



*Multilevel Governance and Rural Development :
The role of the Italian provinces – Province of Grosseto*

CASE STUDY REPORT: PROVINCE OF GROSSETO

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The Focus Group with the Province of Grosseto included the Councillor for rural development and the representatives of the Presidency, the Directorate General, the Financial Services and the Departments for the Rural Development, Spatial Planning, Professional Training and Employment Policies.

The Focus Group with the local actors included the representatives of the three mountain communities of the Province (Amiata Grossetano, Colline Metallifere and Colline del Fiora and dell'Albegna), the Municipality of Grosseto, the Local Action Group(LAG) FAR Maremma and the Maremma Regional Park.

The Focus Group on the dairy sector of the Grosseto area included the Provincial Councillor for rural development and the representatives of the Province of Grosseto, of the dairy cooperative “Caseificio Sociale” in Manciano, of the cooperative APROZOO Etruria, of the Consortium for the Protection of the “ Pecorino Toscano cheese”, of the General Confederation of Italian Agriculture - Confagricoltura, the Organisation of Farmers - Coldiretti and the Confederation of Farmers (Confederazione Italiana Agricoltori–CIA), of the University of Pisa and of the S. Anna School of Advanced Studies in Pisa.

1. SHORT OVERVIEW OF THE TERRITORY

The OECD has classified the Province of Grosseto as a predominately rural area, whereas, according to the National Strategy Plan (NSP) for rural development it is mainly made up by intermediate rural areas, but, other than the urban area of the provincial capital, also by rural areas with overall development problems.

Figure 1 – OECD (centre) and NSP (right) classification of the Grosseto province's territory



Source: Our elaboration on OECD and NSP maps

As compared with the other Tuscan provinces, although its population is among the lowest in the region (slightly less than 230,000 inhabitants), it is one of the largest provinces (over 4,500 km², including 1,850 km of roads) with a very wide and varied territory. The socio-economic problems are very different between the coastal areas, where anthropic pressure is very high, and the hinterland, where it is necessary to contrast the process of marginalisation.

The province has 28 Municipalities, 18 of which are mountain municipalities (13 are fully-fledged and 5 are partially mountain municipalities), for the majority of small size (70% with up to 5,000 inhabitants). Globally, the population is among the lowest in the region as compared to the other Tuscan provinces (in 2011 there were slightly more than 220,000 inhabitants, i.e. 6% of the regional population), but the territory is among the widest (4,504 km², i.e. 20% of Tuscany) and most varied. The socio-economic problems are very different between the coastal areas, where pressure from human activities is very high and the hinterland where it is necessary to contrast the process of marginalisation.

The average population density is 49 inhabitants per km², less than one third of the regional density (159.71) and one fourth of the national density (197.23). However, the population is concentrated mainly in hilly areas (57%) and in the municipalities with more than 15,000 inhabitants (52%). Demographic indicators show a greater aging of population at province's level than at regional and national level (the aging index being at 217.91 versus 187.33 of overall Tuscany and 148.75 nationwide) and a social and economic burden of non-working population (people aged 0-14 years and over 65) over working population (people aged 15-64 years) exceeding 59 out of 100, i.e. more than 2% as compared to Tuscany (58.12) and 8% as compared to Italy (53.49).

The population of working age (over 138,000 people) accounts for about 63% of residents and 67% of employed people. Employment (60.69) and activity rates (65.14) are lower than the regional rates (64 and 57 respectively). However, while the latter exceeds the national rate (62.25) the former does not (56.94). Employment is concentrated primarily in the service sector (71%) more than it does at regional (69%) and national level (68%), but the percentage of people working in agriculture (14% of the total) is four times higher than it is at regional (3.4%) and national level (3.7%). On the other hand, the share of the employment in the industrial sector is nearly half (16% vs. 28%).

Table 1 – Territorial and Socio-economic features

	Province of Grosseto	Tuscany	Italy
Surface (km ² , as of 2011)	4,504	22,993.51	301,336
Number of municipalities (as of 2011/12/31)	28	287	8,092
Population (on 2011/10/09)	220,564	3,672,202	59,433,744
Population density (inhab/km ² , on 2011/10/09)	49	159.71	197.23
Elderliness index (on 2009/12/31)	217.91	187.33	148.75
Dependency index (on 2011/10/09)	59.29	58.12	53.49
Population 15-64 years (% as of 2011)*	62.78	63.24	65.15
Persons employed (as of 2011), of which in:	92,490	1,554,926	22,967,243
– agriculture (% 2011)	13.56	3.36	3.7
– industry (% 2011)	15.8	27.57	28.47
– other activities (% 2011)	70.64	69.07	67.83
Activity rate (Istat, as of 2011)	65	68.06	62.25
Employment rate (Istat, as of 2011)	61	63.57	56.94
Unemployment rate (Istat, as of 2011)	7	6.47	8.41

** Our elaborations*

Elderliness index: Ratio of the population aged over 65 years to the population aged under 15 years (%).

Dependency index: Population aged 0-14 years plus the population aged 65 and over, as a percentage of the population aged 15-64.

Activity rate: Labour force as a percentage of the population of working age (15-64 years).

Employment rate: Persons in employment as a percentage of the population of working age (15-64 years)

Unemployment rate: Unemployed persons as a percentage of the active population (15-64 years)

Source: Atlas of Competitiveness of provinces and regions, Istituto Tagliacarne – Unioncamere.

At the end of the 90s, the Province of Grosseto went through a severe crisis that forced mines to close and the chemical sector to a downsizing. However, the deindustrialisation boosted an economic conversion and the rediscovery of the territory's natural, rural vocation that was promoted, as explained hereinafter, through various local development tools available at that time (Single Programming Document - SPD Ob. 2 2000-2006, Regional Operational Programme Ob. 3 ESF, Rural Development Programme, negotiated planning, the Rural District of Maremma, the Local Development Pact of the Province of Grosseto etc.).

In 2010, 32% of companies registered with the Chamber of Commerce are in the agricultural, forestry and fisheries sector. A much smaller number of companies are commercial undertakings (19% of the total) and building companies (13%) and a very limited number of companies are in the hotel and catering industry (8%) and in the manufacturing sector (5%).

However, the weight of these companies is inversely represented in terms of added value: in 2011 the economy of the Grosseto province accounted for 6% of the regional added value, 5% of which came from agriculture (that accounts for 2% at regional and national level); the remaining percentage is mainly expressed by the service sector (78%) and the industrial sector as a whole (17%, vs. 24% of Tuscany and Italy). However, at base prices, the overall agricultural production (349 million euros) of the Province of Grosseto accounts for 15% of regional production (2.4 billion euros). The livestock sector prevails (29%), followed by herbaceous (23%) and ligneous crops (18%).

In 2010, the total disposable income accounts for 6% of the Tuscan income, but the per-capita disposable income (17,000 euros), although in line with the national average, is 10% lower than the regional income.

Table 2 – Structural features of the economy

	Province of Grosseto		Tuscany Region		Italy	
Registered enterprises, number (Infocamere, on 2011/12/31), of which in:	29,710		417,200		6,110,074	
– Agriculture, forestry and fisheries	9,598	32.31%	42,797	10.26%	837,624	13.71%
– Manufacturing	1,645	5.54%	56,874	13.63%	617,768	10.11%
– Constructions	3,914	13.17%	68,717	16.47%	906,496	14.84%
– Wholesale and retail trading	5,752	19.36%	101,438	24.31%	1,550,863	25.38%
– Accomodation and catering	2,436	8.20%	29,732	7.13%	392,337	6.42%
Total added value, million Euros, as of 2010, of which in:	5,346		93,437		1,395,219	
– Agriculture	279	5.22%	1,800	1.93%	26,698	1.91%
– Industry	911	17.05%	22,947	24.56%	347,094	24.88%
– Services	4,156	77.74%	68,691	73.52%	1,021,426	73.21%
Total disposable income, million Euros (elab. Ist. Tagliacarne, as of 2010)	3,933		71,072		1,029,943	
Per-capita disposable income, Euros (elab. Ist. Tagliacarne, as of 2010)	17,281.75		19,003.24		17,028.53	
Total agricultural production at base prices, thousand Euros (2010), of which:	348,774		2,390,437		45,942,616	
– Herbaceous crops	79,207	22.71%	473,513	19.81%	14,687,486	31.97%
– Ligneous crops	63,052	18.08%	1,131,671	47.34%	10,439,470	22.72%
– Livestock products	102,405	29.36%	456,305	19.09%	14,889,559	32.41%
– Forestry products	18,149	5.20%	59,259	2.48%	476,690	1.04%
– Related services	85,962	24.65%	269,688	11.28%	5,449,412	11.86%

Source: Our elaboration on data from the Atlas of competitiveness of the provinces and regions, Istituto Tagliacarne – Unioncamere.

In the period 2000-2011, the total added value of the province increased by 48%, much more than the regional and national rates, both slightly more than 30%.

Table 3 – Total added value at base prices by category (current prices, million Euros)

		Agriculture, forestry and fisheries (a)	(a/d)	Industry (b)	(b/d)	Services (c)	(c/d)	Total (d)
Province of Grosseto	2000	292	8.67%	607	18.03%	2,466	73.30%	3,364
	2008	303	5.90%	935	18.17%	3,905	75.93%	5,143
	2011	266	5.33%	780	15.61%	3,948	79.05%	4,994
	Δ 2008/2000	4%		54%		58%		53%
	Δ 2011/2000	-9%		29%		60%		48%
	Δ 2011/2008	-12%		-17%		1%		-3%
Tuscany Region	2000	1,534	2.16%	20,228	28.52%	49,153	69.31%	70,915
	2008	1,964	2.10%	25,940	27.69%	65,767	70.21%	93,670
	2011	1,840	1.94%	22,477	23.68%	70,615	74.38%	94,932
	Δ 2008/2000	28%		28%		34%		32%
	Δ 2011/2000	20%		11%		44%		34%
	Δ 2011/2008	-6%		-13%		7%		1%
Italy	2000	30,036	2.80%	297,109	27.74%	743,745	69.45%	1,070,891
	2008	28,851	2.04%	378,722	26.72%	1,009,927	71.25%	1,417,500
	2011	28,150	1.99%	351,495	24.84%	1,035,563	73.17%	1,415,207
	Δ 2008/2000	-4%		27%		36%		32%
	Δ 2011/2000	-6%		18%		39%		32%
	Δ 2011/2008	-2%		-7%		3%		-0.2%

Source: Istat.

Despite the significant shrinking of agriculture between 2000 and 2011 (-9%), the Province of Grosseto is still the agricultural heart of Tuscany: in 2010, 17% of Tuscan agricultural holdings with cultivations and 22% of livestock holdings were located in the Province of Grosseto.

Globally, 16% of agricultural land was lost between the two censuses, more than the national average. This is mainly due to urbanisation processes that have led to a continuous agricultural land consumption in the province.

Table 4 – Structural features of the primary sector

	Province of Grosseto			Tuscany Region			Italy		
	2000	2010	$\Delta\%$ 2010/00	2000	2010	$\Delta\%$ 2010/00	2000	2010	$\Delta\%$ 2010/00
Number of holdings with cultivations, of which:	16,735	12,274	-26.66	121,125	72,519	-40.13	2,393,892	1,616,046	-32.49
- Total agricultural area (hectars)	339,413	285,027	-16.02	1,556,893	1,294,968	-16.82	18,766,584	17,078,307	-9.00
- Utilised agricultural area (hectars)	206,445	188,578	-8.65	855,601	754,345	-11.83	13,181,859	12,856,048	-2.47
– Ligneous crops, of which:	25,323	27,843	9.95	182,449	177,069	-2.95	2,444,082	2,380,769	-2.59
- Grapes	5,822	7,471	28.33	58,504	59,993	2.54	717,334	664,296	-7.39
- Olives	15,850	17,356	9.50	95,848	91,907	-4.11	1,066,396	1,123,330	5.34
– Arablecrops, of which	155,077	139,874	-9.80	536,850	479,888	-10.61	7,283,882	7,009,311	-3.77
- Durum wheat	51,945	27,953	-46.19	152,542	102,851	-32.58	1,699,480	1,419,106	-16.50
- Multiannual forage crops	39,739	60,913	53.28	103,277	151,794	46.98	1,530,845	1,917,850	25.28
– Permanent pasture and meadows	25,714	20,531	-20.16	133,220	94,899	-28.77	3,414,592	3,434,073	0.57
Number of holdings with livestock, of which:	3,691	2,182	-40.88	18,526	9,900	-46.56	370,356	217,449	-41.29
– ovine holdings	1,844	964	-47.72	4,409	2,359	-46.50	89,151	51,096	-42.69
Of which sheep	1,824	917	-49.73	4,300	2,242	-47.86	83,982	47,202	-43.80
Number of ovine animals	282,120	229,602	-18.62	554,011	471,064	-14.97	6,789,825	6,782,179	-0.11
– of which sheep	253,931	216,692	-14.67	494,748	443,719	-10.31	6,079,263	6,223,106	2.37

Source: Our elaboration on Istat data, Censuses of agriculture 2000 and 2010.

The economic system in the Grosseto province has a very low rate of market openness(7.85%) as compared to regional (50.05%) and national data (48.49%), and a weak export capacity (3.96%), much lower than the regional (28.43%) and national capacity (23.89%). However, new opportunities have become available just recently: as a matter of fact, between 2010 and 2011 the volume of provincial exports increased significantly (+21%), at the same time imports dropped (-5%), unlike what happened in Tuscany (+14% and +9% respectively) and Italy (+11% and +17%).

Table 5 – Market Openness(Million Euros, %)

	Province of Grosseto			Tuscany Region			Italy		
	2010	2011	Δ	2010	2011	Δ	2010	2011	Δ
Import	208	199	-5%	20,201	22,103	9%	343,220	400,184	17%
Export	212	256	21%	26,564	30,201	14%	333,329	371,153	11%
Propensity to export (2010)	3.96			28.43			23.89		
Openness rate (2010)	7.85			50.05			48.49		

Source: Atlas of competitiveness of the provinces and regions, Istituto Tagliacarne – Unioncamere

Public institutions play a fundamental role within the economic system of the province in terms of increased competitiveness and a better quality of life through social and economic infrastructure schemes.

As regards the economic infrastructures, despite its central location on the Tyrrhenian coast, the province is not crossed by the motorway. This disadvantage slows down the North-South connections with the rest of the country. East-West links are difficult too both by road and rail. On the contrary, the local airport and the numerous ports favour the incoming tourism flows.

Finally, the broadband and energy network infrastructures are extremely inadequate as compared to the rest of the region.

Social infrastructures (health care centres, culture and leisure facilities) are very poor and the Province of Grosseto ranks lowest in terms of quality of life among the Tuscan provinces.

Table 6 – Infrastructural Development Indexes (Italy=100)

	Province of Grosseto		Tuscany Region	
	2001	2011	2001	2011
Economic infrastructures*	62.86	65.08	107.26	104.59
Social infrastructures**	33.11	34.99	117.15	118.97
General index of infrastructures (economic and social)	53.94	56.05	110.23	108.90

**Economic infrastructures: road network, railway network, ports, airports, plants and energy-environmental networks, telephone and data transmission facilities and networks, banking networks and miscellaneous services.*

***Social Infrastructures: cultural and leisure facilities, schools and health care centres.*

Source: Atlas of competitiveness of the provinces and regions, Istituto Tagliacarne – Unioncamere.

2. FUNCTIONS AND PROGRAMMES OF THE PROVINCE

2.1 Own functions and functions delegated by the Region

The process by which functions are delegated by the national government differs from the process of function delegation by the regions.

The functions for agriculture, forestry and the food sector were already delegated to the local bodies through regional law in 1981. Those functions were reorganised in 1998 (Laws n. 9 and n. 11) and extended to forestry, hunting, fisheries, rural development and agri-tourism. In both the laws the Regional government delegated the administrative functions to provinces and mountain communities (presently replaced by the unions of municipalities), granting them different tasks. However, while the law of 1981 stipulated that the provinces and the mountain communities would share functions, in the law of 1998 all functions were delegated to the provinces.

As regards spatial planning too, through the law of 1995, the Tuscany Region transferred to the provinces the proper function of coordination through the Territorial Plan for Provincial Coordination (PTCP). In particular, such plans (PTCP) set out a urban planning regulatory framework that supersedes over municipal plans, however, in Tuscany programming proposals and strategic actions are often also developed. Furthermore, they concern both urban and rural areas, and consider them as the areas where farming or farming-related activities take place (marketing of typical products, tourist accomodation, renewable energies, vegetables and flowers growing, etc.). The standards laid down in the PTCP are guidelines for the municipalities. Therefore, they are binding when the province grants authorisations or issues opinions (as it is the case, for example, of the single authorisation on photovoltaic plants in farming and rural areas or the opinions over the programmes issued by the municipalities on improving environmental-agricultural sector).

The Tuscan provinces have participated in urban planning activities considerably and they have played a major role as an intermediate coordinator between the Region and the municipalities.

However, as time went by, the Region started to increasingly take over some functions, until, in September 2013, the Regional Council approved a proposal for amending the legislation on territorial governance. Although keeping the overall, original design, this draft law strengthens the role of the municipalities versus the provinces.

The Tuscany Region has delegated numerous functions to the provinces. For sake of simplicity, we have grouped them by macro-areas and type of activity (table 8) and we have classified and cross-referenced them to five fundamental functions: planning/project-making, regulatory powers, granting of financial support to operators, implementation of services, general monitoring, evaluation and control tasks.

The Tuscan provinces concentrate the programming and planning activities on the matters included in the “territory, environment and infrastructures” macro-area. Hence, for example, the rules on the governance of the territory stipulate that the PCTP shall outline the strategy of territorial development for the province including the cities but also mountain, coastal and agricultural areas. Furthermore, the province can establish parks, natural reserves and contiguous areas for which it sets out management and financing methods and conservation measures (through management plans and/or other planning instruments). In addition, the province deals with designing and executing hydraulic and hydro-geological works; drafting the regulation plan for the use of surface and ground water; the design, construction and maintenance of the regional road network; defining the provincial transport policy in its own PTCP, etc.

Regulatory powers are more widely used (laying down specific regulations, authorisation schemes, eligibility criteria, etc.) for the purpose of economic and productive development and for territory, environment and infrastructure management.

The execution of public works and the implementation of services are mainly concentrated in the macro-areas 2 and 3. As regards the territory, environment and infrastructure management, the province deals with the execution of hydraulic and hydro-geological works, mechanisms for defending coastal areas and coastal towns etc.. On the contrary, in terms of services to the individuals and the communities, the province is in charge of active employment policies and vocational guidance through job centres and placement services.

Financial assistance and support to public and private operators is limited to the handicraft and industrial sectors.

Table 7–Functions transferred to the Provinces by the Tuscany Region

Macro-area	Matters	Planning/project-making	Regulatory powers	Granting of financial support to operators	Implementation of services	General monitoring, evaluation and control
Economic development and productive activities	Agriculture, forestry, hunting, fisheries, rural development, agri-tourism, food	X	X		X	X
	Craft			X		
	Industry and aid to firms		X	X		
	Tourism		X		X	X
	Energy (renewable energy and energy saving)		X		X	
	Mines and geothermal resources		X			
Territory, environment and infrastructure	Urban planning	X				X
	Environmental assets	X	X			X
	Protection and safeguard of nature and environment	X	X			X
	Water resources and soil protection	X			X	X
	Public works	X	X		X	
	Road network	X			X	
	Transports	X	X		X	X
	Civil protection		X		X	
Services to the individuals and the communities	Social services, social inclusion and healthcare				X	X
	Vocational training	X			X	X
	School education	X			X	X
	Labour market	X	X		X	
	Culture and cultural heritage				X	X
	Performing arts*					
Administrative Police	Sport		X			
					X	X

*Responsibilities for performing arts were laid down by the regional law n. 27/2006 now repealed.

Source: Our elaborations.

Finally, much of the highly-skilled human resources of the Province are responsible for control, monitoring and evaluation activities in all macro-areas. For example, the provinces are in charge of controlling and monitoring the quality of inland and coastal waters and the distribution of habitats and animal species, as well as of controlling and ensuring that obligations and bans over water resources and soil defence are enforced etc.

Although the Tuscany Region had transferred an extensive range of powers to the provinces, however, from 2011 onwards, in line with the national legislation, the regional government decided to centralise back those powers, give more importance to the municipalities (individually or as a group) and manage some functions for large interprovincial areas.

However, while Tuscany pre-empted the decisions of the national government as to bringing together and cutting the number of provinces, the Province of Grosseto took internal rationalization measures and adopted a new organisational structure. In 2011, the 2003 vertical structure was set aside and the new structure reflects the central role acknowledged both to sustainable economic development and the need to coordinating and pooling financial and human resources.

2.2 Functions performed within co-financed projects

Although the Province of Grosseto depends upon State transfers, it managed to play a strategic role through intermediation and coordination of resources. The Province seized the opportunities offered by negotiated programming tools (general-purpose territorial pacts and green pacts first and the integrated local development plans then).

The main focus was on agriculture and rural development, but all the other economic and social sectors were involved in various ways as well. The Province believes that agriculture goes beyond the primary sector and concerns also higher value-added sectors such as the processing industry, tourism, handicraft, renewable energies, etc.

With regard to agriculture and rural development, as already stated above, the Tuscany Region did more than delegating some general functions to the provinces and assigned the management of several measures laid down in the regional Rural Development Programme – RDP (*Programma di sviluppo rurale regionale*) to the provinces first, and to the mountain communities too then.

With regard to the programming period 2000-2006, the provinces and the mountain communities had to draw up their respective local plans for rural development (PLSR) containing the measures to be implemented, the resources to be allocated to such measures and any other additional priority. On the contrary, with regards to the period 2007-2013, the programming instruments were streamlined and the PLSR had to be submitted by each Province only, although they had to envisage measures for both the provinces and the mountain communities. Finally, during 2010, the programme revision led the Tuscany Region to further streamline the procedures by introducing a single financial plan for each province (including all the resources allocated to the competent authorities), a province's ranking list of regional calls for tenders, a monitoring and coordination role for the province, the elimination of provincial additional criteria. In the same year, special guidelines were issued to focus 2011 local programming on three priority actions: support to sectors hit by the crisis (namely zootechnics and cereal production), support to the setting up of new agricultural holdings either through early retirement and/or the establishment of young farmers, infrastructures and public works aimed at preventing natural disasters and restoration in the forestry sectors.

The Tuscany Region has assigned extensive powers to the provinces also as regards vocational training management. With reference to the European Regional Development Fund (ERDF), in the programming period 2000-2006 the Tuscan provinces played a very important role in the various stages of identification and selection of Integrated Local Development Projects (PISL) and in the implementation phase of infrastructural measures. Furthermore, they are in charge of identifying, collecting and submitting projects for recovering abandoned industrial and small business areas and creating services for enterprises, adapting and completing facilities to promote the local production, organising fairs and exhibitions and building, recovering and regenerating social facilities.

In particular, within the PISL, the province played a crucial role both in the designing and in the implementation phase. On the contrary, with reference to infrastructural measures, the provinces played a significant role in setting projects' selection criteria, selecting and collecting projects

from the final beneficiaries and submitting project fiches and applications for funding to the Region. Finally, they participated in the Region's control activity over financial reporting.

In the programming period 2007-2013 too the Tuscan provinces were much involved in the consultation phase. They hosted meetings with the local stakeholders that ended with a "Document of territorial participation" (DPT) for each territorial sector in compliance with the Pact for local development (PASL), a voluntary memorandum of understanding drawn up by each territory and concluded between the Region, the Province and the institutions and the local actors of the provincial territory.

The PASL is the framework of all resources used at local level and it transposes both the European guidelines and the contents of the 25 Regional Integrated Projects (PIR) included in the Regional Rural Development Programme (RDP) 2006-2010. In particular, the Pact of the Province of Grosseto sets out seven policy areas deserving priority action (enterprises, infrastructures, environmental and cultural assets, Maremma rural district, public services, employment and training, incentives to local development).

Finally, the Province has also started off a new phase of consultations with the Region and the territorial actors with a view to drawing up a *new generation territorial pact* that exploits the synergies of different tools and funds to achieve a common goal. As from 2010, the Province of Grosseto has promoted the *Progetto Maremma 2015 – Energie per Crescere* (Maremma 2015 Project – Energies for Growth).

The complex experience that we have illustrated so far is not the result of a codification by the law but the consequence of discussions and decisions that were taken during working tables between the Province and the major local stakeholders.

With due regard for each and everyone competencies and prerogatives, this shared working method, based on mutual consultation, allowed different stakeholders to converge in pursuit of common objectives for the sake of the territory.

3. RESOURCES

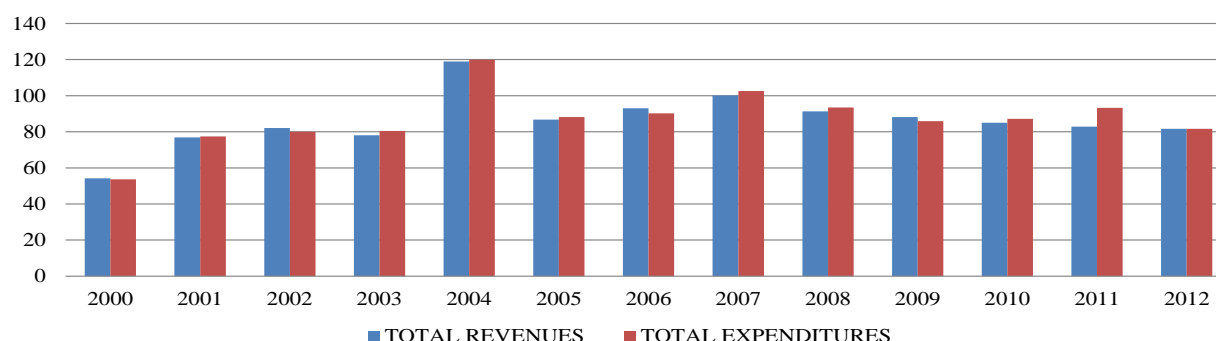
3.1 Budgetary Resources

The implementation of the decentralisation process and the exercise of own and delegated functions is accompanied by the transfer of human and financial resources to the provinces. Such resources pass through the province's budget in two ways: on an annual and on a one-off basis. While costs for permanent activities are covered by specifically planned and allocated resources, i.e. transfers of funds and contributions that are repeated year after year, resources for other specific actions resulting from *ad hoc* laws are transferred in given budget years and are bound to their implementation.

The budget is in line with the various sectors of the Province and it is allocated according to the internal organisational structure: each department has a budget spending centre that receives financial resources to cover the expenses. However, where appropriate and in compliance with the general budgetary rules, the various budget spending centres may have some flexibility.

In the period 2000-2012, the Province of Grosseto had a budget of 86 million euros on average, with upward trends of revenues in 2004 (especially due to capital transfers by the Region) and to a lesser extent in 2007 (mainly due to non-tax revenue collection).

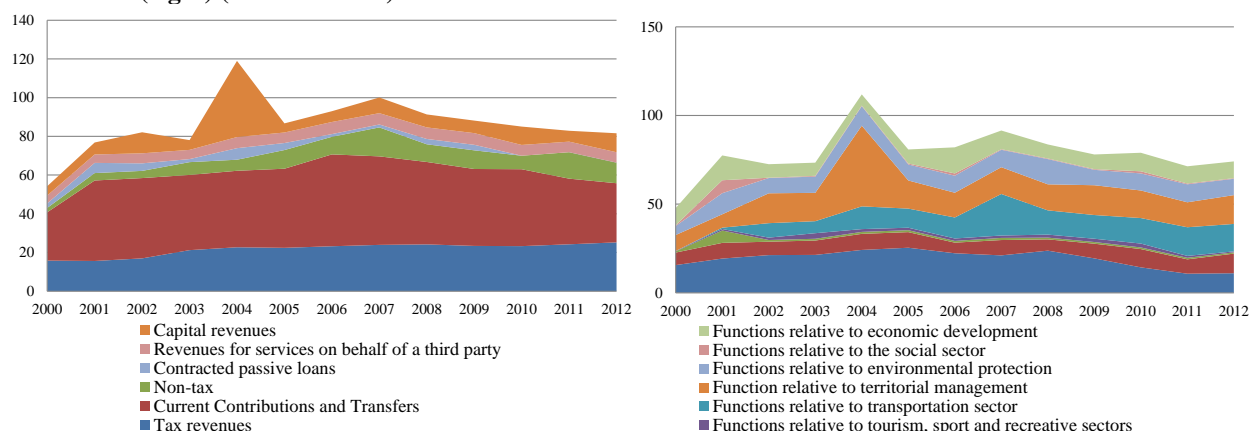
Figure 2 – Trends in revenues (assessments) and budget expenditures (commitments), 2000-2011 (Million Euros)



Source: Our elaborations on data by the Ministry of Internal Affairs

The trend of current and capital resources used to perform each function in the period 2000-2011 highlights that expenditure in the transport sector went up from zero to 16 million euros, while expenditure for tourism and leisure increased fivefold (from 194,000 euros to over one million euros). Expenditure for environmental protection doubled (from 5 to 10 million euros) and expenses for land management increased by almost 60%. Conversely, despite the budgetary constraints, in order to maintain such levels of expenditure and, therefore, of services supplied, the Province reduced its expenditure for administration, management and control, from over 15 million euros to nearly 11 million euros (in particular from 12.5 to 10.5 as to current expenditure and from 3 million euros to 280,000 euros as to capital expenditure).

Figure 3 – Revenues (commitments) by title (left) and current and capital expenditures (assessments) by type of function (right) (Million Euros)



Source: Our elaborations on data by the Ministry of Internal Affairs

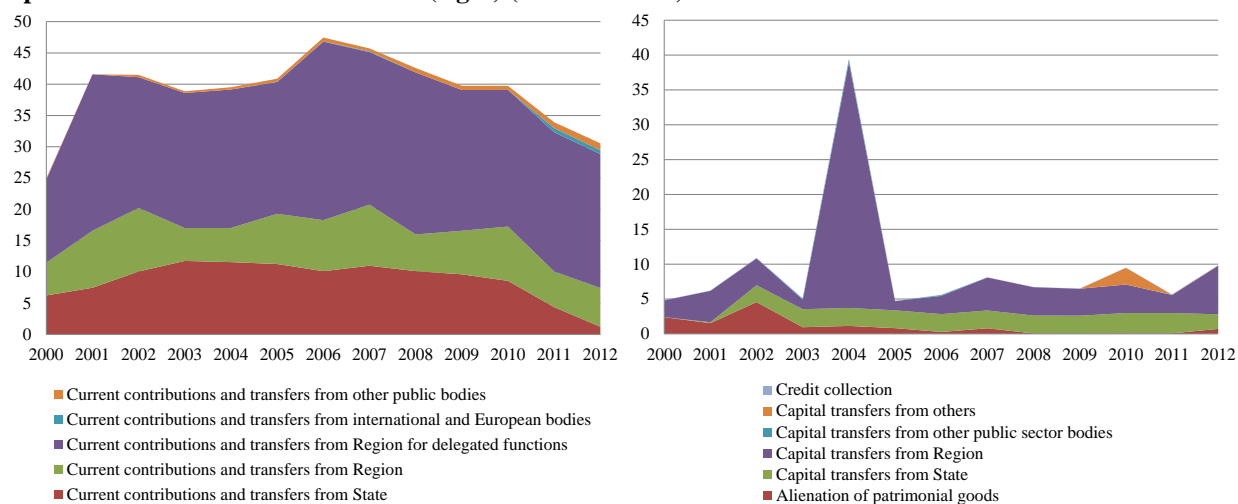
The extension of competencies (and of resources needed to perform them) was followed by an increase in current contributions and transfers of over 25% (from 25 to 34 million euros) mainly

due to regional transfers for delegated functions that grew from 13 to 22 million euros between 2000 and 2011. In particular, with regard to the latter, an average yearly amount of 22 million euros was assessed, accounting for 32% of the average current revenue for the same period (69 million euros). Moreover average revenue from current transfers and contributions account for 58% of current revenue overall. Tax revenue accounts for 30% of current revenue and for 79% of own revenue.

Although the financial situation has become more and more difficult in many provinces from 2010 onwards, the decline in total revenue was less severe for the Province of Grosseto which managed to keep a yearly average of 83 million euros between 2009 and 2011, i.e. very close to the average of the twelve-year period 2000-2011 (86 million euros).

Considering the volumes of 2000 and 2011, tax revenues increased by 35% (from 16 to 24 million euros), with a rise in taxes¹ by 38% (from 14.7 to 23.8) and non-tax revenues by 83% (from 2.3 to 13.7 million euros), namely due to an increase in intakes from public services (+70%) and provincial assets (+80%). Therefore, between 2000 and 2010 own revenues increased (+20%) as well as current transfers and contributions (+26%). As a consequence, current expenditure increased, passing from 39 million euros in 2010 to 63 million euros in 2011 (+38%).

Figure 4 – Revenues (commitments) from current contributions and transfers (left) and from alienations, capital transfers and credit collection (right) (Million Euros)



Source: Our elaborations on data by the Ministry of Internal Affairs

In summary, the management strategy of the province's budget proves to be based on:

- Rationalisation of administrative and management expenditure, resulting in its lowering over time;
- A considerable reduction in the ratio between capital and current expenditure namely in terms of economic development and administration and management expenditure;

¹The provinces earn income from two taxes: a provincial tax for car registration to the Public Vehicle Register (PRA) and a tax on insurance for civil liability deriving from the circulation of motor vehicles.

- A higher capacity to finance current expenditure with own revenue, namely through non-tax revenue (and in particular by using income from public services).

Table 8 – Budget Indicators

	Average 2000-2006	Average 2007-2012	Δ%
Financial autonomy (<i>Own revenues/Current revenues</i>)	0.44	0.48	9%
Tax autonomy (<i>Tax revenues/Current revenues</i>)	0.37	0.33	-12%
Financial dependence (<i>Revenues from contributions and transfers/Current revenues</i>)	0.57	0.52	-9%
Dependence on State (<i>Revenues from contributions and transfers from State/Current revenues</i>)	0.33	0.23	-31%
Share of current transfers from Region on total current revenues	0.23	0.27	18%
Share of current expenditures on total expenditures	0.62	0.65	6%
Share of capital expenditures on total expenditures	0.26	0.22	-14%
Share of capital expenditures on current expenditures	0.43	0.35	-19%
Share of expenditures for general function of administration, management and control on current expenditures(<i>Expenditures Title. I, function 1 / Current expenditures</i>)	0.24	0.22	-9%
Share of expenditures for functions relative to economic development on current expenditures (<i>Expenditures TitleI, function 9 / Current expenses</i>)	0.06	0.06	-5%
Share of expenditures for general function of administration, management and control on total expenditures(<i>Expenditures Title I and Title II, function 1 / Total expenditures</i>)	0.23	0.23	-1%
Share of expenditures for functions relative to economic development on total expenditures(<i>Expenditures Title I e Title II, function 9 / Total expenditures</i>)	0.04	0.04	-8%
Share of current expenditures covered by own-source revenues*(<i>Own-source revenues / Current expenditures</i>)	0.50	0.62	23%

* *Own-source revenues = tax revenues + non-tax revenues*

Source: Our elaborations on data by the Ministry of Internal Affairs

The Province has therefore engaged in a virtuous behaviour, since it has managed to reduce administration and management expenditure while maintaining a good level of expenditure for economic development despite the critical situation.

3.2 Additional Resources

Notwithstanding the rationalisation and rescheduling efforts over the various budget items, the overall budgetary framework of the Province of Grosseto shows a positive performance of incoming and outgoing regular resources and therefore a positive performance in terms of activities implemented.

However, some activities are implemented through other sources than the province's mainstream funding (own funds or the regional/national funds). Over time, the Province of Grosseto has built up a relevant project-making experience that allowed it to attract external resources either through delegated functions (transferred by the Region, as we already mentioned earlier) or through competitive bidding procedures (*see* table 9) and manage such resources in partnership with local and external actors.

With regard to the EU funds, with the exception of the fisheries programme, the Province of Grosseto was granted delegated functions by the Region through administrative decisions.

The province is the beneficiary and the implementing body of several measures contained in regional rural development plan (RDP) and it has selected measures, priorities and resources in a multi-annual local rural development plan (PLSR). Resources amount to a total of 75 million euros in the period 2000-2013, slightly more than half of them refer to the present programming

period (although the number of applications collected account for 276 million euros) and the remaining part to the period 2000-2006.

Within the European Social Fund operational programme, the Province manages directly the calls for projects and was able to distribute resources for over 60 million euros as a whole, of which 57% in the programming period 2000-2006.

Within the ERDF, over 138 million euros were allocated to the Province of Grosseto, half of them on the SPD Objective 2 2000-2006 (73 million euros) and the remaining part on the operational programme 2007-2013. In particular, the projects envisaged by the Province within the ERDF focus on enhancing those sectors that can support the multi-functionality of rural areas of the Maremma, such as tourism, local handicraft and manufacturing activities, mainly through actions in the energy, environmental sector, etc. .

Furthermore, the Province of Grosseto has implemented activities through national negotiated agreements: two territorial pacts (one general-purpose pact and one pact for agriculture) and a programme contract.

The general-purpose territorial pact for the development of the Maremma aimed at strengthening infrastructures, mainly in remote rural areas, to support the main economic activities (agriculture and tourism). Signed in 1999, the general-purpose pact envisaged over fifty infrastructural projects (accounting for a total investment of about 150 million euros) and 22 million euros of public financial resources to be managed by the Province of Grosseto.

On the other hand, the territorial pact for agriculture addressed the whole local agri-food system, with special focus on the production chains (olive oil, wine, beef and dairy cattle breeding) and multi-functionality. The Pact aimed at strengthening a single vision of the Maremma. It included aid to agricultural holdings aimed at structural investments, diversification of activities and improvement of agricultural products' processing and marketing; aid to producers groups to start up or expand their businesses and set up control systems for the certification of product quality and typicality; aid to the fisheries sector, aid to the processing and marketing of forestry products. It envisages over 130 projects accounting for a total investment of about 45 million euros. The province manages 26 million euros of public financial resources.

The Province of Grosseto managed the contract programme addressing high-quality oil, wine and food production. It was approved in January 2004 and amounts to 41.5 million euros. The contract programme aims at enhancing high-quality local productions (processing and marketing of wine, oil, fishery and foodstuff products and tomato).

Furthermore, the Province of Grosseto was selected to represent Tuscany within the Adep project (Community Initiative Interreg III). This project develops food and wine tourist itineraries in 6 European regions (of Italy, France, Spain, Ireland, Poland and Finland) with a view to enhancing quality productions and strengthening territorial identities. The resources made available for this initiative amount to 850,000 euros.

Table 9–Financial resources managed directly by the Province of Grosseto

Programmes	Regional delegation (RD) or competitive bidding procedures (CBP)	Public financial resources 2000-2006 (thousand Euros)	Public financial resources 2007-2013 (thousand Euros)
1. Rural Development Programmes Measures	RD	39,000	36,000
2. European Social Fund O.P. Measures	RD	34,400	26,000
3. European Regional Development Fund O.P. Measures	RD	73,000	65,500
4. European Fisheries Fund Measures	CBP	300	850
5. General-purpose territorial pacts	Negotiated planning	22,000	–
6. Agriculture territorial pacts	Negotiated planning	–	26,000
7. Contract programme	Negotiated planning	–	41,250
8. Other local development integrated programmes (regional)			
- Agricultural development services	RD	3,500	3,500
- Short supply chain and rural district	CBP	280	280
9. National Fund for Underutilized Areas			
10. INTERREG projects	CBP	–	850
11. LIFE projects		–	1,200
12. URBAN projects			
13. Other programmes:			
- Cross-border cooperation programme Italy-France	CBP	–	4,800
14. Other financing			
- Typical products enhancement (LAG)	CBP	130	–
- Chamber of commerce	Direct assignment	120	–
TOTAL		172.730	206.230
<i>% on total revenues/expenditures</i>		<i>29%</i>	<i>46% **</i>
<i>% on total capital expenditures</i>		<i>119%</i>	<i>305% **</i>
<i>% on total capital expenditures for local development***</i>		<i>627%</i>	<i>1,203% **</i>

* The RDP made available 36 million Euros in contributions in respect of a request for 276 million Euros;

** 2007-2011;

*** Capital expenditure for functions relative to cultural heritage, tourism, environmental protection, social policies and economic development.

Source: Our elaborations on data provided by the Province of Grosseto and the Ministry of Internal Affairs

If we consider all the funds raised through competitive bidding procedures, from 2000 onward the Province of Grosseto has managed to attract 379 million euros of resources on its territory, 54% of which in the period 2007-2013.

In view of the need to rationalise budget resources and, at the same time, keep covering current expenditure and investments, funds resulting from non-budgetary items, account for only 37% of total revenue for the overall period 2000-2011; but despite this, they account for 178% capital expenditure and up to 848% of capital expenditure for local development (cultural heritage, tourism, environmental protection, social policies and economic development). Furthermore, if we look at the two periods separately, we notice that between 2007 and 2011 the percentage of

funded projects tripled vis-à-vis the capital expenditure (from 119% to 305%) and doubled vis-à-vis the capital expenditure for local development (from 627% to 1,203%).

Finally, it is self-evident that the Province of Grosseto played a major role in promoting projects at local level, involving and coordinating the local stakeholders in a variety of initiatives.

4. RELATIONS BETWEEN THE PROVINCE AND THE LOCAL ACTORS

The relations between the provinces and the other local bodies are mainly focused on the Territorial Plan of Provincial Coordination (PTCP).

During the preparation of the PTCP, a wide-ranging, non-confrontational consultation and concertation took place between the Province of Grosseto, the municipalities and the mountain communities, and before the adoption of the plan, the local actors were able to make requests and put forward their observations on general and technical issues. However, the PTCP provided for extremely detailed territorial planning which superseded or prevailed over ordinary urban planning instruments. This is the reason why it was perceived as an instrument depriving the municipalities' structural plans and urban planning instruments of their autonomy. There were three mountain communities within the territory of the Province of Grosseto (Colline del Fiora, Amiata and Colline Metallifere) that turned into Unions of Municipalities: Union of Municipalities Colline del Fiora, Union of Mountain Municipalities Amiata Grossetana and Union of Mountain Municipalities Colline Metallifere. Since 2003 the mountain communities had had the same functions as the Province, they cooperated on a level-playing field and were not in competition, because although they had been delegated responsibilities over the same subject matters, the areas under their responsibility were different as well as the types of activities they managed and the complexity of procedures. In 2011 this situation changed because, as we already mentioned earlier, the mountain communities were no longer allowed to draw up their own Local Rural Development Plans (PLSR). These plans were replaced by a single PLSR at provincial level containing the priorities set by the former mountain communities.

In rural areas, the Local Action Group FAR Maremma is a major player since it manages a portion of the Leader Axis of the Regional Rural Development Programme (RDP) at local level. It acts on RDP measures which do not fall under the responsibility of the Province and the mountain communities. However, the LAG cooperates with them, both technically and politically, in an informal and unstructured manner. Unlike the Unions of municipalities that are members of the Board, the Province cannot affect the LAG management decisions whatsoever (selection criteria, score award, etc.).

The Maremma Regional Park is an unusual reality as compared to the municipalities and the unions of municipalities. It is a non-economic body that is supported by regional funds, own revenue (mainly from ticket sales for tourist itineraries) and contributions by the "Comunità del parco" (the Community of the Park is an entity of the Park authority formed by the President of the Province of Grosseto and the mayors of Grosseto, Magliano in Toscana and Orbetello). The Park authority does not depend on the Province and has its own urban planning instrument (the Plan of the Park) that supersedes and prevails over any other plan. It is a sort of "white area" within the PTCP where the Province has no regulatory powers on planning. However, when

preparing the Plan, the Park authority calls for the participation of the province to which the plan is sent for information purposes only during the preparation phase. On the contrary, the Plan is subject to the mandatory opinion of the “Comunità del parco” and the Scientific Committee and it is approved by the Regional Council.

However, the Park authority and the Province maintain a strong collaboration that has often helped obtain EU and regional funds to put in place protection actions and major landscape projects aimed at the protected area. It was the case, for example, of the projects implemented through the EU programme LIFE (such as MedWolf aimed at reducing conflicts between the presence of the wolf and human activities in rural areas) and through regional resources both from the ordinary budget and the Operational Programme ERDF (environment restoration of the pine forest Granducaale dell’Uccellina).

Finally, over 2011, the Province of Grosseto inaugurated a new interprovincial governance structure with the provinces of Arezzo and Siena (with which it formed the large area of Southern Tuscany) aimed at planning and managing services in the main sectors of competence (economic development and local welfare, territorial and environmental governance, infrastructures, mobility and telematic networks, institutional innovation).

5. SOME FINAL CONSIDERATIONS

In Tuscany, the process of function delegation to the Provinces can be divided in two phases: extensive powers and full participation in revamping the local economy between 2000 and 2006 versus a higher centralisation of regional policies, with regard to EU funds as well, between 2007-2013.

As a consequence of the extensive delegation of functions, at least at operational level, over time the provinces have become public bodies engaged in promoting development and ready to listen to the needs of their territory.

Unfortunately this process stopped and the dialogue between the Region and the provinces became a formal duty in most cases. This risks undermining their liaison role not only with the local socio-economic stakeholders but also between other bodies with similar functions.

The Province plays a well-defined role and although it may be deprived of many functions, the functions of promoting and coordinating local development are unlikely to be performed by other bodies.

The Province of Grosseto is one example: as from the reorganisation of functions in the 90s, this province started up an extensive concertation phase both with the Region and the territory. This unique approach is still delivering its significant benefits.

At local level, the Province is perceived as the institution closest to the agricultural sector. A local body with which the stakeholders can collaborate fruitfully and whose local development plan meets their needs. Its authoritativeness as a public body and neutrality vis-à-vis mere economic interests placed it at the core of various initiatives, as it was the case of the Integrated Project for the dairy sector.

The strongly centralistic approach recently adopted by the Tuscany Region and its decision to win back some of the functions it had transferred to the province may take the decision-making process away from local needs, particularly of the most vulnerable areas.