



THE INTEGRATED APPROACH IN THE 2007/2013 RDPs



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THE INTEGRATED APPROACH IN THE 2007/2013 RDPs

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CONTENTS

List of acronyms	7
Chapter 1:	
Integrated projects in the rural development policy	
1.1 Introduction	9
1.2 Integrated projects in rural development policy: genesis and features	10
1.3 Integrated projects: basic principles and regional choices in the 2007-2013 RDPs	14
1.4 The integrated approach in the Rural Development Policy: an overview	17
Chapter 2:	
Integrated supply chain planning	
2.1 Integrated supply chain planning in the RDPs	21
2.1.1 <i>Collective actions and projects</i>	22
2.2 The implementation route of the Integrated supply chain Projects	23
2.2.1 <i>Objectives, measures implemented and financial resources: interpretations of regional strategies</i>	26
2.2.2 <i>The actors of integrated supply chain planning: their nature and functioning</i>	31
2.2.3 <i>The activation procedures</i>	35
2.2.4 <i>Animation activities and technical assistance</i>	39
2.2.5 <i>Project selection criteria</i>	40
2.2.6 <i>Achieving the objectives: checks, monitoring and evaluation of the results</i>	45

2.3	The first results of the implementation	47
2.3.1	<i>The financial beneficiaries of integrated supply chain projects</i>	54
2.4	Implementing ISCPs: initial thoughts on the instrument	57

Chapter 3:

The Integrated Territorial Projects

3.1	Integrated Territorial Projects within RDPs	61
3.2	ITPs subject to public management	62
3.2.1	<i>The provincial ITPs of Marche</i>	63
3.2.2	<i>An instrument for the Parks: the IRPPAs in Campania</i>	64
3.2.3	<i>The IPRA of the Calabria Region</i>	65
3.3	The ITPs for environmental purposes	66
3.4	ITPs as instruments of development for rural areas	69
3.5	Implementation methods and procedures	73
3.5.1	<i>The eligible areas</i>	73
3.5.2	<i>Partnerships and subject leader</i>	74
3.5.3	<i>The implementation procedures</i>	77
3.6	The first data on the implementation of the ITPs	79
3.7	Integrated Territorial Projects in the Rural Development Policy: an instrument yet to be created	84

Bibliography	89
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Annex 1. Supply Chain Agreement Template	93
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LIST OF ACRONYMS

AP:	Agreed Project
CA:	Collective action
CIP:	Context Integrated Project
CSF:	Community Strategic Framework
EAGGF-G:	European Agricultural Guidance and Guarantee Fund – Guidance Section
EARDF:	European Agricultural Rural Development Fund
EC:	European Commission
ESF:	European Social Fund
FIFG:	Financial Instrument for Fisheries Guidance
FP:	Farm packages
GSP:	Gross Saleable Production
IFWCP:	Integrated Forestry-Wood Chain Project
IPRA:	Integrated Project for Rural Areas
IRP:	Integrated Rural Project
IRPPA:	Integrated Rural Project for Park Areas
ISCP:	Integrated Supply Chain Project
ITP:	Integrated Territorial Project
LAG:	Local Action Group
LDP:	Local Development Plan
LDS:	Local Development Strategy
MA:	Managing Authority
MD:	Ministerial Decree
NSP:	National Strategic Plan
NVZ:	Nitrate Vulnerable Zone
PDO:	Protected Designation of Origin
PGI:	Protected Geographical Indication
RCR:	Regional Council Resolution
RDP:	Rural Development Plan

ROP: Regional Operational Programme

RP: Rural Partnership

TGS: Traditional Speciality Guaranteed

UAF: Underused Areas Fund

CHAPTER 1:

INTEGRATED PROJECTS IN THE RURAL DEVELOPMENT POLICY

1.1 Introduction

Achievement of the objectives of the rural development policy, be they linked to sector competitiveness, to the development of rural areas or to institutional governance, also depends on the identification of effective intervention instruments. This assumption has guided the implementation, in the National Strategic Plan (NSP) framework, of an action strategy focused on the integration of various intervention instruments as regards to the rural development policy objectives.

Three types of integrated approach are provided by NSP: for agricultural farms, for supply chains and for territorial development. Integrated planning should ensure efficacy of the interventions through procedures that are easy to access and whose leading theme is integration of objectives and action instruments.

Integrated planning is not new; in fact, it had already been proposed as an implementation instrument during the 2000-2006 Planning period within the Regional Operational Programmes (ROPs) framework for the Objective 1 Regions, and it takes on particular characteristics since it is supported by the Community Strategic framework. Regulation 1698/05 and the Community Strategic Framework¹ (CSF) support strongly, even if sometimes not in a very clear way, intervention approaches based on the concept of integration of instruments, agricultural farms, subjects and territories. It is not a coincidence that the rural development policy presents a methodological axis, the Leader one, aimed at the integrated management of rural development plans, with a programmatic approach that involves local players. To identify the strategic objectives of the rural development policy, in many passages the CSF highlights the need to develop integrated intervention strategies that can act upon the main sectoral and territorial issues and

¹ Decision of the European Commission dated 26/02/2006 on the Strategic Guidelines for rural development (2006/144/EC).

push the Member States to use complex instruments that go beyond the Leader approach which, while presenting new features than ever before, has specific objectives and reference territories (the most rural areas) clearly identified and can only meet some of the rural development policy objectives.

The National Strategic Plan provides different integrated approach instruments to face a strategic system aimed to 'fighting' the problems of the agricultural sector and the rural areas via policies that are aimed to make interventions efficient, are able to involve users in the basic needs identification process, and are also able to ensure transparency and simplification of administrative rules for potential beneficiaries. As well as the Leader initiative, the national strategy involves the use of Integrated Territorial Projects (ITPs), Integrated Supply Chain Projects (ISCPs) and Farm Packages (FPs).

1.2 Integrated projects in rural development policy: genesis and features

Integrated Projects are not new. The processes of local development policies integration are a tradition well-established in Italy due to public intervention. Since the 80s have been implemented various tools and procedures (Employment Pacts, Territorial Pacts, Leader, Integrated Territorial Projects, Supply Chain Agreements, to mention just a few) to support interventions organically linked and finalised to a sectoral or territorial development plan. Their purposes are to concentrate financial resources in homogenous intervention contexts, to involve the socioeconomic players into the development dynamics, to encourage the process of sharing and communication with local institutions and to support the administrative decentralisation to better orientate interventions with regard to the specific local needs.

Integrated projects support the creation of systemic relations between subjects of different nature and propose more complex and structured solutions to deal with sectoral or territorial issues.

With the 2000-2006 planning for the Ob. 1 southern Regions, the integrated approach to development becomes one of the key elements of the management of community policies linked to the implementation of European Union Structural Funds. The Regional Operational Programmes (ROPs), having a strategic objective – social and economic convergence towards average European development targets –, already have an integrated approach which contribute all the European

policies co-financed by Structural Funds: the Regional Development Fund (RDF), the European Social Fund (ESF), the fund for agricultural development – guidance sector (EAGGF-G) and the FIGF for measures in the fisheries sector.

In Italy, a strategic framework, focused on interaction of policies, corresponds to a strategy based on measures able to exploit on a *set of intersectoral actions closely coherent and linked each other, converging towards a common territorial development objective and justifying a unitary implementation approach* [Community Support Framework, section 3.10], i.e. the Integrated Projects². In the CFS, the integrated planning plays the role to support the concentration of resources on specific development objectives (local systems competitiveness, tourism development, infrastructures, etc.), identified by the individual Regional Operational Programmes, and the cooperation and agreement between public and private subjects in order to determine the project and thus the idea for intervention.

All the ROPs implement the integrated planning in different ways. In generally, implementation requires a public-private partnership that proposes a composite intervention project based on a founding concept involving a number of measures provided by the programme. Essentially, the integrated approach is territorial, focused, above all, on infrastructural interventions and on the activation of services for the population and the economy. There are also interventions that favour enterprises and local human capital; however these interventions, at least in financial terms, can be considered residual effects compared to public actions.

Compared to the implementation provided by the CFS, two are the prevalent approaches to integrated project management, even if they are not illustrative of the variety and complexity of the projects' organisation and structure. The experiences of Basilicata and Sicily and part of those in Campania and Calabria give the ITP a very strong territorial configuration that corresponds to a management unit (the development agency) concentrating on itself having the responsibilities for the planning and management of the interventions. The public connotation of the partnership is strong while the economic and social actors play mainly an advisory role in the management of the programme. The approach to development is multisectoral and exploits a founding concept that summarises the potential of the territory which is the subject of the intervention.

2 For an in-depth analysis of integrated planning dynamics during the 2000-2006 planning period, see C. Zumpano 'Lo sviluppo locale integrato nella programmazione 2000-2006: le opportunità per il settore agricolo e rurale' in INEA 'Le Politiche comunitarie per lo sviluppo rurale. Il quadro degli interventi'. INEA 2002.

The second way of interpreting the ITP appoints to the instrument a markedly sectoral role which involves different types of planning, intervention management and partnership which depend on the nature of the sector which is the subject of the intervention. Even in this case, the public management prevails due to the nature of the projects implemented (mainly projects in the tourism sector, for the valorisation of historical, natural and landscape assets, for civil infrastructures), the management of the interventions depends significantly on the Region, whereas the planning and organising functions are delegated to partnerships.

One-hundred and fifty six ITPs were implemented in the seven Ob. 1 Regions for more than 5 billion euros of public financial resources (equivalent to 16% of the public resources for ROPs) of which about the 8% was allocated for the agricultural sector or for rural areas (table 1).

Table 1 – The ITPs in the 2000-2006 ROPs of the Ob. 1 Regions

Region	ITP nr.	Financial resources allocated (m euro)	Referred EAGGF - guidance section
Basilicata	10	310	23%
Calabria	29	428	-
Campania	51	2.035	-
Molise	7	63	17%
Puglia	10	714	20%
Sardegna	13	353	12%
Sicily	36	1.342	13%
Total	156	5.245	8%

Source: Bianchi et al. 2008

The ROP of Calabria includes Integrated Supply Chain Projects (ISCPs) and Integrated Projects for Rural Areas (IPRAs) funded by the EAGGF-Guidance Fund; the same Fund supports the Integrated Rural Plans (IRPs) of Campania. The instruments, financed specifically by community resources for the agricultural sector, aim to develop an intervention approach that has at the centre of the action the agricultural entrepreneurs in the case of ISCPs and the rural communities in the case of IPRA and IRPs. Methodologically, the project requires a bottom-up intervention that involves local players who share an idea for action, the provision of interventions and therefore integrated funds focused on the development objective. The project is promoted by a public-private partnership, representing the economic and social interests of the community and, at the end, is in charge of the intervention management tasks.

Alongside the experience of the Ob. 1 Regions, Umbria's experience should be highlighted. In the second phase of implementation of its Rural Development Plan (co-financed by the guarantee section of the EAGGF), Umbria implemented the ISCPs. However, in this case, the instrument implementation procedure presents several differences compared to the Calabria experience. The ISCPs in Umbria respond to strategic choices taken by the Region aimed to support its most significant productive divisions and to encourage horizontal investments. In Calabria, the Supply Chain Projects are developed, in terms of partnership and reference divisions, through negotiation on specific choices made by the economic actors; moreover, these projects have a socio-institutional dimension aimed to strengthen the relationships, to promote active participation of the subjects and to test new intervention models that strongly affect nature of administrative entities (Zumpano, 2007).

Table 2 – Integrated projects for agriculture and rural development in 2000-2006 planning

Region	Instrument	No. of partnerships	Financial resources allocated (meuro)
Calabria	ISCP	50	405
	IPRA	41	147
Campania	IPR	15	1,6
Umbria	ISCP	15	18,2
Total		124	608,8

Source: processing of regional data

The different approach to the instrument from the organisational and functional point of view is perhaps due to the contexts into which it was used. The Ob. 1 Regions implemented the integrated projects in carrying out a planning framework that promoted these instruments as a wider action strategy aimed to incentivise instruments that could lead to concentrate the action on specific territorial needs. Umbria implemented the ISCPs in carrying out a specific intervention programme, the RDP, whose operational mechanisms and objectives are geared to the needs expressed by the single enterprises or agricultural operators. The integrated planning is an attempt to systematise public intervention in favour of composite projects having an overall vision of the needs and requirements of the supply chain.

In any case, the different visions of the integrated approach can be found in

the modellisation provided for by the single Regions for the ISCPs, and in general in the modellisation of all the integrated interventions provided for in the 2007-2013 RDPs. Several Regions seem to propose integrated projects as an instrument to promote local and sectoral development with a clear negotiational and inclusive character; in others, the implementation rules tend to promote a 'soft' integrated planning aimed to develop cooperation between actors having common interests. In this case, the objectives are less ambitious and do not aim to initiate stable and long lasting engagement in wider local development processes.

The analysis of the measures on which the integrated planning model is based cannot, of course, avoid taking into account the Leader, namely the measure that proposed for three programming cycles and through axis 4 of the 2007-2013 RDPs the use of the Rural Development Policy based on a territorial, integrated and participatory intervention approach.

Leader is the experience of integrated approach planning and management from which all the Regions have drawn inspiration for drawing up their integrated projects, by capitalising its strong points and attempting to avoid its confusing or negative aspects.

1.3 Integrated projects: basic principles and regional choices in the 2007-2013 RDPs

Before getting into the presentation of the integrated instruments proposed by the 2007-2013 RDPs could be perhaps useful to describe the elements that shape the integration of a project.

To be defined as 'integrated', a project must respect certain basic principles:

- Bottom-up approach: the integrated project starts from the requirements of a group of actors who, identified the specific needs and then outlines a sectoral or territorial intervention strategy;
- Intersectorality: the integrated project is a complex project that attempts to involve all those who participate in a production process or who live and operate in a specific territory, creating specific synergies and influencing economic and social relationships;
- Coordinated use of several intervention instruments. The integrated project must allow access to several of the RDP intervention measures and eventually to other public policy instruments, in order to support all the interventions deemed useful for the purposes of the planned strategy;

- Presence of a specific development strategy. Integration between several subjects needs to be supported by a specific strategy that outlines peculiarities and justifies the actions undertaken within the project;
- Creation of a more or less structured partnership, whose members are representative of the interests of the sectors and territories involved. The partnership must have precise responsibility and ensure realisation of the project.

In addition, should be added the features that the instrument takes on when it is implemented at sectoral, territorial or business level. Specifically:

- The ISCP aims to create or boost the main agri-food supply chains and the forestry chain, and therefore needs to be a complex and integrated project that includes actions aimed at systematizing public intervention by calibrating it for the needs of the specific division;
- The ITP is aimed at activating public-private partnerships with the objective of activating development strategies for provincial or sub-provincial territorial areas;
- The Farm packages³ are characterised by horizontal integration. The beneficiary of the action is the individual farm, and the integration concerns the interventions that it activates (specific box).

3 Although the Business Package is an integration instrument promoted by the 2007-2013 NSP, it is completely different, in its characteristics, from the ISCP and the ITP. For this reason, the Farm packages is only touched upon briefly in this report.

The Farm packages

The Business Package is an integration instrument that benefits a single enterprise whose business development plan is based on the integration of several measures outlined in the RDP. Integration does not involve an entire system but just the individual beneficiary who gains access to a range of actions that are functional to its business needs.

The NSP indicates some of the model-types packages linked to the main strategic objectives of the rural development policy: a) the young people package, aimed at facilitating the first access of people under forty years old in agriculture; b) the women package, directed towards the creation or the improvement of businesses managed by women; c) the quality package to support businesses engaged in manufacturing quality products certified according to the community or national standards.

With the review of the NPS following the *Health Check* of the CAP, other packages have been introduced that are configured as instrument to implement the new planned actions and as support to achieve the additional objectives assigned to the Rural Development Policy. The environment package and renewable energy package go in this direction; they are instruments aimed at businesses whose objective is an environmentally sustainable development, and both are aimed at promoting integration of measures present in the axes 1 and 2 of the RDPs, combining purely structural interventions to interventions for the reconversion of traditional production methods that are typical of agri-environmental measures.

A 'health and safety' package has also been introduced to increase the workplace safety standards through the renewal of machines and equipments and intangible actions for introducing operational and management practices able to ensure improvement of working conditions in agricultural farms.

The regional planning has further extended the list of implementation themes of the Packages. The Puglia region provides Packages to promote reconversion of tobacco farms, the Packages of Lazio are designed for the businesses located in mountain areas, those of Emilia Romagna aim at the agro-energetic diversification of enterprises, and the Packages of Marche and Campania promote Business Competitiveness.

Even though the instrument was created to support interventions of an entrepreneurial nature, at the regional level its implementation was also addressed to public interventions whose objectives were linked to local action strategies. It is the case of Campania, which includes the implementation of 'Communal Clusters' to support local Public Bodies, i.e. the possibility for a Municipality to integrate several measures to support a specific social economic objective aimed at the collective good of the area.

1.4 The integrated approach in the Rural Development Policy: an overview⁴

The integrated approach is widely used in numerous RDPs and appears to be the leading motif of the whole planned intervention strategy (table 3). It is the case with Regions such as Puglia, Liguria and Friuli Venezia Giulia, which, aside from providing many integrated implementation instruments, seem to wish to manage a substantial part of the intervention programme through concentration and participation of local subjects. There are also regions that, on the other hand, have a particularly wary attitude towards complex projects. The RDPs of Trento, Bozen, Abruzzo and Molise present only vague signs towards the possibility of using integrated instruments and actually they are implementing only Leader integrated territorial planning and giving it a limited role both in terms of resources and implementable measures (generally related to the axis 3).

Table 3 – The types of integrated projects provided for in the 2007-2013 RDPs

	Farm package	Integrated supply chain project (ISCP)	Integrated Territorial Project (ITP)
Abruzzo	X	X	
Basilicata	X	X	
Bozen	X		
Calabria	X	X	X
Campania	X	X	X
Emilia Romagna	X	X	X
Friuli Venezia Giulia		X	X
Lazio	X	X	X
Liguria	X	X	X
Lombardia	X	X	X
Marche	X	X	X
Molise	X		
Piedmont	X	X	X
Puglia	X	X	
Sardinia	X	X	
Sicilia	X	X	
Umbria	X	X	X
Tuscany		X	
Aosta Valley	X	X	
Veneto	X	X	X
Total	18	18	11

Source: RDP 2007-2013

⁴ This report, as declared in section 1.3.3, only analyses ISCPs and ITPs and other similar instruments, i.e. all those forms of integration that involve several social economic subjects in the planning and implementation process.

The 16% of the public resources (table 4) allocated for the RDPs is managed according to the criteria for integration of measures in the framework of complex action projects (ITP, ISCP and Leader Approach), and half is linked to integrated supply chain and territorial projects.

Table 4 – The public resources destined for the integrated approach and the weight on the total 2007-2013 RDP resources

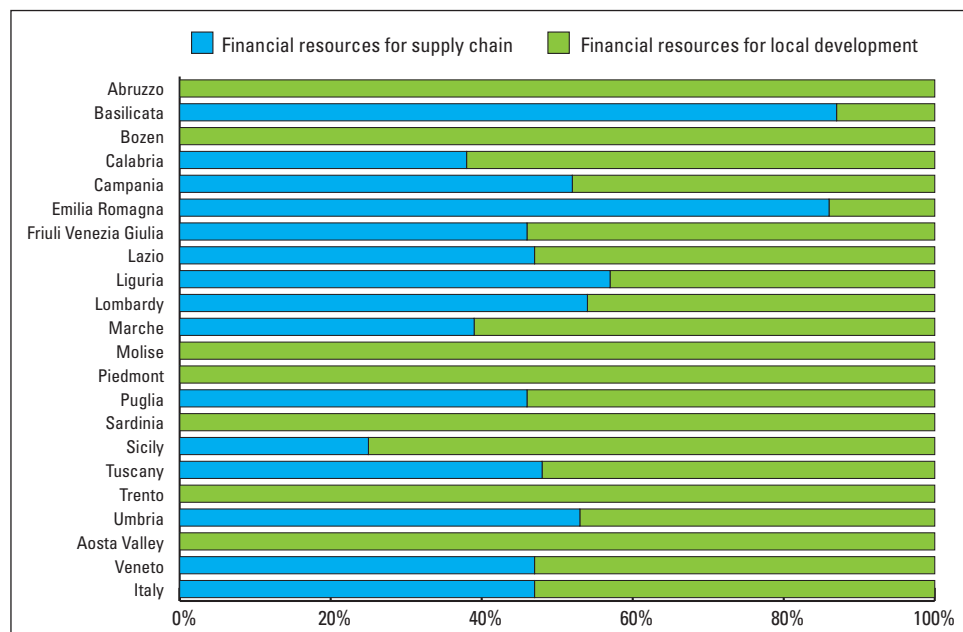
REGION	RDP financial resources (a)	Financial resources for integrated approach instruments				Integrated approach on RDP total resources (e/a)	Integrated projects on RDP total resources (b+c)/a
		ISCP (b)	ITP (c)	Leader (d)	Integrated approach (e=b+c+d)		
Abruzzo	412.776.677	-	-	21.467.159	21.467.159	5%	-
Basilicata	671.763.816	90.000.000	-	38.885.219	128.885.219	19%	13%
Bozen	332.334.698	-	-	15.716.023	15.716.023	5%	-
Calabria	1.089.901.667	72.609.960	96.600.000	62.334.100	231.544.060	21%	16%
Campania	1.813.586.205	168.000.000	107.580.000	85.814.269	361.394.269	20%	15%
Emilia Romagna	1.057.362.015	161.786.299	-	51.533.000	213.319.299	20%	15%
Friuli V. G.	266.779.453	23.626.000	19.331.000	16.068.739	59.025.739	22%	16%
Lazio	703.933.072	44.996.021	41.000.000	39.325.091	125.321.112	18%	12%
Liguria	292.024.136	7.500.000	6.398.089	54.383.077	68.281.166	23%	5%
Lombardy	1.025.193.491	61.606.179	17.444.074	56.349.032	135.399.285	13%	8%
Marche	486.415.566	33.500.000	25.550.910	27.589.091	86.640.001	18%	12%
Molise	207.870.962	-	-	10.198.545	10.198.545	5%	-
Piedmont	980.462.992	-	-	58.409.091	58.409.091	6%	-
Puglia	1.617.660.219	191.308.000	-	294.014.588	485.322.588	30%	12%
Sardegna	1.292.253.805	-	-	169.926.136	169.926.136	13%	-
Sicily	2.185.429.544	25.000.000	-	126.675.319	151.675.319	7%	1%
Tuscany	876.140.965	45.000.000	-	85.914.476	130.914.476	15%	5%
Trento	280.633.361	-	-	17.142.857	17.142.857	6%	-
Umbria	792.389.362	22.473.185	7.050.000	40.540.682	70.063.867	9%	4%
Aosta Valley	124.429.303	-	-	8.875.000	8.875.000	7%	-
Veneto	1.050.817.667	95.500.000	46.335.000	100.614.250	242.449.250	23%	13%
Total	17.560.158.976	1.042.905.644	367.289.073	1.381.775.744	2.791.970.461	16%	8%

Source: 2007-2013 RDP, integrated projects implementation calls

To date, 14 Regions have put out to tender the resources of the ISCPs, while only nine are also implementing forms of integrated territorial planning (table 4). It is interesting to note that those who have not yet bet on the integration instruments have been the smallest regions (Aosta Valley, Abruzzo, Molise and the two autonomous Provinces of Trentino) and the ones (Piedmont and Sardinia) which, despite having lots of experience in using integrated instruments or incentives for collaboration, have chosen not to use this approach in the RDP implementation. These last Regions have preferred not to measure up to the procedural complexities generated by activating the integrated projects.

In strategic terms, at a national level the integrated approach is equally spread between interventions to support the agri-food competitiveness (ISCPs and Leader resources related to axis 1 of the RDP) and the territorial interventions provided for by the ITPs and the Leader through the implementation of the axes 2 and 3 of the RDP (figure 1). The Regions have used the available instruments in a complementary way, trying to reach the strategic objectives of the Programme using the mode of action most suitable and avoids creating overlaps between the individual instruments.

Figure 1 – The resources assigned to the integrated approach for strategic objective



Source: Regions

There are also cases of Regions that have strongly addressed the complex planning instruments towards a specific objective. Basilicata, Emilia Romagna, Lombardy and Puglia have focused their intervention strategies on the agri-food sector. The integrated planning of the supply chain tends to support essentially entrepreneurial partnerships while the Leader aims to the promotion of niche agri-food products whose commercial competitiveness is strongly linked to the image of their territory of origin. The Regions where is concentrated the main percentage of the Italian agri-food sector (Emilia Romagna, Lombardy and Puglia) have opted for a strategy functional to the goals of sector-based competitiveness. Therefore it is easy to imagine that, in the same Regions, planning also responds to the needs of the partnership involved in the consultation phases of the RDP in which the main actors of the agri-food supply chain are strongly represented. Integrated plan of the supply chain has become functional to the need of an efficiently intervention and, in a systematic perspective, to the needs of the primary sector supporting shared projects aimed at coordinating the public funding action.

Territorial integration of planning activities was adopted in a more generic way in order to support local planning strategies whose objectives vary according to the intervention area and the actors involved in the aggregation processes. The Leader method has an implementation dimension that although not always effective and efficient, supports the achievement of specific objectives (local governance, concentration of the interventions, actions on territories with certain characteristics), and it is often difficult to recreate the exact conceptual dimension in which the integrated territorial planning moves. The objectives change from Region to Region, as well as the activated procedures and the subjects involved in the processes. Integrated territorial planning has been interpreted as an instrument to be adapted according to the specific intervention objectives.

However, it is given that during this planning phase, a new concept of intervention instrument has been established aimed to support partnership practices, the concentration of resources on specific objectives and also, as we will see further on, a new way to manage, by the administrations, the public interventions on the Rural Development Policies.

CHAPTER 2:

INTEGRATED SUPPLY CHAIN PLANNING⁵

2.1 Integrated supply chain planning in the RDPs

In order to meet the different needs of farms, productive sectors and territories and, at the same time, ensure the effectiveness of the interventions, the 2007-2013 National Strategic Plan has identified procedures and tools able to improve the planning and the management of the interventions promoted by the Rural Development Plans. Among the different funding opportunities offered, the integrated supply chain projects represent one of the most innovative instruments, both in terms of access to public funding by the economic actors of the primary sector and for the potential effects they could have on the Italian agriculture.

Even in the different regional variations, the ISCP is characterised by few common aspects:

- the variety of the objectives to be integrated into a general strategy;
- the combination of support and incentive instruments at the service of intervention strategy;
- aggregation of financial resources around a project idea;
- integration between stakeholders of the production chain (from raw materials to marketing the finished product);
- the coordinated action, aimed at giving back economic benefits to all the stakeholders;
- the use of all the different expertise and competences needed to plan and carry out the interventions.

From the procedural point of view, the supply chain project proposes a sectoral intervention strategy and at the same time collects the different individual demands imputable to the development objectives of the supply chain. Public fun-

⁵ The analysis contained in this chapter follows the classification of the integrated projects referred to in section 1.3.1 of chapter 1. Therefore, it takes into consideration as well as the ISCPs in the strict sense, also the integrated forestry chain projects of Friuli Venezia Giulia and Veneto, the collective actions of Friuli Venezia Giulia and the collective Projects of Emilia Romagna and Umbria.

ding is assigned to the individual demands of intervention, which must be coherent and relevant to the collective reference project.

The ISCP is based on the supply chain agreement, that stands for the formal contract establishing objectives and operational strategies, commitments and obligations that each party is obliged to keep as well as the specific role and individuals responsibilities; following project approval, all that is shared and signed up by all the stakeholders. One of the most recurring obligations concerns the concession and commercialisation of the product: a farm that adheres to the ISCP contracts the obligation of giving to another ISCP member a percentage of their own production. This is one of the most important aspects of supply chain planning, whose objective is to create stable and equal relations along the agri-food sector supply chain. In this sense, the ISCP could be the instrument that, due to negotiation between the different interests in order to achieve a common objective, could initiate the processes of recomposing the fragmented panorama of the Italian agri-food sector.

2.1.1 *Collective actions and projects*

Alongside the ISCPs, Friuli Venezia Giulia, Emilia Romagna and Umbria have provided integrated instruments whose operational dynamic has been simplified but which however fits in with the integrated supply chain approach. We are dealing with collective actions and projects whose objective is the intensification of relations between agricultural operators aimed at strengthening and integrating the a single supply chain segment and to achieve a specific productive or environmental result. The collective action is translated into a simplified integrated supply chain project since this allows more operators of the same sector, productive segment or territory to present their financial resources request for a coordinated series of interventions, without the explicit objective of building structured relations between the stakeholders through formal partnership agreements. Collective actions and projects do not provide for the formalisation of specific agreements between stakeholders, but they are used to present a common project of intervention.

From the operational side, the Friuli Region has implemented the Collective Actions (CA) with the aim of being able to have a instrument complementary to the ISCPs and at the same time effective in achieving the objectives related to production quality improvement, conversion of the productive orientations, rationalisation of use of water resources, launch of new productions and use of agricultural and

forestry biomasses as sustainable and renewable energy sources, environmental protection and improvement. The CAs can refer to different measures of the RDP and provide for the aggregation of at least five stakeholders located in a homogeneous territory and whose interventions are congruent to the chosen objective. Access to the provided measures is obtained through the presentation of a project that puts forward the reasons of the integration and includes the project sheets of the potential beneficiaries who participate in it.

The Collective Project of Emilia Romagna and Umbria is similar to the CA. The collective project requires an agreement between enterprises who commit to using a measure - generally provided for by axis 1 of the RDP - whose actions can be assimilated and coordinated with each other. The project must aim to a specific objective and the individual enterprises are committed to fulfilling that objective by providing a share of the investment related to the joint action strategy.

2.2 The implementation route of the Integrated supply chain Projects

Integration of different measures of the RDP in an integrated supply chain project should improve the effectiveness of the interventions and reinforce the aggregation between the operators of the sector and it should not be a mere alternative to the individual funding demand approach. Starting from this objective, the NSP has considered that the ISCPs must be based on a management procedure that respects the principle of integration of the interventions and the stakeholders; however, the identification of the operational procedures to implement the proposed integration methods have been transferred to the regional Rural Development Plans.

Analysing the submission procedures of ISCPs, emerge numerous differences pointing out deeply different approaches, both in terms of administrative management and of the objectives of the project implementation. The operating mechanisms have been influenced by experiences matured, at a local level, in the management of similar interventions and from the necessity to build an instrument, not provided for by the regulatory approach, which can adapt itself to the rigid operating rules envisaged by the implementation of the RDPs. All of this has contributed towards an heterogeneous setup that often presents antithetical structures, thus making it difficult to describe the instrument in a univocal way.

The management of the process size tends to define the nature of the pro-

jects and the relational dynamics that are activated between the stakeholders, and between the latter and the regional administration. The above dynamics tend to take on different nature depending on whether they are managed directly by the supply chain partnership or guided by the Region - the subject that grants financial aid. The management process can therefore be defined as being 'locally directed' in the cases where a whole series of programming or decision-making aspects is attributed to the individual project partnership; otherwise we find ourselves faced with a 'regionally directed' management where the rules of the game are strongly determined by the RDP management authorities.

'Regionally directed' management occurs when the RDP's gives itself a role in the harmonisation process that leads up to the definition of the supply chain project. This, as we will see, can take place in different ways and can have a greater or lesser level of incisiveness. In any case, the *intervention* of the public subject concerns all the phases that entail the sharing of action strategies and the planning of roles and responsibilities among subjects. Schematizing the ISCP implementation process to the maximum, the 'regionally directed' management becomes clear in the identification of specific intervention areas and settings; with the direct and structured management of animation and technical assistance; through a process of intervention implementation structured on several phases and with different levels of assessing eligibility for funding; through the definition of strict selection criteria (figure 2).

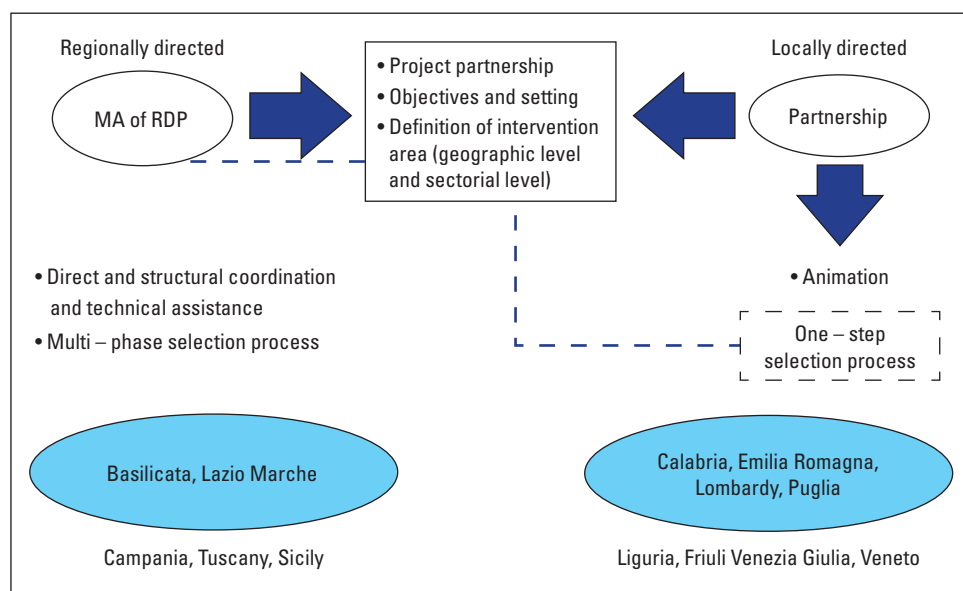
The leading role that the Region plays in the planning of the ISCPs is also highlighted by the role and responsibilities assigned to the supply chain partnership. The Regions most involved in the implementation process are those that provide for the formalisation of the partnership as a legal person and assigning the management of monitoring and control activities as well as the direct management of some measures to the partnership (system measures intended for the whole partnership and functional for its operation). This assignment of roles at first sight may seem a paradox: why are functions assigned to a subject whose planning and organising process has been guided and limited? Actually, it is just because it is guided and limited that the managing subject of the ISCP is aware of its responsibilities and of the rules that the rural development policy must respect. In the process of public consultation, relationships of trust tend to be created and at the same time specific needs emerge that, if mediated and guided, can give the sense of responding to the specific needs of the sector and not to the interests of the lobbies.

The Regions that have set up integrated project management according to

a local management model tend to prefer the bottom-up approach, which brings to light specific intervention needs and relations between subjects that are already partly established. In this case, the choice of the territory or area of intervention and the management of the activities for actors' involvement is left up to the subject who decides to submit a proposal for an ISCP. There are no direct interventions by the Region during the submission stages of the ISCP proposal. However, a planning process delegated (completely or in part) to the actors corresponds to a limited role for the partnership, which in most cases does not take any specific legal form and is guided by a leader subject whose functions are mostly organisational.

In the different Regions, the process for setting up the ISCPs goes from delegation of all the organisational functions to the partnerships, as provided for in Lombardy, to a strong presence and influence of regional technical structures, as provided for in Lazio, Basilicata and Marche (figure 2); passing through procedures that tend to prefer, with different levels of intensity, the locally directed management model, in which the Region accompanies the process, or rather the regionally directed management model, where the partnership has a certain level of autonomy.

Figure 2 – The management models of the ISCPs



Source: our elaborations

Starting from the identification of the two management models of the ISCPs described above, the analysis of management procedures adopted at regional level was carried out. It attempts to linger on those dimensions of the implementation set up that are capable of giving a logical framework to the project construction process, which is functional to the need to assess the efficacy and effectiveness of these instruments. For this reason, we have read the call for proposals paying particular attention to the following:

1. purposes, objectives and priorities of the instrument;
2. identification of the measures that can be activated and determination of financial aspects;
3. identification of the integrated supply chain planning actors (partnerships) and formalisation of the supply chain agreement;
4. identification of the procedures for submission of proposals for integrated projects, selection criteria, animation and technical assistance procedures and methods for examination of applications.

2.2.1 Objectives, measures implemented and financial resources: interpretations of regional strategies

The action of the ISCPs aim to ensuring better integration of the different measures contained in the Regulation on rural development at the production chain level. This instrument focuses on the agricultural or agri-food supply chain and reflects the more sectoral component of rural development. The ISCPs provide support to the productive divisions and to the territories where the production process takes place, by facilitating the processes of aggregation of the economic subjects in order to promote a planning and the overall intervention approach which is shared by subjects operating in the individual divisions.

The main purposes attributed to the ISCPs are the following: promotion of the integrated approach, experimentation and reinforcement of partnership practices, improvement of the offer of local collective assets, consolidation of networks and creation of capital, creation of conditions for a fairer re-distribution of the added value among the different segments of the agri-food supply chains and improvement of work quality.

The typical and natural objectives of the instrument, such as supply chain integration, achievement of organisational improvements in terms of aggregation or cooperation between operators for the development of a productive sector and

sharing of a common planning approach, are expressed in around half of the calls for proposals.

Other specific objectives connected to the primary purposes of the development of a regional production sector are added to the general objectives: increase of added value in all the sector's segments, growth of competitiveness and orientation towards the supply chains' market. Ways to enhance competitiveness are numerous in each Region and the mix that one chooses from time to time to give greater emphasis varies according to the characteristics of the regional agri-food sector.

The choice of measures to be activated through the ISCPs is closely linked to the regional strategy, identification of areas of intervention and the identified general primary objectives that are to be met by using the instrument identified.

Table 5 – RDP Measures⁶ that can be activated in the integrated supply chain planning by Region

Region	Measures													Axis II	Axis III
	111	114	115	121	122	123	124	125	131	132	133				
Basilicata	X	X		X		X	X			X	X		311, 312, 313, 331		
Calabria	X		X			X	X				X				
Campania	X	X	X	X	X	X	X	X	X	X	X				
Emilia Romagna	X	X		X	X	X	X			X	X				
Friuli Venezia Giulia				X	X	X	X	X			X	214, 216, 221, 223, 226, 227			
Lazio	X	X	X	X	X	X	X	X		X	X				
Liguria	X	X				X	X	X							
Lombardy	All RDP measures														
Marche	X			X	X	X	X			X	X		311		
Puglia	X	X		X	X	X	X			X	X				
Sicily				X	X	X		X			X		311		
Tuscany		X		X		X	X	X		X	X		311		
Umbria	X	X		X		X	X	X		X	X	214, 215	311		
Veneto	X	X		X	X	X	X	X		X	X				

Source: 2007-2013 RDPs and call for proposals for ISCP implementation.

⁶ To help reading the tables and text, Annex 2 contains the complete list of the measures proposed by Reg.1698/05.

The intervention has a sectoral dimension with actions aimed at facilitating the improvement of competitiveness of the member farms. For this reason, most of the regional strategies include in the instrument above all, if not exclusively, the measures of axis 1 (table 5). With the exception of the measure of first assignment of young farmers (112) and of early retirement (113), which in fact can only be used in Lombardy, the other measures are activated in a more or less extensive way by all the Regions.

Generally, in structuring the ISCP calls are defined two types of measures that can be activated:

1. **System measures.** Measures aimed to human capital (111, 114 and 115), to cooperation for the development of new products, processes and technologies (124) and to product quality (132 e 133), i.e. all those interventions that can have consequences on the whole supply chain fall into this category. These are entrusted to the direct management of the partnership or to a subject identified by the partnership. This management of the measures ensures that, among other things, the partnership has the possibility of carrying out a synergistic action to support the process of integration between the different actors of the supply chain.
2. **Structural measures:** all the measures whose the ultimate beneficiary is the single stakeholder involved in the supply chain project. The measures that facilitate investments in agricultural, agri-food and forestry businesses (121, 122 e 123) fall into this category as well as, where planned for, measures for the diversification of the agricultural farm (311) or for actions able to facilitate environmental sustainability of primary production.

Among the measures of Axis 1, the activation of the measure 121 'Modernisation of agricultural farms' and measure 123 'Increase in the Added Value of agricultural and forestry products' are still planned and represent the basis for

7 The only exception is the Calabria Region which does not plan to activate measure 121 and will base its interventions for physical capital only on measure 123. This choice, which actually distorts the concept of a chain, was adopted by the Region with the consideration that the current ISCPs could be a continuation of those already activated during the 2000-2006 planning period. Above all these ISCPs had planned interventions in favour of the primary sector and for this reason the Region wanted to use the new ISCPs as a complementary instrument aimed at supporting the processing and transformation phases of the agricultural products. During the first implementation phase of the RDP, the strong participation from new partnerships and the need to consolidate those created in the last planning highlighted the weakness of measure 121 as a limit of the approach adopted and in fact opening up a reflection on its possible re-introduction.

merging the primary production stage with the processing and marketing of products. Furthermore, the activation of measure 124 'Co-operation for the development of new products, processes and technologies' is required by almost all the Regions. This choice highlights a specific objective of the ISCPs, namely the desire to create aggregation processes that, apart from farmers, involve other supply chain subjects through solid agreements that ensure the placement and fair price for agricultural goods and also ensure that innovations are brought and shared between partners and above all with the partners of the primary sector, who often are not able to keep up with the process and product changes which require a considerable capacity for technological and organisational renewal.

To ensure greater effectiveness of the ISCP planning instrument in achieving the objectives set, several Regions have outlined flexible supply chain projects – in terms of measures that can be activated and objectives to be achieved – going further than the 'classic' measures for competitiveness, engaging objectives of wider scope in the intervention logic for the agri-food supply chain. Therefore, the ISCPs translate into a instrument that is entrusted with the ability to combine the logic of production to the requirements of environmental protection and conservation and the development of rural areas in which the planning is developed. Integrated projects act potentially not only along the supply chain but also in the context in which it operates, supporting diversification actions of the agricultural activity and integration with the other activities present in the territory in which the farms operate. Regions such as Friuli Venezia Giulia, Umbria and Lombardy provide for the activation of some measures of Axis 2 'Valorisation and improvement of natural and landscape resources' and Axis 3 'Quality of life and diversification of agricultural activities', thus constituting Integrated Projects suited to agri-environmental protection and at the same time interaction between sectoral and territorial dynamics.

Marche and Basilicata are implementing measures of Axis 1 and Axis 3, favouring interventions that support production chains of a small size that can find development opportunities in the combination of agriculture with tourism. It is not a coincidence that these two Regions are characterised, with just a few exceptions, by supply chains that are not very specialised, small in size and linked to quality products that often are not able to take on the market due to the small quantity produced. Linking the business interventions with those of territorial valorisation tends to create a commercial outlet for agricultural farms that translates into an element of territorial promotion over time whose effects indirectly are beneficial to the whole local economy.

From the setting of the integrated supply chain planning of Marche and Basilicata, also for the reasons explained above, the strong territorial value of the instrument emerges. Both Regions have distinguished between *Local Supply Chains* (*Supply Chains of quality agri-food products* in the Marche region and *Territorial Supply Chains* in the Basilicata region) and *Regional Supply Chains*. The first are aimed at achieving a synergistic effect between agriculture and territory through the presentation of projects related to products that have a strong link to the territory and that are able to contribute towards the valorisation of the area of origin and at the same time can benefit from the quality of the local landscape to maximise its commercial image. However, the regional supply chains involve a significant sectoral production in comparison with the regional production and are aimed at creating conditions to growth in certain sectors of regional agriculture.

The Basilicata Region has also planned for the implementation of 'Integrated projects for proximity supply chains and Protected Areas' through the issuing of an exploratory call for proposals aimed at checking if there are groups of potential beneficiaries interested in projects of this nature. The ISCPs for proximity and protected areas are aimed at supply chains '*which permit to valorise quality agriculture of the Parks and all the aspects linked to typical productions of a territory (tradition, culture, healthiness, authenticity, craftsmanship) supporting aggregation, on a purely territorial scale, of local farms and operators linked to a selection of products belonging to different sectors or small marginal productions whose interests cannot be represented within traditional supply chains*' (De Vivo *et al.*, 2010). The instrument is aimed to Park areas (supply chain of protected areas) and to the proximity supply chains aimed at bringing smaller producers to the regional market with specific focus on tourism centres, the administrative centres of provinces and the more densely populated areas.

The financial resources assigned to the Supply Chain Projects are a clear demonstration of the strategic role that these fulfil reaching view of achievement of the RDP's development objectives. The budget prevision amounts to just over 1 billion euros (table 6).

Table 6 – Public resources activated for integrated supply chain projects in the RDP

Region	ISCP financial resources	RDP financial resources	Axis I RDP financial resources	ISCP/RDP	ISCP/Axis I
Basilicata	90.000.000	671.763.816	180.941.772	13%	50%
Calabria	72.609.960	1.089.901.667	435.496.350	7%	17%
Campania	168.000.000	1.813.586.205	702.255.515	9%	24%
Emilia Romagna	161.786.299	1.057.362.015	448.472.361	15%	36%
Friuli Venezia Giulia	23.626.000	266.779.453	116.648.976	9%	20%
Lazio	44.996.021	703.933.072	330.359.690	6%	14%
Liguria	7.500.000	292.024.136	148.122.900	3%	5%
Lombardy	61.606.179	1.025.193.491	366.942.815	6%	17%
Marche	33.500.000	486.415.566	205.598.182	7%	16%
Puglia	191.308.000	1.617.660.219	635.539.080	12%	30%
Sicily	25.000.000	2.185.429.544	893.410.000	1%	3%
Tuscany	45.000.000	876.140.965	346.921.967	5%	7%
Umbria	22.473.185	792.389.362	306.811.043	3%	7%
Veneto	95.500.000	1.050.817.667	481.165.922	9%	20%
Total	1.042.905.644	13.929.397.178	5.598.686.573	7%	19%

**The grey boxes refer to regions that in the ISCPs also activate resources of other axes (cf. table 6)*

Source: Implementation calls and ISCP rankings

In the light of the choices of financial allocation made by the Regions, the 15% of the RDP resources reserved by the Emilia Romagna Region, the 12% of Puglia and the 9% of Veneto and Campania stand out. However, the strategic value of the integrated supply chain planning increases if the resources destined towards it are compared with those allocated by RDPs to competitiveness (axes 1), around 19% of these resources are activated through the integration instrument. The Regions have paid great attention to this type of instrument, even if its objective is not always clear. In fact, in the calls for proposals, the implementation procedures and administrative rules are particularly confused that seem to want to reshape the instrument during the implementation phases.

2.2.2 The actors of integrated supply chain planning: their nature and functioning

The distinctive element of integrated planning, in comparison with traditional funding procedures, is the sharing of intervention strategies by a partnership from different backgrounds. The partnership, representing the interests and

objectives of a number of subjects, signs an agreement and puts itself forward to make investments through the use of the RDP's measures in order to contribute to the successful achievement of the initial objective.

In the supply chain projects, the partnership represents the social and relational dimension of the project: in fact, it is through the partnership that information and resources are made available thus allowing the actors to use theirs better, both in financial terms and skills and methods used, thus achieving their objectives which in theory coincide with those of the development of the supply chain project (Marcianò *et al.*, 2008). Ultimately, the financial and physical capital potentially available with the ISCP funding is combined, through the partnership, in networks of contacts within the supply chain that increase the social capital which finds in the same partnership its own method of expression and action.

The amplitude and the composition of the partnership tends to strongly influence the project and its implementation. The subjects that join together to create an ISCP are first and foremost agri-food entrepreneurs, both individual and grouped. The objectives of the integrated supply chain planning are of an entrepreneurial nature and for this reason it is normal that the initial union nucleus is made up of farms that through the instrument tend to rationalise their relations and create a joint development strategy. It is just as normal that the idea of presenting the joint project came about in a 'restricted environment', between subjects who normally collaborate together. But since by definition, the supply chain does not end in the early stages of agri-food production, it becomes necessary to involve, depending on the objective of the project, a number of actors whose activities are not strictly identifiable as agri-food but by participating in the project could facilitate the achievement of the objectives.

The nature of these third parties varies depending on the regional tenders. The Regions that provide a 'local management' framework for action require partnerships made up only of enterprises and see the supply chain as an agreement aimed at binding the relationships between subjects directly involved in the production process. The only exception is the research associations that, through co-operation projects activated with the measure 124, can become a part of the partnership.

Where 'regionally directed' management prevails, the participation of public subjects is planned (for example local and public Associations, Chambers of commerce, Universities and Research Institutes, Land management Consortia, etc.) with the final aim of encouraging cooperation and interaction between subjects with different functions who operate in the same context. In this case, the ISCP is

assigned a role of encouragement for the construction of social capital aimed at creating an atmosphere of sharing and cooperation between the entrepreneurial bodies and the socioeconomic ones of the area involved in the project. The ISCP has the objective of facilitating territorial governance procedures, by paying attention to the congruence between the identification of rural development objectives and the real requirements of local actors.

At the same time, the partnership's function is to be a facilitators for access to funding and realisation of the project. It ensures intermediation in the relations with public administrations by fulfilling a role of subsidiarity and closeness with the territory, which is something that the administrative structure finds difficult to accomplish without having to bear an increase in costs, and which is often only possible in contexts that are sufficiently aware of their role and functions. The decisional role which is 'delegated' to the partnership with respect to the animation and implementation activities of the ISCP also depends on this last factor.

As for the functions assigned to the partnership, the latter takes on a crucial role since it becomes the representative subject of the interests of the supply chain and territories, i.e. the subject that liaises with the regional administration and manages the relationships between the various actors involved in the supply chain project.

The partnership is also responsible, with more or less different shades, for the following roles:

- promote the participation of the supply chain operators through events and activities of interest;
- prepare and submit the Integrated Supply Chain Project;
- ensure the coordination and implementation of the interventions.

The partnership should nominate a subject as the leader who will be held responsible for all the tasks planned, except those which the individual beneficiaries are directly responsible for. Certain Regions provide that the partnership is a legal entity, pushing in fact towards the union of individual subjects into a single corporate, consortium or cooperative entity that summarises the different interests and the strategy that connects the operators in the project.

Other Regions, above all those characterised by a strong presence of subjects who operating in the agriculture sector and already cooperate with each other, allow that the project management functions are carried out by a subject who is clearly identified as the leader or by temporary partnerships (Temporary farm groupings or Temporary farm grouping for a specific purposes, respectively ATI and ATS in Italian) whose action tends to be limited to the duration of the sup-

ply chain agreement. The joint push of the ISCPs is, in this case, a lot weaker and could reveal itself to be exclusively aimed at obtaining the contribution which, in the setting of integrated projects, presents more favourable access conditions and a selection process that follows different dynamics from those used for the selection of individual beneficiaries of the measures of the RDP.

At the basis of the ISCPs is an agreement or contract between the project partners which is binding for all the contractual parties including, in general, the following elements:

- the objectives, goal and operations to be undertaken and that contribute to defining the general contents of the integrated supply chain project;
- the total amounts of product to which the contract refers and which the direct and indirect participants agree to maintain for the duration of the contract;
- the relations within the supply chain in relation to powers of representation, to the commitments concerning the completion of the single intervention in relation to the supply chain project, to the reciprocal responsibilities of the parties;
- the restrictions that link between them the different signatories of the supply chain contract in relation to the sale and purchase obligations and eventually the price parameters linked to the quality of the productions;
- methods of managing any reductions of aid in the case of failure to achieve the supply chain objectives and the related litigation.

The minimum duration of this agreement varies between three and five years from the conclusion of the investments. A typical feature of these agreements is the commitment to finding or conferring the raw material quantified in the supply chain agreement for at least a minimum quantity from the participating farms, through conferments or purchases and divestments resulting from the same agreement.

The agreement may regulate other elements in addition to those required, such as the eventual marketing and distribution of the finished product, the existence of guarantees, also of an economic nature, the withdrawal and transfer clauses, as well as every other aspect that is held relevant to achieve the goals and objectives of the agreement.

2.2.3 The activation procedures

The selection iter of the supply chain projects is relatively long and the ways through which the regional administrations manage it are complex and include multiple phases.

The management of the procedures is extremely different, so that it is difficult to outline a framework that summarises in a comprehensive way how the regions made the final selection of the projects. In principle, the implementation procedures may provide for up to 3 phases (table 7):

1. Gathering of expressions of interest from the subjects who intend to activate the projects;
2. Call for the selection of accepted partnerships and presentation of the supply chain projects;
3. Call for the collection of individual applications to support from the subjects belonging to the selected ISCPs.

Table 7 – Structure of ISCP implementation procedures

Region	Step 1 Expression of interest	Step 2 Call for ISCP presentation	Step 3 Collecting individual projects	Total of steps
Emilia Romagna				1
Friuli Venezia Giulia				1
Umbria				1
Lombardy				2
Puglia				2
Sicily				2
Liguria				2
Calabria				2
Basilicata				3
Campania				3
Lazio				3
Marche				3
Tuscany				3
Veneto				3

Source: ISCP activation calls

Several regions provide for the activation of all three phases. The submission of the expression of interest is intended as a reconnaissance phase that has the objective of identifying and publicising the project ideas to be inserted into the ISCP, around which the subjects of the supply chain can gather and from which drive the main actions of the integrated project. This phase is usually supported by animation activities and technical assistance managed at a regional level, that tends to promote consultation and agreement on initiatives and the actors' participation to the integration process. In this phase the Regional Administration tends to orientate sector level planning facilitating the processes of project concentration that promote the creation of large and representative partnerships. The submission of expressions of interest can seem, at first glance, a burden, but actually allows to solve many criticalities and to identify the corrective procedure to overcome these criticalities, thus ensuring widespread participation by all the supply chain subjects in the planning phase and avoiding critical situations further down the line (a high number of projects competing for the same resources) while ensuring a quick start once the project has been defined.

The partnerships that successfully pass the pre-selective phase can then present the definitive supply chain project. Passing this second evaluation process allows each partner to apply for individual funding request in compliance with the single measures of the RDP. Tuscany provides for the possibility of presenting the individual application as from publication of the eligibility ranking of the manifestations of interest, in order to reduce the time this phase would require following traditional rules.

Liguria and Calabria provide for two activation phases: submission of a manifestation of interest is followed by the submission of the ISCP complete with the individual projects. In this case the ISCP is evaluated as a whole, and funding is approved only for projects that whose objective are deemed to be complete. Jointly checking the conformity of the ISCP and of the individual projects as provided for by the call for funding proposals as well as ensuring internal coherence, allows to avoid on one side, problems of project interruption due to withdrawal of individual beneficiaries in the period between adhesion to the ISCP and submission of individual applications; and on the other side, cases of ISCP forfeiture due to inadequate quality of the projects to which individual applications refer.

It should be noted that the 'submission of the expressions of interest' phase can have different functions. In Liguria it served to calibrate the successive call for selection of ISCPs in terms of financial resources and measures to be activated. For Calabria, the expression of interest is a formal procedure, consequential to the

publication of the call, through which the proponent partnerships publicise their project proposal and gather together the adhesions of the individual farms that intend to participate in the final project.

Lombardy, Puglia and Sicily also provide for the activation of the procedure in two phases, but in this case the procedure starts directly with the release of the ISCP call for selection which is followed by the call for applications for individual aid connected to the ISCPs approved for funding.

Emilia Romagna and Friuli Venezia Giulia have activated the ISCP in one phase only. These Regions seem to have opted for a model aimed at selecting the integrated projects that most respond to the objectives of the call without particular orientation choices from the administration. The ISCPs is constructed directly by the sector's operators who autonomously define strategies and objectives within the limits provided for by the call. The Region adopts the single projects as a whole focusing the evaluation process on their internal coherence and outlining a competitive selection process aimed at selecting the best projects.

Though Umbria has adopted the 'competitive' activation procedure, it has released calls per sector (cereal and dairy) which de facto express specific directional choices made by the Region.

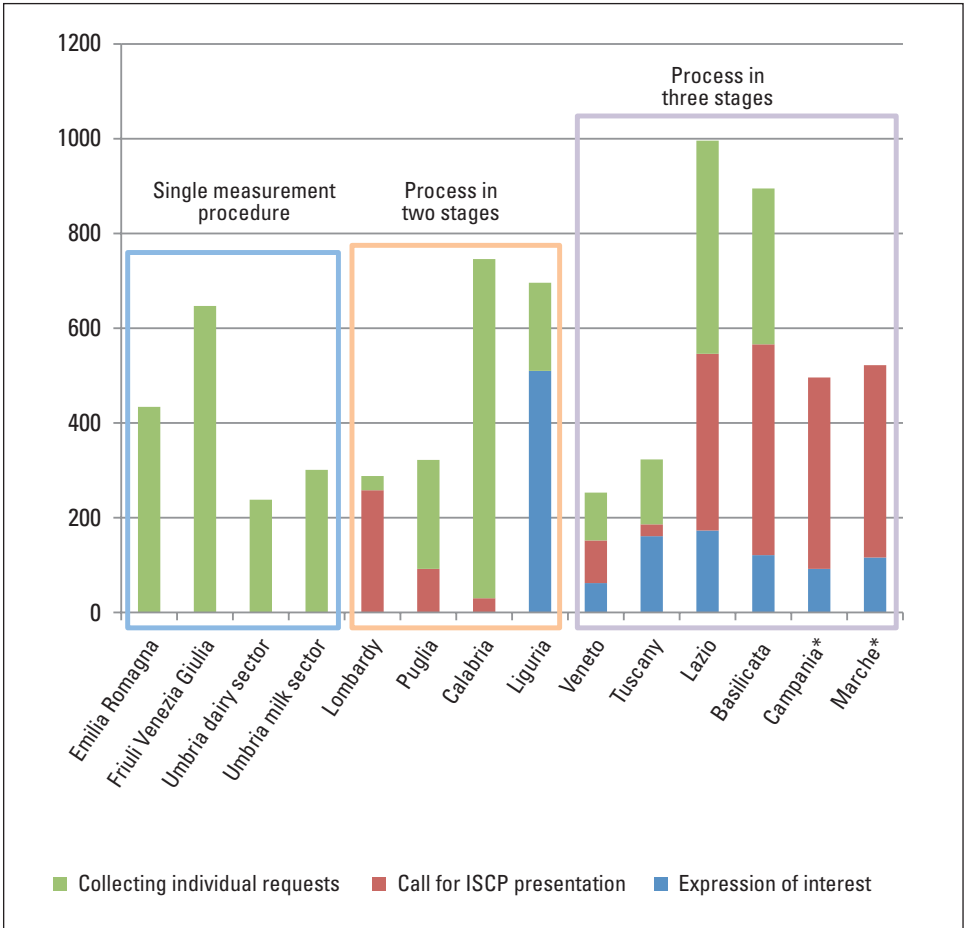
The procedure adopted for the submission of the ISCP can condition the success of the integrated project. The times and modes of application submission particularly influence the possibility for the supply chains economic operators to access the project partnerships.

The extremely structured implementation phases have translated into very long implementation times, because in many cases the main phases are accompanied by a series of intermediate phases that seem to replicate the selection procedures. On average, approval of the final lists of beneficiaries has taken two years (figure 3), a time which is unsustainable for realities in constant and sudden evolution such as agricultural farms; this is something which should significantly preoccupy the Regions that must follow the automatic decommitment rule for the ICPs' financial resources⁸ and ensure expenditure efficiency. The selection of the type of procedure has clearly influenced the implementation time of the ISCPs; complexity makes the procedure time-consuming, especially in case of insufficient regulation

8 The n+2 rule, provided for by art.32 of the Reg.1260/99 for the operation of Structural Funds for the 2007-2013 period is also extended to the ERDF. This requires that the resources used in accordance with the annual financial plan of the RDPs are spent within two consecutive years, otherwise the unspent quota is automatically decommitted and made available again to the community budget.

of certain steps during the initial procedures. Duration of integrated supply chain projects' start up is not exclusively attributable to the specific procedures adopted by individual Regions. Use of integrated instruments requires the regional administrations to make choices aimed at reorganisation of the Rural Development Plan management system. However, these choices that have not always been taken into consideration by the Regions and have actually created problems in the management of the instrument.

Figure 3 – Timing of integrated supply chain projects by phase as provided by the call (February 2012)



*Regions that have not completed the procedure

Source: our processing on regional documents

2.2.4 Animation activities and technical assistance

Whether activated through exploratory actions and ex ante analysis or included in the implementation procedures of the ISCPs, the animation and technical assistance activities are of absolute importance for integrated approach management. We should dwell on some aspects of this process that lead to a better definition of the implementation system of the integrated supply chain projects and highlights their strengths and weaknesses.

Nevertheless, as we have repeatedly stated, integrated project is not really a new concept. For the first time it takes on a strategic role in the setting of rural development policies and presents itself to actors (whether managers – including institutional ones – or beneficiaries of the instrument), who are mostly new to the access processes to such policies. This has meant that the regions, using completely different instruments and methods, activated: studies of similar policies, training and information for their staff, technical assistance with specialised staff. At the same time, with greater or lesser intensity, many regions have promoted assimilation of the concepts that are the basis of the integrated approach, of partnership creation and of drafting of projects.

As described in paragraph 2.2, two prevalent implementation procedures can be identified that translate into two different ways of seeing and interpreting the integrated approach. Several regions have adopted an ‘interventionist’ approach or, to use a more appropriate term, an approach that is characterised by ‘regionally directed’ management, with extremely structured calls for proposals which provide for a preliminary animation phase managed by the same Region, during which expressions of interest are collected and negotiation talks start for selecting partnerships and setting up the projects.

In this case, the Managing Authority guided the implementation process assuming orientation functions aimed at the valorisation of specific supply chains, avoiding proliferation of projects and partnerships that did not respond to the real needs of the regional agricultural sector. This type of approach was used by Basilicata, Lazio and Marche, regions where integrated planning is primarily aimed at the creation of supply chains in territories or sectors that traditionally have not developed strong systems of cooperation within the agri-food sector. The animation activities and technical assistance guide the process with an inclusive purpose; they also allow for public guarantee actions when the relationships and commitments between the partners are defined in situations in which there are actors and *lobbies* that could take advantage of the weakness of others. At the same time it is

useful to bear in mind that the 'regionally directed' management, especially where it results in strong programming actions, might inhibit local actors from making strategic choices tailored to their needs and from taking real responsibility in the implementation of development strategies.

Other regions have preferred local management, with calls for proposals that carefully define the rules to be followed by the partnerships during the construction of supply chain projects, which should also include animation and negotiation activities at the local level, under penalty of non-eligibility of the project, with at most the support of the regional technical assistance.

The local management approach tends to delegate the duty of animation to the subjects who promote the ISCPs, without meetings and 'institutional' discussions between the partners, the RDP's Managing Authority and the regional entities responsible for the integrated projects. The policy function of the Region is weaker and the choices are left to the partnerships depending on the needs of the agri-food sector that they represent. The institutional type of animation tends, in this case, to fail and with it the level of activity concerning the planning choices that the Region could determine. Therefore, the bottom-up approach has determined the presentation of multiple ISCPs for the same supply chain to the disadvantage of concentration of projects. At the same time, a similar choice has facilitated the bottom-up integration processes, thus making the actors responsible for the planning choices.

This type of approach is definitely more suited to those regions that have a long-standing tradition of cooperation along the agri-food supply chain in which the relationships between subjects who present a joint project are ongoing. But there is a risk of interpreting the animation action as a mere formal obligation thus debasing the impact and contribution that it can provide to the quality of the partnerships and the project proposals.

2.2.5 Project selection criteria

The choice of selection criteria for integrated supply chain projects can help determining the orientation of the interventions proposed. It can influence in a significant manner the impact of the instrument; in fact, the choice of strictly limiting the possibility of participating or promoting integrated supply chain planning initiatives can discourage the formation of new project partners. In this case, the ISCPs run the risk of not managing to fulfil the main objectives of the instrument,

which is creating communication networks between the economical operators of the supply chains. If there is an excessive amount of limits and constraints, you risk that the only effect would be reinforcing networks already in existence and consolidating their dominant positions on the market.

In integrated planning, identification of selection criteria leads to a two-level selection, as on one side it must allow for the evaluation of the integrated supply chain project based on criteria of fairness, transparency and consistency with the local strategic objectives; on the other side, it must take into account the different funding initiatives that support it. Therefore, the implementation of the selection procedure must ensure that selection complies with the general regulatory framework and is consistent with the different planning levels of the ISCP.

In an attempt to compare the choices made by the different Managing Authorities, a reclassification of the criteria proposed by the Regions was carried out during the selection phases of the projects in the following macro-categories:

1. Supply chain representativeness: gathers together the criteria related to the ability of joining up of subjects of various types and the creation of two-way commercial relationships subjects involved (undersigning of specific assignment agreements, of production specifications, sharing of production processes, etc.). We are talking about parameters that suggest to evaluate the ISCP proposals based on the contribution that the projects can supply to the concentration and aggregation of production.
2. Strategy quality: the macro-category includes all the selection criteria based on checking the quality of the project proposal (internal and external coherence between the interventions proposed, relevance/impact of the proposed investments, etc.). We are dealing with qualitative criteria that often cannot be measured and that for this reason require, in certain cases, that evaluation is carried out by specific evaluation groups based on innovation level and potential impact on the reference sector and on the RDP's objectives.
3. Partnership characteristics. These selection criteria relate to the quality of the supply chain partnership: the number and characteristics of agricultural beneficiaries, of the processing or marketing businesses, respect for equal opportunities, presence of young entrepreneurs, etc.
4. Localisation: collects all the selection criteria that allow to prioritise project proposals focussed on geographical areas that have been assigned intervention priority by the Rural Development Policy (mountain areas, disadvantaged areas, etc.), in areas subject to specific socio-economical

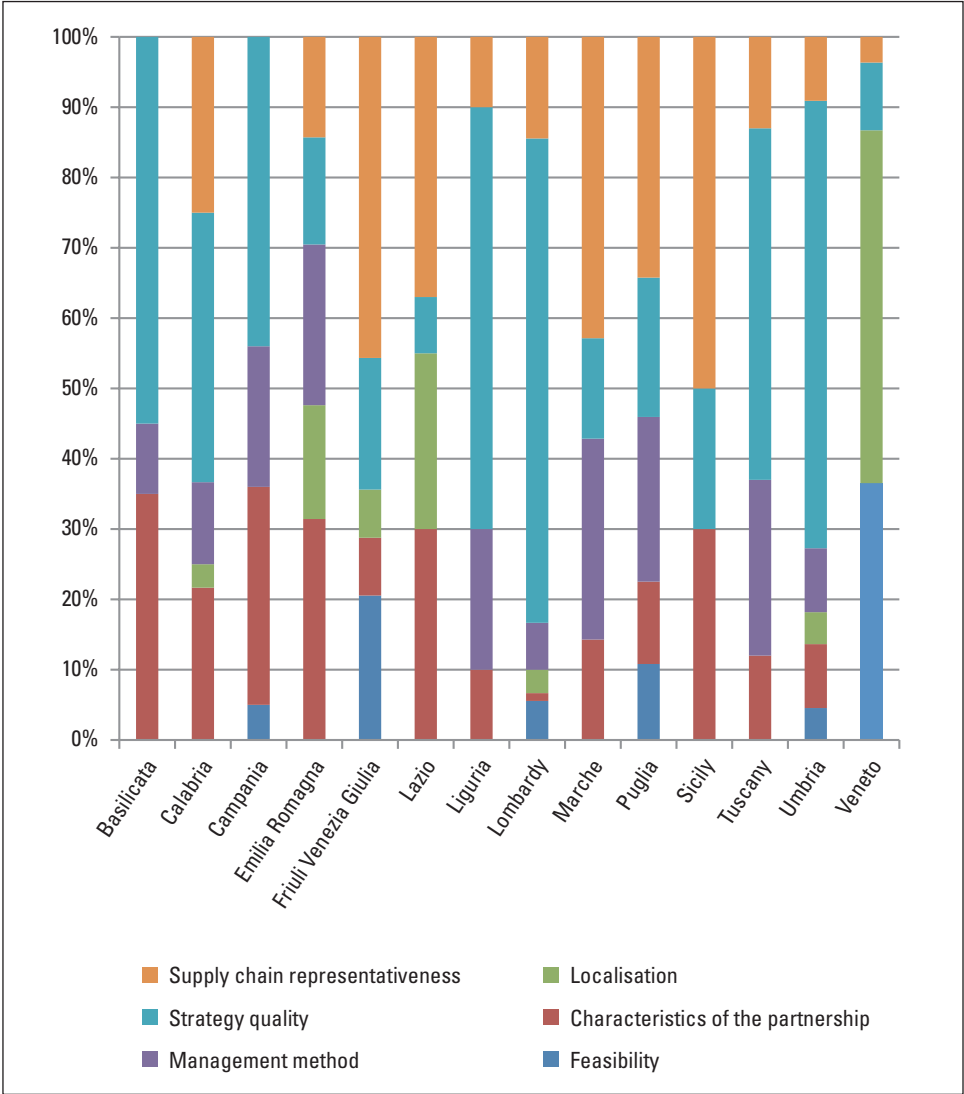
problems (areas classified as C and D by the RDP⁹), or to valorise the productive potential of some specific areas.

5. Management methods: in this group, all the selection criteria are included that give priority to the project proposals that adopt the best organisational, coordination and monitoring methods of the ISCP interventions, thus honouring the governance proposed by the project. They are selection criteria which, de facto, tend to evaluate the organisational form of the partnership, its operational rules, the agreements signed between the different partners and the commitments of the latter to the partnership.
6. Feasibility: groups together all the criteria for assessing the proposals based on immediate viability of interventions in the framework of the ISCP proposal. This criterion is aimed at ensuring that the presented project is viable once it is approved. The ISCP, in fact, is always linked to a multitude of individual projects that may fail for reasons related to the quality of the individual project proposal or bureaucratic and administrative reasons (such as for example: building permits, bank credit, etc.). This criteria provide the opportunity to assess whether the projects can be implemented easily and without compromising the whole ISCP, as the latter, should the individual initiatives bound to it fail, could lose the strategic value due to which it was assigned funds.

The selection criterion used the most by the Regions is that of 'Strategy quality' (figure 4). The ISCP is seen as an innovative instrument that has a high potential of impact on the competitiveness objective of the RDP. Therefore, it comes as no surprise that in the regional implementation, it was attempted to go further than the mere expenditure result, by trying to use all the innovation potential contained in the various project proposals. Regions such as Friuli or Lombardy activated specific evaluation groups that selected the projects presented by paying particular attention to the participatory mechanisms, to the logic of the integration process and to the innovation potential of the project.

9 The NSP and the RDPs identify 4 types of rural areas: A – Urban Poles; B – Rural Areas with specialised intensive agriculture; C – Intermediate Rural Areas; D – Rural Areas with general development problems.

Figure 4 – Weight of individual selection criteria in the approval process of the ISCP



Source: Calls for ISCP activation

Veneto privileges the ‘localisation’ criteria, because the regional strategy is aimed at increasing the competitiveness of the agri-food farms located in mountain areas. Other regions have also used this criteria: Emilia Romagna to favour

the ISCPs of mountain and hill areas; Friuli Venezia Giulia to favour interventions in the D areas of the RDP; Umbria gives a higher score to ISCPs presented in vulnerable and protected areas, Lazio favours the presentation of projects for specific supply chains in the areas of the region that are the most suitable for the purpose.

In Puglia, Emilia Romagna and Sicily, the criteria of 'Supply chain representativeness' is particularly significant, and indeed the projects are assessed in a such a way to favour groups that have signed contribution agreements or sectoral contracts. This criterion aims to promote selection of projects that promote formation of cooperative groups that ensure shared decisions and individual members' commitment. The selection rules are aimed at concentrating offer and create commercial critical masses that can withstand the market competitiveness.

In order to reward the most complete partnerships and those that favoured the presence of subjects privileged by the interventions of the Rural Development Policy, focus was put on the 'Partnership characteristics' criteria. The Lazio region gave a higher score to ISCPs that had above all young farmers participating in them, in an effort to give them opportunities to allow them to remain in the agricultural sector. The Marche Region, in addition to the young farmers, privileges adhesion to the ISCPs of subjects who have farming as their main activity as well as social cooperatives. Puglia and all the other regions that used this assessment parameter, albeit giving it less import, favour partnerships that involve all the parts of the supply chain.

The analysis carried out highlights the different behaviour between the regions considered. The main differences relate to:

- the number of selection criteria used;
- the difference between the significance given to quantitative criteria and that given to qualitative aspects;
- the different complexity that characterises the process of giving the priority score to the project applications presented.

The adoption of objective selection criteria and simplified assessment methods can clearly contribute to the success of the integrated supply chain project by contributing to clearly identify the priorities of the ISCP intervention; by maintaining the quality of the applications presented by directing the aspects connected to planning; ensuring the transparency of the project application assessment by improving the accountability of the integrated supply chain projects. The analysis of the first implementation phase shows up the need to devote greater attention to the formulation of the selection criteria and the way in which the priorities re-

quired in the selection of the projects are translated into the corresponding scores and assessment parameters. The uncertainty or vagueness of the criteria slow down and weaken the selection and assessment phase and therefore the whole implementation process of the instrument.

2.2.6 Achieving the objectives: checks, monitoring and evaluation of the results

The objectives assigned to the integrated supply chain projects are multiple, as they are expected to contribute to an increase of sectoral competitiveness, improvement of the quality and innovation of the process and product, the concentration of the offer. At the same time, the ISCPs should support:

- the **participation of local actors** in order to involve in the decision making processes the subjects that are affected by the public action and targeting that action to the actual requirements of the supply chain, through a decision making process that aims at negotiation (synthesis of a plurality of needs) of the action and consultation on agreement of the interventions;
- **integration and multisectorality**. Integration of interventions and sectors of a different type is the constitutive element of the instrument and consists of the identification of a specific objective towards which the individual actions of the cooperating subjects can be directed;
- overcoming individualistic logic to support the **cooperative processes**. Integrated planning promoted in the framework of rural development policies is strongly aimed at favouring group processes through the creation of legal entities which represent the interests of the individual members of the project. The incorporation of partnerships implicitly encourages cooperation and the creation of a productive and social 'critical mass' (in the social capital sense) that can represent itself and protect its interests. This entails that the partnership members should delegate their functions to a third party that represents the interests of all of them according to the objectives that determined the creation of the partnership. At the same time, this subject should be able to maintain the group by promoting cooperation processes between individuals that aim towards a rebalancing of the functions;
- adoption of commercial **commitments and agreements** between partners, aimed at reducing the costs of transition and fair redistribution of value among all the actors involved in the production process.

The integrated supply chain projects should support the organisation of production systems and dialogue between different subjects, collaboration between subjects who normally are mutual competitors, in order to create lobbies for those who have a shared objective. In other words, it should translate into an instrument that activates (where they are missing) or rearranges (where they already exist) governance mechanisms.

The selection phases of the ISCPs provide for structured and detailed procedures in all the regions aimed at judging the eligibility of the projects and assessing the organisational tactics that they adopt, the functions of each actor and of partnerships as legal entities and leaders, the commitments of the individuals and the partnerships, the agreements that the partners intend to draw up.

Those regions that provide for a selection process structured in several phases usually tend to select final projects based on the organisational capacity that the project would provide. It is no coincidence that the most used selection criteria (cf. paragraph 2.2.6) include the following: partnership characteristics and managing methods. These criteria privilege those partnerships that are the most structured and organised to manage the joint action required by the project.

The emphasis put on the selection phase does not correspond with, in general, the same attention in arranging appropriate checks to verify and assess the results related to the less tangible objectives of the instrument, but which all the same justify its adoption. The examination of the organisational factors that determine the integration between subjects members of the ISCP would require specific indicators and a dedicated supervision that makes the particularities of the joint action emerge as well as the power of the integrative process.

Some regions require that the supply chain partnerships pass on regular basis monitoring tables to the RDP's Managing Authorities. However, these tend to mostly collect the data linked to physical, financial and procedural progress of the interventions completed by the individual beneficiaries of the funding. Lombardy, Puglia and Tuscany are exceptions, they provide, once the interventions required by the ISCP have been completed, for a self-assessment of the project which shows the impacts and results achieved by means of the integration process.

The call for proposals of the Marche Region requires a continuous monitoring action on the project's relational system, thus structuring a monitoring system to check and verify the efficiency of the intervention. Efficiency is determined by the aggregation capacity of the partnership and by conclusion and operativity of the assignment contracts signed by the partners. If these requirements are not met, within certain limits, the project could be forfeited and therefore lose the funding.

The attention paid to the relationships and commitments of the partnership is very low, in part due to the fact that the ISCP instrument is not provided for by the regulations for rural development and therefore, in the whole management of the RDP complexity, priority is given to monitoring and supervision actions on the individual measures that are mandatory for the Regions. At the same time, the novelty of the procedure has not been accompanied by the creation of ad hoc management and checking instruments, which, however would require a reorganisation of regional structures and the creation of specific procedures.

The result is that the procedures, in some cases, rather than promoting integration translate themselves into multi-measure calls for proposals that promote *'occasional projects, which are like an empty box containing several individual projects that are not integrated with each other, and which aim to snare financial resources to be shared between actions that are not synergistic or coordinated'* (Dematteis, 2004).

Several regions have activated a specific assessment process on the dynamics of integrated planning. This operation may be able to partly reconstruct the action and results of the supply chain approach framework. In any case, greater implementation effort should have been spent both on the collection of monitoring data and in configuring an assessment demand explicitly linked to the themes of supply chain integration.

2.3 The first results of the implementation

Fourteen Regions have initiated the integrated supply chain project; among these, ten have already ended the proceedings, approved the final classifications and have initiated the financing procedures.

Projects actually financed are 310 and thirty eight projects remain provisionally classified, but the final course of assigning finance has not been concluded (table 8). Financed projects include over 10,000 individual applications to be paid using the measures activated through the instrument.

The number of financed projects differs enormously between Regions. Emilia Romagna has financed 67 partnerships, whilst Umbria has financed two. These dif-

10 It should be specified that the financial data reported refer to the Regions which as of 30th April 2013 closed the ISCP selection process whilst the structural data (sector of origin of the ISCPs, member businesses, structure and nature of the partnership) also regard the Regions that as of the above indicated date, had not entirely closes the processes of granting financing.

ferences are the first clear result of the strategy adopted by the individual Regions and the objectives set within the instrument. Of course, the Regions with a planned strategy which is more flexible and linked to the objectives of those who are already cooperating have received more applications and financed more projects. Where the ISCPs had the task of stimulating the emergence of supply chain relationships and therefore public action implementation went beyond merely financing entrepreneurial activity, a number of smaller projects were financed.

Table 8 - ISCPs financed per Region

	Projects approved and funded	Projects provisionally classified	Total
Basilicata	14		14
Calabria	33		33
Campania		15	15
Emilia Romagna	67		67
Friuli Venezia Giulia	39		39
Lazio	20		20
Liguria	1		1
Lombardy	5		5
Marche	1	11	12
Puglia	58		58
Sicily	4	12	16
Tuscany	29		29
Umbria	2		2
Veneto	37		37
Total	310	38	348

Source: Regions

To date, the actual expenditure commitments are equal to 87% of the resources provided (table 9). The Regions that have concluded the selection procedures have assigned a share of resources slightly lower than what was budgeted at the time of making the call for proposals, with the exception of Friuli Venezia Giulia and Puglia, which have increased the initial allocation of resources. In fact, these Regions have decided to finance all the eligible projects in order to give the partnerships that have passed the selection process the possibility of experimenting with the integrated approach.

Table 9 – Resources used for the activation of ISCPs (April 2013)

Region	Resources planned	Committed resources	Committed resources / planned resources
Basilicata	90.000.000	78.172.852	86,86%
Calabria	72.609.960	50.685.069	69,80%
Emilia Romagna*	161.786.299	106.705.257	65,95%
Friuli Venezia Giulia	23.627.000	38.541.639	163,13%
Lazio	n.d.	44.124.605	
Liguria	7.500.000	2.976.500	39,69%
Lombardy	n.d.	53.672.690	
Marche*	33.500.000	5.684.240	16,97%
Puglia	191.308.000	222.897.260	116,51%
Sicily*	25.000.000	12.587.625	50,35%
Tuscany	45.000.000	45.298.944	100,66%
Umbria	22.473.185	22.361.810	99,50%
Veneto	95.500.000	79.601.746	83,35%
Total	768.304.444	665.512.943	86,62%

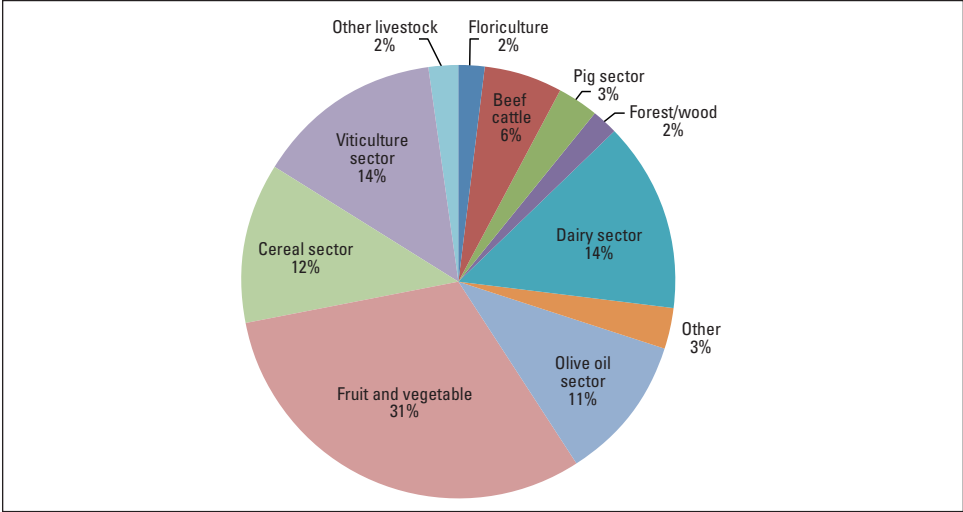
**Selection process still open*

Source: Regions

Around 23% of the projects concern the fruit and vegetable sector which has absorbed 31% of the financial resources made available for the ISCPs up until today (figure 5). The dairy and the viticulture sectors follow with 14% respectively of the available resources, a clear indication of how much more organised the Italian agricultural sectors have been compared to those that have ensured a greater planning capacity.

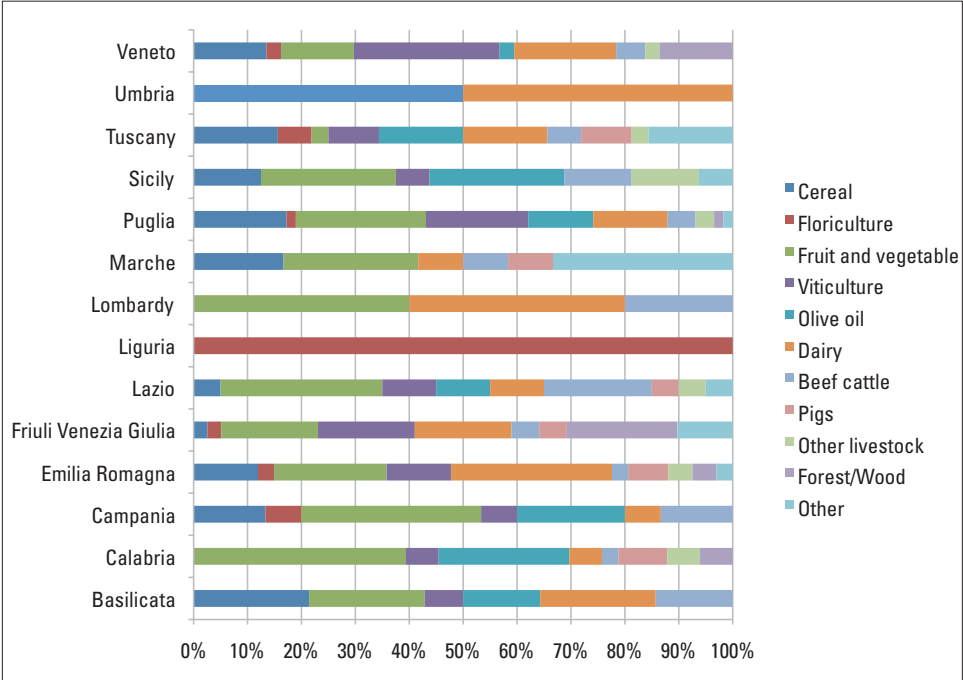
On a regional level, the world financed projects is adapted, first of all, to the local productive specialisation; and second to the choice of theme as well as the indications and priorities provided by the regional announcements, which have rarely deviated from the actual vocations and needs of the local productive systems. In the Regions of the Po' Valley, the ISCPs relate to dairy production, in Veneto to wine growing, in the regions of Central Italy the cereal sector prevails and in the South the majority of ISCPs relate to fruit and vegetables (figure 6).

Figure 5 – Financial resources granted per production compartment (April 2013)



Source: Regions

Figure 6 – The ISCPs per sector at a regional level (number)



Source: Regions

The Regions which have most accompanied the planning process of the ISCPs are those which have a lower number of approved projects equally distributed by productive sector. Where the Regional Administration has most accompanied the phases of territorial planning, there has been integration processes which have led to projects highly representative of the regional supply chains. This is the case of Basilicata, Campania and Lazio, despite recording a predominance of fruit and vegetable ISCPs; they see at least one project approved for the main regional supply chains.

Unlike the case in which the procedure followed 'locally directed' approach that we defined in paragraph 2.2. Emilia Romagna and Puglia (and in some ways Lombardy and Veneto) present many projects in the same sector of reference. The approach has tended to strengthen relational processes between groups of participants already consolidated and in these Regions the strong presence of cooperative subjects was recorded (cooperatives, producer organisations and consortia) within the partnerships, a factor which shows how the businesses which already have previous experience of associations are able to undertake complex planning approaches more easily.

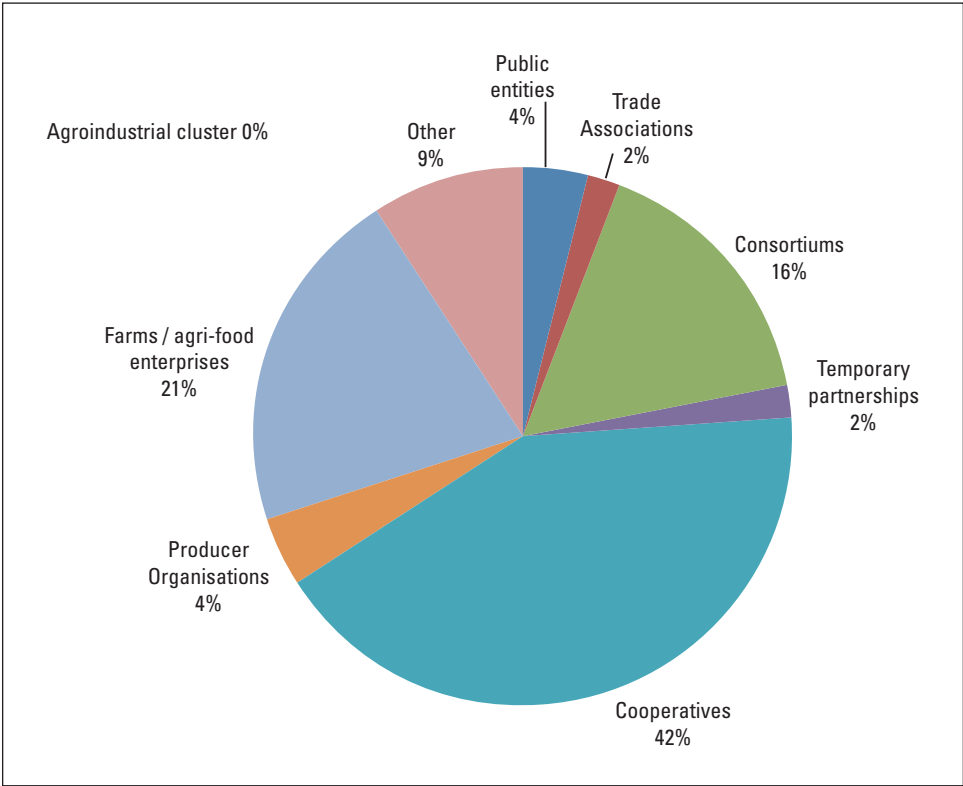
The composition of the partnerships involved is very different and reflects the nature which the various regional call for proposals have attributed to it. On average, a partnership is composed of around 32 businesses¹¹, although the situation is quite variable depending on the productive sectors of reference, ranging from 46 partners on average for an olive oil project to 7 for that related to pig farming. Significant differences are also found at a regional level where it ranges from about 5 partners in Calabria to 80 in Basilicata.

Farms account for about 90% of the partner parties, followed by cooperative subjects and a small group of other subjects among which stand out public subjects, that have the function of accompanying the economic activities involved in the supply chain with specific measures. The presence of the public subjects tends to be higher in forestry ISCPs, where the presence of Public bodies is justified by the skills which they retain on forests.

11 The number is only a guide given the variety of subjects which participate in an ISCP. Often, subjects which are already aggregated join ISCPs (Consortia, cooperatives, ATIs, etc.) of which we are not able to identify the exact number. Furthermore, the information available does not report ISCP partners that benefit from RDP actions.

With regards to the subject leaders of the partnership, despite it not yet being possible to construct a full picture, in almost half of the cases, the role is assigned to cooperative or consortia subjects (figure 7) that, naturally, are more active in the Regions where the agriculture has undergone strong aggregation processes for some time (Emilia Romagna, Veneto).

Figure 7 – Subject leaders of the integrated supply chain projects per type



Source: Regions, ISCP approval rankings

On average, an ISCP costs the public around 2.4 million Euros, although funds generally granted for Regions range from a minimum of 900,000 to a maximum of 11 million Euros per project (table 10). The financial dimension of the ISCPs increases with the growth of the individual participants and with regards to the financing granter, per individual project and to measure 123 aimed to actions supporting processing and marketing companies which, generally, have higher costs than other co-financed actions.

Table 10 – Public financial resources assigned to ISCPs and to individual projects planned (April 2013)

Region	No. ISCP (a)	Public funding (b)	ISCP Average cost (c = b / a)	Beneficiaries of measures involved in the project (d)	Average funding for individual beneficiary (e = b / d)
Basilicata	14	78.172.852	5.583.775	1.060	73.748
Calabria	33	50.685.069	1.535.911	174	291.294
Emilia Romagna	67	106.705.257	1.592.616	1.955	54.581
Friuli Venezia Giulia	39	38.541.639	988.247	463	83.243
Lazio	20	44.124.605	2.206.230	407	108.414
Liguria	1	2.976.500	2.976.500	103	28.898
Lombardy	5	53.672.690	10.734.538	88	609.917
Marche	1	5.684.240	5.684.240	235	24.188
Puglia	58	222.897.260	3.843.056	2.898	76.914
Sicily	4	12.587.625	3.146.906		
Tuscany	29	45.298.944	1.562.033	745	60.804
Umbria	2	22.361.810	11.180.905	33	677.631
Veneto	37	79.601.746	2.151.399	2.061	38.623
Total	310	763.310.237	2.462.291	10.222	74.673

Source: our processing of financial data

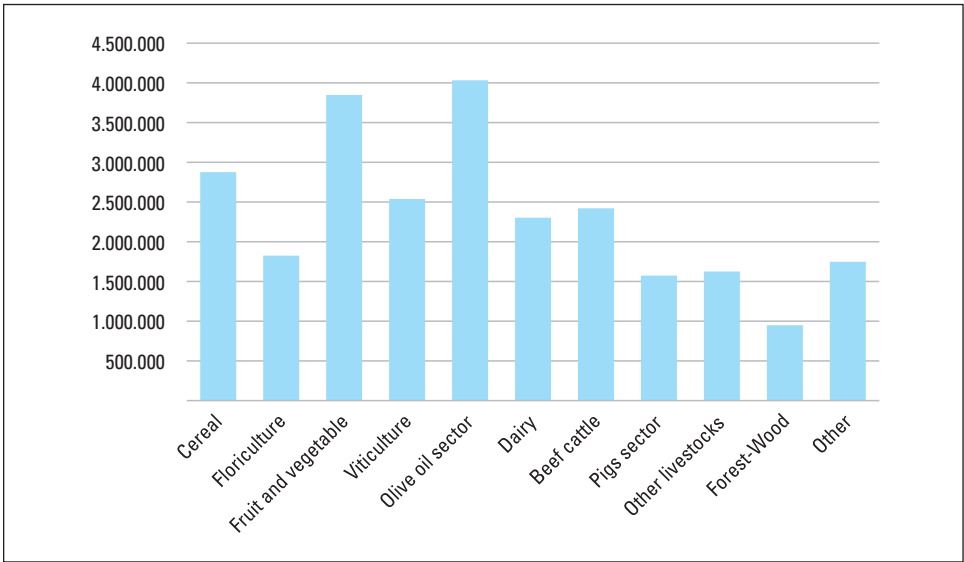
Basilicata, Lombardy and Umbria are the regions which seem to have to concentrate the available resources on few initiatives, focused on few but consistent projects. In the other Regions, the financing is 'spread' between multiple projects, in this case it seems that they wanted to adapt a strategy aimed at rewarding the integration initiatives of individuals, financing all the partnerships objectively eligible without making choices upstream (addressing the aggregation subjects) and downstream (making assessment choices aimed at concentrating public action on the most deserving projects).

At the same time, if the resource available for individual ISCPs is compared to the individual beneficiarie, it is noted that, except for Umbria and Lombardy, there is a strong diffusion of public funding that is equal, on average, to about 74 thousand Euros per company. This value is partly determined by financing for 'system' related measures (measures to benefit human capital, innovation and quality) which usually provide many beneficiaries for a rather limited funding (see table 11 paragraph 2.3.1) and which also tend to flatten the value of the funding actually granted to structural actions implemented for the benefit of companies.

The average project funding is contained whatever the reference segment,

except for olive oil sector and fruit and vegetable SCPs, the average financing of which is equal to a little more than 3 million Euros per project (figure 8). The actions implemented for the benefit of processing companies financed by measure 123 affect the average value of the ICSPs of these two sectors.

Figure 8 – Average public cost of ISCPs per sector of reference



Source: our processing of financial data

2.3.1 The financial beneficiaries of integrated supply chain projects

The beneficiary subjects of integrated supply chain projects are mostly farms. These represent 86% of the subjects financed and primarily have benefit from measure 121 and from some 'system' related actions managed in the context of the project to service the community who took part. Associations, cooperatives and consortia represent 5% of the beneficiaries. Research entities, public bodies and other types of businesses complete the range of ISCP partnership teams.

The individual financed applications especially regard the axis 1 measures of the RDPs. The bulk of the financing, in numerical terms, goes to measure 121 which funds 4022 farms (table 11). In financial terms, the funds weigh heavily on measure 123 which finances 844 actions supporting the agri-food for a total of 386 million Euros. It was likely the bulk of the funding, also in average terms with a cost for a farm of around 457 thousand Euros, is intended to go to agri-food

companies, whose actions are certainly more expensive but, which also confirms that the subject is able to adapt, better than farms, to the financing instruments proposed by the public policies.

Among the other measures used, stands out measure 111 concerning the training of agricultural workers and measure 114 concerning the use of farm advisory services, these measures have regarded 1/3 of the beneficiaries from measure 121 (owners of farms in general), and show that most of the financed ISCPs wanted to include actions of technical assistance, training and consultancy for the workers involved, in order to accompanying the strategic processes on which the project is based.

Table 11 – Financing of ISCPs per measure (April 2013)*

Measure	No. Individual projects (a)	Public funding (b)	Average funding (c = b / a)
111	1561	12.932.847,5	8.285,0
112	1	17.000,0	17.000,0
114	2326	3.035.613,0	1.305,1
115	11	2.041.544,0	185.594,9
121	4022	340.763.796,1	84.725,0
122	229	7.865.005,4	34.345,0
123	844	386.426.342,7	457.851,1
124	249	43.401.464,1	174.303,1
125	37	35.311.055,0	954.352,8
132	604	2.766.022,0	4.579,5
133	109	29.409.060,8	269.807,9
221	7	92.785,0	13.255,0
223	26	485.500,0	18.673,1
226	10	673.959,0	67.395,9
227	5	173.222,0	34.644,4
311	82	12.308.431,4	150.102,8
312	13	970.108,0	74.623,7
313	13	880.000,0	67.692,3
323	26	525.704,0	20.219,4
331	48	8.036.959,0	167.436,6
Total	10.223	888.116.419,0	86.874,3
<i>Total axis I</i>	<i>9.993</i>	<i>863.969.750,6</i>	<i>86.457,5</i>
<i>Total axis II</i>	<i>48</i>	<i>1.425.466,0</i>	<i>29.697,2</i>
<i>Total axis III</i>	<i>182</i>	<i>22.721.202,4</i>	<i>124.841,8</i>

** The data reported in the table do not take into account ISCPs of Marche, Campania and Sicily which have not yet completed the selection processes*

Source: Regions, ISCP approval classification

However, the use of measures related to axes 2 and 3 of the ISCPs is very low, the first were primarily used in Friuli and Veneto also because these regions provided for announcements for forestry integrated supply chain projects, which took into account the use of forestry measures related to axis 2. Axis 3 was primarily used in Basilicata, a Region which wanted a key action anchored to the dynamics of enhancing the territory in which the production takes place.

By analysing the use of the measures available for individual sectors, a series of peculiarities emerge. Omitting from this analysis the structural measures (121, 122 in the case of forestry supply chains and 123) which absorb almost all type of supply chain increasingly more than 60% of the applications and 70% of the resources, to concentrate on the 'system' measures which tend to also indicate the innovative character of the individual initiatives.

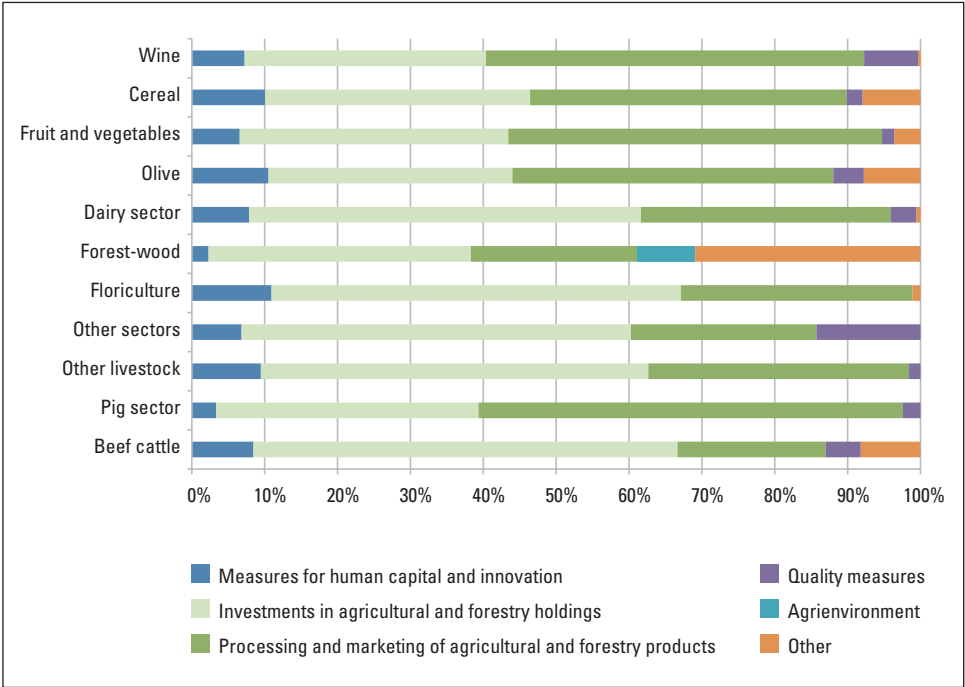
Measure 111 regarding the training of agricultural operators, was mainly used in the fruit and vegetable and wine ISCPs, labour-intensive sectors, and therefore tries to regenerate the human resources involved with regards to the aims of the project. Over 70% of the applications and funding granted for the advisory service measures (measures 114 and 115) regard olive oil and fruit and vegetable ISCPs and respond to the need of adapting to the environmental rules which these sectors require, more than the others. The innovative actions provided by measure 124 are focused on the fruit and vegetable, livestock (especially those regarding cattle breeding) and flower growing ISCPs, not surprisingly the most dynamic sectors of Italian agriculture, whilst ISCPs aimed at product quality (measures 132 and 133) mostly regard the dairy sector followed by the cereal and olive oil sectors, the productive areas which boast quality marks. The dairy sector is also the sector which focuses actions relative to the diversification of agricultural activities (measure 311). In some Regions, the sector strategy is completed with actions linked to the creation of other farm activities which drive short supply chain processes of high environmental value.

Finally, it should also be noted how the smaller or niche sectors and the supply chains relative to basket products, included under the item 'other sectors', almost exclusively choose actions regarding corporate restructuring on which over 95% of expenditure is focused. This is a sign that the opportunity of joining a supply chain project has led to uncompetitive companies and, most probably, companies at risk of demise, being able to deal with the dynamics of the market, leveraging on their wealth of traditions and special products.

Figure 9 analyses the financial allocation of the ISCPs per sector and per group of measures. The sector orientation in terms of action objections has clearly

emerged: the dairy sector and the sector of breeding cattle for meat, primarily provide for actions towards farms; the pig farming sector and those linked to crop production implement actions in the sector of processing and marketing. In the forestry sector, in addition to corporate restructuring actions, other operations are encouraged: those for promoting the natural value of the forest and measures for the infrastructure of wooded areas.

Figure 9 – Measures put into action by ISCPs per sector, type and weight on the project value



Source: our processing of regional data

2.4 Implementing ISCPs: first impression on the instrument

Starting from the first information available on the state of implementation of the integrated supply chain projects, it is clear that the instrument has found favour among the beneficiaries of the rural development policy, demonstrating the ability to accommodate some of the needs that the agri-food sector expresses.

From the first analysis of the numbers regarding implementation, the planning choice of using integrated instruments to implement actions supporting the agri-food supply chains and forestry supply chains has lived up to the expectations formed in the planning phase. The strong support and participation of the farms in 310 implemented supply chain projects and a push to focus on the most representative sectors of Italian agri-food, represent a major effort towards meeting the needs of a synergistic action aimed at dealing with the fragmentation of the Italian agri-food supply chain.

The possibility to represent composite projects governed by a precise action strategy, clear and shared objectives and a pact which defines obligations and benefits for all the participants, has certainly been seen as an opportunity for both subjects which are already organised and others which have thus been able to activate logical cooperative actions.

If from a strategic point of view, the instrument has demonstrated the ability of meeting the needs of the agricultural world, from a management point of view, many criticalities are recorded. The implementation procedures are dissimilar and complex, so that they required particularly long implementation periods. The inexperience of the Regions in the management of similar instruments and poor organisation of administrative processes related to them are elements which may weaken the ability of the action of the ISCPs and discourage potential beneficiaries. Receiving public financing two years after presenting the project is too long which, especially in the current economic crisis, threatens to cripple individual businesses and also an action composite strategy such as that of the ISCPs which is based on commitments and agreements between the parties who may not have the *strength* to exist without public financing.

Analysing the actions undertaken by the government often leaves the impression that the concept of integration with the implementation of multi-measure actions is confused within the ISCPs. The ISCP is structured as an opportunistic project which aims to capture resources, a type of box which contains all the individual projects not integrated with each other. The integration of subjects with a different nature occurs when the strategy of the project is to determine the nature of the actions to be implemented. This assumes that there have been moments of planning, strategy discussions, analysis and specific assessments. Furthermore, the cooperating subjects must undertake commitments which can clearly be inserted in the context of the initiative, warranting specific responsibilities. Many procedures seem to pay little attention, or disregard them in the preliminary phases of the assessment process, to these steps and, more generally, to the organisation

which is structured around the project, concentrating instead on the assessment of individual instances which accompany the integrated project. When this occurs, the results of the integration tend to weaken, an unnecessary risk to take given the costs and times that the integrated procedures require.

The problem is partly due to the fact that the integrated supply chain project is not provided for by the regulation on rural development. The implementation procedures are tuned, at least in terms of actions regarding competitiveness, on a single action undertaken by one beneficiary. For the regions, the adoption of the ISCP is aimed at organising a procedural instrument which, whilst responding to their planning needs, should still meet the rules of management, control and supervision of the individual measures. It is therefore normal that focus is placed on the previously mentioned phases. The procedures initiated by the Regions are extremely attentive to all those aspects which can be defined as 'planning' during the selection phase of the projects to be financed. However, few have planned ongoing and subsequent control phases for assessing the most characteristic elements of the integration process: functions and features of the partnership, compliance with commitments of a commercial nature made between parties, introduction of the planned innovations of the project and so on. If the integrated project is to work, it is necessary to adapt the organisation of the regional administrations in order to meet the needs which arise from the management of composite projects.

At the moment, the implementation status of the integrated project does not allow judgements on the results and the impact of this procedure regarding traditional management of the rural development measures. Of course, the mere fact of any sort of impact on the relationships of the supply chain is a desirable outcome of the policy actions. Using instruments which allow interaction between subjects of various natures ensures the improvement of relationships along the productive supply chain, contributes to a better distribution of the value between the main parties involved and ensures the introduction and, especially, the sharing of product and process innovation.

CHAPTER 3

THE INTEGRATED TERRITORIAL PROJECTS

3.1 Integrated Territorial Projects within RDPs

Integrated Territorial Projects (ITPs) are aimed at promoting local development through a process of participated and 'bottom up' planning, responding to the development needs of the local communities. The ITPs activate local partnerships financed to develop projects of territorial action usually in sub-provincial areas. The projects are intended to support an organic and coherent set of actions converging towards a common objective regarding specific themes, in particular those which require collective action (such as environmental) or innovative action (Berti *et al.*, 2010). In the context of programming for rural development 2007-2013, the instrument which had to meet this objective is the Leader approach promoted by axis 4 of Reg. 1698/05. The same Regulation, however, also promotes the constitution of public-private partnerships, different from those provided for by the Leader approach, in order to implement local development strategies which can strengthen territorial coherence and stimulate synergy between measures aimed at the economy and the rural population. The integrated approach provided by the regulatory system tends to promote synergetic actions, based on specific local development strategies which are shared and participated from the bottom up, for the activation of the measures concerning the economy and rural society.

The integrated territorial project is the instrument proposed by NSP in order to stimulate the creation of social and economic partnerships to encourage development processes of the rural areas. In any case, the intentionally broad description of the ITPs in the NSP and the interpretations of them by the RDPs, have made it an instrument with objectives and operating methods often different from the ones imagined by the EU or in any case more flexible and adaptable to the individual regional development strategies. The ITP was created as a hybrid instrument, a nod to both the Leader approach and the experiences gained from the ITPs (see paragraph 1.2) of the 2000-2006 programming (and generally planning already negotiated) but it generally does not have a specific dimension becomes matter of the individual RDPs.

During the implementation phase, the ITPs have assumed various capacities according to the needs and the objectives of the rural development project in the regional context. This resulted in a very different approach of the instrument. As already noted, the types of projects are varied and they are configured as:

1. Projects activated by Local or public entities for the management of measures which only regard infrastructure and services to the population (ITPs in Marche, IRPPAs in Campania and IPRAs in Calabria), the management of which is entrusted to public bodies;
2. Environmental projects which assume, in organisational terms, characteristics very similar to ISCPs but which, due to the objectives they pursue and the strategy activated, are classified as ITPs: this is the case of the environmental CIP of Veneto and the agro-environment measures of Marche and Umbria;
3. Projects for the development of the rural areas, very similar in function and with regards to the participants involved in the LEADER approach. This is the case of Rural CIPs of Veneto, of the Projects agreed in the Lombardy area, the ITPs of Liguria, Friuli Venezia Giulia and Lazio. The collective integrated projects of Umbria are also included in this category which, as will be explained later, follows a completely different procedural and organisational direction.

3.2 ITPs subject to public management

Though similar in strategic approach, the integrated project activated by Marche, Campania and Calabria has many differences in terms of objectives, usable measures and implementing subjects. The three Regions are combined by the explicit choice of attributing the management of the project to public bodies: the Province in the case of Marche, the Park Authority in Campania and Local authorities of different nature in Calabria.

The ITP is configured as a limited territorial plan with the objective of coordinating the institutional subjects of the actions that can be accessed through the instrument and the division of the strategy with the social and economic participants of the territory. In fact, all three cases require participation during planning by the local communities and the development of coordination able to optimise the available resources.

The measures activated are those relating to infrastructure or aimed at cre-

ating services for the population and rural businesses, the beneficiaries of which are, mostly, the same implementing Bodies or other subjects (public or private non-profit) that activate actions aimed at supplying collective services.

3.2.1 The provincial ITPs of Marche

In objective terms, the Integrated Territorial Projects of Marche propose the integrated use of resources aimed at implementing actions for the improvements for community services, for the purpose of increasing tourism and the enhancement of valuable characteristics typical of the area.

The ITP in Marche is managed by the provinces that, together with the LAG, promote actions aimed to the diffusion of services to the local population. The ITP was created to promote 'system actions' of public administrations functional to the development strategies conducted by the local action groups. The instrument promote public actions, attentive and functional to the development needs that individual local communities are given through Leader planning.

The measures which can be activated are measure 313 – Encouragement of tourism activities, 321 – Basic services for the rural population and 323 – Conservation and upgrading of the rural heritage. The financial allocation is equal to 9.8 million Euros, divided between the 5 provinces. Each Province has received a share of resources for a fixed half, whilst the other half is based for the 35% on the percentage of the resident population in rural areas and for the remaining 15% on the territorial extension of areas which can be defined as rural (areas C and D of the RDP).

Box 1 – The ITPs of Marche: function and characteristics

Action area	Territories in which there is a LAG
Partnership	Mixed: Province, LAG
Subject Leader	Public: Province
Objectives	Improvement of services for the community, increasing tourism attractiveness and exploiting territorial features
Measures	313 Encouraging tourism activities, 321 Basic services, 323 Conservation and upgrading of rural heritage. Other EU funds.
Resources	9,780,910

From an operational point of view, the ITP in Marche is an instrument which delegates the implementation phase of the RDP. The Provinces, as implementing subjects, activate the measures of the project, proceeding to the selection of the

final beneficiaries (usually other public subjects or natural and legal persons for mutual purposes) of the action.

3.2.2 *An instrument for the Parks: the IRPPAs in Campania*

In rural areas of particular environmental value, the Integrated Rural Projects for the Park areas (IRPPA) of the Campania Region promote integrated public actions, aimed to adapt the infrastructure required for the most efficient use of the territory's resources, the diffusion of services available to the population and the prevention of environmental risks in the context of developing the nature and landscape of the area. The integrated territorial projects are addressed at the two National Park areas, the eight Regional Park areas and the Metropolitan Park of the Naples Hills, for which the Park Authorities act as the promoters of the sustainable and integrated development policies of their relative territories, according with the other public bodies which operate within the area.

Among the procedures proposed for the activation of the ITPs, the one of the Campania region is surely the most complex also because there is a strong attempt to use the instrument for territorial planning. In fact, the procedure of implementing the programme clearly follows the one used by the Campania Region for the Integrated Territorial Projects 2000-2006, some of the selected territories of which have already benefited, by finalizing the resources of the RDPs to a very specific objective of total management of the Park area. In procedural and financial terms, the IRPPAs provide a composite integration on which to focus the joint action of a series of public bodies and integrate financial resources coming from different programmes. The basic idea is to attribute resources to the Park Authorities for action pertaining to themselves. The actions which can be implemented are only partly attributable to the RDP, the integrated project must also focus on integrating participants and initiatives which should involve resources from other financial sources (especially the ROP ESF and EAFRD 2007-2013) with the purpose of concentration all available resources on a specific goal of development of the territory. Therefore, with the IRPPA the Region aims at a process of public consultation at a local level able to finalise the various actions due to the agreements that the IRPPA generates between the different local participants.

In objective terms, the IRPPA should be attributable to the exploitation of food and wine resources; rural tourism; the improvement of the quality of life in the protected areas and also the environment and the biodiversity.

In organisational terms, the instrument provides for the involvement of the Park Authorities, the municipalities and the provincial administrations of the area on which the Park are located. The three bodies define the action priorities and stipulate a memorandum of understanding which defines: the public partnership that presents the project proposal, attributes the role of subject leader to the Park and identifies the social and economic partnership with whom to plan the project proposals. Once the project is defined, it becomes the subject of an Environmental Planning Agreement between the Park Authority and the Regional Administration which is followed by the implementation of the resources for the planned project.

Box 2 – The IRPPA in Campania: function and characteristics

Action area	National and Regional Parks and the Metropolitan Park of the Naples Hills
Partnership	Public: Local Authorities, the Province, Park Authorities
Subject leader	Public: Park Authorities
Objectives	Coordinated public promotion to improve the state of conservation of the natural heritage and landscape, adapting the infrastructural resources and improving the services to the population
Measures	125 Infrastructure of agricultural areas, 216 and 227 Non-production investments in agricultural and forestry areas, 226 Restoring forestry potential, 313 Encouraging tourism, 321 Essential services, 322 Village renewal and development, 323 Conservation and upgrading of rural heritage. Other community funds.
Resources provided	107,580,000 EAFRD

As well as in the Marche Region and in spite of the different methods of financing, also in Campania the ITP results in an instrument of locally planned delegation which tends to combine the *policy* actions with the territorial needs and, at the same time, attributes specific roles and functions to local institutional subjects. However, in this case, the division of powers does not result in the delegation of management functions. These are attributed by the Management Authority of the RDP that approves the individually planned actions during the phases of defining the IRPPA.

3.2.3 The IPRA of the Calabria Region

For the Integrated Project for Rural Areas (IPRA) of the Calabria Region, the Local Authorities (provinces, municipalities, associations of legally recognised mu-

municipalities, mountain communities and other public bodies etc.) are the recipients of the aid so that they can operate on behalf of the community with the objective of improving the quality of life in rural areas. The measures which can be put into action are intended to improve the conditions of the territories concerned, both in terms of services and rural infrastructure. The IPRA provides for the consultation, between local and public authorities, about a neighbouring territory with the aim of jointly planning operations related to the infrastructure and the improvement of nature and architecture within the rural areas.

One difference between the previously described instruments is that the IPRA does not provide for a planning process of local consultation. The integration is identified during the coordination process between the public bodies for the development of the work. The actions implemented with the IPRA fall within the scope of a complex project idea aimed to a specific objective of rural development. It is a tool intended to facilitate territorial planning without any pretence of common programming or design which is beyond the view of completing the works or the service covered by the project.

Box 3 - The IPRA in the Calabria Region: function and characteristics

Action area	Entire regional territory
Partnership	Public: Local Authorities
Subject leader	Public: Local Authorities
Objectives	Improving the quality of life in the rural areas
Measures	125 Infrastructure of agricultural areas, 216 and 227 Non-production investments in agricultural and forestry areas, 321 Essential services
Resources	96,600,000

3.3 The ITPs for environmental purposes

Regions which have given environmental purpose to the integrated territorial projects offer an original instrument of integration between the subjects operating within the rural areas, with high potential in terms of effectiveness of the action promoted by the rural development policy.

Public and private bodies are participating in a project which, while advocating actions of a business nature, should have a bigger impact on the quality of the environment and the local landscape. For this reason is provided for the participation of public bodies, who, in order to address the actions, act as promoters

of the initiative, performing the functions of animation and technical assistance. Furthermore, these parties undertake to accompany the action with their own material investments or through indirect actions in support of the entire strategy of the integrated project.

The procedure at the base of the ITPs for environmental purposes is interesting because it mainly provides for the integration of businesses which make use of the 'premium' measures of the RDP. The implementation of such measures through the integrated approach definitely increases their impact. The management of the agricultural practices compatible with the environment is generally entrusted to the individual initiative which, as it may generate external economies, tends to have effect especially in terms of quality of farming production. The integrated approach to the issue has clear effects on the territorial context in which it is applied because it proposes an action coordinated between multiple subjects who take a common commitment to improve and enhance the environment in which they are involved.

There are three Regions which have given environmental characterisation to the ITPs: Veneto, Marche and Umbria.

The Context Integrated Projects (CIP) for the Environment provided by the Veneto RDP were conceived with the aim of promoting a set of measures that converge towards the goal of conserving and safeguarding the environment, the territory and the landscape, as well as the protection of water, soil and air. In particular, the Environment CIP must involve and aggregate around a specific issue, an assembly of subjects – public and private – in the context of a shared project able to put into place a series of coordinated actions, mostly relying on axis 2 of the RDP, for the purposes of managing and improving the environment.

The CIP is proposed and coordinated by a Local Authority, a Public Authority or another public or public-private body (Land Management Consortia, managing bodies of protected areas and sites included in the Natura 2000 network, farming, livestock and forestry associations, private irrigation consortia and entities which have the collective right to use of agricultural or forestry soils) that is able to perform an accompanying role in relation to the chosen objective. The proposing subject, whose role and relationship with the partners is formalised with the signing of the authorisation to submit the application, assumes the function of Project coordinator, ensuring the distribution of information at a territorial level and to the businesses concerned, the preparation and collection of documentation, the computing of the integrated project as well as the business applications, the connection with the application offices and the ongoing monitoring of the initiatives.

Box 4 – Veneto the Environment CIP: function and characteristics

Action area	Nitrate vulnerable zones, Natura 2000 areas, mountain areas, catchment areas of the aquifers
Partnership	Mixed: Local authorities, River basin authorities, other public and private subjects
Leader subject	Public bodies and local authorities, other associated subjects
Objectives	Conservation and safeguarding of the environment, the territory and the landscape, protection of water, soil and air in a defined territorial area
Measures	213 Natura 2000 payments, 214 Agri-environment payments 216 and 227 Non-production investments in agricultural and forestry areas, 221 Farmland forestation
Resources	30,943,000

Although similar from an operational point of view, the RDP of the Marche Region provides for a more streamlined procedure of an environmental nature for the implementation of 'Agri-environment measures' for the protection of water and soil from pollution by pesticides and nitrates in the nitrate vulnerable areas (NVA) or for the conservation of the biodiversity. The measures are promoted by Public bodies, which in relation to the commitments undertaken by the economic operators of the territory with the local community, undertake to offer different kinds of services. Those who shall benefit from the measures are the farmers who are committed to adopt the integrated and biological production techniques for five years. The measures which can be put into action are measure 111 – Vocational Training and Information Actions and a number of measures of axes 2, which can be implemented for the purposes of achieving the project objectives.

Box 5 – The Agri-environment measures of the Marche Region: function and characteristics

Action area	Nitrate vulnerable zones, Natura 2000 areas
Partnership	Mixed: Local authorities, farms
Subject leader	Local authorities or delegate subjects
Objectives	Conservation and safeguarding of the environment and biodiversity
Measures	111 Professional training, 125 Infrastructure of agricultural areas, 211 Mountain area compensation allowance, 213 Natura 2000 payments, 214 Agri-environment payments, 216 Support for non productive investments
Resources	17,870,000

During the first phase of the measures implementation, the procedure provides that the promoters of the product carry out activities of providing information

in order to involve the farmers of the area subject of the measures and submit an outline plan of the action to be carried out which describes the objectives, action strategies, territory and the parties involved as well as the commitments of the partners and the subject leader. In the event that the outline plan is approved, the promoter can proceed with the presentation of the detailed plan of measures, whilst the individual partners will individually submit an aid application, in accordance with the procedures of putting the individual measures into action.

As specified in the regional announcement, the agri-environment measures 'are also an opportunity to experiment with an innovative approach to territorial and multi-measure application of the RDP'. The underlying assumption of the agri-environment measures is that in order to restore a vulnerable area from an environmental point of view, it may be necessary that multiple parties which are involved in such restoration, jointly decide to improve the situation by taking on the collective commitments with the use of a public grant and any commitment by the promoter to supply specific services intended to improve the quality of life and work in the areas of interest.

The agri-environment measures undertaken are also considered by the Umbria Region RDP, according to the implementation rules provided for by the collective project, through the implementation of measure 214 – Agri-environment payments, which provides for the collective projects of areas presented by several neighbouring farms that put one or more agro-environmental measures into action. The presentation of these projects was considered a priority during the activation of the agri-environmental actions in view of the greater level of impact which such action would have compared to individual actions. However, the increase of the premium connected to the collective projects was not attractive to the beneficiaries in order to support the organisational costs inherent to the instrument, and therefore no projects of this nature have been presented.

3.4 ITPs as instruments of development for rural areas

The ITPs implemented by Veneto, Friuli Venezia Giulia, Lombardy, Liguria and Lazio propose an action aimed at promoting the development of rural areas and, in terms of objectives, the procedures adopted and the operational methods took stock of the experience gained with the Leader approach.

The choice of measures of this nature which the ITPs can draw upon (table 12) is very large, which, in regions such as Lombardy and Friuli, they can rely on

all (or almost all) of the measures provided for in the RDP; on all the 1 and 2 axes in Liguria where they promote actions of rural development for strongly urbanized areas; all the measures in axis 3 in Lazio and in Veneto where the ITP has objectives connected to the diversification of the activities and the improvement of the quality of life in the rural areas.

Veneto, Liguria and Lazio put the ITPs into action in order to open up the opportunity of initiating local development strategies in territories which are not eligible (areas A and B of the RDP) or in which Leader plans have not been activated. In Lombardy and Friuli Venezia Giulia such plans are activated with the intent of making an additional action instrument available to the local communities with which they can face the issues of the rural areas.

In all regional cases, it is provided that the integrated project strategy is presented by a public-private partnership representative of the economic and social interests of reference. The role of the partnership is to present a plan agreed upon with the local populations which responds to the needs of the area.

Table 12 – ITP ‘for the development of rural areas’: operational methods

Region	Tool	Eligible areas	Partnership	Subject Leader	Eligible measures	Available resources
Friuli Venezia Giulia	ITP	Region	Public-private	Any member of the partnership	121, 122, 123, 124, 125, 133, 214, 216, 221, 223, 226, 227, 311, 312, 321, 323	19.331.000
Lazio	ITP	Areas C and D of RDP	Public-private	Local authorities, public bodies, University, Districts, Other	Axis III	41.000.000
Liguria	ITP	Areas A and B of the RDP	Public-private	Partnership juridically recognized	Axis I and II	6.398.089
Lombardy	AP of area	Region	Public-private	Any member of the partnership	All measures of the RDP	17.444.074
Umbria	ITP	Areas identified by the region	Private	Partnership	121, 311, 313	7.050.000
Veneto	CIP - R	Areas not included in Leader approach	Public-private	Partnership	Axis III	15.392.000

Source: Based on data from RDPs and ITP regional announcements

Veneto goes even further, giving the ITP partnership the power to implement the planned actions through public announcements. The ITP partnership, just as the LAG partnership, independently implements its development strategy by announcing and selecting the individual initiatives which can be put into action. The Leader approach and the approach of the ITP are presented as complementary initiatives, with similar functions in different territories. It is no coincidence that the ITP areas, according to the Region announcement, must absolutely not coincide with those subject to the Local Development Plans (LDPs)¹² of the Leader.

The Veneto Region is the region which seems to have better understood the possibilities offered by article 59 of Regulation 1698/05 which, in the context of axes 3, provides for the possibilities of financing public-private partnerships, different from Leader partnerships, for the activation of the rural development measures regarding the diversification of rural activities and the quality of life in rural areas. In fact, the activation procedure of the Rural Integrated Projects for rural areas (CIP-R) starts from the selection of these partnerships for the activation of measure 341 – Skills Acquisition, animation and implementation of local development strategies of the Veneto RDP. In order to implement the measure, the partnership must concern a regional area classified by the RDP as a non Leader B or C area and promote the consolidation and development of specific territorial areas, similar in the fact that they are characterised by common situations and needs, through a coordinated set of measures or actions aimed at solving particular issues and criticalities or the strengthening of actual development opportunities considered mature or, in any case, clearly established and shared. In addition to measure 341, the CIP-R may also put into action measures directed by the partnership primarily aimed to public beneficiaries involved in the partnership and measures announced for private beneficiaries.

Even the ITPs of Lazio, though with a different procedure from the one puts into action in Veneto, are intended as an instrument complementary to the Leader approach to implement axis 3 measures in areas not subject to the axis 4 approach. However, in this case, to the ITP is assigned a purely directional role, whilst the responsibility of selecting the beneficiaries of the actions planned by the project remains lies with the managing authority of the RDP.

¹² The LDP represents the implementation plan of the Leader strategy of each individual approved and financed Local Action Group (LAG).

In addition to having a different territorial area from the Leader approach – the ITPs are intended for urban centres-, the ITP of Liguria only allows the implementation of measures relevant to axes 1 and 2 given that the axis 3 measures cannot be implemented in territories with low agricultural levels, according to the RDP of this Region.

The Integrated Project of Liguria had a rather special procedure, it was born within the context of LAGs selection. In fact, the public notice also provided for the possibility of presenting other strategies (those provided for by the aforementioned article 59 of Regulation 1698/05), not exclusively linked to the criteria provided for by the LDPs, which show to effectively pursue the objectives of the Rural development plan. Such strategies were able to provide for measures relating to axes 1 and 2 of the RDP or the use of other financial instruments. Because qualitatively relevant integrated planning emerged from the call for expression of interest in the Leader area, the Region decided to take this planning ability into consideration and reward it by issuing a dedicated announcement for the selection of integrated projects reserved to urban areas which had already taken part in the call for expression of interest in the Leader area.

The integrated territorial projects of Friuli and Lombardy are more streamlined compared to the other Regions and, above all, are more flexible in relation to the potentially involved objectives and subjects. The ISCPs and ITPs in these two regions, have very similar implementation procedures. It is the partnership that, during the definition of the action strategies, can choose an action objective with a strong territorial characterisation and also involves the parties who will be able to ensure the success of the initiative. The ITPs can put into action a number of RDP measures and cover territorial areas deemed adequate to the development needs of the partnership.

Among the territorial projects aimed to local development, the collective integrated projects can also be counted, aimed to 'promotion and marketing of thematic tourism products or products of the area' activated in Umbria. Unlike the procedures activated in other Regions, the integrated projects of Umbria are aimed at supplementing and systematising the tourism routes of the Region through multi-fund integrated projects (in effect they use ROP EAFRD and ESF resources as well as UAF and RDP resources) which aim the tourism actions co-financed by European and national funds towards the broader development strategy of the sector implemented by the Region. The collective integrated projects can be activated for the construction or enhancement of routes to promote religious, cultural, food and wine, congressional or sports tourism. The RDP contributes to financing

some of the routes identified¹³ by the regional strategy, providing resources for farm investments (measure 121), agritourism (measure 311) and to encourage the tourism activities (measure 313).

3.5 Implementation methods and procedures

As explained in the previous paragraphs, the types of ITPs are varied and have very different implementation methods. The objective which the ITPs target within the regional strategy tends to influence the implementation process by differentiating the area of application, the nature of the partnerships and the leader subjects as well as the measures which can be implemented and the activation procedure.

3.5.1 The eligible areas

The integrated territorial plans are addressed to a specific geographical area that presents uniform conditions in terms of environment, production, society and economy or culture. The choice of territory to which the ITPs will be applied in the various regional contexts has followed very different logics, partly guided by the objective given to the instrument and partly by the method used for identifying eligible projects.

The territorial identification guided by the action objective led Regions such as Campania and Marche to make choices 'as a matter of course' relative to the eligible territory. Campania has reserved the instrument to the Park Areas on the regional territory and thus the Municipalities involved. The same for Marche which has reserved the ITPs to the provinces.

However, some integrated procedures tend to guide the choice of reference territory of the projects even if they leave the final definition of the territory boundary to the partnerships which present the projects. This is the case of the Agri-environment measures of Marche and the Environment CIPs of Veneto which can be implemented in nitrate vulnerable zones or in Natura 2000 areas, depending on whether the projects are aimed at protecting the soil from pesticides and nitrates

13 The routes which may benefit from the RDP resources are the following: Food and Wine Tourism, The Walks of Faith – The Way of St. Francis, Cyclotourism, Tourism on horseback and Cultural tourism.

or measures for the protection of biodiversity. The same applies for the ITPs of Lazio, Liguria and the rural CIPs of Veneto, which enable the adoption of integrated projects in specific territories usually not comparable with territories eligible for the Leader approach, but they leave the definition of the territorial boundary, to which the project will apply, to the promoters.

Friuli and Lombardy entrust the territory selection to the partnerships which are formed locally without any prior indications which may influence the definition of the action area. When the integrated project are seen as an instrument for the integration of bearers of common interests with the purpose of concentrating their efforts on the cooperative objective, the choices are entrusted to local parties in order to instil confidence in their ability of coordination and involvement.

However, another exception is made in the case of the collective projects activated in Umbria. In this case, the Region has selected specific themes on which to activate projects to promote tourism, environmental and cultural development. Some of the issues identified refer to specific areas of reference, which is the case of 'Walks of Faith – The Streets of St Francis' which has its own area of implementation. In other cases action themes are more vague (food and wine tourism for example), therefore it is responsibility of the project partnership to identify the area of reference on which to act.

3.5.2 Partnerships and its leader

The nature of the partners involved in the integrated territorial projects tends to change depending on the infrastructural and environmental actions or actions for the development of rural projects they propose.

The objective of offering services and infrastructure for rural populations is public by definition. For this reason, the 'infrastructural' ITPs have a public management and are planned by a partnership composed of legal entities of that nature. The IPRA of Calabria attribute these functions to municipalities and their associations, mountain communities, land reclamation consortia, etc.; in Campania to the Park Authorities in partnership with the relative municipalities and provinces; in Marche to the Province in partnership with the LAG whose territory is the only one that can benefit from the action planned by the integrated territorial project.

The partnerships for the projects of an environmental nature, while promoted by Public bodies or parties of a collective nature, also involve private parties, the actual beneficiaries of the direct and the indirect measures planned by the ITP.

In this case the Public body or the collective party is the promoter of the initiative and involves the private parties (the farms) by sharing the objectives of the project with them and engaging in actions to support the commitments that the farms undertake with regards to public financing.

For ITPs with the objective of local development, the partnership is more composite and involves different subjects according to:

- a planning process promoted from the 'bottom up' which is adapted to local needs and integration of skills and knowledge of a different degree and nature;
- a shared and participated management of the development processes which arise from the integrated project.

In this case, the ITPs are projects promoted by partnerships which have the objective of consolidating the best practices of local governance in innovative and coherent contexts, using the objectives and strategies of the RDP. This objective can be achieved through the involvement of economic, social and institutional participants around a specific issue or opportunity.

The partnerships are mixed (public-private) and provide for a series of roles and responsibilities distributed among the partners. The overall management of the activities is not automatically assigned to the subject leader, it is the responsibility of the partnership which takes legal personality or of the temporary syndicate formed for the purpose (ATS) whose set of rules establish the management bodies, often composed of subjects outside of the partnership but who have adequate skills relevant to the role. Veneto and Lazio tend to structure the partnership according to the LAGs model, whereas Friuli Venezia Giulia, Lombardy and Liguria are more vague in their description of the procedure for the constitution of the partnership, but in any case tend to include specific management functions and responsibilities of implementation related to the project.

The ITPs in place today have a composition that fully reflect the strategic nature given to them: the public management projects are mainly backed by partnerships composed of public bodies, among which stand out the municipalities which represent about 86% of the total parties involved; the organisational nature and methods of the environmental ITPs support partnerships composed of farms; in the other cases, the nature of the subjects varies according to the objectives of the individual project, however even in this case, the presence of public bodies is strong.

The tasks assigned to the partnership are generally the following:

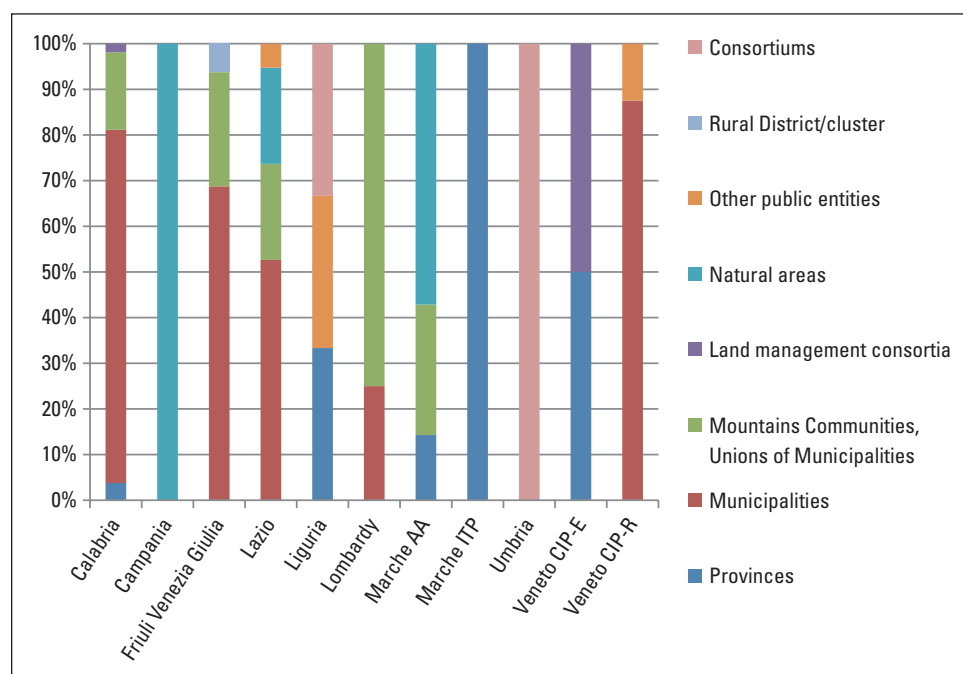
- to promote the participation of local communities and the economic operators through animation activities and expressions of interest;

- to prepare and submit the Integrated Project;
- to ensure the coordination and implementation of the actions.

The partnership of the Rural CIPs of Veneto is an exception to this generic scheme of attributing functions. In fact, the aforementioned procedure provides that the partnership is also the implementing party of the strategy, with direct and independent functions in the preparation and management of announcements for the implementation of the measures planned by the project for the selection of the final beneficiaries. The attribution of management functions is an element of delegating administrative functions, which tend to involve the local population in the public processes, attributing the specific competences relative to the management of the activities which directly concern the communities to which they belong.

Even the ITPs of Marche provide that the beneficiaries of the measures are identified and selected by the managing party of the project. However, in this case, the subject is public, the Province, and the actions to be implemented are anyway intended for financing activities to additional public bodies or which manage services for the community.

Figure 10 – The leader subjects of the financed ITPs by type



Source: Regional ITP classification

Depending on the aim of the project and the consequent role attributed to the partnership, the nature and role of the subject leader change (figure 10). That is, the subject who promotes the initiative and represents the parties involved in the project, interfaces with the Managing authority of the RDP.

The 'infrastructural' ITPs are managed by Public bodies. Representation is also entrusted to Public entities in the case of environmental ITPs. In this case, the Public body is the unifying party to which the individual member farms undertake a specific commitment linked to financing. At the same time, the party engages in providing the services and systemic actions required for the correct fulfilment of the protective action undertaken through the integrated project.

In the case of ITPs for local development, the subject leader can also be a private subject or a partner subject created precisely for the management of the project. However, during the implementation of this type of territorial planning, public representation is supported. The few exceptions have instead given the role of subject leader to a legal entity (usually a consortium) of mixed participation.

3.5.3 *The implementation procedures*

The implementation procedures put in place by the Regions for the creation of integrated territorial projects are different but, in almost all regions, they are simplified compared to those proposed for the integrated supply chain projects. This is mainly due to the fact that, regardless of the objective and purpose of the ITP, in the majority of cases the functions of leader and coordination of the project are attributed to a public body with which the regional administration establishes a 'pact' for the decentralised management of the resources. This 'pact' in a certain sense, ensures to the Region that the financed operations meet to the criteria of the RDP and thus makes the pre-selection phases provided for the ISCPs avoidable, serving to enhance the internal and external consistency of the initiatives proposed. Furthermore, the integrated territorial project often becomes a transfer of public resources to manage the initiatives within the competence of the Local authorities or public bodies that do not provide for any competitive process of allocating resources which may require more assessment phases related to the characteristics of the project.

The methods used to arrive at this sort of understanding between public administrations are different. For the environmental CIPs of Veneto, IPRA of Calabria Regione and integrated project of Marche Region foresee that the the ac-

tion comes from the territory, and the local actors involved, represented by a public body, that define the needs for intervention and submit the project. The assessment phases of the initiatives presented, in addition to examining the eligibility, are also an opportunity to agree between the managing authority and the subject leader, who defines the methods and compatibility with the specific local needs.

Campania provides that the 'pact' is formalised in a specific planning agreement between the promoter and the Region aimed at outlining the strategy of the territorial project including further funding and initiatives for the local development of the Park areas.

The rural CIPs of Veneto also use consultation procedures, in this case the Region does not select the projects, but instead selects the partnerships which must manage the local actions chosen and shared with the territory.

However, Friuli, Lazio, Liguria and Lombardy provide a more complex procedure divided into multiple phases similar to the ISCP¹⁴ procedure: expression of interest, planning of the ITP and planning of the individual actions. These Regions tend to prefer the inclusion of local participants in the decisional and planning processes. Financing derives from a selective process, therefore the various phases of implementation result in assessments based on subjective criteria which should support the funding of quality initiatives. The selective process is competitive, leaving to the territory and local parties the definition of the project initiative based on the integration of initiatives complementary to a precise development idea. Despite the fact that the initiatives could also be managed by private subjects, they were mostly delegated to public subjects because they were deemed able to ensure a better management of the internal and external relationships which come along with the project. The collective projects of Umbria also follow this method of implementation; the dynamics which will actually be followed however, will only emerge upon the conclusion of the financing procedure.

14 For a more accurate description of the implementation process provided for the ITRPs in the individual Regions, please refer to paragraph 2.2 of the previous chapter.

3.6 The first data on the implementation of the ITPs

Nine Regions have implemented the Integrated Territorial Project (table 13) and seven of these have already completed the procedures with the selection of the projects and final beneficiaries of the intervention.

There are 110 financed projects while 13 are still being considered by the evaluation committees for final approval.

Table 13 – The progress of the integrated territorial project (February 2012)

Region	Instrument	Projects approved and funded	Projects provisionally classified
Calabria	IPRA	57	
Campania	IRPPA	10	
Friuli Venezia Giulia	ITP	14	
Lazio	ITP		10
Liguria	ITP	3	
Lombardy	AP	4	
Marche	ITP	5	
	Agroen. Agreement	7	
Umbria	ITP		3
Veneto	CIP-E	2	
	CIP-R	8	
Total		110	13

Source: Regions

Of the 300 million Euros intended for the Integrated Territorial Project, around 78% of the resources have been committed to date. In general the commitments seem to correspond to the initial forecasts with the single exception of the CIP – E of Veneto Region. In this case only 3% of the 31 million Euros provided was committed by the two single financed projects. The instrument did not meet the same favour as the Marche agri-environment agreements despite the fact that the adopted procedures were very similar. In Veneto lacked the big work of territorial activities put in place in the Marche region in collaboration with the Provinces and the other local Authorities. The involvement of the administrative levels closest to the territory, the numerous territorial meetings and the careful technical assistance supported shareholding and the possibility of experimenting with a thoroughly innovative intervention procedure.

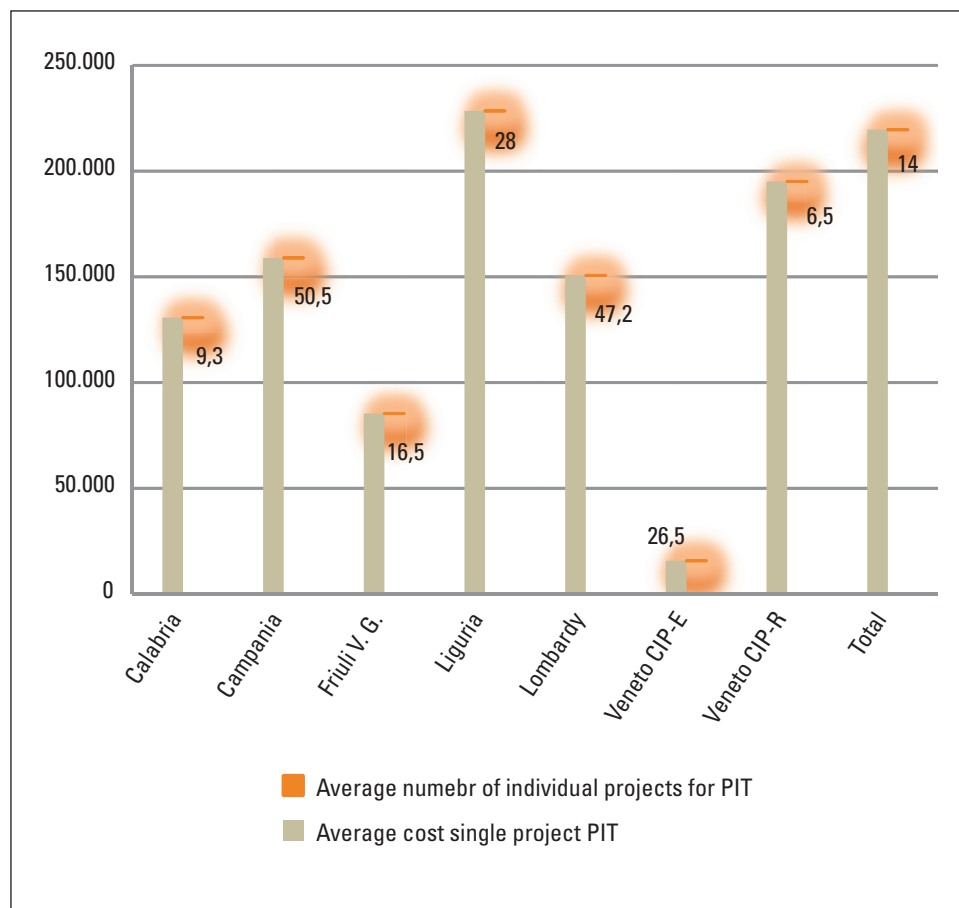
Table 14 – The numbers of the ITPs

Region	Instruments	Resources allocated (a)	Resources committed (b)	Average of allocation (c = b / a)	Projects Approved (d)	Average funding for ITP (e = d / b)
Calabria	IPRA	96.600.000	69.536.539	72%	57	1.219.939
Campania	IRPPA	107.580.000	102.121.613	95%	10	10.212.161
Friuli Venezia Giulia	ITP	19.331.000	19.719.702	102%	14	1.408.550
Lazio	ITP	41.000.000	n.d.	-	10	-
Liguria	ITP	6.398.089	6.398.089	100%	3	2.132.696
Lombardy	AP	n.d.	28.471.508	-	4	7.117.877
Marche	ITP	9.780.910	n.d.	-	5	-
	Agroen. Agreement	n.d.	17.870.000	-	7	2.552.857
Umbria	ITP	6.350.000	n.d.	-	3	-
Veneto	PIA-E	30.943.000	840.827	3%	2	420.414
	PIA-R	15.392.000	14.181.600	92%	8	1.772.700
Total		333.374.999	259.139.878	78%	123	2.106.828

Source: Regions

An interesting data relates to the average cost of the projects, particularly if referred to the similar data of the financed Local Development Plans with the approach Leader of the RDP. These show an average cost of around 7 million, in the case of ITPs, with the exception of Campania and Lombardy, they have much more contained funding (2 million on average). The ITPs appear to be directed at intervention programmes with a limited field of action. No wonder if there are 14 single interventions that on average require a project for a public funding of around 220,000 Euros (figure 11).

Figure 11 – Single projects: number and average costs

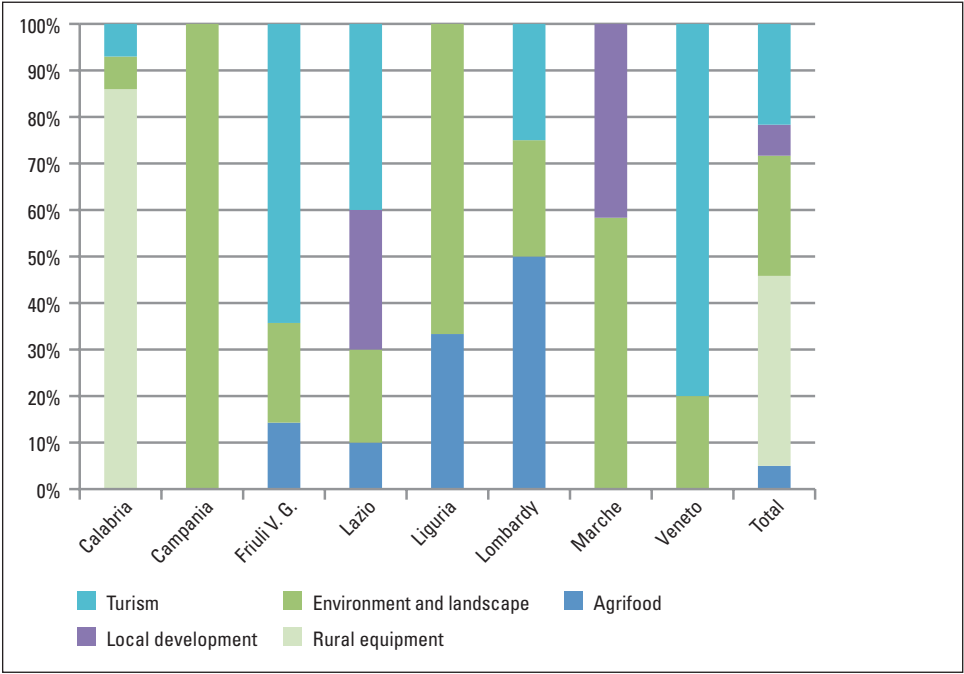


Source: our processing on regional data

An analysis of the Integrated Territorial Projects presented to date by theme shows that 43% of these are directed at rural infrastructuring and 28% at actions for the environment and the landscape. This is followed by the ITPs for which the objective is tourism (23%), the enhancement of the typical agri-foods (4%) and the development of rural economies (2% of the projects presented to date.)

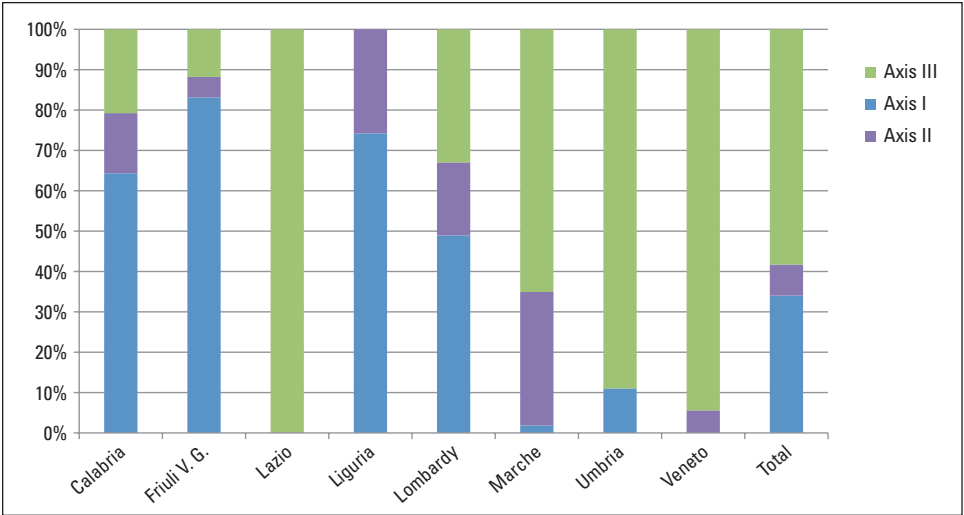
At a regional level (figure 12) the structuring of the calls for proposals strongly affects the local action plan. No wonder if the ITPs dedicated to rural infrastructuring are concentrated in Calabria and the environmental ones in the Marche.

Figure 12 – The integrated project themes by Region



Source: our processing on regional data

Figure 13 – The ITP resources by RDP axis



Source: Regions

Table 15 – The resources committed with the ITPs by measure and by Region (February 2012)

Measure	Calabria	Campania*	Friuli V. G.	Liguria	Lombardy	Marche*	Veneto*	Total
111				200.000	202.000	55.500		457.500
114				100.000				100.000
121			10.738.383		1.345.000			12.083.383
122			309.464	350.000	3.132.975			3.792.439
123			786.081	2.000.000	2.896.000			5.682.081
124				200.000				200.000
125	44.734.280	8.634.160	3.111.600	1.648.089	8.424.350			66.552.479
126				100.000				100.000
133			257.460	150.000				407.460
211						84.526		84.526
213						440.109		440.109
214			-			381.546	3.490	385.036
216	3.379.514	1.941.500	131.478		9.000	80.000	780.293	6.321.785
221							51.506	51.506
223					36.350			36.350
226		1.270.000	463.574	1.150.000	5.650.000			8.533.574
227	6.987.107	4.053.340	793.515	500.000				12.333.962
311			811.718		1.204.000		1.465.000	3.480.718
312			51.182					51.182
313		6.990.000			1.861.033	1.300.864	4.557.525	14.709.422
321	14.435.638	4.100.000	1.866.521		2.394.800	310.654	150.000	23.257.613
323		4.288.000	398.726		1.316.000	330.070	2.034.000	8.366.796
341							769.600	769.600
Total	69.536.539	31.277.000	19.719.702	6.398.089	28.471.508	2.983.269	9.811.414	168.197.521
<i>Axis I</i>	<i>44.734.280</i>	<i>8.634.160</i>	<i>15.202.988</i>	<i>4.748.089</i>	<i>16.000.325</i>	<i>55.500</i>	<i>-</i>	<i>89.375.342</i>
<i>Axis II</i>	<i>10.366.621</i>	<i>7.264.840</i>	<i>1.388.567</i>	<i>1.650.000</i>	<i>5.695.350</i>	<i>986.181</i>	<i>835.289</i>	<i>28.186.848</i>
<i>Axis III</i>	<i>14.435.638</i>	<i>15.378.000</i>	<i>3.128.147</i>	<i>-</i>	<i>6.775.833</i>	<i>1.941.588</i>	<i>8.976.125</i>	<i>50.635.331</i>

**Partial information relating to just one part of the approved projects*

Source: Regional classification

A glance at the measures which the ITPs have drawn on says a lot about how much this instrument refers to intervention strategies that completely differ from Region to Region.

In fact, as shown in figure 13, in general the measures in axis 1 are particularly drawn on and account for 53% of the used resources. 74% of the funding link-

ing to this axis is attributable to measure 125 (table 15) that is directed at interventions of infrastructural type. This occurs above all in Calabria and Campania, while in Friuli and Liguria there is a tendency to give priority to measures supporting the agricultural and forestry business seen that, in these cases, the ITPs are directed at more generic local development objectives.

The measures of axis 2 are used above all in the Regions that implement the ITPs for environmental value (Marche and Veneto). Moreover, in this case the interventions that the axis reserves for infrastructural interventions (measures 216 and 227) are particularly drawn on. The measures of axis 3 prevail in Veneto and Marche where the territorial integration strategy is directed at the demands of territorial enhancement and promotion.

Table 15 shows in detail the commitments with priority over the RDP measures determined by the implementation of the ITPs. The nature of the interventions also describes the beneficiaries of the measures that are most common and the agri-food businesses which surround a series of subjects which can be variously classified and participate marginally in the project unit.

3.7 Integrated Territorial Projects in the Rural Development Policy: an instrument yet to be created

Provided that an instrument which is very similar to the LEADER is not created, the integrated project should be characterised by elements that could identify it as an intervention method directed at specific objectives and with its own action dynamics. Some Regions (Lazio, Liguria and Veneto) have made it a local development instrument to be implemented where the approach of axis 4 of the RDP could not be applied. Others, such as Friuli and Lombardy use the ITP alongside the Leader, supporting the adoption of local development strategies with simplified management regulations and for which the intervention management remains in the hands of the Region. Finally, a third group of Regions outline that the Integrated Territorial Project is created by transferring resources to the local authorities or to other public parties in the territory. These transferrals can be directed or attributed following the presentation of a specific project.

Given that it has only been partly implemented, it is too early to give advice about the efficacy of the instrument. It is however possible to give some consideration to the different characterisations that the Regions have given to the ITPs and to the response of the rural territories in terms of the project.

With respect to the thematic characterisation of the adoptable strategy, even if they do not put wide and engaging participating processes into action, the ITPs for the infrastructures and the services to the population can become a consultation area for the public and local authorities involved. In fact, when the integrated project operates in this way, the procedures outline the presentation of an intervention programme that is agreed upon between all the competent or responsible public parties in the territory. The ITP offers the chance to experiment with joint management of public functions¹⁵ and pushes the coordination of activities by facilitating the reports between local administrations, offering them the possibility of programming interventions in accordance with common requirements and sharing a broader action plan.

In this sense, it will be particularly interesting to follow the implementation of the IRPPAs in Campania, the more structured instrument in terms of the promotion of *governance* and of resources available for the project. Among other things, the IRPPAs provide for the integration of RDP resources with those of the ROP, ERDF and ESF, speculating a composite intervention strategy made for territorial interventions in the Park areas. The integrated project is a real territorial development programme at which the resources available for development interventions should be directed. Currently the integration is only formal since the different programmes of the Community Funds are moving on very different thematic and temporal fronts. In any case, the single project partnerships could implement, on a local level, synergistic forms of action towards the involvement of the *stakeholders* of the single policies that can be implemented by the IRPPA. In a period in which the transferral of funding to the territorial authorities is experiencing heavy cuts, the funding of the territorial development programmes of the local institutions could prove particularly important for the development interventions on a local scale.

As observed several times, even the ITPs with environmental value are presented as innovative instruments. The programming of integrated actions based on measurements for rewarding the policy of rural development is a complete novelty. These types of interventions tend to be presented as integration actions for the benefit of the agriculturists of which the impact is generally limited to the

15 The joint management of a good number of the functions which the municipalities are responsible for has become compulsory for municipalities with less than 5,000 inhabitants (small municipalities) pursuant to Italian Legislative Decree no. 78 del 31/05/2011. Among other things, these functions include the management of the territory and the environment, viability and transport, social services and education (kindergartens).

businesses and the products to which the award is dedicated. However, in the event that a specific and rather congruous number of businesses decide to adopt agricultural practices which are eco-compatible, the effects tend to amplify and the direct and indirect results determined by the award are definitely widespread.

It should however be noted that, of the three Regions that have provided for this type of instrument, only the Marche are effectively experimenting with the procedures. Umbria has still not implemented agri-environmental agreements while in Veneto the call for proposals was almost empty and there were only two financed projects.

A separate discussion can be made for the more generic ITPs. This type of project is the response to a rather hybrid planning logic that tends to be presented as an opportunity to use the Leader in the territories where is not allowed to benefit from this approach. In some cases however, the desire of the Regions to satisfy the planning demands on a local scale shown by the territories keeping control of the prepared initiatives is hidden. With the exception of the Veneto, the partnership that is established with the ITP is a subject with very limited tasks and is however never of management type as by contrast are the LAG. Hence the integrated project supports interventions on a local scale that limit the delegation process to the planning phases while, the management phases remain the responsibility of the Regions. When it has generic objectives of rural development, the integrated territorial approach goes largely by the Leader method, particularly in terms of action for development agreed from the bottom. However, it restricts the functions of the partnership to the implementation of the policies and therefore not to a systematic action of *governance* of the territory by which public intervention can be developed.

By contrast to the integrated projects of the chain, those that are territorial need to be modelled in procedural terms and directed in terms of strategies so that they do not become a instrument that enters into competition with supporting Leaders: local demands of overlapping programmes and action instruments; administrative demands directed at limiting the possibility of delegated and shared management of the rural development policy.

Finally, it should be reiterated that the ITPs like the ISCPs, though proposing high-sounding territorial objectives, often tend to translate themselves into multi-measure call for proposals where the partnership process is drained by the programming phases. In the case of the ITPs, this occurs above all when the procedures tend to prioritise the participation of private parties, supporting the creation of a formal partnership for which the local programming is limited to a series

of interventions which are scarcely interlinked. This tends to lose any innovative flow in terms of territorial development and to translate itself into a more or less coordinated series of single actions, actually weakening the innovative flow of an involvement process from the bottom.

Managing the rural development policy with an integrated approach is, however, a clear objective of the different RDPs. The use of several intervention instruments facilitates the objective by making it possible for more parties to act with respect to specific local demands. It is however necessary that the instruments have a real intervention size in terms of objectives, beneficiaries, interventions and resources. Some Regions, such as the Marche, seem to have found the right balance by adapting the single instruments and specific intervention strategies. In others it is difficult to understand their action dimension. In view of the post 2013 rural development policy strongly focused on the territorial approach, it will be appropriate to work on instruments that can be directed to the actual needs of the rural world.

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ANNEX 1

SUPPLY CHAIN AGREEMENT TEMPLATE

Chain Agreement template¹

Between the Promoter Party

AND

the following agricultural production businesses with direct shares (*list the businesses indicating their denomination, company name, registered office and legal representation*);

the following transformation and/or commercialisation businesses with direct shares (*list the businesses indicating their denomination, company name, premises and legal representation*);

the following additional parties with direct shares (*list the businesses indicating their denomination, company name, registered office and legal representation*);

AND

the following agricultural production businesses with indirect shares (*list the businesses indicating their denomination, company name, premises and legal representation*);

the following transformation and/or commercialisation businesses with indirect shares (*list the businesses indicating their denomination, company name, registered office and legal representation*);

the following further parties with indirect shares (*list the businesses indicating their denomination, company name, registered office and legal representation*);

hereinafter referred to as the 'Parties'

UNDERSIGN THIS AGREEMENT

Section I GENERAL PART

Art. 1 – Purpose of the agreement

This Agreement regards the supply chain named _____
_____ the purpose of
which is (*describe the objectives and the results expected*).

¹ Based on the model adopted in the Marche and in Emilia Romagna.

Art. 2 – Subject of the agreement

This agreement concerns to the coordinated implementation of the following interventions: *(briefly describe the type of interventions and the activities that are intended to be performed and that make up the supply chain project in its entirety, as well as further elements that characterise the agreement also in relation to the previous agreements and other elements characterising the relations between the Parties)*

Art. 3 – Identification and duties of the Promoter Party

The Promoter Party is responsible for carrying out all the tasks indicated in the call for proposals mentioned in the introduction as well as the operation of all the powers conferred to them by direct shareholders with a specific representation agreement.

It is also the responsibility of the Promoter Party *(to indicate every other specific task/charge/fulfilment assigned at the end of the useful and effective achievement of the agreement objectives)*

Art. 4 – Interventions and implementation parties

For the purposes of this agreement, the following direct participants are all committed to the implementation of respective interventions as indicated below:

Direct participant	RDP measure	Intervention (summarised description of the operation to perform)

(Only in the event that Measure 1.2.4 is implemented, in addition to the direct beneficiary all the other parties involved in the agreement who may contribute to the performance of the activity via a specific operative share will be listed separately)

Art. 5 – Activities of the indirect participants

For the purposes of this agreement, the following indirect participants are all committed to the performance of the respective activities as indicated below:

Indirect participant	Activities (summarised description of the activities that the indirect participant is committed to performing)

Art. 6 – Other activities subject of this Agreement

The following subjects, who undersign this agreement, identify and undertake to fulfil the following additional activities in view of a most effective fulfilment of the purposes referred to in art. 1: *(indicate any common obligations, if required). (Describe any further activities that certain parties, each for the specific activity indicated, are asked to perform for the purposes referred to in art. 1).*

Art. 7 – Raw materials and finished products

The parties agree that the raw materials and finished products referred to in this agreement constitute the reference quantities of the supply chain project which this agreement is aimed at and which are summarised as follows: *(indicate all the raw materials and the corresponding finished products distinguishing between quality assured products and biological certified products pursuant to the current community regulation)*

Type of raw material	Quantities
total	

Type of raw material	Quantities
total	

Art. 8 – Obligations of the direct participants

The parties that for the purposes of this agreement carry out the role of the direct participants and are committed:

- to confer the representation agreement to the Promoter Party identified in the previous Art. 3 for the exercise of all the powers indicated in the call for proposals approved with ____ no. _____ and in this agreement *(in the case of the Temporary Group of Businesses constitution in RTI should also be provided for)*;
- to present, where required, the executive projects for the performance of the interventions referred to in the previous Art. 4 to the Management authority of the Marche RDP;
- to completely produce the aforesaid interventions with respect to all the procedures and current measures;

- to contribute to the production of the chain via the further activities specifically describe for each subject in the previous Art. 6;
- to respect all the commitments, obligations and prescriptions as well as fulfilling all the tasks required by the call for proposals approved with ____ no. _____ in relation to the single operations/interventions and to the chain project in its entirety;
- *(respect every other obligation required by this agreement).*

Art. 9 – Obligations of the indirect participants

The parties being indirect participants commit to:

- implementing any activities defined in Art. 5 depending on the performance of the chain agreement;
- *(respect any other obligation set by this agreement).*

Art. 10 – Responsibilities attributed to the Promoter Party

The Promoter Party shall be responsible for covering costs which may arise if it is unable to fulfil his assigned duties as indicated from ____ n. ____, including agency representation and as indicated in this agreement.

Moreover, the Promoter Party shall be responsible for any of the following as indicated in this agreement _____ *(indicate any particular responsibilities which may be connected to a given job/task/fulfilment directly associated to the pursuit of the agreement's objectives)*

The Promoter Party is also responsible for any criminal intentions and negligence which may cause unjust damage to the participant and for which he may be liable as indicated in the agreement.

Art. 11 – Responsibilities attributed to participants of the Supply Chain

Supply chain participants shall be responsible for any job/obligation/task which have not been legally honoured as per this agreement, as well as for any unjust damage derived from uncompleted supply chain projects. *(Please indicate the case history agreements which single supply chain participants have failed to honour and for which they are individually responsible.)*

Art. 12 – Legal guarantees, incidental expenses and penalties

(Reciprocal guarantees, including financial and economic ones, whose aim is the creation or establishment of supply chain projects which participants adhere to and as per predefined agreements (including art. 12) shall be identified and

communicated. Moreover, penalties shall be assigned to each of the supply chain participants who do not honour any specific a given job/task/fulfilment between or amongst themselves).

Art. 13 – Agreement Withdrawal

(Agreement withdrawal procedures and collateral effects of withdrawal on commitments undertaken by supply chain participants particularly with regards to managing eligibility for participation and financial support within the chain.)

Section II

TERMS RELATED TO SUPPLYING RAW MATERIALS AND SUBSEQUENT PRODUCT DISTRIBUTION AMONGST PARTICIPANTS OF THE AGREEMENT

Art. 14 – Raw material allocation

(for those companies whose statute requires the transfer and exchange of raw materials on the part of its participants)

As a means to best define raw material quantity as per Art. 6, raw material producing agro-industrial organisations who are signatories to this agreement, participating either directly or indirectly, must guarantee that the following company\ be allocated specific amounts of raw materials to be processed/distributed:

Name of Agro-industrial Organisation	Amount	Classification	Agro-industrial food processor/distributor

(Please indicate any parameters related to quality, such as price increases, services included and the relevant contractual conditions)

Alternatively

Art. 14 – Raw material purchase

(for those food processors/distributors purchasing raw materials directly from individual or associated producers)

As a means to best define raw material quantity as per Art. 6, the agro-industrial food processor /distributor _____ (please

indicate company name) as of the date of agreement signing, shall purchase specific amounts of raw material products at specific prices as follows:

Name of Agro-industrial Organisation	Amount	Classification	Price

Purchasing shall be expedited under the following conditions: *(Please indicate the all of the contractual conditions including any parameters related to quality, such as price increases, services included and the relevant conditions)*

Both parties indicated in Art. 14 shall commit themselves to purchasing and selling raw material amounts on an annual basis as defined above for the whole duration of the agreement.

(Please indicate further contractual terms required by supply chain participants and Promoter Party regarding delivery delays, penalties, etc.)

Should there be more than one agro-industrial food processor /distributor indicated in the above, each of these terms shall be indicated for each company mentioned in the agreement *(Regulation of the supply/exchange amongst agro-industrial food processing companies and distributors)*

Art. 15 – Allocation of Raw materials/semi-processed goods

(For those agro-industrial food processing/distributor companies as mentioned in Art. 14 which have been allocated raw materials and which in turn allocate raw materials/semi-processed goods to other agro-industrial food processors/distributors which have adhered to the agreement)

The Agro-industrial food processor/distributor _____
_____ *(company name)*, as of the date of agreement signing, shall allocate specific amounts of raw material/semi-processed goods as follows:

Raw material classification	Amount
total	

Allocation shall be expedited according to the following: *(please indicate all of the contractual conditions)*

The allocating company shall commit to supplying the above-mentioned amounts

of raw materials/semi-processed goods on an annual basis as defined above for the whole duration of the agreement.

Should there be more than one agro-industrial food processor /distributor indicated in the above, each of these terms shall be indicated for each company mentioned in the agreement

Alternatively,

Art. 15 – Raw material/semi-processed goods supply

(For those agro-industrial food processor /distributor which have been allocated raw materials as per Art. 14 and have supplied raw materials(semi-processed goods to other those agro-industrial food processor /distributors which has adhered to this agreement)

The agro-industrial food processor /distributor _____
_____ (company name) shall supply to _____
_____ (company name), who in turn, as of the date of agreement signing, shall purchase specific amounts of raw material/semi-processed goods at specific prices as follows:

Amount	Classification	Price

Purchasing shall be expedited under the following conditions: *(please indicate all of the contractual conditions)*

All parties indicated in Art. 15 shall commit themselves to purchasing and selling raw material /semi-processed goods on an annual basis as defined above for the whole duration of the agreement.

(Please indicate further contractual terms required by supply chain participants and Promoter Party regarding delivery delays, penalties, etc.)

Should there be more than one agro-industrial food processor /distributor indicated in the above, each of these terms shall be indicated for each company mentioned in the agreement

(Regulation of the supply/exchange amongst agro-industrial food processing companies and distributors)

Art. 16 – Supplying finished products

(Relationship established directly between parties)

Section III FINAL DISPOSITIONS

Art. 17 – Agreement length

This agreement shall commence upon signing and last until the end of the 3rd year (*please specify any extensions*) following the verification of complete supply chain operation as conducted by the PSR Marche Authority.

Art. 18 – Disputes

All parties shall agree to mention any controversies related to this agreement:

(*please indicate the appropriate arbitrary board*).

Art. 19 – Final dispositions

For all items not specifically foreseen within this agreement, please refer the relevant section on agreements in the Italian Civil Code as well as the following:

(*please indicate any additional or past agreements which attest to the above*)

Place, date

Signature

NB:

This agreement must include the photocopies of the identity cards of each signatory;

The representations discussed above are not binding. Supply chain participants must nonetheless adhere to the minimum requirements as mentioned in Chapter 4.

Finito di stampare nel mese di settembre 2013
da CSR Centro Stampa e Riproduzione srl
via di Pietralata, 157 - 00158 Roma



PIANO STRATEGICO DELLO SVILUPPO RURALE
L'AGRICOLTURA A BENEFICIO DI TUTTI

RETE RURALE NAZIONALE 2007-2013
Ministero delle politiche agricole alimentari e forestali

Dipartimento delle politiche competitive del mondo rurale e della qualità
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