

POLICIES FOR INNOVATIONS IN THE NEW RDP: THE ITALIAN REGIONAL EXPERIENCE

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Policies for knowledge intensification: an European Agriculture perspective

The **rural development policy** for the period 2014-2020 is one of the two financial instruments to realize, for the agricultural sector, the objective of **Europe 2020** to promote the knowledge and the innovation.

The other is the Framework Program **Horizon 2020**.

The aim of this presentation:

to understand if the Europe 2020's high and farsighted objectives had an **effective implementation** into the planning and rules of the Rural Development Regulation and if in **Italy** there are **some ongoing problems**.

Four parts:

1. the **main novelties** of the rural development policy on knowledge and innovation using an holistic approach,
2. the **set of the Italian problems** that this policy allows to take on,
3. the importance that the Italian Regions have given to these actions and funding and the **first planning difficulties** which come to light during the relationships with European Commission Services for the Rural Development Programs approval,
4. the critical points of the present European approach and **some solution proposals**

1. Novelties

The main novelties of the rural development policy

- the innovation diffusion and the knowledge growth are the **first priority** of the Regulation (EU) n. 1305/2013 and, especially, it is a cross priority,
- the knowledge transfer and the innovation diffusion concerns a **wide field of topics**: *cross-compliance, agricultural practices beneficial for the climate and the environment, farm modernization, competitiveness building, sectorial integration, market orientation, promotion of entrepreneurship, general principles of integrated pest management, occupational safety, climate change mitigation and adaptation, biodiversity, protection of water*;
- **the target is more expanded** because included farms but also forest holders and SMEs; moreover the subjects involved can be single or associated;
- the whole intervention is composed by **complementary and interrelated** actions: information and training (art. 14 – Measure 1), advisory services (art. 15 – Measure 2), partnerships for the innovation (art. 35 – Measure 16).

1. Novelties

The theoretical basics and methodology

The main topics are:

- ❑ the same importance of **tacit and scientific knowledge** for the human capital development,
- ❑ the better results for the innovation diffusion when **all the innovation chain players are involved** (farmers, researchers, advisories etc.),
- ❑ the usefulness of the **interactive approach** to define farms' problems and to find some innovative solutions.

1. Novelties



The European Commission expert approach

The new European approach is interesting also for the **specific characteristics** that are **required** for training, information and advisory actions; it specifies even the difference between the information and the advisory: the first is a general support, the second is a tailor made support for the farm.

The intervention that stimulated the most interest both public institutions and private subjects is the **European Innovation Partnership for agricultural productivity and sustainability**.

2. The Italian regional situation



In Italy the institutional competences for the agricultural development **services** are **regional**

The **research** is a topic that concerns both **State and Regions**

Therefore the innovation diffusion is jurisdiction of both, but, whereas the **Regions are responsible for the Rural Development Programs**, they are planning the innovation actions expected by for the Regulation (EU) 1305/2013.

2. The Italian regional situation



The **chance offered to Italian agriculture** to give a push to the innovation diffusion and, consequently, to the productivity and sustainability growth **is very important**

because

the wide part of farms has an **inadequate profitability** and **still** haven't **solved some old** technical and management **problems**

2. The Italian regional situation

Economic and profitability index of Italian agricultural farms productivity (2012) - €

	Economic Dimension*							Change **
	Small	Medium Small	Medium	Medium Large	Large	Average		
Italy								
farms represented	491.930	127.445	87.388	75.860	9.643			
TA/UAA	2.630	2.814	2.874	4.124	9.513	2.913	3,3%	
TA/AWU	21.800	34.813	44.830	77.157	151.507	33.313	3,7%	
FNVA/UAA	1.725	1.857	1.855	2.492	5.097	1.875	-0,9%	
FNVA/AWU	14.301	22.968	28.925	46.616	81.180	21.216	-0,6%	
Marche								
farms represented	14.757	2.892	1.954	1.855	183	21.641		
TA/UAA	1.961	3.411	2.244	2.452	3.038	2.232	16,6%	
TA/AWU	21.339	54.480	51.881	76.426	112.406	34.018	13,7%	
FNVA/UAA	1.206	2.002	1.336	1.467	1.750	1.351	9,3%	
FNVA/AWU	13.126	31.978	30.884	45.716	64.745	20.479	6,0%	
Marche/Italy								
farms represented	3,0	2,3	2,2	2,4	1,9	2,7		
TA/UAA	75	121	78	59	32	77	13,3%	
TA/AWU	98	156	116	99	74	102	10,0%	
FNVA/UAA	70	108	72	59	34	72	10,2%	
FNVA/AWU	92	139	107	98	80	97	6,5%	
Source: RICA/INEA	**Change in 2012 compared to the average 2010/2011							
* Economic dimension:								
Small	4000	< 25.000	€					
Medium Small	25000	< 50.000	€					
Medium	50000	< 100.000	€					
Medium Large	100000	< 500.000	€					
Large		> 500000	€					

2. The Italian regional situation



Some problems and needs underlined by the productive sectors are:

- ❖ the improvement of the fresh fruit quality and the counter-action to the consumption decrease;
- ❖ the structural difficulties of olive growing to innovate and increase productivity;
- ❖ the growth of the innovation process in viticulture to adapt it to the level achieved by processing wine;
- ❖ the persistent difficulties of cereal to differentiate productions basing on the qualitative characteristics;
- ❖ the organizational fragmentation of horticultural farms;
- ❖ the progressive decline in the profitability of the livestock sector;
- ❖ the inadequate capacity to value the potential of Italian forests;
- ❖ the difficulty of organic farming to release from a pioneering approach.

No very new

2. The Italian regional situation



General AKS problems

- the progressive fragmentation;
- the serious decrease of advisory personnel,
- the innovation supply doesn't always comply to farms' needs.

3. First results of the European consultations

In this phase, the European Commission approved **four regional RDP** out of twenty-one and one of the two national programs, **the National Rural Network program.**

Financial resources allocated in regional RDPs 2014-2020 for innovation e knowledge intervention - €						
Regions	Measures			Total public expenditure for innovation and knowledge	Total public expenditure RDPs	a/b (%)
	1	2	16 (16,1 e 16,2)	a	b	
Abruzzo	5.000.000	7.000.000	12.375.000	24.375.000	432.795.833	5,6
Basilicata	10.139.362	7.044.987	5.185.966	22.370.315	680.165.289	3,3
Calabria	9.000.000	20.260.000	4.275.000	33.535.000	1.103.561.983	3,0
Campania	32.711.496	82.622.478	16.533.333	131.867.307	1.836.256.198	7,2
Emilia Romagna*	21.745.888	8.436.809	7.900.956	38.083.654	1.189.679.963	3,2
Friuli Venezia Giulia	4.500.000	6.910.000	6.250.000	17.660.000	296.131.725	6,0
Lazio	6.708.568	12.793.082	6.852.029	26.353.679	780.120.594	3,4
Liguria	6.430.850	3.394.458	5.083.972	14.909.280	313.708.702	4,8
Lombardia	14.000.000	55.000.000	6.100.000	75.100.000	1.157.646.104	6,5
Marche	10.600.000	5.000.000	5.858.667	21.458.667	537.961.503	4,0
Molise	6.000.000	15.000.000	9.400.000	30.400.000	210.469.000	14,4
Piemonte	44.500.000	42.700.000	10.520.444	97.720.444	1.093.054.267	8,9
Provincia Bolzano*	1.400.000		1.800.000	3.200.000	366.405.380	0,9
Puglia	25.000.000	34.000.000	18.571.429	77.571.429	1.637.880.992	4,7
Sardegna	3.000.000	6.000.000	8.333.333	17.333.333	1.308.400.000	1,3
Sicilia	10.300.000	7.200.000	14.972.000	32.472.000	2.212.747.107	1,5
Toscana*	8.000.000	38.000.000	8.750.000	54.750.000	961.841.373	5,7
Provincia Trento	3.700.000	1.250.000	7.835.000	12.785.000	301.482.001	4,2
Umbria	10.300.000	19.300.000	15.177.778	44.777.778	876.651.206	5,1
Valle d'Aosta	200.000	600.000	177.778	977.778	138.715.213	0,7
Veneto*	23.191.095	36.873.840	9.276.438	69.341.373	1.184.320.501	5,9
TOTALE	256.427.259	409.385.654	181.229.123	847.042.036	18.619.994.936	4,5
Source: our elaboration on regional documents						
*Approved RDPs						

3. First results of the European consultations



The choices that have been influenced by administrative and financial questions

An example

Two procedures to finance the Operational Groups:

- ✓ the sub measure 16.1 covers only the co-ordination / organisation costs of the projects and the other rural development measures cover the costs which arise more directly from the activities of the projects (measure 1 for information, measure 2 for advisory, measure 4 for investment and so on),
- ✓ the sub measure 16.1 covers all costs through the *Co-operation* measure, including those which "fit" under other measures.

The Commission services offered this chance to reduce the possible administrative burden of using several measures together.

3. First results of the European consultations



The Italian Regions opted for the first procedure for administrative reasons

but

This choice could be conflict with the significance of the OGs that should be the place in which **all innovation players work together**. If the Operational Group's project is financed by different measures is easier that each subject works alone.

Moreover **the management** of an intervention using plus measures is more **complex** because it's necessary to start various procedures together and the time to close the practices are **longer**.

3. First results of the European consultations

The choices that have been influenced by administrative and financial questions

Another example

For the first time, the Commission services decided to adopt the public procurement law rules to finance the measure that supports the use of the advisory.

This choice modifies the traditional procedures and especially it wouldn't permit the selection of the trusted advisor by the farmer.

4. Conclusion

Promoting knowledge growth and innovation diffusion with public intervention is **a complex work**:

- too many subjects,
- many issues,
- high importance of methods and instruments,
- different kinds of needs and different kinds of target.

It isn't a new idea, but the only solution to achieve the results is to organize a **strong governance structure** with the collaboration of the different institutional levels

4. Conclusion

The rural development policy offers **many instruments**:

- the official **networks** (European EIP network and National rural network) and funds to create new local network,
- the **technical assistance** measures for each RDP
- the necessary **ex-ante administrative conditions** that each institution had to demonstrate to have.

In Italy the condition is positive:

- the Regions are just organized in **interregional networks** specialized in research and innovation services,
- the MIPAAF promoted the editing of an important **strategic plan on innovation and research** that is been recently published,
- the National rural Network provides **animation and support activities** for EIP Operation Groups and the other innovation actions.

Now the in charge institutions should start a coordinated action to achieve some common objectives.

Thank for your attention