



INDEPENDENT EVALUATION SERVICE OF THE REGIONAL RURAL DEVELOPMENT PROGRAM FOR THE PERIOD 2014-2022 OF THE SICILY REGION

ANNUAL EVALUATION REPORT 2021

SYNTHESIS

V. 1.4

The 2021 Annual Evaluation Report is based on the information framework that was possible to acquire until the end of March 2021. The main results of the evaluation analysis are summarized below, divided into the focus areas.

Focus area 1A

The procedures concerning the M16 have selected a wide range of partnerships and project proposals. These projects are aimed, in particular, at the development of process and product innovations. The demand for innovation interventions is much larger than the available financial capacity. SM 1.1 has been launched and appears to be correctly set up, however the environmental focus areas are poorly supported and it would be necessary to promote them. The level of expenditure is still very low and there are no completed interventions.

Focus area 1B

Only SM 16.1 made payments among all sub-measures of M16. The procedures for selecting beneficiaries brought to a large number of projects and a high value of eligible investments. In general, they are poorly correlated to environmental priorities: as already noted for training, cooperation and innovation interventions, the environmental focus areas should also be better supported. The quality and variety of partnerships were almost always evaluated in the selection procedures, often determining the positions in the ranking. For some important sub-measures, the amount of the requested contributions largely exceeds the financial resources available.

Focus area 1C

The M1 has not yet produced expenditure and the slowdown in implementation is strongly influenced by the health emergency in progress, as well as by difficulties in involving the recipients of the training. As



regards the first aspect, it is essential to promote training activities carried out with distance learning / webinar mode. The projects that can be financed are articulated with reference to FAs and issues in a rather heterogeneous way, with little interest in those relating to P5. The priorities of the RDP are consistent both with the themes of the training offer and with the demand that emerged from the surveys on the beneficiaries of the Program. However, the low demand for initiatives related to the specific themes of the P5 obviously reduces the chance of achieving their objectives.

Focus area 2A

Of the 427 M € assigned to this FA, more than 22% are absorbed by projects carried over from the last Program. These mainly concern investments in agricultural holdings and today represent more than half of the overall expenditure incurred.

The remaining portion of resources has largely been put up for tender (295 M€), but it should be noted that many of these calls are still in the preliminary phase (it happens for measures 1.2, 2.1, 4.1, 4.3.1, 4.3.2, 6.4.a, 21.1). The notice relating to SM 6.4.a, despite having reached a definitive ranking, has only started to implement part of the applications selected. From this point of view, it would therefore be appropriate to quickly close the suspended selection procedures, even partially, by starting the identified projects for implementation. The balance of SM 8.6 is also negative: the 10 applications presented on the single published call were all rejected.

Overall, the actual commitments amounted to 225 M€, while the expenses amounted to just under 180 M€ (mostly carried over from the previous RDP).

Beyond the procedural trend, almost all the calls, and certainly the largest in financial terms, have recorded excellent participation (except for SM 8.6). This means that the selection made, in some cases less than 5% of the total, was able to reward projects with a very high degree of compliance with the selection criteria. In this respect, criteria based on profitability forecasts should not be adopted, because they do not have a real selective capacity (almost all projects declare the best) and are difficult to verify. From another point of view, given the large participation recorded for the richest measures, there is certainly still a significant number of excellent projects that have been excluded from funding. If necessary, any scrolling of the ranking could, within reasonable limits, guarantee a reserve of good projects.

A wide participation is also noted for many of the procedures currently under evaluation: this aspect excludes the risk of not fully utilizing the available resources. This is true, in particular for the 2020 call for SM 4.1, which has collected projects of rather small size (€ 134,000), thanks to which it appears easier to reach the target of 1,799 companies benefiting from productive investments: currently the realized value, with the decisive contribution of projects carried over from the RDP 207-2013, it is 1,377, which brings the value of T4 to 0.63%, against a final target of 0.82%. On the other hand, the physical indicators of the participants in training actions (O12, target 1,195) and of the number of beneficiaries who received advice (O13, target 253) are still zero.

Focus area 2B

The focus area 2B is, in fact, a focus area in overbooking: the commitments made with the applications accepted for funding are equal to 266 M€, to which must be added 34 M€ of payments carried over from the previous Program, for a total of 300 M€. This, against a Program endowment of around 249 M€, and a budget of 261 M€ from the published calls. The recent increase in resources for the tender relating to SM 6.1 has made it possible to reach and exceed the goal of encouraging the establishment of more than 1,600 new farmers, contributing to the generational turnover in more than 1,100 companies.

As in the other focus areas, investments in training, information and consultancy actions are lagging behind. Nonetheless, in this case the delay weighs more, given that human capital growth is an essential component of this policy. Moreover, the subjective characteristics of the beneficiaries show that, although the average level of education is quite high, only a minority has adequate specialist skills, and it is therefore necessary to ensure extensive and profound transfer of knowledge and skills.



The level of procedural implementation of support for productive investments is much more advanced, even though in the context of forestation this finds an objective limit in the very low participation to SM 8.1. Still with reference to corporate investments, some selection criteria should be reviewed in the name of an overall rationalization that eliminates overlaps, repetitions and pleonasm.

Physical implementation is still standing, because no investment has been activated: there are no requests for payment on the SSMM 4.1, 6.4 and 8.1.

The expenditure disbursed up to now (just over a third of the FA budget), is due, on the one hand, to the disbursement of the first tranche of the setting-up grants, and, on the other hand, to several payments carried over by the last Program for SSMM 4.1 and 6.4.

Focus area 3A

SM 4.2 is certainly central to FA both in terms of financial amount, representing more than 3/4 of the total, and for the size of the amounts admitted to financing and those authorized for payment (over 89% of the total including payments carried over from the previous Program), confirming the driving role for the FA and for the achievement of its objectives.

The action of the GOs of the EIPs on competitiveness is also of considerable interest. SM 16.1, with over 26 M€ of resources admitted to financing and with over 1.3 M€ of authorized payments, could support in a robust way the consolidation of collaboration between companies and research institutes.

The SM 3.2 had a great participation: the applications ran out its financial endowments. This leads to the conclusion that adherence to quality schemes is not affirmed with the implementation of 3.1, for which the objective disaffection of the beneficiaries is largely linked to the disproportion between the amount of the aid and the administrative commitment required (a streamlining of the procedures is essential), but there is still a strong interest in the promotion carried out by producer associations on the internal market.

Although the delays in physical implementation characterize almost all the measures that contribute to the FA, there is a good increase in payments, among which those relating to SM 16.1 take on a particular significance on a strategic level rather than on that of their amount. The delay in the implementation of the M1 negatively affects the combined and integrated pursuit of the objectives of the FA. The procedures for implementing the training and information actions should therefore be speeded up.

Focus area 3B

With reference to the prevention interventions supported by SM 5.1, the financial downsizing and the review of the output objectives, even in the face of a lack of participation by potential beneficiaries, does not reveal any signs of further attention by the programmer.

On the contrary, as regards the restoration actions supported by SM 5.2, the new injection of resources decided by the MA is the signal of a concrete attention to the problems caused to farms - especially those operating in the citrus sector - by biotic adversities. Furthermore, given the general relevance of the approved interventions, they should offer an effective contribution to the recovery of the damaged agricultural capital.

Focus area 4A

The Program dedicates important financial resources to this FA (34.5% of the entire budget) and promotes the protection of the agricultural landscape by supporting the conservation of traditional crops and specific structural elements, the care of the territory and the fight against depopulation of inland areas. The Sicily RDP has contributed to the protection of biodiversity on more than half of the regional UAA, mainly through measures 10, 11 and 13. Good results are expected as regards agricultural biodiversity, for the protection of both traditional fruit and vine varieties, both for animal breeds at risk. The M11 has a significant impact on the regional organic sector and affects an important portion of the regional UAA, but the M10 also promotes systems with low environmental impact.



There are several actions that affect areas rich in biodiversity - eg. highly natural areas and pastures - more directly (transformation of arable land into pastures, operation 10.1c) or indirectly (maintenance of pasture areas and other types of crops with high natural value, M13, M11, M12 and other operations M10).

An important role (also for the defense of AVN areas) is played by the SM 4.4, which has a multiple positive effect, creating shelter for fauna and ecological corridors (reduction of habitat fragmentation).

Finally, for forest biodiversity it is necessary to consider the contribution of SM 8.1 and of the areas affected by the other sub-measures, which, even if reduced, can offer benefits on a local scale.

Focus area 4B

The general quality of regional waters presents various criticalities: extension of areas at risk of nitrate pollution, with a worsening trend, areas at risk of salinization. In any case, it is difficult - especially for groundwater - to establish a direct link between RDP activities and water quality.

Measures 10.1.a (integrated agriculture) and 10.1.b (eco-sustainable management methods) - indicated as a priority linked to the improvement of water quality - guarantee a rationalization of cultivation techniques and significant reductions in the use of synthetic products. The contribution to the increase in the levels of organic matter also contributes to the decrease of percolation phenomena in the groundwater.

The M11 ensures the main contribution, involving the elimination of fertilizers and synthetic plant protection products. The contribution of operations 10.1.c (transformation of arable land into pastures) and 10.1.e (non-cultivation of buffer zones along the waterways) appears to be significant.

Additional contributions concern the promotion of forest cover protection systems, financed by SM 8.1 ("filter" function of tree cover).

Using a proxy indicator with respect to those foreseen (nitrate levels and surplus of N and P), the total saving was calculated thanks to the Program referring to the distribution of synthetic fertilizers, which can be estimated at 14,000 t / year of nitrogen fertilizers and of 7,400 t / year of phosphates, equal to a reduction of 50% and 40% respectively of total regional consumption.

Focus area 4C

Soil erosion and the consequent threat of desertification is a problem that affects vast areas of Sicily, a condition aggravated by the low average organic endowment of the soils and the low woodiness index. Considering only the direct measures (10.1.c), the degree of progress of the Program compared to the target set for 2023 (% of agricultural land subject to management contracts aimed at improving soil management and / or preventing erosion) is limited (8% of the target). However, considering all the areas covered by the financing of measures related to soil protection (beneficiary areas of measures 10 and 11, and grazing areas of measures 12 and 13), the RDP contributes to improving the conditions of the land on an area equal to 29% of the regional UAA (93% of the target). From this point of view, conservation agriculture, currently practiced on 0.7% of the UAA, should be encouraged more.

Water erosion is estimated to have been reduced on agricultural land by an average of 2.84 t ha⁻¹ year⁻¹ (-24%), while on the areas affected by measures 10 and 11, the RDP contributed to the increase of the substance organic equal to 1.59% with respect to the basic endowment (1.9%), a value that must be considered as significant in the long term. Finally, the fight against erosive phenomena also passes through the interventions for terracing, dry stone walls and arrangement of the slopes financed by SM 4.4.

Priority 5

With reference to water saving (FA 5A), the delay of the M2 which represents almost two thirds of the entire focus area, after the financial downsizing of the M1, heavily affects the general implementation of the Focus Area strategy. It would therefore be necessary to start consulting actions as quickly as possible, in order to achieve the set output objectives and, above all, to achieve the strategic goals of the focus area.



As regards energy efficiency (FA 5C), the RDP intervenes through different types of intervention, but the only quantifiable contribution is that ensured by conservative agriculture: it promotes fuel savings of approximately 366 t / year (0, 37 Ktoe / year).

In relation to the potential contribution for the production of electricity from RES, the planned investments would increase the installed power by approximately 20.64 MW, and they would ensure a production of 2,700 MWh / year (0.23 Ktoe / year). The increase in the number of regional photovoltaic systems would be more than 1% of the total. The achievements planned for the other types of plants for the production of energy from RES are instead to be considered as negligible / null.

With reference to greenhouse gas emissions, it is estimated that they have decreased by over 124,000 tons of CO₂ eq. due to the projects supported by the Program, with a greater impact (about 60% of the total) in reference to the decrease in the number of animals reared. With regard to ammonia emissions, a reduction of over 1,000 tons of NH₃ was calculated, due to the indirect contributions produced by the commitments of the beneficiaries of the organic (M11), because of the lower livestock load in the beneficiary areas.

In addition, at the regional level the overall CO₂ absorption capacity of wooded areas - thanks to a natural trend of evolution of agricultural areas in wooded areas - is increasing, despite the damage caused by fires. The Program's ability to prevent fires and restore the affected areas is rather limited.

Also taking into account the measures with indirect effects, the areas that contribute to the FA 5E objective amount to over 400,000 ha (22% of UAA + FOWL), largely in relation to the ability to increase the organic matter content of the land. The contribution in terms of CO₂ sinking determined by the increase in wood mass promoted by SM 8.1 is approximately 6,300 CO₂ eq./year.

In general, the low regional forest index and the high incidence of fires would require a regional strategy aimed at increasing the overall forest heritage, as well as preventing damage from fire.

Focus area 6A

From a procedural point of view, despite the publication of the definitive rankings for almost all the calls issued, there are delays in the granting of aid, especially for the most financially relevant and strategic sub-measures from the point of view of potential employment effects.

The financial progress of the interventions related to the focus area is therefore rather limited and the ones concluded are still very few. It is positively assessed that the calls for tender have intercepted a large basin of demand, much wider than the resources available. Therefore, it might be appropriate to support them more, both by adopting faster concession procedures, and, in the case of operation 6.4.c, by increasing the financial endowment to support a greater number of eligible applications with the new funds of the RDP.

Focus area 6B

The state of the procedures of the sub-measures that contribute to the FA lead us to foresee their next substantial evolution, in particular of the payments, following the conclusion of the procedures in progress. This is particularly true with reference to the LAGs, which have registered a continuous production of calls for tenders since mid-2019.

The analysis of the selection criteria for the projects admitted to the M7 leads to the conclusion that they contribute in an appreciable way to the access to services and infrastructures by the rural population (R23 / T22 at 264% of the target), due to the nature of the projects and for the numerical consistency of the potentially involved population. Furthermore, also from the point of view of a balanced pursuit of the Program strategy, it seems appropriate to activate MS 7.1, given the possibility of financing the updating of the Management Plans of Natura 2000 sites, as well as those of other of other HNV areas.

The evaluation of LEADER added value is based on several elements, including its multi-fund nature, the wide choice of actions to be activated offered to LAGs and the definition of a portion of the selection



criteria based on the specifics of local conditions. The positive judgment expressed with respect to the diffusion of local development strategies (LDS) in terms of the population involved, as well as in terms of territorial coverage, is confirmed, with a consistent progression compared to the past.

Focus area 6C

EAFRD-funded infrastructure interventions to overcome the digital divide in market-failing rural areas are aimed at bringing broadband (30 Mbps or more) and ultra-broadband (100 Mbps or more) to 22 municipalities in the region. The data shows that about 97% of households enjoy the minimum requirement, being reached by at least one ADSL line. The number of users covered by services with medium-high and high standards (more than 30 Mbps or 100 Mbps) is also quite high.

With reference to M1, the financial and physical output targets seem largely achievable, while those relating to M2 remain in doubt: given that the recent and robust expenditure forecast seems to give the sign of a desire to promote consultancy to companies in the ICT sector, a quick start of the measurement is strongly suggested.