions were of the following kind: “if and to what extent were the rural population’s life conditions and welfare maintained thanks to social and cultural activities, to improved services or to improved territorial integration” etc.

⁴¹ See A. Caporale, “Il DOCUP Obiettivo 2 nelle Aree Rurali della Toscana”. See Annexes. (available only in Italian)

and partially rural territories, it can be seen how around 80 percent of the projects financed by this fund fall within rural or partially rural areas. In contrast, 53.6 percent of financial resources were destined to urban areas. An analysis of the single measures shows how the measure pertaining to industrial areas was also strongly concentrated (no fewer than 29 projects) in rural towns, compared with 16 urban towns. This behaviour was primarily expected from other types of measures able to tap into the demand present in rural territories (tourist facilities, upgrading of market and commercial areas, cultural assets). The experience in Tuscany, where there was an aggressive territorial approach, offered some interesting starting points for a discussion. It was underlined how the factor of territorial location is not sufficient and how it is necessary to create evaluation methodologies based on evaluation questions and on a reconstruction of the political strategies (A. Bagnulo)⁴². It was also claimed that regional policies impact on rural territories. Said impact cannot be directly linked to a rural development strategy, yet it demands reflection on the need to create monitoring and evaluation mechanisms able to carry out analyses aimed at deepening understanding of the territorial impact of the intervention involving a mix of different policies⁴³.

Finally, it is necessary to develop targeted evaluation methodologies for integrated development tools. This need obviously regards more than just rural development. Integrated development tools bring about territorial changes that go beyond physical achievements. The evaluations must tackle such matters with suitable methodologies able to interpret the changes provoked, also in terms of intangible investments and growth of social capital.

I.4.2 Lessons learnt

The central lesson to be learnt is unquestionably the need to return to an integrated vision of the measures and the funds. The evaluation questions, however, must be clear and focused.

Many aspects of the different rural development tools utilised can be understood thanks to past experiences. Today, evaluation is able to offer interesting suggestions regarding the limits and advantages of the different forms of programming, from traditional to

⁴² A. Bagnulo's considerations are particularly true for Puglia, a region where at least 90 of the territory is rural.

⁴³ See A. Caporale, *Ibid.*

integrated. But the workshop's clear message is that the emphasis must be shifted away from the instruments and once again placed on the policies.

Rural development policies stand poised between broad visions that see such policies as being transversal, able to respond to the territories' diverse needs (the sector's infrastructural and structural needs; needs in terms of services offered and those in terms of increases in income and the quality of life) and accomplishments that are often very limited compared with overly large objectives.

In reality, a rural development policy can never fulfil a territory's every need.⁴⁴

In Italy, rural territories are subject to different policies (purely agricultural, regional development at either national or Community level, environmental and social) and there is no monitoring system capable of revealing their effects on the territories.

The possible integration of such policies in the territories and the capacity of regions to co-ordinate such policies amongst themselves on the basis of some final objectives is an open question (for example, the case of Umbria should be mentioned). As noted earlier, many speakers underlined a delay in the policies with respect to the territories (i.e. the much sought-after integration at policy level, is, in fact, already a reality in the territories). Nonetheless, the setting up of a single fund for rural development (EAFRD) and the separation of cohesion policies and rural development policies deserve reflection.

There appear to be two starting points from which to establish such integration⁴⁵:

- it is necessary to start from the territories and from their specific characteristics and features in an attempt to enhance and promote them as much as possible⁴⁶. There are agricultural areas where an agroindustrial vocation can be re-launched by means of innovation and improved logistics, areas suited for integrated vocation (quality agriculture – environment – tourism). There are also rural areas where a historical industrial vocation can be maintained, restored and re-launched via innovation, by placing more importance on the quality of life and on environmental impact, without giving up the territory's traditional industrial vocation.

⁴⁴ See F. Barca, Conclusions of the OECD Conference "*Designing and Implementing Rural Development Policies*", Oaxaca April 2005 (publication underway). See also the attached speech by Ciro Becchetti, Umbria Region. (available only in Italian)

⁴⁵ The operational consequences of integration cannot help but above all regard the regions, as they are responsible for managing the programmes

⁴⁶ See F. Barca, "Conclusioni". See Annexes. (available only in Italian)

- an understanding of territories' specific vocations requires that the different instruments and policies operate in a manner that respects and increases the value of such vocations. If, for example, a territory boasts a strong agroindustrial vocation with a marked tendency to exportation, it is essential that the measures foreseen by the Rural Development Plan's Competitiveness axis are able to co-ordinate themselves with those that, in the regional policy, operate to improve inter-modal transport. In territories where a vocation for tourism and the exploitation of local resources stands out, efforts must be focused on ensuring co-ordination amongst the various tools of integrated local development (for example *Leader* and the ITPs).

In order to make this happen, during the information pooling and the diagnostic and evaluation analyses (*ex ante*; *in itinere* and *ex post*) it must be remembered that, although the policies are different, the territories where they operate are the same and have the same needs.

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Glossary

Structural Funds (Fondi Strutturali)

Structural Funds are one of the financial instruments that the European Union utilises to support cohesion and economic and social development across Europe. The joint objective of all related actions is to reduce imbalances between more advanced States (or regions) and those that are lagging behind in development. The four EU funds for 2000-2006 include the:

- ERDF: European Regional Development Fund, which finances interventions pertaining to infrastructure, tangible and intangible assets and aid systems in favour of firms operating in the craft, trade, tourism, industrial and services sectors;
- ESF: European Social Fund, which finances efficient labour market policies;
- EAGGF: European Agricultural Guidance and Guarantee Fund. Notably, only the Guidance section is considered a Structural Fund and finances interventions for rural development, the re-conversion of agricultural productions and farm aid systems;
- FIFG: Financial Instrument for Fisheries Guidance, which finances interventions pertaining to the fishing and aquaculture sector as well as to the transformation and marketing of related products.

The ERDF and the EAGGF pursue territorial objectives.

In contrast, the ESF pursues an objective that crosses over the specific territorial areas where the ERDF and the EAGGF intervene, in that it finances the updating of training, educational and employment policies and systems.

Community Support Framework (CSF) (Quadro Comunitario di Sostegno - QCS)

The Community Support Framework (CSF) is a document containing the strategy and priority actions of Structural Funds in a specific Member State or in one of its regions. Moreover, it defines the precise objectives of the interventions and the financial contribution both from Structural Funds and from other financial resources.

The CSF lays the foundation and sets forth guidelines for the drafting of Operational Programmes (OP), ensuring co-ordination of all Community structural aid in the regions involved in the various OPs.

In Italy, two Community Support Frameworks were approved for the 2000-2006 programming period, one for Objective 1 and one for Objective 3.

Community Support Framework Objective 1 – 2000-2006 (Quadro Comunitario di Sostegno 2000-2006 Obiettivo 1)

The CSF, or “Community Support Framework for Italian Objective 1 Regions 2000-2006”, approved by the European Commission on 1 August 2000, is managed by the Ministry of Economy and Finance. It is the programme document for the use of Structural Funds for Italian regions whose development is lagging behind. The framework is the outcome of a long process of discussion and negotiation that involved not only the Ministry of Economy and Finance and the EU, but also regional governments, national government departments, local authorities and economic agents. This process concluded with the preparation of the “Development Programme for the South” and the regional and national operational programmes.

The “Community Support Framework Objective 1 Italian Regions”, launched in December 1998, therefore contains strategies, action priorities and related specific objectives and defines the role of the Structural Funds and other financial resources.

It is implemented through 14 Operational Programmes, including 7 regional programmes (ROP) and 7 national programmes (NOP), managed by central government.

In view of the upcoming devolution of responsibilities from central to regional level, about 80% of the resources for 2000-2006 have been allocated to the 7 PORs, with the remaining amount going to the PONs.

Operational Programme (OP)

Operational Programmes are the tools used to outline implementation of the "Community Support Framework for Italian regions 2000-2006".

There are currently 14 Operational Programmes in Objective 1 regions, of which 7 are regional (ROP), and 7 are national (NOP), all managed by central government.

The 7 ROPs regard the 6 Objective 1 regions (Basilicata, Calabria, Campania, Puglia, Sardinia and Sicily), as well as Molise, the only Italian region receiving transitory aid.

The 7 NOPs have been entrusted to the central government and tackle sectoral-based themes: "Scientific research, technological development, high-level training"; "The school for development"; "Security for the development of the Mezzogiorno"; "Local development"; "Transportation"; "Fishing" and "Technical assistance".

Within the context of Objective 3, a total of 14 Regional Operational Programmes (ROPs) in favour of centre-north regions and the autonomous provinces of Trento and Bolzano along with a consolidated National Operational Programme (NOP System actions) have been launched.

Single Programming Document (SPD) (Documenti Unico di Programmazione - DOCUP)

The Single Programming Document sets forth the interventions programmed for Objective 2 Areas for the period 2000-2006. There are fourteen DOPs, one for each of Italy's centre-north autonomous regions and provinces.

Programme Complement (PC) (Complemento di Programmazione - CdP)

This document defines in detail the measures described in the Operational Programmes (OP) and specifies how each single intervention and the related distribution of Structural Funds are to take place (the OPs are co-financed by Community Structural Funds and national public and private funds). The Programme Complement must be submitted to the European Commission for information purposes.

Axes

Priority axes are the areas of intervention into which the CSF is broken down.

The **CSF Objective 1** 2000-2006 identifies 6 strategic priority areas for investment to be carried out in the programming period (EC Regulation 1260 of 1999, article 9):

- Axis I: Enhancement and Promotion of natural and environmental resources (Natural resources)
- Axis II: Enhancement and Promotion of cultural and historical resources (Cultural resources)
- Axis III: Enhancement and Promotion of human resources (Human resources)
- Axis IV: Upgrading, enhancement and promotion of local development systems (Local Development Systems)
- Axis V: Improvement of the quality of cities, of local institutions, and of related life (Cities)
- Axis VI: Upgrading of the service networks and core areas (Service networks and core areas)

Measure

This is the tool by which a priority axis achieves financial and operational implementation.

Objective 1 Areas (Aree Obiettivo 1)

Pursuant to Council Regulation (EC) 1260/1999, laying down general provisions on the Structural Funds, Objective 1 regions are those whose regional per capita GDP, measured in purchasing power parities and calculated on the basis of the last three years available, is less than 75% of the Community average.

The reference period for the current programming period is 1994-1996.

Objective 1 regions in Italy are: Basilicata, Calabria, Campania, Puglia, Sicily and Sardinia.

In view of the amount of financial resources available and the substantial territory covered, there is a major national co-ordination effort and integration (on at least the formal level) of all Structural Funds for Objective 1 regions.

The central government, the regions, and the European Union have agreed a Community Support Framework (CSF) document that sets out the financial framework and criteria and guidelines for the specific strategies to be implemented through the Regional and National Operational Programmes (ROP and NOP, respectively), which are financed jointly by the Structural Funds.

Objective 2 Areas

According to the definition provided by Regulation 1260/1999, Objective 2 areas include those undergoing economic change in the industrial and services sector; declining rural areas and depressed urban or fisheries-dependent areas or nearby areas.

Objective 2 areas are defined on the basis of population ceilings set at Community level for each Member State. In turn, every Member State breaks down its own population in accordance with Regulation criteria that define the areas. The current programming phase of Objective 2 includes areas and selection criteria regarding two distinct objectives – 2 and 5b – in the 1994-1999 programming stage. It pertains to areas in Italy's centre-north.

The centre-north regions define the strategy to be implemented through the three main Structural Funds by means of three different programming documents, co-ordinated by the Ministry of Economy and Finance, the Ministry of Labour and the Ministry of Agricultural and Forestry Activities, respectively: the Single Programming Document (SPD), co-financed by the European Regional Development Fund, the Regional Operational Programme (ROP), co-financed by the European Social Fund, and the Rural Development Plan (RDP), co-financed by the EAGGF, respectively.

Objective 5b Area Programmes 1989/93 and 1994/99 (Aree Obiettivo 5b Programma 1989/93 and 1994/99)

Objective 5b was launched by the European Union following the positive outcome of previous Community interventions called Integrated Mediterranean Programmes (IMP). The final objective is to facilitate the development and structural modernisation of rural areas.

Managing Authority (Autorità di Gestione)

The Managing Authority is responsible for implementing the CSF and the Operational Programmes. It can be a national, regional or local body, either public or private, chosen by the Member State to oversee an intervention financed by Community funds (Council Regulation 1260 of 1999, article 9).

Common Agricultural Policy (CAP) (Politica Agricola Comune - PAC)

The Common Agricultural Policy (CAP) falls under the exclusive competency of the Community and pursues objectives pursuant to article 33 (formerly article 39) of the treaty that established the European Community. In other words, the aim is to ensure affordable prices to European consumers and a fair standard of living to farmers via the shared organisation of agricultural markets. Since 1992, the CAP has regularly reviewed its objectives and undergone a series of reforms. The 1999 reform was carried out thanks to Agenda 2000 and was accompanied by stronger measures to spur rural development, incorporated into a consolidated regulation. This set of measures served to launch an integrated policy of sustainable rural development that ensures greater coherency between rural development and price policies and CAP markets and encourages local operators to take part. With the launch of the June 2003 reform and the diffusion of EC Regulations 1782/2003 and 1783/2003, the process begun in 1992 of redirecting the Community's support to agriculture and to rural development was completed. The CAP has taken a decisive step in the direction of more selective support. The financing of rural development interventions takes place within the framework of a long-term programme via the EAGGF's Guidance and Guarantee sections, based on the location of the area subject to the measure and the nature of the intervention.

Performance reserve (Premialità)

The performance reserve is an incentive mechanism introduced by the Community Support Framework 2000-2006 that amounts to around 10 percent of total CSF public resources. It awards the virtuous behaviours of the single programmes and spreads the best experiences.

The Structural Fund's performance award system consists of two reserves, a Community reserve (4 percent) and a national reserve (6 percent). The two reserves are regulated by various criteria, award mechanisms and allocation times. Despite some differences, both offer an incentive structure able to stimulate competition amongst government administrations in their attempts to modernise the General Government and the management of funds.

Rural Development Plan (RDP) (Piani di Sviluppo Rurale - PSR)

Structural interventions in favour of agriculture and rural development are financed, depending on the field of the programming involved, by two distinct funds: the EAGGF Guarantee and the FEOGA Guidance. The EAGGF Guarantee contributes to the implementation of Rural Development Plans (RDP) and interventions carried out as part of the SPD Objective 2 whilst the EAGGF Guidance co-finances ROPs and the Community Leader+ initiative.

In Italy's Objective 1 regions and in the phase of transitory support, interventions for rural development financed by the EAGGF-Guidance are incorporated into the ROP programmes. In contrast, measures calling for financing by the EAGGF Guarantee are carried out via 7 specific regional RDPs. In Italy's centre-north territories, all of the interventions financed by the EAGGF are programmed through 14 regional RDPs.

Local Development Plan (LDP) (Piani di Sviluppo Locale - PSL)

This programme is the result of a Leader initiative and involves the drawing up and implementation of Local Development Plans (LDS) managed by Local Action Groups (LAG). The Local Development Plan is a project aimed at upgrading and developing a territory, based on its own specific features and potential.

Leader

Leader (Liaisons entre actions de développement de l'économie rurale) is a Community initiative financed by the EAGGF aimed at supporting innovative actions that promote rural development in the EU's disadvantaged regions. At local level, these actions are launched and developed by Local Action Groups (LAG) by means of Local Development Plans (LDP). Leader+ follows Leader I and Leader II and thus represents the third Leader initiative. During the period 2000-2006, the initiative has continued to act as a laboratory whose purpose is to encourage the experimentation with and honing of new approaches to developing rural areas.

Regional Leader Programme (RLP) (Programmi Leader Regionali - PLR)

Regional Leader Programmes (RLPs) are the primary general policy tools used to carry out Leader Community initiatives in Italian regions.

Ecological network

The concept of ecological network sprang from the observation that the protection of eco-systems cannot be carried out only for islands. This subsequently gave rise to the idea of a systematic and netlike structure to protect the territory comprising:

- core areas: the various territorial areas still able to ensure the life of eco-systems;
- links: the ecological corridors and the restoration and transit areas that allow for the connection of different core areas, favouring the movement of species and ensuring the vitality of the system.

The following are also essential to the formation of the ecological network:

- buffer zones, areas able to protect the networks from external influences;
- areas earmarked for rehabilitation, degraded areas that can nevertheless be recovered to create new core areas or links to support the network.

The concept of "ecological network" forms the cornerstone of Action theme 1 of the pan-European strategy for biological and landscape diversity and is implicit in articles 3 and 10 of EEC directive 92/43–Habitat.

The interventions called for by Agenda 2000 include Action 3 "Ecological network" of ROP measure 4.06. It regards investments that can be carried out in farms, aimed at protecting the landscape, improving the environment, increasing animal and vegetable biodiversity and at recovering traditional, rural buildings.

Common Evaluation Questionnaire (CEQ) (Questionario Valutativo Comune - QVC)

Regulation 1750/99 (article 42, paragraph 2) states that the Commission, in consultation with other Member States, shall define a common evaluation questionnaire with related criteria and indicators for rural development plans 2000-2006, especially as regards *midterm* and *ex-post* evaluations.

The CEQ and the methodology to meet the different queries put forward are contained in the European Commission Document "Common Evaluation Questions with criteria and indicators" (STAR VI/12004/00).

European Agricultural Fund for Rural Development (EAFRD) (Fondo Europeo Agricolo per lo Sviluppo Rurale - FEASR)

This fund replaces the EAGGF and the EAGF (European Agricultural Guarantee Fund). The EAFRD (European Agricultural Fund for Rural Development) was set up as a mix of the guidance and guarantee section of the old EAGGF and is to be used to finance the new rural development programmes in 2007-2013. In contrast, the EAGF replaces the guarantee section

of the old EAGGF and is to be used to finance all aid forming part of the first pillar of the CAP starting from 2007.

Multifund Operational Programme (MOP 1994/99) (Programma Operativo Plurifondo - POP 1994/99)

Multifund Operational Programmes are the instruments that outline implementation of the “Community Support Framework” for Italian Objective 1 regions during the 1994/99 programming.

Local Action Group (LAG) (Gruppi di Azione Locale - GAL)

Local Action Groups are entrusted with implementing Local Action Plans within the framework of the Leader+ initiative and comprise public and private subjects.

The LAGs must represent the local institutional, social and economic reality (local authorities, professional associations, labour unions, non-economic associations, etc.).

Integrated projects (Progetti Integrati)

The CSF 2000-2006 defines integrated projects as a group of actions that span different sectors, but share a common objective of territorial development and require a joint, coherent approach to implementation.

This definition comprises the central concepts of:

- **integrated planning**, a feature of all activity co-financed by structural funds;
- **territorial reference**, understood as the beneficiary of the actions and the context in which to spur latent potential.

Integrated projects must be inserted into the regional strategy, the sectoral lines and specific areas of intervention as well as the ways of public-public collaboration, called for by operational programmes.

They have the two-fold **final objective of**:

- ensuring adequate recognition of the interventions that are based on an explicit and shared guiding idea;
- drawing up a joint, systematic and integrated implementation system, able to simplify management activities and make it possible to reach the objectives in the established time limits.

Integrated projects have the following **elements**:

- definition of the project’s guiding idea, strategy and objectives;
- identification of the territorial or thematic field of reference;
- selection of the subject responsible for the project;
- identification of the management and monitoring procedures.

There are different types of integrated projects. Every regional Managing Authority has followed its own individual path in defining and identifying the projects. The most widespread are:

- ITP (integrated territorial projects);
- ISP (integrated sectoral projects);
- IFP (integrated filière projects);
- IRP (integrated regional projects);
- IUDP (integrated urban development projects).

Integrated Territorial Projects (ITP) (Progetti Integrati Territoriali - PIT)

Integrated Territorial Projects are a set of inter-sectoral actions, wholly coherent and tightly linked amongst themselves, that converge toward a shared territorial development objective and justify a joint approach to implementation. The Integrated Territorial Project thus breaks down into different project components explicitly linked by the shared objective of territorial development. The ITP represents a specific way of carrying out interventions co-financed by the Community Support Framework for Objective 1 regions.

Integrated Sectoral Projects (ISP) (Progetti Integrati Settoriali - PIS) – Puglia region

Integrated Sectoral Projects comprise a set of inter-connected sectoral actions whose shared objective is to improve the socio-economic context and local cultural and tourist systems. The project consists of interventions aimed at the recovery, enhancement and management of historical and cultural assets and at the strengthening of accommodation capacity in precise territorial areas earmarked to benefit from the development actions designed to spur latent potential.

Integrated Projects for Rural Areas (IPRA) (Progetti Integrati per le Aree Rurali - PIAR) – Calabria region

The purpose of Integrated Projects for Rural Areas is to start the processes of self-propelled and endogenous development in regions' rural areas, removing the hurdles that block or hinder growth and contribute to the enhancement and promotion of resources. Specifically, integrated projects are viewed as an operational tool to trigger instances of economic, cultural and social growth. In Calabria, they are drawn up as a part of the ITP areas and, within these areas, in areas with medium-high rurality with or without social emergencies. In Calabria, for every ITP area, calculations have been made to indicate the maximum number of projects admissible as well as a breakdown amongst said areas of the financial resources assigned to the IPRA.

Integrated Rural Projects (IRP) Progetti Integrati Rurali (PIR) – Campania region

The IRP (Integrated Rural Projects) were conceived as models for the co-ordinated and integrated implementation of the EAGGF measures.

Integrated Filière Projects (Progetti Integrati di Filiera (PIF) – Calabria region

The Integrated Food chain Project is a methodological, operational tool used to implement a sector development strategy. The IPF's ultimate objective is to "improve the competitiveness of agricultural and agro-industrial systems within the context of the production cycle with a view to integrated development via the introduction of innovations, the strengthening of commercial functions, and integrated management in terms of quality, security and the environment". It is primarily geared for use by the regional economy's leading agricultural sectors, including olive-farming, fruit-farming, horticulture, nursery gardening and zootechnics. The IPFs may involve the entire regional territory and have to be submitted by partnerships comprised of private organisms and/or representatives of joint shared interests. Measures relating to the production, processing and marketing of agricultural products as well as horizontal measures, such as training, the settlement of young farmers and the development of rural infrastructures can contribute to the drawing up of the IPF proposals.

Urban

This is a Community initiative of the European Regional Development Fund (ERDF) for sustainable development in troubled cities and neighbourhoods of the European Union for the period 2000-2006.

As a follow-up to Urban I (1994-1999), Urban II more precisely aims to promote the design and implementation of innovative models of development for the economic and social regeneration of troubled urban areas.

National Evaluation System (Sistema Nazionale di Valutazione)

The National Evaluation System is described by CSF Objective 1 as a set of support activities and technical and methodological guidelines aimed at improving and enhancing evaluation activities. CSF Objective 1 and the related CIPE Resolution place UVAL in charge of launching and co-ordinating these activities, which are to be carried out in collaboration with national reference structures responsible for the evaluation of European Social Fund interventions (ISFOL – Italian Institute for the Promotion of Workers' Training) and EAGGF interventions (INEA), as well as with the network of groups as per Law L. 144/1999. Consequently the NES is organised in such a manner as to comprise different organisms for the start-up and carrying out of its activities. The System is responsible for putting forward proposals relating to the methodology, guidance and monitoring of evaluation activities linked to the intervention of Structural Funds.

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