



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

ANNUAL EVALUATION REPORT 2022

SYNTHESIS

V. 1.3

The Annual Report is based on the information framework acquired up to March 2022. The main results of the evaluation analysis are summarized below. The results are organized on the basis of the focus areas affected by the Programme.

Focus area 1A - 1B

There is a slow procedural progress of the two transversal focus areas, mainly due to the administrative activities relating to the M16 partnerships, which are particularly onerous. The investigations of aid applications presented by partnerships (sometimes very large) require more time than normal, both for the administration in preparing the practices (often also due to variations), and for the beneficiaries in perfecting the documentation necessary to complete the licensing process.

However, the procedures launched have found a quantitatively significant demand for cooperation and innovation, which the available budget is able to only partially satisfy. The payment trend is proceeding slowly, mainly due to a low flow of payment requests from beneficiaries. The reasons do not appear to be linked to delays in the preliminary investigation phase, but rather to a slow implementation by the beneficiaries, also due to the economic and logistical effects of the pandemic crisis and the recent inflation.

Focus area 1C

For the M1, the factors that contributed to the slowdown in the implementation procedures are confirmed to be the Covid-19 health emergency and the difficulties in involving the training recipients. Furthermore, the authorization to organize the training interventions in FAD mode does not seem to have had any effect. The slowdown in implementation has made it necessary, over time, for measures to extend the time



between the communication of admission to funding and the request for authorization to start the course. The first amounts authorized for payment, based on SM 1.1, despite not being particularly substantial, confirm a concentration of resources on FA 2B.

Focus area 2A

With the latest remodelling, the funding of this FA has risen to €607 million, exceeding double the resources of the tenders, mainly between 2016 and 2018. However, this is a largely outdated figure, given that the sums eligible for financing at the beginning of 2022 exceed €385 million, to which must be added €96 million inherited from the previous programming, up to almost 80% of the FA's total resources.

During 2021, a decisive procedural progress was recorded, with the publication of the definitive rankings for all procedures (except for SM 2.1). Some procedures still have zero applications admitted on the DB SIAN, but the operational start should not be far off (see 2020 tenders of 4.1 and 6.4), except in the case of 8.6, where all applications have been rejected. Significant progress was also recorded on the payments: the total exceeded €230 million and 22 final payments were also recorded (in addition to the 549 for the M21). If we look at the measures with the greatest financial weight, the tenders published have recorded an excellent participation success, allowing for a very stringent selection of the projects admitted to funding. These projects are generally characterized by a very high degree of compliance with the evaluation criteria. This has allowed us to be able to count on a long list of valid projects, both in terms of resources expansion of resources and terms of budget downsizing (most projects budgeted large amounts). It should also be noted that various selection criteria demonstrated the ability to direct projects towards important and non-trivial strategic priorities.

Focus area 2B

The 2B is a focus area centred on the prize for the first settlement of young people in agriculture. Even if it is not the prevailing measure in financial terms, the area manages to guarantee a good synchrony between financial and practical advancement.

Having achieved great success with the tender for the youth package, the area can ensure a good reserve of valid projects, against the significant increase (+44 M€) of resources for the two-year period 21-22. With this integration, the overall funding of the FA was therefore brought to almost €300 million, while about half of the €275 million committed are paid. While the progress is overall in line with the expectations regarding the new settlement (6.1), a significant and critical implementation delay is highlighted in the case of the information and counseling training actions, even if this is the only FA where a payment has been recorded on SM 1.1. The subjective characteristics of the beneficiaries indicate that, although the average level of education is quite high, only a minority has adequate specialist skills- It is therefore necessary to ensure an extensive and profound transfer of knowledge and skills. The choices relating to the use of the new resources in this FA will be able to count on a still large list of valid applications presented largely by subjects still eligible despite five years having passed since the announcement.

Focus area 3A

SM 4.2 is central to FA both in terms of financial consistency, representing over 3/4 of the total, and for the size of the amounts eligible for funding but above all those authorized for payment (over 86% of the total including dragging). Thus, it confirms its role in the integration of primary producers along the agro-industrial chain.

As far as M3 is concerned, the scarce adherence to SM 3.1 is to be connected to the non-proportion between the consistency of the aid and the administrative commitment for the submission of applications. However, the successful adhesion to SM 3.2 has almost completely exhausted its financial endowments appears to predominantly affect the wine sector. Furthermore, in 2021 the sub-measure was affected by a new tender. This opportunity is of great interest given the success achieved so far by the eligible interventions. With reference to the action of the GOs of the EIPs for competitiveness, the substantial increase in financial allocations which involved M16 and in particular SM 16.1 is significant. It should be



emphasized that the progression of the implementation of the measure suffers from some critical issues, including the length of the preliminary investigation times, determined by the frequent requests for additions to the projects, but also by the modifications of the partnerships or by the numerous variations justified by the price increases. The pandemic emergency has also slowed down many practices as well as communication between instructor technicians and designers.

Therefore, if the very strong interest aroused by the M16 as a whole and by the themes of innovation is confirmed by the number of applications presented and under the preliminary investigation, it is necessary to reflect on the cohesion of each group and the awareness of the partners with respect to the project commitments.

Focus area 3B

In the latest version of the Programme, the resources assigned to the focus area have almost tripled compared to the previous one. This increase almost exclusively affects SM 5.2, intended for restoration investments that cover over 95% of the financial endowment of the focus area, as well as 80% of the expenditure made, still at 6.5%. The FA 3B therefore stands out in its support for the reconstruction of the production potential damaged exclusively - at least up to now - by biotic adversities. It predominantly supports citrus growing in the eastern and south-eastern part of the region. Support for prevention actions remains in the background, heavily scaled down by the lack of adherence on the part of potential beneficiaries.

Focus area 4A

The RDP devotes significant financial resources to this FA (more than 35% of the entire RDP budget). The practical and financial progress of the measures involved in several cases exceeds the expected target. With the implementation of measures 10 and 11, the RDP has favoured the use of low-impact practices on almost 30% of the regional UAA, while pastures and fodder - which normally require less chemical inputs - are the most represented crops among the areas benefiting from the M11. The latter has a significant impact on the regional organic sector, affecting approximately 70% of the Sicilian organic UAA in the last three years, as well as over 1/5 of the UAA in Natura 2000 areas.

Positive results are also being achieved for support for the protection of varieties and breeds of agricultural interest at risk of genetic erosion (10.1.g), with coverage of over 90% of LUs belonging to goat and pig species, 70 and about 30%, respectively, of equine/bovine and ovine ones. Net overlapping areas measures 13 and 12 contributed to the maintenance of grazing habitats on over 183,000 ha, equal to 57% of the regional total. The M13 also contrasted the abandonment of agricultural activity, covering 60% of mountain areas, together with the M12, specific for agricultural areas in Natura 2000 areas. Both measures extensively affect the UAA located in Natura 2000 areas, where environmental constraints and marginality increase production costs, favouring the shutting down of farms.

Finally, targeted interventions for the maintenance of some landscape specificities - dry stone walls, wetlands, paths, etc. - were possible thanks to SM 4.4. Instead, the impact on forest biodiversity (SM 8.1) is not very significant.

Focus area 4B

Although a series of interventions contribute to the protection of the general water quality (10.1.a, 10.1.b, 8.1), the main contribution is ensured by the M11, by eliminating fertilizers and synthetic plant protection products. The contribution of SM 10.1c (transformation of arable land into pastures) also appears relevant. Using a proxy indicator compared to those expected (nitrate levels and N and P surplus), the total savings thanks to the Program concerning the distribution of synthetic fertilizers were calculated. This can be estimated at about 10,800 t/year of nitrogenous fertilizers and almost 6,000 t/year of phosphates (cumulative value over the entire commitment period of 75,700 t and 41,700 t respectively), equal to a reduction of 30% and 35% respectively compared to total regional consumption. Overall, considering all the areas under commitment of the Program which have a significant benefit for water quality, we reach



approximately 354,000 ha, i.e. 26% of the regional UAA. The contribution of the Program to improve water quality records a concentration of interventions for integrated agriculture in the ZVNs, while for organic surfaces this distribution is not recorded. Finally, the "filter function" performed by the wooded cover is increased through the conversion of over 7,300 hectares of agricultural areas (SM 8.1)

Focus area 4C

In the Region the phenomenon of soil erosion is particularly marked, with an estimate of the average soil loss of about 12 tons ha⁻¹ year⁻¹. This value is significantly higher than the national average. The average percentage of organic matter is 1.9%, indicating soils poor in organic matter. The measures progress relating to the FA 4C is close to the set targets. At least 25% of the UAA is affected by conservative agronomic practices capable of limiting erosion and preserving the organic matter content in the soils. In addition, it is estimated that the RDP has contributed to an increase in organic carbon content by 1.59% of the land in the areas covered by the commitment and slow down the loss of soil due to water erosion by 2.84 t ha⁻¹ year⁻¹.

Although extensive, the areas often do not coincide with those at greatest risk of erosion or loss of organic matter, while soil protection is also promoted by the improvement in the management of livestock activities - in particular the use of pastures - with the decrease of livestock load per hectare.

Finally, at the moment it is not possible to quantify the contribution of SM 4.4.d: however, the high participation recorded in the tenders indicates a potential significant impact of the SM on the recovery of terraces and slope consolidation.

Priority 5

With reference to water savings (FA 5A), the objective relating to training actions was exceeded at a much lower cost than planned. For consultancy actions, which have not yet started, the expected spending demand is less than half of the financial target for 2025, while the achievement of the target value relating to the physical output indicator is foreseen, in a wholly forecast way. As regards the measures with indirect effects, on the basis of the PSA estimates of the beneficiaries of SM 4.1 which envisage water works, the share of surface irrigated with more efficient systems would be equal to 0.62% of the total (R12/T14).

Compared to energy efficiency in the agricultural and agri-food sectors, the intangible measures connected to the FA 5B still show zero progress. However, the Program intervenes indirectly in the focus area (more efficient machinery, energy efficiency for non-agricultural activities, conservation agriculture), with investments estimated at €3.8 million for SM 4.1 and €3.9 million for SM 6.4 .to. Furthermore, the fuel savings deriving from the promotion of conservation agriculture are equal to about 350 t/year of fuel (0.34 Ktoe/year). As regards the promotion of RES (FA 5C), the direct contributions refer mainly to SM 16.6. However, this still has a very low level of expenditure, while it is zero for the other intangible measures (1 and 2). Considering the measures with indirect effects, almost all of the projects concern photovoltaic plants (SM 4.1 and 6.1), with an estimate of the total investments promoted by the PSR of 82 M€ and the installation of a total of about 33 MW, equal to 2.2% of the regional total. The construction of plants for the production of energy from RES is in any case subject to the "competition" of the tax breaks envisaged at national level for this type of plants, as well as the interventions envisaged by the PNRR (Italy's National Recovery and Resilience Plan).

With respect to the theme of emissions, the measures directly connected to the FA 5D (1 and 2) do not show any progress. A reduction in methane emissions thanks to the commitments connected to organic farming (indirect effects), due to the lower load of livestock in the beneficiary areas, is quantifiable in over 62 thousand t of CO₂ eq. A decrease in N₂O emissions was also noted following the lower spreading of nitrogen fertilizers (more than 40,000 t of CO₂ eq.). Furthermore, the smaller number of animals reared is estimated to have also led to an annual reduction of approximately 1,000 t of NH₃.

Finally, with regard to the overall CO₂ absorption capacity, the measurement with the most important direct effect is SM 10.1f, linked to reduced tillage and the consequent preservation of the organic matter



content of the soils. Also considering indirect contributions, the surfaces that contribute to the objective amount to approximately 386,000 ha (21% of UAA+FOWL), mostly in relation to the ability to increase the organic matter content of the soil. In conclusion, the contribution in terms of CO₂ sequestration determined by the increase in wood mass promoted by SM 8.1 is around 20,000 t CO₂ eq./year.

Focus area 6A

All the sub-measures that contribute to the focus area have issued at least one tender (with the exception of SM 1.3), approved the rankings and admitted the beneficiaries to financing (except SM 2.1).

The amounts announced committed almost 100% of the financial allocation of the FA, but those eligible for funding amount to 42% of the resources in the tender. In total, between grants allocated and grants requested still in the preliminary phase, an overall amount of more than €318 million was calculated, equal to 684% of the resources envisaged in the tenders. In general, the progress of the focus area during 2021 is rather modest, in particular as regards the preliminary procedure for support applications. Furthermore, even if there is evidence of an improvement in the payment situation, the financial and practical implementation status remains very modest.

Focus area 6B

As far as the implementation is concerned, there is a general delay in the preliminary investigations of the actions attributable to the sub-measures competing with the FA. This occurs even through the production of tenders is such as to make one foresee their next substantial evolution, in particular of payments, following the conclusion of the proceedings in progress. Compared to the M7, the level of partnership involvement of the Municipalities is appreciable. From the analysis of the selection criteria of the approved projects it emerges that, due to their characteristics and the numerical consistency of the population potentially involved, they will contribute appreciably to access to services and infrastructure by the rural population (R23/T22). With reference to the Leader strategy, there is a consistent production of tenders, even if the detailed analysis relating to their nature and distribution among the LAGs reveals a certain lack of homogeneity of implementation efficiency. This is also confirmed by the differences recorded in terms of amount eligible for funding and authorized to pay. Furthermore, there is positive judgment formulated both about the dissemination of local development strategies in terms of population involved and in terms of territorial coverage, showing consistent progression compared to previous planning periods.

Focus area 6C

At the macro level, there are no major differences in the degree of coverage of connectivity services of at least 30 and 100 Mbs between the municipalities where the works have already been completed and those where they are still in progress or in the start-up phase. Nonetheless, there is a general lack of connection services in peripheral areas where population settlements are more rarefied (scattered houses).

Compared to intangible investments, the targets envisaged for training and information actions (M1) are largely achievable. Also, with reference to consultancy services (M2) and based on the examination of the offers the financial and practical objectives seem within reach. However, their full achievement will largely depend on the new procedures that the Region will be able to initiate and implement in the coming months.