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*Evolution of the paradigm and evaluation paths of rural  
development policies for a long-term view of marginal areas.*

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*To grandmother Grazia.  
To those who remain, always.*



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## ABSTRACT

A marked social, economic, and environmental heterogeneity characterizes the rural areas of the European Union (EU). Many important policies have recently been introduced which should help to give a new and/or better face to the future of rural areas in the EU. For example, the latest Common Agriculture Policy (CAP) 2021-2027, the European Green Deal, the National Recovery and Resilience Plan (NRRP) and the Farm to Fork policy focus directly and indirectly on rural development. *In this regard, does the rural system have the skills and/or the tools to seize the opportunities dictated by the new policies? So, do the new policies ensure rural development in rural areas?* Therefore, the research aims to understand if the recent digital and ecological transition policies can guarantee the rural development of marginal rural areas. The methodological approach is that of the evolutionary analysis of the concept of rural development, of the conceptual and methodological evolutionary analysis of the ex-ante evaluation, therefore, the evolution of the ex-ante evaluation within the regulatory and methodological tools, all accompanied by the study of the adequacy of current rural development policies. The aim is to identify if the new generation of policies will be able to favor rural development in marginal territories, thus understanding the factors of success and failure of the same, together with the opportunities and threats. This also means grasping the synergies between the various policies to be examined (CAP, NRRP, Cohesion Policy, Development and Cohesion Fund and other national and European policies) capable of improving (or not) the regional rural development of marginal areas.

## INTRODUCTION

The EU population is ageing, which is demonstrated by several statistical indicators: the increase in the share of the elderly population, the old age dependency ratio, and the median age, to give just a few examples. In 2020, 21% of the population was 65 years and older, compared to 16% in 2001, an increase of 5 percentage points (pp) (European Parliament, 2020). Looking specifically at the 80 and older group, their share is almost 6% in 2020, while it was 3.4% in 2001, meaning their share has nearly doubled during this period (European Parliament, 2020). On the other hand, the EU's share of young people (0 to 19 years) was 20% in 2020, a decrease of 3 pp compared to 23% in 2001 (European Parliament, 2020). In Italy, the oldest country in Europe, the ageing of the population over the last 50 years was one of the fastest among the most developed countries. It is estimated that in 2028, it will be the first to reach a median age of 50, in 2028, 18 followed by Portugal in 2032 and Greece in 2036 (European Parliament, 2020).

Demographic change is one of the main political challenges in Europe and Italy because the economy, labour market, healthcare, pensions, environment, intergenerational equity, and electoral outcomes are all influenced by demography (European Parliament, 2020).

The demographic problem concerns rural areas (Dax & Copus, 2022). In the EU, these areas are characterized by marked social, economic, and environmental heterogeneity. They play a central role in food production, climate change mitigation, preservation of habitats and biodiversity, sustainable management of natural resources, improvement of water, air and soil quality, generation of renewable energy, and conservation of the history and culture of the places. Despite the heterogeneity of European rural areas, they have several aspects in common. While some areas are among the most prosperous and performing in their respective countries, others are experiencing worrying processes of depopulation, demographic ageing, high poverty levels and land abandonment (Council of Europe, 2017).

In Italy, the demographic decline in rural areas is even more pronounced than the European average (Reynaud & Miccoli, 2018). The National Institute of Statistics (ISTAT; italian: Istituto Nazionale di Statistica) has declared that in addition to a generalized demographic decline in the next ten years (until 2031), there will be an overall reduction in the number of inhabitants in rural areas, equal to 5.5 per cent: we will go from 10.1 million residents to 9.5 million (ISTAT, 2022). The municipalities with a negative balance will be 86 per cent of the total, and the drastic decrease will significantly affect the South, where 94 per cent of the



municipalities will lose residents, with an overall reduction in the population of 8.8 per cent (ISTAT, 2022).

These areas are "incapable" of attracting human capital, businesses, and investments; therefore, the workforce tends to move to urban areas (Ballatore & Mariani, 2019). Rural areas also lack infrastructure, i.e., roads, sewerage systems, water networks, electricity and gas distribution networks, public lighting, green spaces, schools and kindergartens, churches, markets, sports facilities, infrastructures linked to recreational activities, social, cultural, health and administrative. This situation means that in these areas, attention may decrease regarding allocating health, educational and agricultural resources and, therefore, in terms of policies in their favour (Nelson et al., 2021).

Franco Arminio, in the book "Letter to those who weren't there", in this regard, writes:

*«The first job to give value to countries is to look at them carefully, look at them individually, feel them, listen to them. To create good development strategies, we must start from the idea that trust is the first infrastructure to work on. In recent years, no one has been able to give trust to countries. This is why militant discouragement has grown. [...] The discourager has become, in many countries, the only successful figure, the only one who sees his visions confirmed. His flagship phrase, "There is nothing here", is confirmed every time a shop closes, or a boy leaves. The geographical myopia of old and new rulers confirms his poetics. Italy, a nation of towns and mountains, has turned its back on the towns and mountains. Policies are made focused on urban centres and plains. [...] There is a cultural legacy that does not go away: countries mean rural world, rural world means poverty; therefore, the country is the place of the problem rather than the place of opportunity» (Arminio, 2018).*

What follows is that we can no longer continue to have the vision of rural-urban dualism, which has been found in various writings and policies. Rurality from a conceptual and functional point of view has changed over time due to urbanisation and technological development. In its descriptive form, rurality has evolved from the simple urban-nonurban dichotomy to encompass intricate measures incorporating state-of-the-art data and methodologies (Fang & Wang, 2018).

Many important policies have been introduced recently that should help give a new and better face to the future of rural areas in the EU and Italy.

What is needed is for them to become multilevel: national, regional, and local. There is a real need to achieve a more significant impact of scientific research, involving interested parties to define actual requirements and find practical solutions that can address many of the challenges of the rural world of the past that are still present today.

From here, several questions arose. *Does the rural system have the skills and/or tools to seize the opportunities dictated by the new policies? So, do the new policies guarantee rural development in rural areas?*

To answer these questions, in this thesis work, a methodological approach will be followed of the evolutionary analysis of the concept of rural development, of the conceptual and methodological evolutionary analysis of the ex-ante evaluation, therefore, the evolution of the ex-ante evaluation all within the regulatory and methodological tools, all accompanied by the study of the adequacy of current policies for rural development. The aim is to identify whether the new generation of policies will be able to promote rural development in marginal territories, therefore understanding the factors of success and failure thereof, together with the opportunities and threats. In this work, the added value will be the focus of the analysis on marginal rural areas, defined as internal areas in the National Internal Areas Strategy (SNAI; Italian: Strategia Nazionale per le Aree Interne), of Italy.

Today, studying rural development and the policies aimed at it becomes a fundamental requirement for a correct and complete interpretation of reality. This allows us to delve deeper into how the new transition policies can change/improve rural areas, as well as to have greater control over them to enhance the quality of the measures of being able to choose in a more well-founded way between the different *policy* and monitor the results of the policies implemented.

## **CHAPTER 1: Evolution of the concept of rural development**

### **1.1 Rurality**

To better understand the meaning of rural development, mentioning the importance of rural development is necessary. This is because, over time, the concept of rurality has gone from being strictly connected to agriculture (Bański & Wesołowska, 2010) to becoming broader, where the rural area becomes *"a place of interaction of an increasingly diversified economic and social fabric"* (Cozzi et al., 2022). At the same time, rural situational contexts have changed worldwide and within individual countries (Nelson et al., 2021). For this reason, it is difficult to identify a universal way of defining what is rural and what is not from a spatio-temporal point of view. This is mainly due to the succession of changes and events in the various rural territories (and beyond), meaning that agriculture is no longer an integral part of rural areas. We talk about economic development and globalisation, which, together with the process of urbanisation, have meant that the rural environment has changed, and therefore, economies other than agricultural ones have developed (Bański & Wesołowska, 2010). Despite this, agriculture remains the primary sector of these territories.

From a terminological point of view, the adjective “rural” is closely connected to the countryside and, in the economic sense, refers to the economy of the agricultural enterprise. Since its first analysis, the rural context has been closely linked to agriculture, therefore to the activity linked to land cultivation, forestry, animal breeding and related activities, in antithesis to the concept of urbanisation. However, the difference between the intrinsic meaning of agriculture and rurality is that the latter also involves socio-territorial aspects such as low population density or socio-economic disadvantages. A substantial population decline characterises these areas: ageing, difficulty accessing essential public services, and scarce job opportunities (Nelson et al., 2021). This situation means that in these areas, attention may decrease regarding allocating health, educational and agricultural resources and, therefore, in terms of policies in their favour (Nelson et al., 2021).

Fundamentally, rurality has been conceptualised as a space separate from urban areas. However, as society has changed and the need to better define rurality for policy and practice has become more evident, rurality has continually changed in its conceptualisation (Nelson et al., 2021). Some works have explored more subjective perspectives of what rurality means and

what it means for people living in rural spaces (e.g., Chigbu, 2013; Hoggart, 1988; Rowles, 1988; Manusov et al., 2010). As the literature suggests, Rowles (1988) examined the role of ageing in the rural environment, while Chigbu (2013) defined rural areas as territorial spaces with a culturally defined identity, and Manusov et al. (2010) conceptualised rurality in terms of quantified and perceived rural background. On the other hand, some studies have considered rurality from an epidemiological perspective, in terms of access to services and employment, or as a function of resources and their interactions (Lourenço, 2012; Olson, 2013; Virgil, 2010; Zapf, 2001). Nelson et al. (2021) have examined and found that other studies linked the concept of rural with how community ties, religiosity, parenting philosophy, traditionalism, and individualism contribute to the decision to choose rural living and the rural living environment (Chalfant & Heller, 1991; Crockett et al., 2000; Gruffudd, 1994; Provorse, 1996; Willits, 1964). Many of these studies have highlighted the heterogeneous and context-dependent nature of rurality, accurately underlining that “rurality” is a fluid concept based on personal perceptions and mindsets as much as on a single universal quantitative variable (Willits, 1964). While these studies provide a more varied and nuanced examination of rurality, most studies that examine “rurality” have done so quantitatively, particularly with objective measures such as distance and population density (Nelson et al., 2021).

Therefore, the concept of rurality has undergone significant evolution throughout history, reflecting changes in human settlements, socio-economic dynamics, and cultural perceptions. If initially, rurality was synonymous with an agrarian lifestyle, with rural areas predominantly characterised by agricultural activities and close-knit communities, with industrialisation gaining momentum in the 18th and 19th centuries, rural areas underwent a shift towards mechanisation, leading to depopulation and the birth of urban centres. This transformed the perception of rurality, as it became associated with nostalgia, simplicity, and natural beauty. In the late 20th century, technological advances, improved transportation, and the rise of the service-based economy blurred the traditional urban-rural divide. The concept of rurality has expanded to include agriculture, recreational activities, environmental conservation, and the desire for a slower pace of life. Today, rurality is multifaceted, encompassing connectivity, sustainability, and cultural identity. It reflects the diverse and evolving relationship between people and their natural and built environments. It continues to shape discussions about regional development, social equity, and the conservation of rural landscapes.

Trying to define what is "rural" is certainly not a new problem, nor an easy one to solve. The meaning attributed to the term "rural" is often also a function of the specific objective of the

analysis, of what should be done with dividing the territory into rural and urban areas. For example, identifying rural areas necessary to plan the distribution space of "physical" infrastructure investments may be different from that helpful in designing interventions which have as their objective the diversification of productive activities or the identification of homogeneous rural areas to implement integrated development programs (Féret et al., 2020).

Since society has changed, the concepts and indicators useful for defining rurality have undergone various transformations (Nelson et al., 2021). It, therefore, becomes necessary to have a clear idea of what has been and the different meanings of rurality to understand why the rural territory has been and is under the magnifying glass of various policies over the years.

### **1.1.1 Agrarian roots and first notions of rurality**

The continuous reworking of the city-countryside duality is an interesting explanatory key to analysing how man has inhabited the territory in the modern era (Paniagua, 2021). As widely said, rurality from a conceptual and functional point of view has changed over time due to urbanisation and technological development. In its descriptive form, the concept of rurality has moved from the urban-non-urban dichotomy to highly complex measures that include cutting-edge data and techniques (Nelson, 2021).

In line with Maria Caterina Fonte's 2010 reinterpretation, the initial attempt to formulate the concept of rurality can be traced back to the late nineteenth century when Ferdinand Tönnies developed two distinct models of human association (Fonte, 2010). Tönnies contrasted the concept of "community," characterised by its primary, spontaneous, and organic nature rooted in the sense of belonging (initially embodied in the family), with that of "society," which revolved around "artificial" relationships driven by functional interactions and rational exchanges, rather than innate spontaneity (Fonte, 2010).

Rural sociology, which emerged in the United States in response to the agricultural crisis of the late nineteenth century, initially embraced a binary urban-rural framework (Fonte, 2010). This framework linked the city with the concept of "society" and the countryside with "community." The study of communities became the primary methodological approach within this discipline. During the first half of the twentieth century, rural sociology primarily examined aspects such as *"socialisation, kinship, traditions, customs, and folklore in rural settings"* (Newby, 1980), mainly neglecting the structural conditions of life and the economy

(Fonte, 2010). Rural areas were often depicted as domains excluded from the modernisation processes brought about by industrialisation, fated to lag.

In the 1950s and 1960s, community studies failed to reveal substantial differentiation in the association between urban and rural areas. In his examination of an Italian-American community in Boston, Herbert Gans illustrated how community-based social relationships also functioned in urban settings (Gans, 1968). Furthermore, he explored how urban residents were vulnerable to the interests of real estate capital in urban development (Gans, 1968). This period set the groundwork for a critique of the urban-rural dichotomy. This perspective was further developed by Ray Pahl (1966), who argued that the terms "urban" and "rural" were descriptive but lacked explanatory power.

From an economic point of view, this first phase can be defined as "*agrarian rurality*". In this historical context, in rural areas, the role of agriculture is predominant, such as influencing the dynamics of all other co-existing activities and rural well-being (Sotte, 2003). This type of rurality is characterised by the clear separation between urban territories and rural territories, as well as by theoretical foundations inherent to the weakness of agriculture and peripheral and rural areas, as opposed to the advantages of urban realities and the industrial and tertiary sectors. This approach fuels a dualistic interpretation of the development process based on spatial hierarchy, so rural areas are defined negatively as "non-urban", characterised by poverty, unemployment, marginality, and emigration (Sotte, 2003). On the other hand, urban territories driven towards economies of scale, specialisation and urbanisation are rich and capable of achieving high growth rates. Therefore, during general economic development, rural areas are assigned a dual passive role:

- i. Support the growth of urban centres, guaranteeing sufficient quantities of food for a growing population;
- ii. contribute to industry development by providing low-cost labour from the countryside.

### **1.1.2 Industrialization and change in rurality.**

In the 1960s and 1970s, significant structural changes commenced in rural areas. The 'green revolution' shattered the self-sufficiency of agriculture as a self-contained domain capable of sustaining the entire cycle of natural resource production and reproduction (Fonte, 2010). Agriculture transitioned into a 'sector' intricately connected to other sectors of the economy, namely industry and the service sector (Fonte, 2010). The traditional peasant farm transformed

into a more expansive entity, adopting an entrepreneurial character, often still family-owned but increasingly intertwined with the agro-industrial complex (Fonte, 2010).

From the latter half of the 1970s onward, the crises experienced by the Fordist economic model and subsequent shifts in European agricultural policies played a pivotal role in rekindling interest in rural areas (Fonte, 2010). Economically, the resurgence of rurality aligned with the spatial reconfiguration efforts of post-Fordist capital. This involved the decentralisation of production, the ruralisation of industry, enhanced flexibility, smaller-scale operations, diversification, and increased informality (Fonte, 2010). These economic and demographic changes reshaped the traditional territorial structure, introducing differentiation between urban and rural areas.

Therefore, agriculture's importance is progressively declining in all rural areas of the EU, so much so that only a few places can still be defined as dependent on it. The "agrarian rurality" model progressively loses its foundation and consistency with the agricultural employment rate reduction. First is the assumption that rural areas will inevitably be socio-economically backward. Despite the distance, dispersion, and limited returns to scale due to an economic system based on small-medium enterprises, the rural economy and society are fertile ground for the birth and growth of industrial and tertiary enterprises: economic polyformism, mobility and social flexibility, cooperative behaviour that derives from the extended family structure and rural institutions (Sotte, 2003).

Rural areas are particularly stimulated when consumer demand shifts from standardised products towards a diverse set of personalised and niche products, and technology transformation allows small and medium-sized enterprises to reach (through external network economies) levels of competitiveness previously created only by large companies. The "agrarian rurality" of the previous period is thus replaced by a model of "industrial rurality". In Italy, for example, since the 1960s, various areas in the North-East and the Center (the so-called NEC regions) have been characterised by a rural economy and a society based on sharecropping, far from the traditional centres of growth and localisation industrial (Sotte, 2003). They experienced rapid economic dynamism rooted in the rural and based on the networks of industrial districts. The evolution of the previous rural areas towards modern and integrated local systems of small and medium-sized enterprises is to shift the centre of gravity of the Italian economy. Furthermore, we are witnessing a characterisation of the current specialisation of Italian manufacturing on products for the person (shoes, clothing, hats,

glasses, etc.), for the home (furniture, ceramics, curtains, etc.) and tourism. This is "made in Italy", connected to fashion, to the differentiation and customisation of the product, subject to changing tastes and continuous innovation, which gives rise to as many as 200 local manufacturing systems, which are now the basis of the competitiveness of the Italian economy (Sotte, 2003). These are systems based on small and medium-sized enterprises in territories previously considered disadvantaged due to their rural characteristics. Although the rural foundations of the industrial take-off observed in these places have an explanation rooted in the Marshallian lesson of the industrial districts and in the Shumpeterian theory of the enterprise and the role of the entrepreneur, a complete scientific description is formulated only with the introduction and in-depth analysis of new concepts within social science theory, such as transaction cost, economy of scope, social and human capital, business networks and network enterprises, governance (Sotte, 2003). These concepts are the basis of an evolutionary approach adopted within the economic discipline, substantially alternative to a certain mechanistic reductionism, which still constitutes the discipline's mainstream today.

A phenomenon defined as "rurbanisation" emerges, which sees cities and the countryside progressively shortening their distances from each other.

Overall, the "industrial rurality" model highlights how economic development based on industrial growth is possible in rural areas, as in the case of Italian industrial districts, but on the condition that it is guided by a responsible policy of the territory and not exclusively by the market, under penalty of its uneven territorial distribution responsible for new dualisms within it (Sotte, 2003). In this case, the most dynamic part of the territory specialises in the "core business" of industrial districts, with a gain in competitiveness on the global market but a loss of flexibility for adapting to new competitive scenarios, as well as an increase in factor costs (work) and transaction (Sotte, 2003). However, the rest of the territory - such as mountain areas or inland areas poorly equipped with infrastructures and services - is weakened by depopulation, creating the conditions for the exhaustion of the relative capacity to produce autonomously and initially (Sotte, 2003). In the long term, only some specific rural areas are genuinely successful, showing and developing a self-sustaining capacity necessary to compete in the global market. In contrast, the others fail as they are incapable of independent development.

Secondly, areas with agricultural "traction" are not necessarily reserved for an inevitable and sad fate of marginalisation that can only be compensated for by price support and redistributive



policies (Sotte, 2003). Salvation through industrialisation and district development is also possible for farmers who reject agriculture and operate in the periphery thanks to industrial action. A new dualism thus materialises in the suburbs, marked by a recent migration from the countryside towards the nearby successful industrial districts and the coast, favouring the reallocation of public services and functions (hospitals, schools, administrative services, etc.) from the entire territory towards the centres of success (Sotte, 2003).

In the "industrial rurality" model, agriculture is therefore once again attributed to passive roles:

- contribute to economic-social stability
- transfer labour, capital and land for industrial activities
- provide entrepreneurial skills to a weak industry (Sotte et al., 2012).

Agriculture abandons the traditional, labour-intensive multi-crop structure and moves towards an industrialist vision marked by:

- capital-intensive forms of production
- labour saving techniques
- productive specialisation, up to monoculture
- standardisation of processes and products
- simplification of the process to the point that, in some cases, even land is marginalised or excluded, such as in industrial farming (Sotte et al., 2012).

With industrialisation and globalisation, the progressive destruction of the local and the rural has led to a bypass: the city can live without its countryside, and the country can die without any relationship with the urban centres of reference (Marchetti et al., 2014). At a certain point in history, the energy circle and the economic and cultural link were broken, with the growing marginalisation of peasant agriculture and the abandonment of virtuous supply chains from the view of energy balances. It was not - as has been observed since the 1980s - just a crisis of urban planning, but the problem of an economic model, of a way of understanding politics and of the ability of public authorities to respond to the hardship for the urban condition and the territory in general (De Lucia, 2006).

### **1.1.3 Technological advances and evolving perspectives**

Therefore, the second half of the 20th century witnessed significant technological advances and social changes that reshaped the concept of rurality. Improved transportation and communication networks have blurred the traditional boundaries between urban and rural areas. Telecommunications, highways, and affordable automobiles have made living in rural areas easier while maintaining connections to urban centres. Rurality has expanded beyond agriculture to include recreation, tourism, and the conservation of natural environments.

Since the 1980s, an awareness of the importance of natural spaces has emerged worldwide. Environmental problems shift the gaze towards rural areas and spread new forms of space occupation, leading to a new image of the rural (de Haan & Long, 1997).

While the "agrarian rurality" model is supported and supported by a coherent economic theory, the "industrial rurality" model is primarily the result of the change recorded in some specific rural areas which have experienced the birth of industrial districts, but in lack of support from coherent policy and economic research play (Sotte et al., 2012). The latter, having taken note of the phenomenon of "industrial rurality" approximately twenty years after its birth, essentially focuses on demonstrating the inadequacy of the respective model to previous economic theories rather than on the definition of a new theory relating to the development of rural areas.

The new model of rural development that took shape in the second half of the 1990s was that of "post-industrial rurality", arising primarily from the unique role that society asked rural areas to play (Sotte et al., 2012). Concerns relating to the conservation and protection of the environment and landscape and consumer concerns for food safety and quality are considered fundamental priorities on the political agenda in Europe. The paradigm shift is also due to technological progress in transport and communication systems, which allows new physical and virtual connections capable of reducing the traditional penalties of rural areas, such as distance and isolation, while a new willingness to reside in rural areas by individuals operating in economic sectors other than agriculture (Sotte et al., 2012). This new demand for public interventions, more complex and compelling in defence of collective goods and new services relating to the environment, landscape, and quality of life, mainly affects rural territories close to metropolitan areas (fringe areas) and high tourist and naturalistic value.

Among the elements characterising the new rurality, we find its territorial and no longer sectoral dimension. Therefore, the distinctive character of rural areas is integration, essentially understood as:

- economic integration, i.e., between the various economic sectors, since neither agriculture nor industry prevails (as in previous models), while services (for the business, the individual and the family) are placed above the threshold of 50% of total employment.
- socio-environmental integration, i.e., between natural and social aspects.
- territorial integration, i.e., between rural and urban territories, so the boundaries between rural and urban are blurred until they disappear entirely.
- market integration, i.e., between local and global markets (Sotte, et al., 2012).

We are faced with an emerging complex and polymorphic character of rural areas, which requires new measures for the definition and formalisation of a new model of rurality.

The second central aspect of the new rurality is diversity, in opposition to the homologation of urban society and the standardised models of life and consumption of the globalised world. Rural territories constitute fundamental reserves of various types of capital (natural, human, social, and infrastructural), including biodiversity, landscape, historical-cultural heritage, and traditions (Sotte et al., 2012). This diversity guarantees flexibility and resilience to local systems, now increasingly involved in highly volatile dynamics typical of global markets. The substantial variety of the constituent elements of rural areas is the basis of their uniqueness, as for industrial districts, a crucial component for valorisation through territorial marketing initiatives. This means that a fundamental role in the development of rural areas is played by small-medium non-agricultural businesses (industry and services), whose training and action must be addressed by specific policies.

From a socioeconomic perspective, this involves ascribing agricultural and non-agricultural functions and roles to rural regions, promoting interactions between various sectors and territories, and dismantling agriculture's isolation and historical mono-functional industrialisation (Sotte et al., 2012). It fosters the co-evolution of rural areas and urban centres through a shared strategy to enhance competitiveness in a globalised economy. This is particularly crucial considering the European Union's expansion process, which seeks to support nations with substantial rural resources and a more pronounced drive toward urbanisation, in contrast to the western regions of the EU (Sotte et al., 2012).

Rurality has, therefore, moved from a sectoral to a territorial definition, and agriculture's role in rural development has changed. Agriculture was dominant in “agrarian rurality”, and the general well-being of rural areas was directly influenced by it. With the post-industrial model, the situation is reversed. In the long term, sustainable agriculture is no longer possible without all rural areas' parallel (or prior) development.

#### **1.1.4 Contemporary perspectives on rurality**

In the 21st century, rurality has become even more varied and complex. The concept includes physical and geographical attributes and socio-economic, cultural, and environmental factors (INEA, 2000). Rurality is now recognised as a multidimensional concept providing connectivity, sustainability, cultural heritage, and quality of life (Nazzaro, 2008). It is a valuable resource, with rural areas contributing to economic development, environmental conservation, and cultural identity (Della Morte, 2011).

The new rurality is characterised by:

- The emergence of new spontaneous forms of local development in the countryside and a gradual transition from a condition of inertia to one of initiative.
- The growth of settlements in peri-urban and rural areas not far from urban areas. Often, the high cost of urban rents pushes young couples to escape the city, where they continue to work, allowing them to use their free time in activities related to caring for the land (from gardening to the vegetable garden).
- Re-construction of new forms of living and local welfare capable of addressing and solving the problems of peri-urban and metropolitan spaces.
- The affirmation of lifestyles that rediscover essentiality sobriety by integrating the indispensable aspects of the urban condition (use of communication tools) with the opportunities that rural territories can offer (from participation in the dense networks of social ties to the pleasure of cultivating a vegetable garden and preparing a typical dish).
- The ruralisation of cities that seeks to respond to vital needs. In the cities of industrialised countries, initiatives have flourished that tend to find "under the pavements, the earth". Think of public or private gardens, creating gardening spaces aimed at children, and valorising the plants and wild animals in the city.

- The regeneration of relational and territorial agriculture. In particular, the experience of social agriculture in Italy and Europe is a concrete example of a new idea of urban-rural that is taking shape.
- The spread of civil and economic experiences in the agricultural sector (e.g. social agriculture), which often operates from a multifunctional perspective, offering multiple personal services and work opportunities that increase physical well-being (from educational factors to agritourism, from cooperatives that include disabled workers to entities that are interested in environmental protection).
- The condition for safeguarding the environment and landscape is man's presence, not his absence. The damage caused by the depopulation of the countryside is known to all.
- The flowering of a level of new farmers whose objective is not to produce food itself but to produce it in a certain way to obtain public goods that satisfy collective needs. The new farmers seek forms of cooperation with other farmers within the local or national territory, activating connections and synergies, establishing, for example, associations or market situations autonomous from large-scale distribution and capable of being alternatives to the dominant models.
- The emergence of a consumer who wants to participate in the process by which the agricultural product is created and not simply a spectator. He wants to be a co-protagonist who interacts with the producer, becoming a consumer actor. He does not limit himself to finding out about the different products, looking at the label and passively purchasing the good at any point of sale. Instead, they want to actively participate in the exchange relationship after joining, even informally, in purchasing groups or food communities.
- The emergence of a new rural humanism. In essence, the new rurality operates a sort of reversal of means into ends to re-establish an order of priorities lost with modernisation: it is a man with his needs and his deepest aspirations, and they are public, relational, and environmental, the goals of economic activity. The production process, the product and its exchangeability are only the means to achieve them (Pascale, 2014).

In the new face of territories that are no longer rural and urban, new community ties emerge in the forms of civil economies, service agriculture, mutual aid and reciprocity networks that arose spontaneously in the humus of millenary rural traditions and cultures, whose records constituted systems of welfare ante litteram.

However, it would be simplistic to read this appreciation as a sort of fallback towards a sector that, highlighting signs of more excellent employment stability compared to others, would offer more work opportunities, especially to young people. The emerging concept of the new rurality should be viewed as the culmination of a protracted socioeconomic and cultural reconfiguration process, wherein the rural landscape is increasingly recognised as an integral component of the economy and society.

## **1.2 Rural development**

As discussed previously, the evolution of the concept of rurality is a consequence of the socio-economic and environmental change of rural territories. It is no coincidence that, due to the intrinsic characteristics of these territories, increasingly more attention has been paid to them in terms of rural development policies over the years.

According to the World Bank (1975), rural development is *“a strategy that aims to improve economic and social living conditions by focusing on a specific group of poor people in a rural area. It assists the poorest group among people living in rural areas to benefit from development (Olufemi et al., 2013).*

Rural development is a long-term strategy that aims to preserve the complexity and balance between the components and the integration of rural areas in sustainable development (Martínez et al., 2020). Rural development, however, must not be understood only as an economic and productive growth but as a social, cultural, and financial process of revaluation of the rural in its territorial, no longer sectoral, concept through new functions assigned to rural territories to enhance their specificities such as culture, heritage, history, know-how, and social identities suitable for emerging from the condition of isolation, conquering the concept of development (Sotte et al., 2012). Rural areas are then attributed to rural and non-rural roles that can encourage exchanges between sectors and territories and thus break the isolation and mono-functional agricultural specialisation typical of the past (Sotte et al., 2012). A rural development policy, consequently, consists of an integrated territorial planning and management process that must be inter-sectoral and interdisciplinary (Sotte et al., 2012). Therefore, a new hierarchical distribution of responsibilities is necessary, as is a new integration between top-down and bottom-up policies between government and governance.

Rural development, therefore, forces us to address the relationship between state, market, civil society, and knowledge systems, as well as to ask ourselves whether the available tools are sufficient and whether how they have been used so far is adequate, especially considering the processes of change that rurality has suffered in recent years.

In the agricultural rurality phase, rural development and the related agricultural policy (supported by the political representation of farmers through their trade unions and trade organisations, as well as through parties) take on a sectoral character and aim to fulfil two tasks:

- ✓ support production in quantitative terms through protectionist measures and high price levels, favouring larger farms, necessities, and income.
- ✓ compensate for "rural poverty" through redistribution policies characterised by "scarce" spending or a generalised tax exemption for all components of the agricultural sector (Sotte et al., 2012).

Therefore, in the "agricultural rurality" model, given the weight of agriculture in rural areas in terms of employment, GDP, etc., rural development is closely connected to agricultural development, also understood as a mechanism capable of resisting hegemony urban through the political representation capabilities of farmers' unions and their organisations. This justifies the enormous weight assigned to agricultural policy, which fulfils not only an economic function (as in industrial policy) but also a social one, i.e., support for the family and rural society, and a territorial one, i.e., support for environmental balance and territorial (Sotte, 2003). The underlying assumption is that the quality of life in rural areas is substantially dependent on agricultural policy. In contrast, all other policies play a secondary role, so much so that they are designed and aimed almost exclusively at the needs of urban areas.

Therefore, a sectoral policy in agriculture takes shape and has extra-sectoral roles, i.e., redistribution between territories and social support. The development of rural areas and related land management are assigned to agricultural specialists as a sectoral problem with relatively modest importance for the rest of the economy and society (Sotte, 2003). All other policies regarding industry, tourism, transport, school, health, etc., the urban centre designs them to meet the needs of the city, with little or no attention to the specific needs of rural areas. However, the latter are a priori considered irremediably penalised and dependent, for their survival, on the support of agricultural policy and, in less remote areas, on the positive influence of the spillover of metropolitan regions.

In the period in which the "industrial rurality" model prevailed, agricultural policies instead aimed at orienting agriculture towards industrialisation. All this was achieved with the CAP of the 1980s and reconfirmed both by the MacSharry reform and by the "first pillar" of Agenda 2000 (which we will discuss in the next paragraph). However, a policy so little selective and aimed more at profit than at the virtuous behaviour of the agricultural entrepreneur (risk-taking, search for a winning business idea, production of goods and services appreciated by consumers and citizens, making opportunities available for employment, etc.) has led to a substantial freezing of roles in the countryside, preventing turnover and the exchange of experiences between the agricultural sector and other entrepreneurial opportunities in the rural world. In this historical phase of community agrarian policy, despite the introduction of some agri-environmental measures and obligations, only a tiny amount of support was dedicated to the valorisation of everyday goods, such as the environment, the landscape, biodiversity, the fight against erosion, flood prevention and conservation of soil fertility.

In the '90s, the importance of a multi-sectoral and integrated approach to territorial development was recognised internationally. The concept of sustainable development - already used in the Brundtland report in 1987<sup>1</sup> - also slowly enters the objectives of the European Community with agri-environmental measures, which combine subsidies aimed at supporting production with incentives aimed at improving the balance of the rural space (Rubino, 2010). An era opens where the conceptual dichotomies of city-countryside and urban-rural can no longer interpret reality.

In this new scenario, the role of agriculture is redefined, orienting agricultural policies at the service of the "European model of agriculture": it is contrasted with the model of "agrarian rurality" typical of North American agriculture (mono-functional, extensive, and high level of specialisation and industrialisation). It is oriented towards multifunctional agriculture, therefore, the demand for quality and safe food for the consumer (ISMEA, 2016). Thus, the management of new functions is emerging for farmers: processing and marketing food products, crafts, agritourism, recreation and free time, environmental protection, training, healthcare, etc. (ISMEA, 2016). The change towards such a complex and varied role of agriculture and the redefinition of rural development as an integrated and diversified

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<sup>1</sup> This report gives an internationally accepted definition of sustainable development: «*Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs*» (United Nations, 1987).



participation of all sectors opens a new part for rural areas in the market and, therefore, the demand for new policies.

### **1.2.1 Towards changing the idea of rural development**

To have a new vision of rural development, we need to consider one of the primary transformations that concerns the city-countryside relationship.

As the 2006 OECD report highlighted, the intensification of commuting over increasingly larger distances has strengthened the sphere of influence of urban areas, stabilising the direction of migratory flows from the countryside to the city (OECD, 2006). In addition to expanding the city's power radius, the country also undergoes a physical retreat.

The second change process concerns the weakening of ecosystem services<sup>2</sup>, caused by the loss of biodiversity and natural habitats, pressure on water resources, and the degradation of European soils caused by erosion, compaction, salinisation and hydrogeological instability (Adla et al., 2022).

The third process of change concerns ageing in the countryside. If the ageing of the European population is expected in most European territories, this trend is even more accentuated for rural areas (European Commission, 2021b).

The fourth transformation concerns the evolution of technical-economic business models (Gorevaya & Khayrullina, 2015) and local development models at a higher level (Matei & Metei, 2007). The transition to the multifunctional model is still ongoing, so there are highly innovative and growing business models, although still linked to small numbers, of companies that have started a gradual process of diversification and extensification, of companies that are blocked due to investments in technical-economic models that are no longer adequate, and of companies moving towards neo-modernization models, i.e. based on the massive use of new technologies, the growth of the production scale, management adaptation, and the new opportunities offered by globalisation.

The analysis of these processes highlights a series of needs:

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<sup>2</sup> The ecosystem services are the direct and indirect benefits of the ecosystem (natural capital) that provide for human wellbeing and quality of life (Braat & de Groot, 2012).

- 1) adapt the development objectives of rural areas according to the new city-countryside relationships.
- 2) understand to what extent the multifunctionality approach can extend to most companies and what barriers prevent it.
- 3) understand how a different articulation between state, market, civil society, and knowledge systems can contribute to moving forward.

In operational terms, rural development must therefore guarantee within the areas concerned the overcoming of the infrastructural gap (including digital) with urban areas, improve the availability of services (social well-being and justice) and mobility for the population and businesses, increase residential, productive and tourist attractiveness, contain phenomena of hydrogeological instability and landscape degradation, support the agri-food and tourism sectors (European Commission, 2021b). Such an approach is necessary since rural areas, as mentioned, are now characterised by depopulation, demographic ageing and low birth rates, high levels of poverty and abandonment of the land (European Commission, 2021b). These areas are "incapable" of attracting human capital, businesses, and investments; therefore, the workforce tends to move to urban areas (Ballatore & Mariani, 2019). Rural areas also show a lack of infrastructure, i.e., roads, sewerage systems, water networks, electricity and gas distribution networks, public lighting, green spaces, schools and kindergartens, churches, markets, sports facilities, infrastructures linked to recreational activities, social, cultural, health and administrative (Nelson et al., 2021).

Rural Policy 3.0, introduced by OECD, tried to define a new rural development paradigm. It reflects several essential changes in rural development. First and foremost, rural regions have evolved into far more diverse and complex socio-economic systems. Second, in general, all government policies are now less isolated and are held to more rigorous accountability standards. Third, with better data and analysis, it is possible to better understand rural regions and move away from the presumption that all rural places are alike (OECD, 2019).

**Figure 1: THE RURAL POLICY 3.0.**

	Old Paradigm	New Rural Paradigm (2006)	Rural Policy 3.0 –Implementing the New Rural Paradigm
<b>Objectives</b>	Equalisation	Competitiveness	Well-being considering multiple dimensions of: i) the economy, ii) society and iii) the environment
<b>Policy focus</b>	Support for a single dominant resource sector	Support for multiple sectors based on their competitiveness	Low-density economies differentiated by type of rural area
<b>Tools</b>	Subsidies for firms	Investments in qualified firms and communities	Integrated rural development approach – spectrum of support to public sector, firms and third sector
<b>Key actors &amp; stakeholders</b>	Farm organisations and national governments	All levels of government and all relevant departments plus local stakeholders	Involvement of: i) public sector – multi-level governance, ii) private sector – for-profit firms and social enterprise, and iii) third sector – non-governmental organisations and civil society
<b>Policy approach</b>	Uniformly applied top down policy	Bottom-up policy, local strategies	Integrated approach with multiple policy domains
<b>Rural definition</b>	Not urban	Rural as a variety of distinct types of place	Three types of rural: i) within a functional urban area, ii) close to a functional urban area, and iii) far from a functional urban area

Source: OECD (2019).

Nowadays, rural areas, therefore, face a complex set of challenges and opportunities. Economic disparities, limited access to infrastructure and services, and the impact of globalisation pose ongoing challenges for rural economies. However, opportunities arise from the growing demand for sustainable products, local and artisanal products, and sustainable tourism. The evolving concept of rurality requires targeted policies that promote inclusive growth, foster entrepreneurship, and leverage the unique resources of rural areas.

At this point, we must ask ourselves what role the European Union has had in defining rural development in its territories.

### **1.3 The role of the European Union in defining rural development**

The concept of rural development in the European Union (EU) has always been linked to the second pillar of the Common Agricultural Policy (CAP)<sup>3</sup>, the rural development policy, whose objective is the improvement of rural areas in terms of social, environmental, and economic.

<sup>3</sup>The Common Agricultural Policy (CAP) represents the set of rules that the European Union, since its inception, has intended to establish, recognising the centrality of the agricultural sector for the fair and stable development of member countries. Under Article 39 of the Treaty on the Functioning of the European Union, the CAP pursues

With the reform of "Agenda 2000", the first proposal is to develop a new rural development policy as the second pillar of the CAP (European Commission, 1997).

The attention to the conceptual change of rurality, therefore, begins to be noticed in the European Union, even if initially to a marginal extent, starting from 1995, the year in which the new Commission chaired by the Luxembourgier Jacques Santer, with Commissioner for Agriculture and to rural development Franz Fischler (Sotte, 2023). In that year, evidence of the perverse mechanisms generated by the over-compensation envisaged by the MacSharry reform became apparent, which, although not yet fully operational, showed how its innovative capacity had been substantially overestimated, highlighting the need, towards the middle of the Ninety, of a new reflection on the reform of the CAP to be launched in conjunction with the beginning of the third multiannual European programming period 2000-2006 (Sotte, 2023). However, the push towards a new reform is also motivated by other pressing demands:

- a) the prospect of enlargement of the European Union to the East after the collapse of the Berlin Wall and the dissolution of the Soviet Union, with the entry of countries characterised by particularly backward economic and social conditions precisely within the rural areas.
- b) the need for a better definition of rural development policy in the context of affirming the territorial dimension of development.
- a) the pressing request for a CAP consistent with the greater importance that the relationship between agriculture and the environment, between agriculture and public goods has now assumed.
- b) the growing attention to the issue of health, quality, and safety of food.
- c) the prospect of a further global push for market liberalisation (Sotte, 2023).

Before arriving at the Agenda 2000 strategy, already the Cork Conference, there was a first discussion on the importance of rural development and, in fact, in the "Cork Declaration" document we read expressions such as: *«rural development must be multidisciplinary, multi-sectoral and integrated»*, *«the specific weight of agriculture continues to decline and consequently rural development must address all socio-economic sectors»*, rural development must aim at *«diversification»*, *«sustainability»* and *«subsidiarity»*, the latter it must be *«based on partnership and cooperation between all interested levels (local, regional, national and*

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the following objectives: *«increasing agricultural productivity, ensuring a fair standard of living for the agricultural population, stabilising markets, guaranteeing the security of supplies, and ensuring reasonable prices for consumers»* (art. 39, par. 1, TEU).

European), paying attention to participation and a bottom-up approach». «Programming» is proposed as a method of government with a commitment to «simplification», «administrative efficiency», and «monitoring and evaluation» (European Commission, 1996). To honour these commitments, «an increasing share of resources available to promote rural development and guarantee environmental objectives» is required (European Commission, 1996). Despite this, this event has little or no political consequences concerning the purpose.

With "Agenda 2000", we return to valorising the policy of agricultural structures and separate it from the approach of intervention on the territory, left to the structural funds:

- a) a new regulation for rural development is approved, replacing several pre-existing regulations: the EAGGF Structural Funds regulation, the four regulations relating to Objective 5a, the three regulations on accompanying measures and the law on structural support for forestry.
- b) the structural funds, which do not only concern agricultural activities but all development at a territorial level, are framed in three general objectives:
  - objective 1: Regions lagging in development.
  - objective 2: Regions undergoing economic conversion.
  - objective 3: human resources development (European Commission, 1996).

A feature of rural development policy is that it is co-financed by Member States to provide an incentive for good supervision and control by local authorities. At the same time, Pillar 1 measures, which support production and income, are entirely funded by the EU.

The reform proposals presented with Agenda 2000 and subsequent documents aimed at redesigning the standard agricultural policy, thus defining rural development policy as an integrated process of planning and land management with an intersectoral and interdisciplinary approach.

Following the proposals contained in Agenda 2000, the European Commission presented in March 1998 a proposal for a specific regulation for rural development aimed at bringing together all rural development policies from 2000 to 2006 in a single legal and operational framework. The Regulation relating to "*Rural development measures*" was definitively approved in May 1999 (CE Reg. 1257/99<sup>4</sup>), and the implementing Regulation of July 1999 (CE

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<sup>4</sup> Reg. 1257/1999 on support for rural development by the European Agricultural Guidance and Guarantee Fund (EAGGF) and which amends and repeals certain regulations. Reg. 1750/1999 of the Commission of 23 July 1999

Reg. 1760/99<sup>5</sup>) brings together the instruments already existing in the regulations of the previous programming on rural development. The new law replaces nine different legislative provisions and goes in the direction of the desired simplification of community legislation. For rural development, five broad categories of intervention are identified:

- measures to modernise the structures.
- environmental measures.
- direct income support measures.
- corporate and economic diversification measures.
- measures in favour of infrastructure and services (European Commission, 1998).

The most significant changes concern rural development programming extended to the entire European Union territory and interventions reserved for areas falling within one of the priority objectives of the Structural Funds (Objective 1) (European Commission, 1998). Rural development is increasingly closely linked to other regional policies based on the general regulation of the Structural Funds and the rules relating to support from the European Agricultural Guidance and Guarantee Fund (EAGGF). A double programming system is introduced, which is diversified according to whether or not the areas belong to an objective. In the Objective One regions, the programming system has undergone relatively minor changes; the measures for modernisation and diversification of agricultural activities continue to be financed by the Orientation section of the EAGGF and integrated into the Regional Operational Programs (POR) (Sotte, 2023). The other rural development measures relating to the former agri-environmental actions and compensatory allowances for disadvantaged areas are financed by the EAGGF guarantee with the presentation of Regional Rural Development Plans (RDP) regarding these interventions (Sotte, 2023). A new programming system is established based on rural development regulation in areas outside the objectives. The Regional Rural Development Plan (RRDP) becomes the main program developed at the most appropriate geographical level by each Member State. All the agri-environmental measures designed in previous years following the 1992 CAP reform are incorporated into the RDP. Another novelty concerns the fact that the financing of the RDP will take place through the EAGGF guarantee for all interventions throughout the entire EU territory (Sotte, 2023).

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containing provisions for the application of Regulation (EC) no. 1257/1999 of the Council on support for rural development by the European Agricultural Fund guidance and guarantee (EAGGF).

<sup>5</sup> Reg. 1260/1999 containing general provisions on the Structural Funds; Reg. 1783/1999 relating to the European Regional Development Fund; Reg. 1784/1999 relating to the European Social Fund; Reg. 1263/1999 relating to the Financial Instrument for Fisheries Guidance (FIFG).

In 2003, the Fischler reform was drawn up (CE Reg. 1782/2003<sup>6</sup>), a *Mid-Term Review* of Agenda 2000, in which initially a simple mid-term review was to be carried out to verify the effect of the reforms introduced in 1999. The Mid-Term Review has transformed into a more incisive reform of Agenda 2000 itself, deepening the process of reorientation of the instruments and the very purpose of the support. Among the various objectives was the "strengthening of rural development" achieved through the modulation of direct aid, i.e., by reducing the immediate assistance from which a company benefits and moving the resources thus freed from market policies (I pillar) to rural development (II pillar). The national co-financing quota is added to the resources transferred from the first to the second pillar as required by the rules.

In this case, the document limits itself to identifying, in a rather generic way, more or less innovative measures to be placed in the second pillar as possible land management measures in response to the elimination of set, a "soft landing" process about the elimination of milk quotas and with particular attention to support measures for production in marginal and mountain areas; risk management following the elimination of market measures and the decoupling of aid; finally, specific measures regarding the problem of climate change, biodiversity and bioenergy (Sotte, 2023). Despite the heterogeneity and vagueness of the proposals, the tendency towards strengthening the sectoral approach of the second pillar emerges quite clearly: all the measures indicated in the text tend to enhance the role of the primary sector in rural development (Sotte, 2023). At the same time, there is no mention of strengthening the territorial component (Sotte, 2023).

In the subsequent programming, therefore, in the 2007-2013 CAP, there is the unification in a single text of the rules for the financing of both pillars of the CAP, replacing the Fund for the Financing of the CAP (EAGGF), two new funds are established:

1. European Agricultural Guarantee Fund (EAGF)
2. European Agricultural Fund for Rural Development (EAFRD) (Reg. 1290/2005<sup>7</sup>).

This subdivision is considered appropriate to guarantee differentiated treatments for the different objectives of the CAP.

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<sup>6</sup> Reg. 1782/2003 establishes standard rules relating to direct support schemes in the context of standard agricultural policy and specific support schemes for farmers of 29 September 2003.

<sup>7</sup> Council Regulation (EC) No 1290/2005 of 21 June 2005 on the financing of the common agricultural policy.

The EAFRD was established to provide financing for all measures intended for the second pillar of the CAP from a single fund and finances Local Development Programs (RDP) under shared management with the Member States ([www.europarl.europa.eu](http://www.europarl.europa.eu)).

The EAFRD simplifies rural development policy according to the "one fund-one programme" logic by providing a single rural development program which includes all the interventions of the previous development plans and the approach of the LEADER programmes (Sotte, 2023).

The new rural development policy strengthens rural areas' strategic content and sustainable development. The objectives of support for rural development are:

- increase the competitiveness of the agricultural and forestry sectors by supporting restructuring, development, and innovation.
- enhance the environment and natural space by supporting land management.
- improve the quality of life in rural areas and promote the diversification of economic activities ([www.europarl.europa.eu](http://www.europarl.europa.eu)).

The realisation of these objectives occurs through four thematic axes:

1. improving the competitiveness of the agricultural and forestry sector (axis I).
2. improvement of the environment and rural space (axis II).
3. quality of life and diversification of the rural economy (axis III).
4. Leader approach (axis IV) ([www.europarl.europa.eu](http://www.europarl.europa.eu)).

Axis IV is dedicated to implementing the so-called LEADER, which becomes part of the Rural Development Plans. Local, territorial development strategies aimed at rural territories are implemented through public-private partnerships at the local level (LAG: Local Action Groups), a bottom-up approach, with local action groups with decision-making power regarding the development and implementation of local development strategies to achieve competitiveness, environmental and diversification objectives; the implementation of cooperation projects (transnational and intraterritorial); support for the management of LAGs for the performance of local development strategies and the animation of the territory (Sotte, 2023).

Regulation (EC) no. 1698/2005<sup>8</sup> simplifies the programmatic architecture by defining the Community Strategic Guidelines (OSC) for rural development policy, from which the set of

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<sup>8</sup> Reg. 1698/2005 of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD).



strategic priorities of territorial value emerges. The CSOs are followed by the National Strategic Plan (NSP), drawn up by each member state, which incorporates the contents and objectives dictated by the CSOs, constituting a reference framework for all regional rural development programs (RDPs). Finally, the Rural Development Plans (RDP) prepared at the regional or interregional level follow, representing the only rural development planning tool in compliance with the *one fund, one program principle*.

In the 2014-2020 CAP, six rural development priorities were established, which are further divided into 18 focus areas<sup>9</sup>:

1. promote knowledge transfer and innovation in the agricultural and forestry sectors and rural areas.
2. enhance the competitiveness of agriculture in all its forms and the profitability of agricultural businesses.
3. encourage the organisation of the agri-food supply chain and risk management in the agricultural sector.
4. preserve, restore, and enhance ecosystems dependent on agriculture and forests.
5. encourage the efficient use of resources and the transition to a low-carbon and climate-resilient economy in the agri-food and forestry sectors.
6. promote social inclusion, poverty reduction and economic development in rural areas ([www.europarl.europa.eu](http://www.europarl.europa.eu)).

As in previous programming, the implementation of rural development policy is based on the development by Member States (or their regions) of rural development programmes. These multiannual programs implement a personalised strategy that responds to the specific needs of Member States (or regions) and is related to at least four of the six priorities mentioned above. These programs are based on a combination of European measures selected from a 'menu', included in the Rural Development Regulation (Reg. 1303/2013)<sup>10</sup> and co-financed by the

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<sup>9</sup>The focus areas are the following: 1. A) Stimulating innovation, 1. B) Strengthening the links between agri-food and research and innovation, 1. C) Encouraging learning and professional training; 2. A) Improve the economic performance of companies; 2. B) Promote generational turnover; 3. A) Improve the competitiveness of primary producers through integration into the agri-food chain; 3. B) Prevention and management of corporate risks; 4. A) improvement of biodiversity, 4. B) management of water resources; 4. C) prevention of soil erosion; 5. A) efficient water management, 5. B) efficient use of energy resources; 5. C) supply and use of renewable energy sources; 5.D) reduction of greenhouse gas emissions; 5. E) promote the conservation and sequestration of carbon in the agricultural and forestry sectors; 6. A) diversification, small business development and employment; 6. B) stimulate development in rural areas; 6. C) promote the accessibility, use and quality of ICT in rural areas (Reg. 1303/2013).

<sup>10</sup>Reg. 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the

EAFRD. Co-financing rates vary depending on the regions and measures involved. The European Commission must approve programs and include a financing plan and a set of result indicators during the 2014-2020 programming period; emphasis was placed on the coordination of the EAFRD action with that of the other European Structural and Investment Funds (ESIF), precisely the cohesion policy funds cohesion, European Regional Development Fund (ERDF) and European Social Fund (ESF) and the European Maritime and Fisheries Fund (EMFF).

To complete the picture, we cannot mention the LEADER approach.

The Leader approach comprises various phases: Leader I, Leader II, Leader Plus, Leader Program (Axis IV) and Leader Program 2014-2020 (Di Napoli & Tommasini, 2017). The first LEADER program was launched in 1991 and aimed to promote development in rural areas to alleviate some of the typical problems they faced, such as an ageing population, unemployment and low income generated by traditional activities. The success of the first LEADER program (in terms of investments and results obtained) pushed the European Union to continue financing rural development policies. Thanks to this tool for more than twenty years in rural areas, projects have been carried out to strengthen the competitiveness of the local economic system, improve the quality of life, encourage sustainable use of natural resources, and enhance the historical-cultural heritage. The fourth phase, Axis IV Leader (2007-2013), differs from the first three, as it no longer represents a community initiative but is, in all respects, an integral part of the rural development policy (RDP). This means that LEADER was included in all the EU's national and regional rural development programs (European Commission, 2006a). Of particular importance, therefore, was the difference that existed between the community initiative, where the tools were used for the development of agricultural productivity, and the rural development program (RDP), where instead the focus was on territorial approaches such as innovation, valorisation of local resources and support of the social dimension (Pisani et al., 2014). In the 2014-2020 funding period, the scope of the LEADER approach was further extended under the name Community-Led Local Development (CLLD)<sup>11</sup> in rural, urban and fisheries areas. The CLLD approach can be implemented within the framework of the EAFRD

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European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006.

<sup>11</sup> The CLLD is one of the intervention tools to support integrated planning in the period 2014-2020, connected to Thematic Objective 8 - "Promote sustainable and quality employment and support worker mobility" as well as, within the EMFF Fund 2014/ 2020, to Priority 4 - "Increasing employment and territorial cohesion". In the CLLD implementation process, the Ministry is called upon to play a coordination role at national level to ensure the coherent and uniform application of the CLLD approach in the different territories.

(as LEADER), the European Maritime and Fisheries Fund (EMFF), the European Social Fund (ESF) and the European Regional Development Fund (ERDF) and, if the Member State's programming provides for it, the LAGs now have the right to develop and implement integrated strategies by drawing on multiple funds. Hand in hand with the development of LEADER, the related support mechanisms have also evolved. Various formal networking structures within the National Rural Networks and the European Network for Rural Development provide LAGs with technical assistance and other networking services. This approach is one of the keys to territorial cohesion and sustainable growth in rural areas.

The new CAP, 2023-2027, is based on ten key objectives, which focus on social, environmental, and economic aspects based on which EU countries have developed their CAP strategic plans ([www.europarl.europa.eu](http://www.europarl.europa.eu).) When developing their strategic plans, EU countries will contribute to the ten specific objectives through a toolbox of broad policy measures provided by the Commission, which can be shaped according to national needs and capacities. We will look into this policy further later.

## CHAPTER 2: The Marginal Areas

At this point of the work, we need to get to the heart of the analysis, studying and describing the rural and marginal areas. The starting point is understanding the reality of rural and marginal areas and their problems. First, as scientific literature suggests, we will start by distinguishing between rural and urban areas. Since there is no univocal definition, their classification will also be presented.

### **2.1 Introduction**

The term "rural area" describes non-urban regions or located on the periphery, but it does not provide a clear or universally accepted definition (Seminara, 2016). As discussed in the preceding chapter, numerous attempts have been made to establish a spatial framework for rural areas. However, this discussion remains ongoing, and the methodological challenges have yet to be resolved.

Much like the classification and definition of urban areas, there is a diverse array of rural area definitions in OECD member countries, each applying different criteria and thresholds (Dax, 1998). The debate surrounding the definition and classification of rural areas continues today (Sotte, 2023).

We can summarise the characteristics that distinguish rural areas into four categories:

- the low population density due to the limited possibility of exploiting local resources.
- the predominance of agricultural activities.
- the link between population and natural environment, which influences the formation of identity.
- the solid social ties established between residents who belong to a small, relatively stable group until migration begins. (Fenu, 2021).

An important definition given in the Italian context is that made by the National Institute of Rural Sociology (INSOR), which, although not recent, identifies four different approaches to defining rural areas. The areas are:

- rural as a micro-community
- rural as a synonym for agricultural
- rural is synonymous with delay

- rural as an interstitial space (INSOR, 1992).

As Daniela Storti underlined, the first approach, rural as a micro-collectivity, uses the criterion of the demographic size of human settlements to identify the rural space. Very often, in classifications based on this criterion, rural is recognised as a residual category compared to urban. Starting from the assumption that the distinctive characteristic of urban agglomerations is high settlement density, rural settlements are identified with inhabited centres that do not exceed a specific demographic size (INEA, 2000). According to INSOR (1991), Storti declared that this criterion only sometimes allows us to grasp an area's actual degree of rurality (INEA, 2000). Suppose it is true that rural communities are generally characterised by a high degree of dispersion of the population across the territory (INEA, 2000). In that case, agricultural centres combine rural characteristics with centralised settlement forms and have a relatively large demographic size (INEA, 2000). This is the case in some agricultural municipalities in the South (INEA, 2000).

Based on the second definition, rural as a synonym for agricultural, rural is a space characterised by the high weight of the agricultural sector, especially regarding employees (INEA, 2000). INSOR's entirely acceptable thesis is that identifying rural and agricultural can only be considered an accurate definition of specific areas and/or historical periods (INEA, 2000). For example, in countries with advanced economies, between the Industrial Revolution, a period in which the tendency towards the localisation of industry in urban contexts was established, and the end of the fifties, the rural territory shows a marked trend towards agricultural specialisation and, therefore, the rural backs up identifying itself *de facto* with the agricultural component (INEA, 2000). In current competitive contexts, however, this correspondence needs to be stronger. In industrial countries, the reduction in the weight of the agricultural sector, both in terms of income and employment, means that, even in rural areas, the share of those employed in agriculture is substantially reduced, and rural territories are increasingly affected by diversification phenomena (INEA, 2000). However, it should be underlined that if it is true that today, rural is no longer just agricultural, the areas which, in current contexts, are still predominantly agricultural should undoubtedly be considered rural.

The third approach, rural as a synonym for backwardness, tends to identify rurality with socio-economic backwardness (INEA, 2000). The classification methods that adopt this definition generally classify municipalities based on the degree of urbanity and rurality, considering a

multiplicity of variables representative of the prevailing characteristics of rurality, including one or more lagging indicators (INEA, 2000).

The last approach analysed in the INSOR study conceives the rural as an interstitial space. This is a vision implicit in a particular type of study on territorial zoning, i.e., those aimed at identifying functional regions from a socio-economic point of view (INEA, 2000). The active areas are defined based on interaction phenomena, which potentially involve all the subjects residing in them, such as commuting flows and migratory movements of the population (INEA, 2000). Local work systems<sup>1</sup> belong to this category, which research conducted on a national scale by ISTAT has "*identified based on the geographical configuration of daily travel for work reasons*" (ISTAT,1997). This methodology aims not to identify rural space but to identify areas of interaction between places of work and residence (INEA, 2000). The locality systems thus delimited are often composed of interdependent urban and rural areas and, for this reason, represent a particularly suitable reference unit for analysing the links between urban and rural territories within a local work market (INEA, 2000). INSOR scholars believe this territorial subdivision needs to recognise autonomy in the rural space, which becomes a residual space within a local labour market or an urban attraction area. In some cases, it could even represent an area of discontinuity unaffected by those interaction phenomena between subjects based on which a given functional region is identified (INEA, 2000). This criticism is, to a certain extent, acceptable. On the other hand, in analysing the problems that characterise rural development, it is necessary to consider the undoubted advantage that can derive from the possibility of having an intermediate territorial reference unit between the municipality and the province (INEA, 2000).

Today's definition needs to be revised to capture the complex reality of rural areas within advanced economies (Cattivelli, 2021a). The changes that have affected the rural world go hand in hand with the difference in the dominant development model or what various authors define as the "accumulation regime"(Cattivelli, 2021a). An accumulation regime, in the definition given by economists of the French school of regulation, is the logic that an economic system presides over the transformation of production conditions, income distribution and use of output (Cattivelli, 2021a).

As Fenu (2021), the term "inner periphery or internal periphery" which can be translated as "periferia interna" in Italian, has gained significance in recent years, particularly alongside the concept of rural areas. It remains relatively new and is not widely used in academic literature

or European policy documents. In the realm of European national policies, the notion of internal periphery is somewhat peripheral and when used, it carries diverse meanings. Specific references to this concept are scarce in Italian literature and even more so in political documents. The definition of the inner periphery is still evolving and lacks a concrete, universally accepted definition, much like the concept of "polycentric" (Fenu, 2021).

The concept of "internal peripheries" represents a unique type of territory in its geographical and conceptual dimensions. It's a relatively new concept in European policies, notably absent in official policy documents, including the Territorial Agenda of the European Union 2020 (TA2020).

The notion of "inner peripheries" gained prominence within the ESPON 2020 project, aimed at bridging the gap between urban and peripheral regional strategies. These areas are not defined by geographical criteria but rather by socio-economic factors, accessibility, and their degree of separation from urban centers (Fenu, 2021). They have evolved due to historical processes, which led to a gradual disconnection from physical, social, and economic networks. These regions are often characterized by economic reconversion following industrial crises, resulting in high unemployment rates. Importantly, the definition of internal peripheries can vary in scale, posing a challenge for both researchers and policymakers (Fenu, 2021).

The term "inner peripheries" is still evolving and challenging to map geographically, making it a sort of territorial enigma. In literature, it has been used to identify sparsely populated areas along national borders or relatively rural territories near economic centers but still facing developmental challenges.

These inner peripheries are characterized by common demographic issues like depopulation and aging, weak labor markets, inadequate infrastructure, and limited access to essential urban services. The ESPON notion of "inner periphery" emerged during the "inner areas" debate under the Italian Presidency of the EU in 2014 (Fenu, 2021). This concept doesn't neatly fit into the categories of urban or rural and instead focuses on shared demographic and economic challenges.

The ESPON definition of "internal peripheries" incorporates elements from concepts like "dependent areas" and "spatial peripheries." It considers factors such as functionality, relationality, and temporality, recognizing that these territories can be closely situated to urban centers, but still lack the benefits of polycentric networks. The inner periphery is seen as a dynamic, evolving concept.

Copus, Noguera, and ESPON propose three conditions for identifying internal peripheral areas:

1. Enclaves with low economic potential.
2. Areas with limited access to essential services.
3. Areas lacking relational proximity, often resulting from institutional factors, like a lack of political influence (Copus & Noguera, 2017; Copus et al., 2017b).

These conditions can overlap, and they are not solely determined by geographic remoteness. Sometimes, the processes of marginalization in these regions are referred to as "peripheralization."

Furthermore, much contemporary literature questions the relevance of the urban-rural dichotomy and seeks to define the heterogeneity of the rural category (Fenu, 2021).

For this reason, before discussing the problems in marginal areas in general, particularly in marginal rural areas, we will describe the different classifications in the literature relating to the urban-rural dichotomy.

## **2.2 Classification of Rural Marginal Areas**

Cattivelli provides an overview of the different methods of identifying rural, urban and peri-urban areas. The study shows that in Europe, over the last 15 years, 80 different methods of classifying rural areas have been developed, which can be grouped into the following three categories:

- statistical
- institutions government
- researchers (Cattivelli, 2021b).

The first category includes methodologies and practices used for statistical purposes, specifically preparing reports and publications, including national statistical analyses. National statistical institutes formulate and implement these methods to map the entire national territory based on administrative boundaries and generally use few variables (Fenu, 2021).

The second group consists of territorial methods that state and regional institutions adopt as territorial frameworks for formulating measures and programs (e.g., Rural Development Plans) (Fenu, 2021).



The third and final group is much more heterogeneous as it includes all the methodologies developed by scholars to support *policymakers* and map territorial changes more precisely (Fenu, 2021).

These techniques employ advanced statistical methods to manage a wide array of indicators, with a particular focus on social, economic, demographic, and morphological factors. All these methods differ depending on the choice of indicators, the territorial unit of analysis, the statistical method and the number of classes adopted (Cattivelli, 2021b).

The same author offered an exciting overview of her previous work's methods and variables to distinguish the territories.

It identified five clusters of methods for classifying rural-urban areas and their use in the territories:

1. *Demographic dynamics* used population density and other demographic indicators as variables to define the areas.
2. *Economic and social indicators* include the variables linked to the economic structure.
3. *Settlement structure* used the size of housing developments and settlements as indicators.
4. *Distance* considers kilometres from the primary and closest economic/social centre.
5. *Hybrid* methods consider different variables (Cattivelli, 2021b).

In Italy, various urban-rural classification methods are applied to map the entire country or specific regions. Numerous organisations and institutions, including ISTAT (the National Institute of Statistics), as well as government bodies like the Department for Cohesion Policies, the Ministry of Agricultural Policies, and the National Rural Network, have developed their distinct approaches (Cattivelli, 2021a). In his overview, Cattivelli also outlines six distinct methodologies employed by various institutions to delineate urban and rural areas and classify territories with different levels of urbanisation, including peri-urban zones (Fenu, 2021). Notably, ISTAT, utilising the EUROSTAT method, is among the most prominent and significant methodologies (Fenu, 2021). Meanwhile, other government institutions use methods grounded in economic and demographic data to identify a range of spatial categories extending beyond the urban/rural dichotomy (Fenu, 2021).

### 2.2.1 OECD

At an international level, the classification of rural areas proposed by the Organization for Economic Cooperation and Development OECD pursues the aim of defining the concept of rurality most homogeneously (Seminara, 2016). The primary aim of the taxonomy is to establish a distinct boundary between urban and rural regions, employing a methodology that aligns with data accessibility on a global scale. Consequently, the OECD puts forth a method that categorises regions as urban or rural by primarily relying on population density as the key indicator.

Demographic criteria appear to be the most easily used to describe rural areas internationally (Copus et al., 2008).

The methodology used by the OECD represents the most complete attempt to provide a taxonomy of rural areas applicable based on a few elements common to various countries (Pagliacci, 2013). The indicators used by the OECD to define the types of regions are:

1. Population density (expressed in terms of inhabitants/km<sup>2</sup>).
2. The presence of larger urban centres (Seminara, 2016).

There are three criteria for classification:

The first criterion identifies rural communities based on population density. A community, which usually corresponds to the LAU 2 levels of Eurostat (municipalities, municipalities and similar), is considered rural if its population density is less than 150 inhabitants per square kilometre. Therefore, according to the OECD, the critical threshold of 150 inhabitants per square kilometre, an arbitrary choice by the organisation, is the first element explaining a territory's rurality (Romano et al., 2016).

The second criterion classifies regions based on the percentage of the population residing in rural communities. Thus, a NUTS 3 or NUTS region is classified as:

1. Predominantly Rural Region (PR): if more than 50% of the population lives in rural local units.
2. Intermediate Region (IR): if from 15% to 50% of the population lives in rural local units.
3. Predominantly Urban Regions (PU): if less than 15% of the population lives in rural local units (Romano et al., 2016).

The third criterion uses the second indicator (the presence of larger urban centres) and is a corrective to the results obtained with the first two criteria. The revision of the previously listed classification is based on including larger urban centres. Therefore, the results are modified as follows:

♣ A region classified as predominantly rural in the first two phases is reclassified as intermediate if a city of over 200.000 inhabitants represents at least 25% of the entire region's population.

♣ A region classified as a middle region in the first two phases is reclassified as predominantly urban if it hosts a city of over 500.000, representing at least 25% of the regional population (Romano et al., 2016).

The simplicity of this methodology makes it easily applicable on an international scale, enabling comparisons between rural areas in various countries. However, it also has its limitations, primarily its one-dimensional view of rurality, primarily focusing on demographic factors while overlooking another crucial aspect related to rurality—the economic landscape of these regions. Consequently, it becomes evident that this classification may not be well-suited, especially in the allocation of structural funds.

### **2.2.2 EUROSTAT**

The methodology proposed by EUROSTAT for identifying rural areas at the Community level refers to the methodological approach used by the OECD. However, it seeks to obtain a more balanced population distribution between the types of areas. The Eurostat method aims to fill two distortions in the OECD methodology:

1. The diverse nature of European regions within LAU 2 territories, particularly their varying sizes, can lead to misclassifications when applying the OECD methodology. Take, for instance, small villages with tightly defined administrative boundaries, which may exhibit sufficiently high population density to be labelled as urban, even if their total population remains well below 1,000 residents. Conversely, some cities within extensive LAU 2 territories might be categorised as rural due to their lower overall population density (Seminara, 2016).
2. A second source of distortion arises from the wide-ranging geographical extensions of NUTS 3 regions. In certain countries, such as Germany and the United Kingdom, there

is a prevalent practice of administratively separating central urban cores from the surrounding areas, which often possess more pronounced rural characteristics. This separation deviates from the OECD methodology (Seminara, 2016).

The European classification adopts a more straightforward three-step approach to identify the population residing in urban areas:

1. Identifying Rural Areas:

- Rural areas encompass all regions outside of urban clusters.
- Urban clusters are defined as contiguous grid cells of 1 km<sup>2</sup> with a population density of at least 300 inhabitants per km<sup>2</sup> and a minimum population of 5,000.

2. Region Classification:

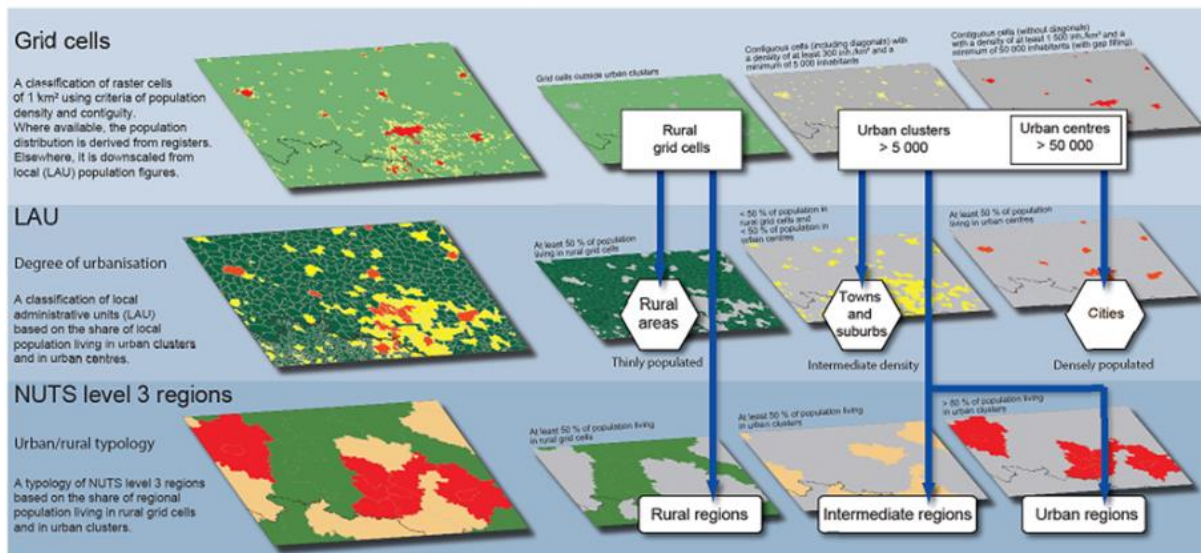
- NUTS 3 regions are categorised as follows based on the proportion of their population residing in rural areas:
  - 'Predominantly rural' if over 50% of the population lives in rural areas.
  - 'Intermediate' if the population living in rural areas ranges from 20% to 50%.
  - 'Predominantly urban' if less than 20% of the population lives in rural areas.

For classification purposes, regions smaller than 500 km<sup>2</sup> merge with one or more neighbouring regions to mitigate distortions caused by extremely small regions.

3. Incorporating Urban Centers:

- The third step considers the size of urban centers within the region.
  - A predominantly rural region with an urban centre of over 200,000 inhabitants, comprising at least 25% of the regional population, is reclassified as intermediate.
  - An intermediate region with an urban centre of over 500,000 inhabitants, constituting at least 25% of the regional population, is reclassified as predominantly urban.

**Figure 2: SCHEMATIC OVERVIEW OF THE URBAN-RURAL TYPOLOGIES.**



Source: European Commission, Directorate-General Regional and Urban Policy, based on data from Eurostat, JRC, national statistical authorities, EFGS.

The main objective of the Eurostat methodology is to make the classification of the degree of rurality of European territories more homogeneous (Eurostat, 2010). The proposed method by Eurostat, despite the corrections made to the international process of the OECD, remains mainly based on population density and is used as the only (or, in any case, main) explanatory element of rurality (Seminara, 2016). Therefore, although the methodology leads to a classification that unites territories with similar settlement characteristics, it does not allow us to differentiate European territories characterised by a different internal organisation of their local economies or a different social structure (Seminara, 2016). Consequently, the Eurostat classification needs to capture the growing complexity found within European rurality.

Although similar from a methodological point of view, the OECD and Eurostat classifications give a partly different image of European rurality.

The critical difference lies in the Eurostat classification (2010), where there is an approximately four percentage point increase in favour of predominantly rural (PR) regions (Seminara, 2016). These changes are not uniform across Member States, as highly urbanised countries like Belgium and the Netherlands appear less urban on average. In contrast, predominantly urban areas in Italy experience significant population and surface area reductions (Seminara, 2016). Conversely, countries with lower population density, such as Sweden and Finland, seem less rural on average (Seminara, 2016). Both classification approaches are straightforward and flexible, primarily based on demographic data, allowing for comparable statistics on urban and

rural population distribution within EU Member Countries. Nonetheless, they do not capture other aspects of rurality.

Within the academic literature, numerous studies have put forth alternative methodologies aiming to incorporate various indicators and variables to gain a more comprehensive understanding of the extent of rurality within European regions (Anania et al., 2008; Bogdanov et al., 2007; Cloke, 1997; Copus, 1996; Errington, 1990; Gulumser et al., 2007; Ibery, 1981; Kostowicki, 1989; Leavy et al., 1999; Lòpez-i-Gelats, 2009; Openshaw, 1983; Mikulcak et al., 2015; Rogerson, 2001; Sanchez-Zamora et al., 2014) as Seminara (2016) underlined in her work.

Over the past three decades, there has been a significant increase in empirical studies employing multivariate statistical analyses to examine rural contexts. New approaches to rural area analysis have emerged, incorporating a growing number of indicators to grasp the increasing complexity of rural areas better (Sotte et al., 2012). These indicators encompass socio-demographic factors, economic and productive structures, and land use. The prevailing approach in classification methods now embraces multidimensionality, enabling the identification of varying degrees of rurality by combining economic, social, and environmental indicators (Seminara, 2016).

### **2.2.3 Italian Government 2007-2013**

Italy, known for its diverse terrain and population distribution, has adjusted the OECD methodology to more accurately delineate rural and urban regions. This modification aimed to create a zoning system that reflects the country's reality, enabling tailored rural development policies.

During the rural development policy planning from 2007 to 2013, the Ministry of Agricultural, Food, and Forestry Policies (MIPAAF) collaborated with the Regions to categorise municipalities into three types of rural areas and urban hubs. This classification facilitated the customisation of rural development initiatives to address the distinct needs of various locations. This zoning approach was officially adopted as part of the National Strategic Plan for Rural Development and the National Strategic Framework for Cohesion policy to guide the allocation of financial resources. In essence, it serves as an official methodology for classifying areas into urban and rural categories, serving practical policy purposes.

The methods applied by Italy involves four phases:

1. The selection of the provincial capital municipalities with over 150 inhabitants/km<sup>2</sup> can represent the major urban centres, where a good part of the urbanisation phenomena and the major non-agricultural activities are concentrated, and agriculture represents an entirely residual sector. At a national level, these areas can be considered "urban areas in the strict sense".
2. The OECD methodology was applied to the remaining municipalities, identifying predominantly urban areas (population of rural municipalities < 15% total population), significantly rural areas (population of rural municipalities > 15% and < 50% total population) and predominantly rural areas (population of municipalities rural > 50% total population) not at the provincial level (OECD methodology), but rather by distinguishing the municipalities, within each province, by altimetric zone and calculating, for each of these three (plain, hill and mountain), the incidence of the population of municipalities classified as rural on the total population.
3. The category of predominantly urban areas was further disaggregated where, within it, there were strong differentiations between a set of municipalities more similar to provincial capitals (for example, the crown municipalities of the major Italian cities and/or some municipality's coastal areas with strong urban development) and a set of densely populated municipalities, where there is rich and intensive agriculture (for example, the plain areas of Northern Italy). A reclassification was carried out within the predominantly urban areas based on the density (150 inhabitants/km<sup>2</sup>) and the weight of the total agricultural area on the territorial surface to distinguish these two groups. All those municipalities defined as "urbanised rural" were thus identified, characterised by a high population density and significant agriculture (over 2/3 of the territorial surface). Finally, consistently applying the analysis at the altimetric zone level, a further category of the area was obtained, defined as "highly urbanised rural", as the rural municipalities have a significant weight (over 15% of the total population) and those rural urbanised a prevalent weight (over 50% of the rural population).
4. With the procedure described in the previous phases, by crossing the revised OECD areas with the three altimetric zones and the three territorial districts of the country (North, Center and South), 36 types of areas were obtained (plus one relating to the provincial capitals). Therefore, compared to population density alone, other indicators lead to a more accurate reading of the territories and amplify the differences. The need

to report this classification obtained from the methodology in a more synthetic form, functional to the identification of the priorities of the rural development policy of the national territory, has re-aggregated the territories into four homogeneous macro-areas:

- The urban poles
- Rural areas with specialised intensive agriculture
- The intermediate rural areas
- Rural areas with overall development problems (National Strategic Plan for Rural Development, 2007).

The reaggregation in the macro-areas was conducted through the following procedure:

- verification of the classification obtained based on the OECD method for altimetric zones with the Regions and Autonomous Provinces.
- aggregation, based on further cognitive elements essentially contributed by the Regions and the Autonomous Provinces of the individual areas in the four identified macro-areas.

Aggregation of individual regional maps, subject to verification with the Regions, in the national territorialisation (National Strategic Plan for Rural Development, 2007).

More detailed articulations of the regional territory may be adopted at a regional level appropriate to regional specificities, which are always attributable to one of the four homogeneous areas.

The Ministry has, therefore, divided Italian rural areas into three categories:

- Rural areas with intensive and specialised agriculture include 1,632 municipalities, which host 22% of the national population and are mainly located in the plains of northern and central Italy, close to large urban centres.
- Intermediate rural areas: 2,676 municipalities located in hilly areas, which host 24% of the Italian population and represent 32% of the national territory.
- Rural areas with development problems include 2,759 municipalities, 12% of the Italian population, in mountainous or hilly areas and the southern plains and islands (Sicily and Sardinia) (Seminara, 2016).

The Mipaaf classification, developed through cooperation between the central and regional governments, aimed to introduce a territorial dimension that, compared to the OECD's zoning, is better aligned with local development strategies (Seminara, 2016). While it has limitations,



such as addressing accessibility and isolation, it is more suitable for local development interventions (Seminara, 2016). Furthermore, at the regional level, the Ministry granted flexibility for adopting finer-grained territorial divisions, catering to regional uniqueness within one of the four homogeneous areas (Seminara, 2016).

#### **2.2.4 Italian Government NSP2014-2020**

A further territory configuration occurred in Italy during the new community programming season 2014-2020. A new classification is made, which includes the definition of:

A. Urban and peri-urban areas: include provincial capitals that are urban in the strict sense and groups of municipalities with a rural population of less than 15%.

B. Rural areas with intensive agriculture include rural municipalities located mainly in the plain areas of the country, where, although the average density is high in some cases, the agricultural and forestry surface always appears to have a significant weight.

C. Intermediate rural areas: include rural hill and mountain municipalities with the highest population density and home to intermediate development with stable relationships with other sectors of the economy.

D. Rural areas with development problems include rural southern hill municipalities and rural mountain municipalities with lower population densities in all regions (Italy – National Rural Development Programme, 2023, 2023).

The Regions and Autonomous Provinces will use the classification to adopt specific territorial priorities in the selection of operations. At a regional level, providing more detailed sub-articulations of the macro-areas A, B, C and D is possible.

This criterion aims to revisit the previous classification included in the National Strategic Plan 2007-2013.

The updating of the areas took place in three phases:

1. the first phase of territory classification.
2. the second aggregation of the municipalities into the four macro-areas mentioned above.
3. the third adjustment is based on refining the category at the regional level (Italy – National Rural Development Programme, 2023).

The update of the classification of the national territory followed the same methodology as the NSP, based on simple indicators (population density and incidence of agro-forestry surface) calculated by altimetric zone in each province (therefore for aggregates of municipalities). Compared to the past, the analysis has been enriched by considering forest areas<sup>1</sup>, an essential variable for rural definition, allowing us to improve its estimate.

The refinement phase of the classification at the regional level consists of a comparison with the Regions to verify the type of the areas through the following procedure:

- a) identifying further specifications at a regional level to better highlight the differences within a given macro-category. These specifications can give rise to subcategories in some regions (e.g., the macro area C can be divided into C1 and C2), which appear in the PSR zoning and are consistent with the national approach. More detailed breakdowns of the macro-areas A, B, C and D can be adopted at the regional level, if necessary, for programming purposes. However, if required by the regions, this further level of detail is specified in the RDP.
- b) verifying whether some exemptions granted in the 2007-2013 programming by the Commission regarding the classification of some rural municipalities are compatible with the 2014-2020 mapping.
4. c) in limited cases, identifying the correct classification of some rural municipalities in macro-categories C or D based on variables such as depopulation and the change in total agricultural area (Italy – National Rural Development Programme, 2023).

### **2.2.5 Italian Government NSP2023-2027**

It should be noted that in the new National Strategic Plan, which came into force on 1 January 2023, which refers to the 2023-2027 programming of the CAP, Italy adopts the classification of rural areas already in place in the programming of the 2014-2022 rural development policy already discussed in the previous paragraph.

### **2.2.6 SNAI approach**

The Italian territory is characterised by a spatial organisation based on "minor centres" which in many cases do not enjoy accessibility to essential services, and it is precisely through a new territorial classification that considers this variable that the Ministry for Territorial Cohesion

has outlined new areas for targeted territorial policy interventions. This classification, therefore, does not limit itself to talking about the areas in a generic way but also pays attention to the internal areas which we consider, based on the definition that will be presented, marginal rural areas.

The SNAI's (National Strategy for Internal Areas) techniques to delineate internal areas are pivotal in comprehending, examining, and executing policies and strategies to revitalise and advance rural regions (Fenu, 2021).

This reading designs a polycentric territory composed of a network of municipalities or aggregations of municipalities (service offering centres) around which areas characterised by different levels of spatial peripherality gravitate (Department for Development and Cohesion, 2013). By following this classification criterion, we can define a varied scenario of mountain territories and rural areas, a framework in which the internal area is not necessarily identified as a "weak area" and, therefore, provides for different policies and governance models (Fenu, 2021). The methodology for identifying internal areas and classifying them into four bands is divided into two phases (Department for Development and Cohesion, 2013).

The expression "Internal areas", used by the Ministry, collects the specificities attributed to these territories:

- areas significantly distant from the centres offering essential services (education, health, and mobility)
- equipped with necessary environmental resources (water resources, agricultural systems, forests, natural and human landscapes) and cultural resources (archaeological assets, historical settlements, abbeys, small museums, trade centres)
- profoundly diversified due to natural systems and following centuries-old anthropisation processes (Department for Development and Cohesion, 2013).

Previous classifications considered demographic and economic parameters, while the new subdivision uses an innovative approach focused on the presence of fundamental essential services (education, healthcare, accessibility). The methodology operationally consists of two main phases:

- 1) identification of the hubs, according to a criterion of capacity to offer some essential services.

- 2) classification of the remaining municipalities into four bands: peri-urban (or belt) areas, intermediate areas, peripheral areas, and ultra-peripheral areas, based on the distances from the poles measured in travel times (Department for Development and Cohesion).

In particular, the service offering centre, or hub, has been identified as the Municipality or aggregation of Municipalities that simultaneously offers:

1. the presence of secondary schools (high schools, technical and professional institutes)
2. the presence of level I DEA<sup>12</sup>-type hospitals
3. presence of a Silver type railway station<sup>13</sup> (Department for Development and Cohesion).

The underlying hypothesis of the territorial classification was to identify, in the first instance, the nature of the Internal Area in the "distance" from essential services. The Areas were classified based on the distance (travel time) from the service offering centres and were therefore identified as:

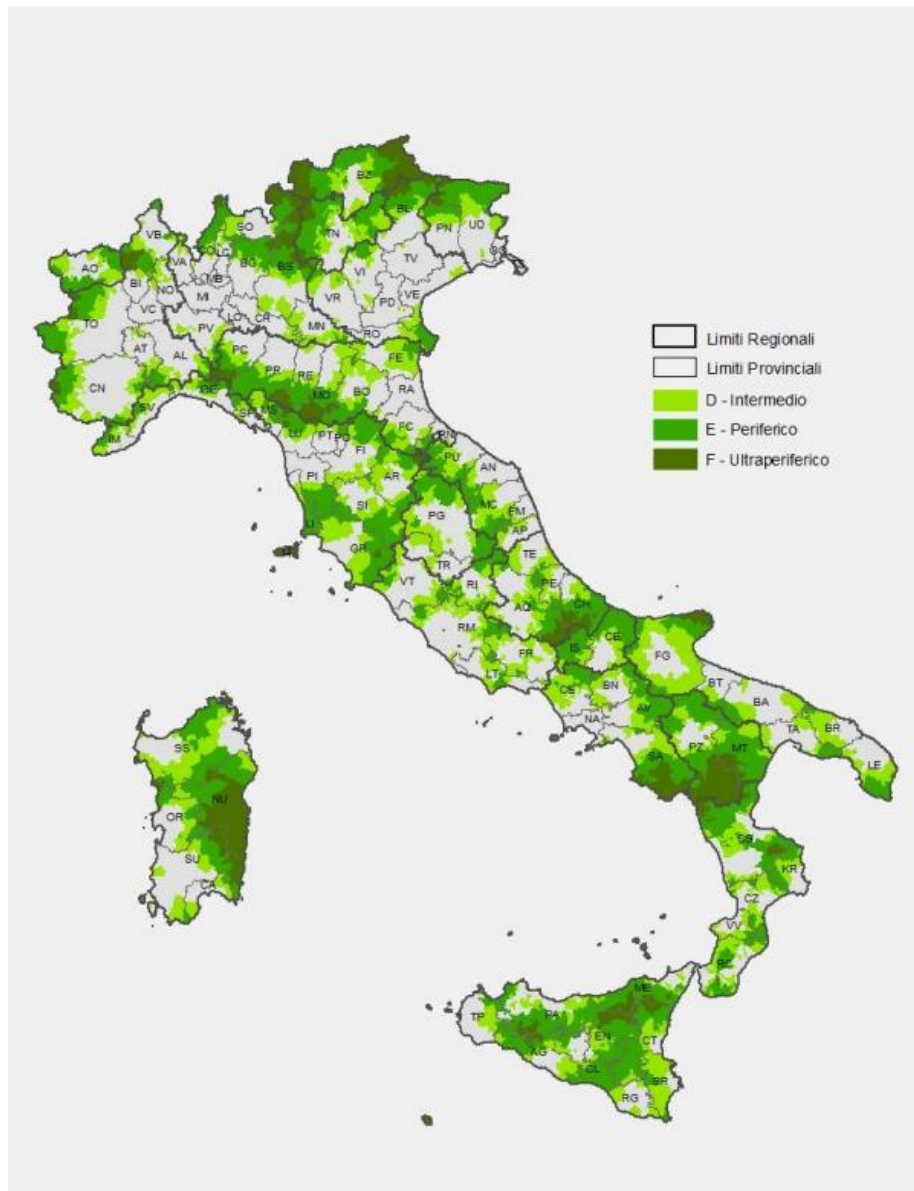
- Belt areas – less than 20 minutes away from the offer hub
- Intermediate areas – between 20 and 40 minutes
- Peripheral areas – between 40 and 75 minutes
- Ultra-peripheral areas – over 75 minutes away (Department for Development and Cohesion).

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<sup>12</sup> The level I DEA headquarters hospital represents a functional aggregation of operational units which, in addition to services provided by the Emergency Department, guarantees the functions of observation, short stay and resuscitation and carries out diagnostic-therapeutic interventions in general medicine, general surgery, orthopedics and traumatology, intensive care in cardiology. It also ensures laboratory performance of chemical-clinical and microbiological analyses, diagnostic imaging, and transfusions.

<sup>13</sup> SILVER (medium-small systems), all other systems are included medium-small ones with an average attendance for metropolitan-regional and long-distance services lower than that of the GOLDS.

**Figure 3: CLASSIFICATION OF MUNICIPALITIES FROM SNAI 2020**



Source: ISTAT (2020)

The others belong to the internal areas category except for the belt areas.

This first classification carried out by SNAI is then implemented at the regional level during the preliminary phase of the implementation of the Strategy.

The final mapping was, therefore, influenced by two factors: the criteria to select the service offering centres and the choice of distance thresholds to measure the degree of peripherality of the different areas. As a result of applying the methodology, the meaning of Internal Area does not appear synonymous with a weak area. To fully understand the characteristics of the

classified areas, a further investigation of the socioeconomic variables that characterise them is undoubtedly necessary in such a way as to be suitable for correct development planning specific to the identified territorial context.

## **2.3 Rural and urban areas and the concept of rural poverty**

Once the various methods of classifying rural areas have been discussed, it is best to focus attention on the intrinsic problems of these territories. This attention arises because rural poverty is the most widespread phenomenon at an international level and describes the problem in rural contexts, i.e., for non-urban territorial realities.

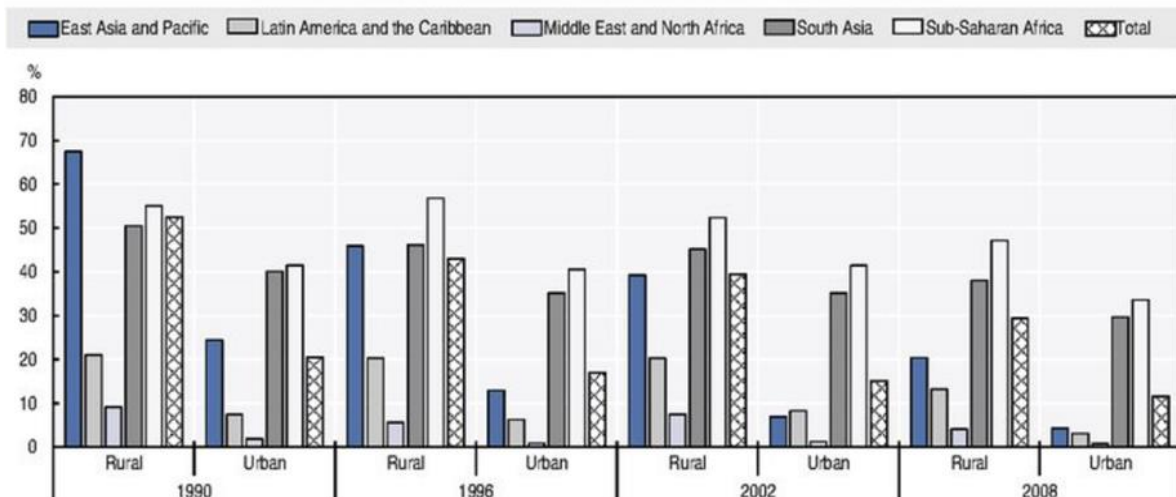
### **2.3.1 International Rural Areas**

According to the FAO, 80% of extreme poverty is concentrated in rural areas of the world and has specific characteristics that require appropriate economic policy actions (FAO, 2019).

Rural poverty is an essential aspect of poverty as it is estimated that three-quarters of poverty is concentrated in rural areas where the phenomenon has an incidence equal to three times that which affects urban contexts (De La O Campos et al., 2018; World Bank, 2018).

The phenomenon is particularly significant for the less developed areas of the world (Figure 1), where the phenomenon is frequently accompanied by hunger or malnutrition (World Bank, 2013).

**Figure 4: SHARE OF RURAL AND URBAN POPULATIONS IN EXTREME POVERTY (LESS THAN \$1 A DAY, 2013)**

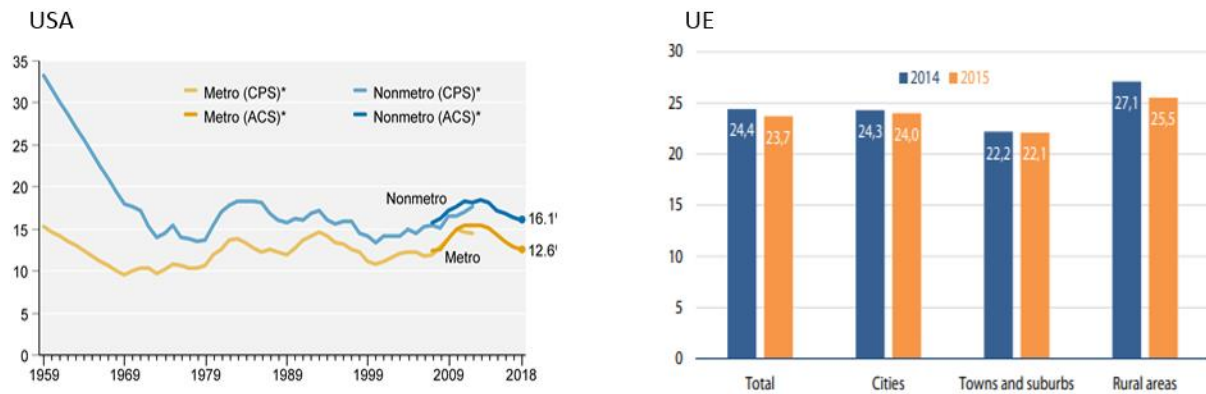


Over time, rural poverty has reduced at an international level, following the phenomenon's positive trend at a general level. This was the consequence of the growth of the world economy and the mitigation actions carried out against the phenomenon, with policies that were progressively adapted to the specificities of the rural context. However, alongside this positive trend, there has been a trend of impoverishment of rural populations resulting from the harmful effects induced by climate change and environmental problems, which particularly seriously affect the people of rural areas. Fires, droughts, floods, water bombs, extensive and violent tornadoes, tsunamis, and desertification are phenomena due to climate change, which affects rural territories more seriously. According to the World Bank, even the recent crisis induced by the COVID-19 pandemic ended up hitting the world's poorest populations more seriously, particularly those in rural areas (World Bank, 2018; De La O Campos et al., 2018).

In essence, if, on the one hand, improvements have been recorded, on the other, new negative phenomena have arisen which widen existing gaps and ensure that poverty continues to be a persistent aspect of rural contexts and societies. According to the World Bank, approximately 80% of extreme poverty is concentrated in rural areas, where the negative gap compared to urban areas in the overall well-being of the populations living there remains (World Bank, 2018).

However, even in most developed countries, rural poverty is a significant problem, also aggravated by extreme events resulting from climate change. Although it is difficult to make comparisons between countries which use different definitions of rurality and poverty (FAO, 2018; European Commission, 2014) and which have significantly other rural areas (Bertolini, 2019; USDA, 2019; European Parliament, 2018), the studies available on this subject highlight that even today in most developed countries - such as the EU, USA, Canada, Australia, Japan, South Korea - people living in rural areas continue to experience higher poverty rates than those living in urban areas (Figure 2). Rural poverty's adverse effects then affect the entire national socio-economic context. For example, the abandonment of the rural regions resulting from poverty triggers a mechanism of degradation of natural resources, the landscape, and the diversity of local traditions, which impoverishes a country.

**Figure 5: URBAN AND RURAL POVERTY RATES IN THE US AND THE EUROPEAN UNION**



Source: USDA and Eurostat<sup>14</sup>.

Most developed countries have adopted actions to support rural territories to create general conditions that improve the living situation of the populations there; these actions have a territorial character and complement social policies aimed at mitigating poverty through direct action on at-risk groups.

In essence, regardless of the non-simple and non-homogeneous definition adopted for the identification of rural contexts, there is the idea that rural poverty has two fundamental aspects to correct: one concerns the relative poverty connected to the lower economic development of rural areas; the other concerns the identification of specific risk groups in these contexts. The interaction of the two aspects can make the phenomenon of rural poverty dire.

Rural poverty is more difficult to see than urban poverty for many reasons: the population is more dispersed over vast territories, it is almost always older than urban poverty, and it frequently has roots or links to agriculture, livestock farming or forestry activities, which are also dispersed throughout the territory, elements that hinder the possibility of organising themselves into social groups capable of expressing their situation towards political decision-makers and the rest of society. The aspects just mentioned are combined with a culture linked to traditional values and relational activities where social control is high, given the contexts of limited size; all this increases the social stigma towards the manifestation of economic hardship, increasing the phenomenon of hidden poverty (Bertolini et al., 2008; USDA, 2020).

If the phenomenon also characterises urban contexts, it is above all in rural ones where poverty tends to be hidden, given that the phenomenon here sometimes has fewer clear-cut features:

<sup>14</sup> PS stands for poverty based on family income in the previous year, while ACS stands for poverty based on family income in the previous 12 months.



for example, precarious and seasonal employment in agriculture or self-employment in undersized companies, hides poverty and the risk of social exclusion induced by unemployment. For rural contexts, the indicators commonly used to identify the risk of poverty or social exclusion are only sometimes effective in identifying those who are vulnerable and describing their characteristics effectively. For example, an essential aspect of rural poverty is difficulty accessing the job market and basic services, especially school and healthcare. Many rural territories are characterised by less development than urban centres, resulting in fewer employment opportunities for rural populations and consequent exodus and impoverishment of the rural social and economic fabric. This aspect cannot be generalised to all rural territories, given that many areas have been affected by significant paths of economic development, especially in developed countries (OECD, 2016); however, the urban-rural economic development gap is far from having been removed and still exists for a vast multitude of territories.

Rural poverty can be influenced by different elements of the rural territory, such as its economic and geomorphological conditions, the present infrastructural network, the distribution of the population and urban centres, the level of socio-economic development of the country and the area with which the development and fight against poverty policies adopted interact. Despite the multiple factors that influence the phenomenon and differentiate it from area to area, the vast literature on the topic has identified some risk groups that may suffer from poverty, the risk of exclusion, and some recurring elements that influence poverty in rural areas. It is possible to differentiate between poverty *in the* rural area, which concerns identifying people at risk, and poverty *in the* rural area as a whole; the two aspects interact (Bertolini et al., 2008).

Those at risk (poverty in rural areas) partly coincide with those already highlighted for the general phenomenon of poverty: elderly, young people, women, children, ethnic groups and minorities, immigrants and refugees, and people with disabilities. Added to these are self-employed workers and employees in agriculture and livestock, present only in rural areas, whose risk is mainly due to underemployment (in the case of self-employment in a small company), precarious employment and low wages (in the case of employees, primarily seasonal ones). It should then be specified that in the rural context, individual vulnerability can be aggravated by poverty. For older people, isolation and the lack of services, such as healthcare, can aggravate poverty.

This aspect can worsen due to:

- Women, especially if alone and elderly, usually have a lower income due to the lower wages received during their working life.
- Young people and children (especially if in large families), since there is a greater risk of having a poor education, both due to the worse economic conditions of the families and the difficulty of physical access to the school of interest, which not infrequently requires time very high transport (and costs).
- Ethnic groups, minorities, immigrants, and refugees may experience low quality of work, wages and housing, accompanied by difficulty accessing services (for example, providing education for their children and health).
- People with disabilities, given that there is more incredible difficulty in rural areas than those living in urban contexts, resulting from isolation and the lack of services.

In essence, if there are no significant differences in the groups at risk of poverty between urban and rural contexts, except for the group of farmers, there are instead essential differences in the severity with which the phenomenon of poverty can manifest itself, with a worsening for the rural contexts.

*Rural poverty* - refers to the existence of specific possible disadvantages of rural areas, which entail a higher or particular risk of poverty in these areas compared to urban ones; essentially, the identification of this vulnerability starts from the awareness that the differentiation of space influences economic conditions, the level and characteristics of development, social relations, the cost of public intervention, the well-being of individuals. In this regard, some specific risks have been highlighted for rural territories regarding the labour market, demographics, schooling, and access to services.

The labour market offers a limited quantity and variety of jobs, often seasonal and less stable, of lower standards and with fewer career and income opportunities, especially for women.

The demographics are peculiar, with a higher presence of the elderly population resulting from the selective emigration that affects young people in search of more excellent opportunities; older people often have small pensions, a disadvantage that combines with the difficulty of accessing social and health services. Although there has been a return to the countryside of previously urbanised young or older adults in the last twenty years, especially in developed countries, the relative disadvantage due to the mentioned demographic phenomena persists. In general, in all countries of the world, including developed ones, there is a significant gap in the levels of schooling of rural populations compared to urban ones.

Schooling has a strategic role in the formation of human capital in an area: from this point of view, in rural areas, significantly if distant from service centres, there is more incredible difficulty in accessing school, and this limits the training of young people, influences professional and income paths, and in turn, impoverishes the human capital of the area, making it less attractive also for investment activity, especially in innovative sectors.

Isolation and difficulties in accessing services are other essential components in generating a risk of poverty and social exclusion for those living in rural areas. If the phenomenon is significant in developing countries, where, for example, the possibility of access to educational infrastructures is a chronic element of reproduction of rural poverty, in the last twenty years, even in developed countries, the issue of access to services has become increasingly important, following the progressive reduction in these areas of public services and private individuals, influencing the quality of life of the population: think of the sharp contraction of healthcare facilities, childcare, libraries, nursery and primary schools, but also the progressive reduction of retail sales points, post offices, of bank branches. The problem is becoming increasingly relevant with the continuous decrease in public spending, which penalises low-density areas, increasing the disparities between urban and rural areas.

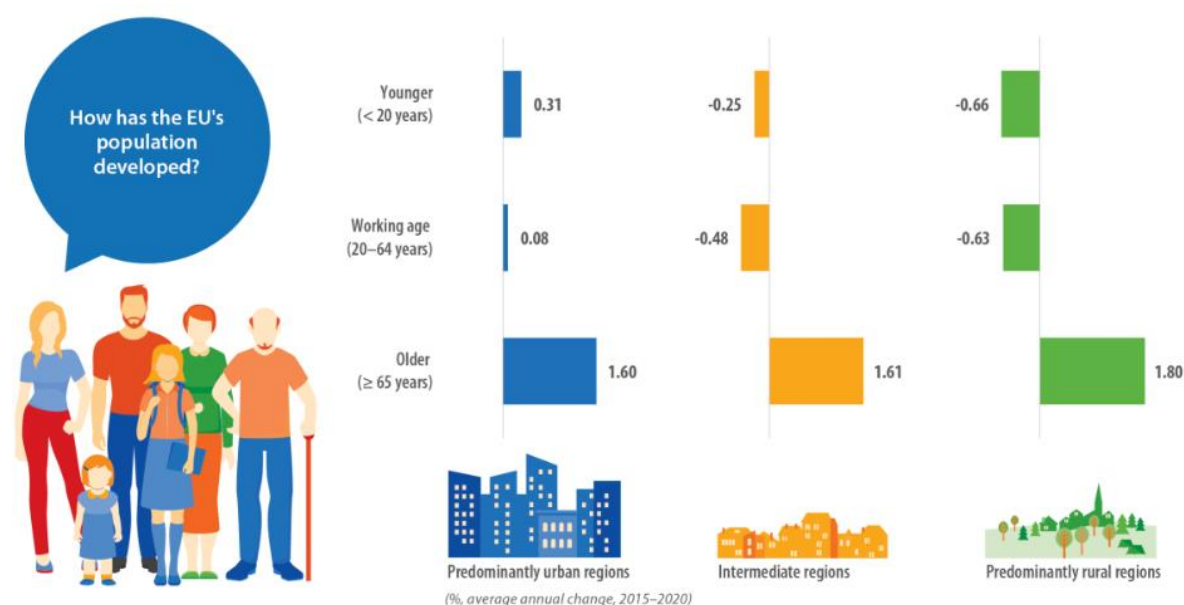
The problems mentioned are then aggravated by the limited transport infrastructures and the shortcomings in the distribution of broadband, especially in the disadvantaged rural areas of the mountains, which instead would have a greater need for it to mitigate the greater distance from the service centres (think of the potential that could derive, for example, from telemedicine). The negative interaction of poverty in the labour market, demographic variables, schooling, services, and infrastructures makes rural areas' economic and social fabric poor, significantly influencing individual vulnerability towards poverty.

Therefore, the risk of poverty and social exclusion in rural areas requires implementing a policy aimed at controlling and promoting the economic development of these areas, which may suffer from a relative disadvantage compared to urban contexts. Awareness of this problem has led most countries to adopt specific policies to promote these territories to control and reduce the possible onset of gaps in territorial development, such as the Rural Development Program of the EU.

### 2.3.2 European rural areas

One of the major problems linked to rural territories is demographic haemorrhage. In 2021, predominantly rural areas in Europe represented almost 45 per cent of the total area but are inhabited by only 21 per cent of the population. There are various challenges that they face, which sometimes seem insurmountable. Demographic ageing, low-income levels, lack of job opportunities, the widening of the digital divide, the insufficiency of adequate infrastructure and the impact of climate change make them unattractive and lead to rural depopulation, which is certainly not new. It has never stopped but instead has grown. From 2015 to 2020, the population of rural regions decreased by 0.1 per cent on average every year, while the population of intermediate regions remained unchanged, and that of urban areas grew by 0.4 per cent yearly. Eurostat revealed this, also underlining that it is mainly young people under 20 years of age and people of working age (20–64 years) who are leaving rural areas, which are decreasing by 0.6 and 0.7 per cent, respectively.

**Figure 6: AVERAGE ANNUAL CHANGE IN THE POPULATION BY AGE AND URBAN-RURAL TYPE (2015 - 2020)**

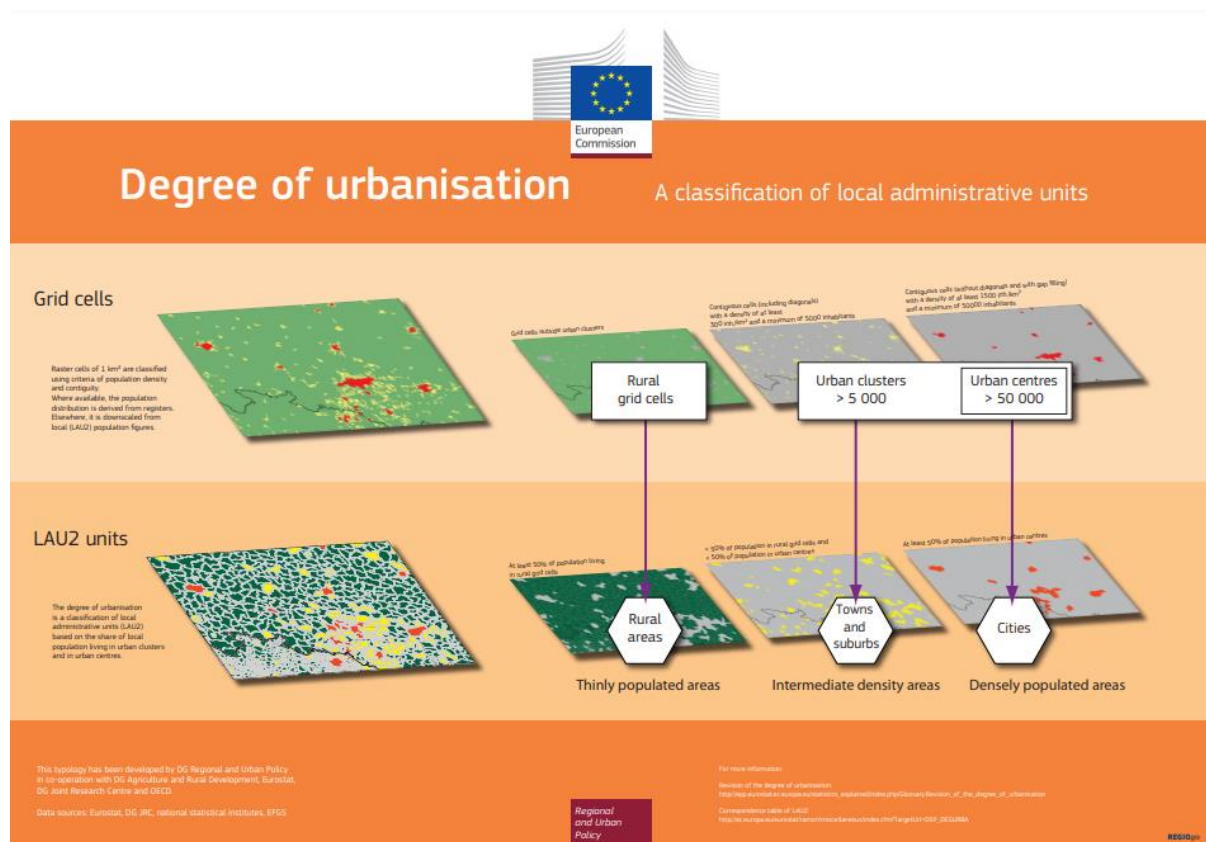


Source: <https://ec.europa.eu/eurostat>.

In particular, the European demographic pattern has experienced a dramatic transformation over the last half-century.

From the end of World War II through the 1960s, Europe experienced a significant population increase, reaching over 500 million people (European Parliament, 2016a). However, since the economic downturn in 1975, the European Union (EU) has faced a population decline, with a slow or even decreasing trend expected in the long term. The EU's population currently represents 6.9% of the world total and is projected to decrease to just 4.1% by the end of the century (European Parliament, 2016b). This demographic decline notably affects population distribution in European regions, particularly impacting rural and remote areas. These regions suffer from economic stagnation and the negative consequences of urban population concentration, such as increased pollution and rising urban housing costs. Additionally, the migration of economically productive younger individuals from rural areas to cities accelerates the ageing of the remaining population. This creates a challenging cycle of decline for these abandoned regions.

**Figure 7: DEGREE OF URBANISATION**



Source: <https://ec.europa.eu/eurostat>.

Sparsely populated areas became a debated concern when 1994 Protocol No 66 on the Act of Accession of Norway, Austria, Finland, and Sweden to the EU conferred a “special status” to the remote regions in the Nordic countries facing population issues<sup>15</sup>.

Article 174 of the Treaty on the Functioning of the European Union emphasises the need to pay close attention to regions facing severe and permanent natural or demographic challenges, particularly those with very low population density islands and mountainous regions. The definition of "sparsely populated area" is provided in the guidelines for national and regional aid (2014-2020), categorised based on minimum and maximum population density thresholds within NUTS 2 regions. The concentration of sparsely populated areas, defined as regions with fewer than 12.5 inhabitants per km<sup>2</sup>, is primarily found in northern European countries, including Iceland, the north of Scotland, and certain regions in Norway, Sweden, and Finland. However, the unique legal status granted to Nordic sparsely populated regions does not apply to other areas in Central or Southern Europe facing demographic challenges.

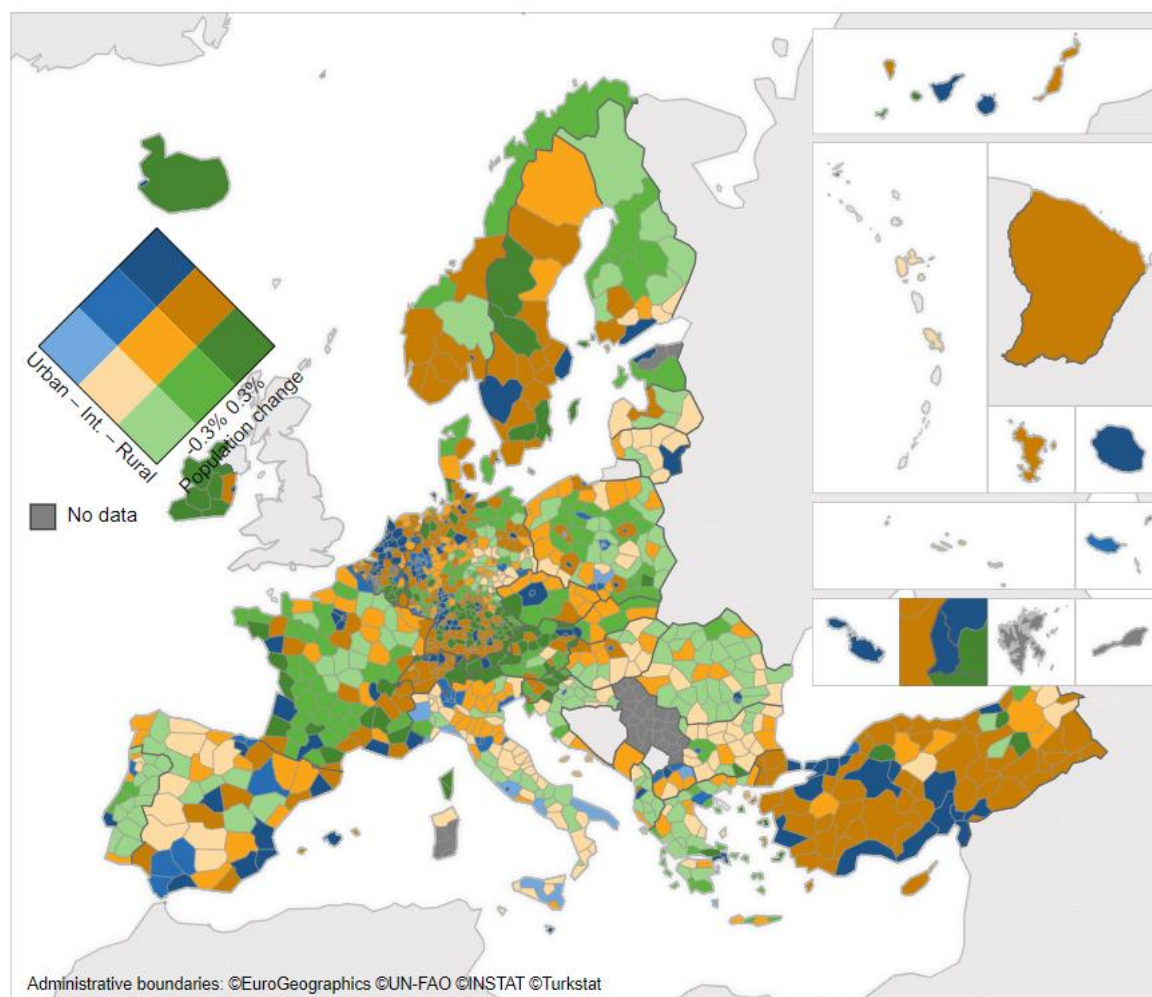
Over the last few years (2015–2020), the population rose relatively quickly (at least 0.3% per year) in 108 predominantly rural regions of the EU. By contrast, people fell relatively quickly (less than -0.3% per year) in 155 predominantly rural regions<sup>16</sup>.

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<sup>15</sup> [http://data.europa.eu/eli/treaty/acc\\_1994/sign](http://data.europa.eu/eli/treaty/acc_1994/sign)

<sup>16</sup> <https://ec.europa.eu/eurostat/en/web/products-eurostat-news/w/ddn-20230117-2>

**Figure 8: AVERAGE ANNUAL POPULATION CHANGE BY URBAN–RURAL TYPOLOGY, 2015–2020**



Source: <https://ec.europa.eu/eurostat>.

Over the period 2015–2020, the rural regions with the highest rates of depopulation were the Croatian regions of Vukovarsko-srijemska županija (-2.5% per year) and Požeško-slavonska županija (-2.3%), and the Bulgarian region of Vidin (also -2.3%)<sup>17</sup>.

The rural regions with the highest population growth rates were the Greek island regions of Ikaria, Samos (2.8% per year) and Lesvos, Limnos (2.7%), followed by the German region of Landshut, Kreisfreie Stadt and the island region in Canarias Spain, El Hierro (both 1.3%)<sup>18</sup>.

The economic context in rural regions shows a GDP per capita lower than the EU average, highlighting the need for economic diversification. While employment rates have improved in

<sup>17</sup> <https://ec.europa.eu/eurostat/en/web/products-eurostat-news/w/ddn-20230117-2>

<sup>18</sup> <https://ec.europa.eu/eurostat/en/web/products-eurostat-news/w/ddn-20230117-2>

rural areas, there are disparities among Member States, and young people often face higher unemployment rates. Gender disparities in employment are also notable in rural regions.

Access to quality public services and infrastructure is essential for rural areas, with a focus on factors like digital connectivity and employment. Access to services is influenced by the density and proximity of people, which varies between rural areas and border regions. Longer distances and limited public transport options can increase travel costs for rural residents.

Rural areas also face climate change and environmental challenges, particularly in agriculture and forestry, making them more vulnerable to adverse climate events and biodiversity loss.

In summary, rural areas in Europe are experiencing depopulation, economic challenges, and disparities in access to public services and infrastructure. Addressing these issues is crucial for ensuring rural communities' well-being and sustainable development.

### **2.3.3 Italian rural marginal areas**

As mentioned previously, when we talk about marginal rural areas, we refer to the definition of internal areas given by the SNAI. This paragraph reports the latest data on these areas reprocessed by ISTAT in 2022.

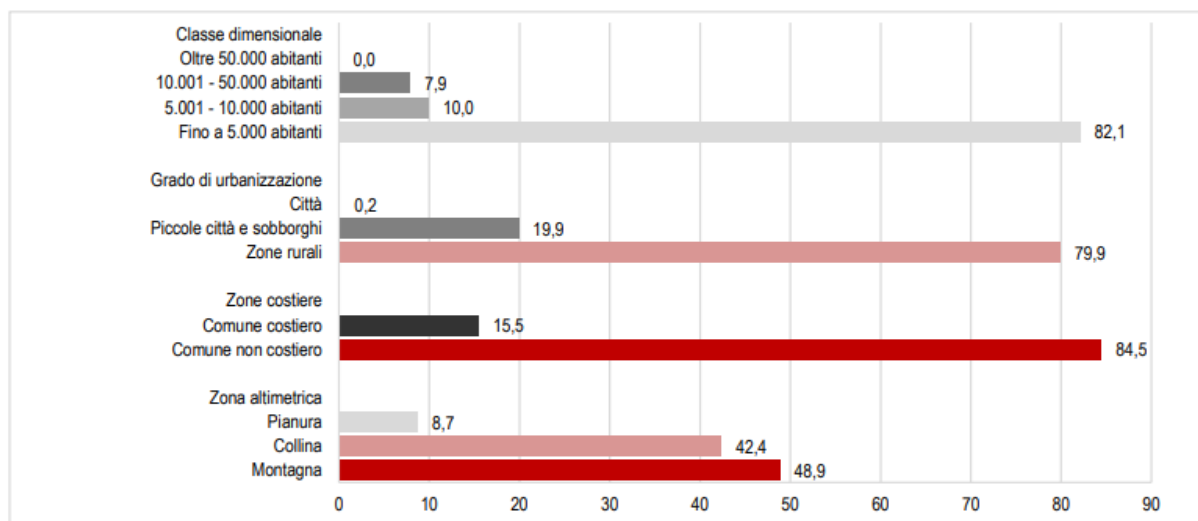
ISTAT's data reveals that Internal Areas are most prominent in Southern Italy, encompassing 1,718 municipalities (67.4%), with exceptionally high concentrations in Basilicata, Sicily, Molise, and Sardinia (all exceeding 70%) (ISTAT, 2022). These regions in Southern Italy constitute 44.8% of the national total. In Central Italy, Internal Areas have a more limited presence, with 532 municipalities (54.8% of the total) (ISTAT, 2022). The distribution across regions is relatively balanced, ranging from 46.3% in Marche to 60.1% in Tuscany, contributing less than 14% to the overall mapping (ISTAT, 2022). In the North-West and North-East, the share of municipalities in Internal Areas is even lower, at 33.7% and 41.4%, respectively, though the absolute number is substantial, reaching 1,584 municipalities. Nationally, these municipalities account for 41.3% of the total (ISTAT, 2022).

Additionally, Ultraperipheral municipalities are somewhat concentrated, with the South having 229 out of 382 (59.9%) and notable incidences in Sardinia, Basilicata, and Abruzzo (ISTAT, 2022). In the Centre-North, the Autonomous Province of Bolzano/Bozen stands out, with 28 Ultraperipheral municipalities out of 116 (24.1%) (ISTAT, 2022). Regarding physical



characteristics, the majority of Internal Areas are mountainous (1,874 municipalities, 48.9% of the total), concentrated mainly in the Alpine arc, Tuscan-Emilian Apennines, and some central areas of Sicily and Sardinia (ISTAT, 2022). Lombardy has the most Internal Areas municipalities, followed by Piedmont and Abruzzo. Hilly areas also host a substantial number of these municipalities (1,625 or 42.4%), with significant concentrations in Sardinia, Sicily, and Campania. Plains account for a smaller portion (335 or 8.7%), mainly in Lombardy and Puglia (ISTAT, 2022). Moreover, most of these municipalities are far from the sea, and nearly 80% are classified as "rural" according to the European urbanisation scale (ISTAT, 2022).

**Figure 9: MUNICIPALITIES BELONGING TO INTERNAL AREAS ACCORDING TO SOME TERRITORIAL CHARACTERISTICS**

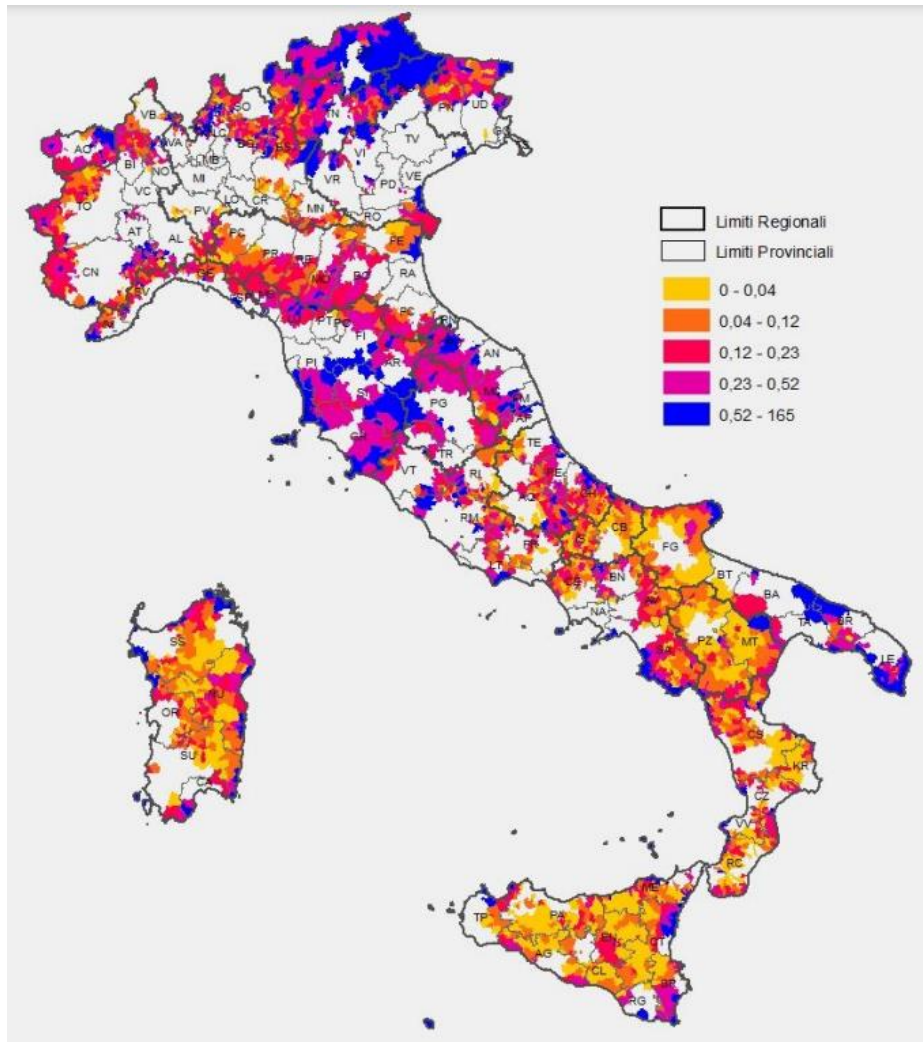


Source: ISTAT (2020)

With this strategy, a substantial number of internal areas have undergone a process of marginalisation, leading to a depopulation of the local community and landscape. This has exacerbated the gradual decline in the availability of public, private, and collective services (SGIs) at the local level, which is currently a crucial factor differentiating the quality of life for the inhabitants of a specific region within Europe. The Italian context is noteworthy due to the diversity of internal areas within its territory, spanning various dimensions, including geography, economics, society, culture, and ecosystems. Hence, it becomes imperative to formulate policies that consider both internal (local) and external (regional and national) factors, thereby encompassing a European, national, and local perspective. From the national standpoint, grasping the diversity and intricacies of the entire spectrum of internal areas is feasible. However, devising the most effective policy strategies for specific localities may not suffice. A local perspective, on the other hand, allows for a direct assessment of local needs

and calls for the active involvement of local social innovators in the co-design phase of the program.

**Figure 10: POPULATION DENSITY IN INTERNAL AREAS - YEAR 2020 (INHABITANTS PER KM2).**



Source: ISTAT (2020).

When we compare the 2014 and 2020 mappings, we gain valuable insights into how the accessibility of essential services in our territory has evolved. The most prominent observation is that most municipalities (5,336, representing 67.5% of the national total) have maintained their initial classification. Specifically, 77.1% of them continue to belong to the Hub, Intermunicipal Hub, or Belt categories, while 57.3% retain their Internal Area designation (ISTAT, 2022).

From 2014 to 2020, 16.4% of municipalities (1,265) improved their classification by moving to a higher category. An equivalent share moved to a lower category (16.1%, 1,272 municipalities). Most of these changes occurred in the adjacent Belt-Intermediate and Intermediate-Peripheral categories. Municipalities that retained their initial classification exhibit a somewhat uneven territorial distribution, with a higher concentration in Northern Italy (77.4% in the North-West and 67.4% in the North-East) and lower concentrations in the Center (59.2%) and the South (59.1%) (ISTAT, 2022).

On a regional level, the highest percentages of municipalities maintaining their original classification are found in Lombardy (83.1%) and the autonomous province of Trento (74.1%). Conversely, the lowest percentages are observed in regions like Sardinia (35.3%) and Molise (33.8%). Downgrades were more frequent in the autonomous province of Bolzano/Bozen (59.5%) and Tuscany (40.3%) (ISTAT, 2022).

These changes are primarily a result of the reduction in the number of Hub and Intermunicipal Hub municipalities, which decreased from 339 to 241 in approximately six years, marking a significant decline of -28.9%. This reduction can be attributed mainly to the substantial contraction of hospital facilities with a DEA level of at least I (ISTAT, 2022).

While the national population showed positive growth from 2001 to 2020 (a 3.9% increase), the Central Municipalities experienced even more significant growth (5.6%). However, the Internal Areas, in contrast, saw a decline in the population overall (-1.4%), and this is particularly pronounced among the most remote Municipalities within the Internal Areas (Peripheral and Ultraperipheral), which experienced substantial declines of -4.7% and -9.1%, respectively (ISTAT, 2022).

Municipalities categorised as Intermediate, representing those in the Internal Areas closer to essential service centres, witnessed a slight population increase (+1.3%). People are increasingly relocating from internal areas to municipalities that can offer better services. In light of this situation, the need for policies to address these challenges, which affect a significant portion of Italy's territory, is crucial (ISTAT, 2022). In some instances, depopulation trends take on even greater significance. The first hundred municipalities in the internal areas with the most substantial population decline from 2001 to 2020 saw a significant drop of -40.9%, from 90,188 to 53,314 inhabitants. A substantial proportion of these municipalities is located in southern regions, notably Abruzzo (15%) and Calabria (26%) (ISTAT, 2022). These are generally small municipalities with an average population of under 1,000 residents. Some

have experienced extreme demographic declines, such as the peripheral municipality of Schiavi di Abruzzo (Chieti), which saw its population decrease from 1,403 inhabitants in 2001 to 701 in 2020 (-50.0%), and the peripheral municipality of Anzano di Puglia (Foggia), which decreased from 2,239 to 1,126 inhabitants (-49.7%) (ISTAT, 2022). Even municipalities that were already very small saw their populations more than halved from 2001 to 2020, as seen in the cases of Campomarino in Molise and Roccaforte del Greco in Calabria, where populations went from 676 to 323 and from 802 to 387 residents, respectively (ISTAT, 2022). It is important to note that depopulation is not limited to the Internal Areas of the South; it also affects some Municipalities in the Internal Areas of the Centre-North. For example, Zerba (Piacenza) saw its population decrease from 140 to 70 inhabitants, and Drenchia (Friuli-Venezia Giulia) experienced a 50% population reduction, dropping from 197 to 99 inhabitants during the same period (ISTAT, 2022). Ten-year population forecasts confirm these depopulation trends. A population decline of 2.2% is expected by 2030, affecting all six territorial typologies. This includes a 1.6% decrease for the Central Municipalities (-1.9% for Belt Municipalities only) and a significant 4.2% decline for the Internal Areas. The latter category exhibits a distinct variation in the decline rate based on the distance from essential service provision areas, with a -3.4% decrease for Intermediate Municipalities, -5.2% for Peripheral Municipalities, and -6.1% for Ultraperipheral Municipalities (ISTAT, 2022).

**Figure 11: RESIDENT POPULATION ACCORDING TO THE CLASSIFICATION OF INTERNAL AREAS**

Classificazioni dei Comuni	Popolazione residente				
	Popolazione 2001	Popolazione 2020	Previsione popolazione 2030 (*)	Variazione percentuale 2020-2001	Variazione percentuale 2030-2020
A - Polo	19.910.965	20.470.301	20.236.114	2,8	-1,1
B - Polo intercomunale	1.530.449	1.576.586	1.532.265	3,0	-2,8
C - Cintura	21.925.417	23.756.465	23.316.015	8,4	-1,9
D - Intermedio	7.955.510	8.059.454	7.783.513	1,3	-3,4
E - Periferico	4.881.374	4.653.355	4.410.659	-4,7	-5,2
F - Ultraperiferico	792.029	720.052	676.432	-9,1	-6,1
<b>Totale Italia</b>	<b>56.995.744</b>	<b>59.236.213</b>	<b>57.954.998</b>	<b>3,9</b>	<b>-2,2</b>
Centri=A+B+C	43.366.831	45.803.352	45.084.394	5,6	-1,6
Aree Interne=D+E+F	13.628.913	13.432.861	12.870.604	-1,4	-4,2

Source: ISTAT (2022).

A long-standing negative natural population movement exacerbates the trend of depopulation. In nearly all the years under consideration, the number of deaths has surpassed that of births. In 2020, the initial year of the pandemic, Italy experienced a 5.6% decrease in birth rates (compared to -3.6% in 2019 and -3.2% in 2018). This demographic decline is even more

pronounced in Peripheral and Ultraperipheral Municipalities, with a -6.8% and -7.4% decrease in 2020 and -5.3% and -5.7% in 2019, respectively (see Figure 3) (ISTAT, 2022).

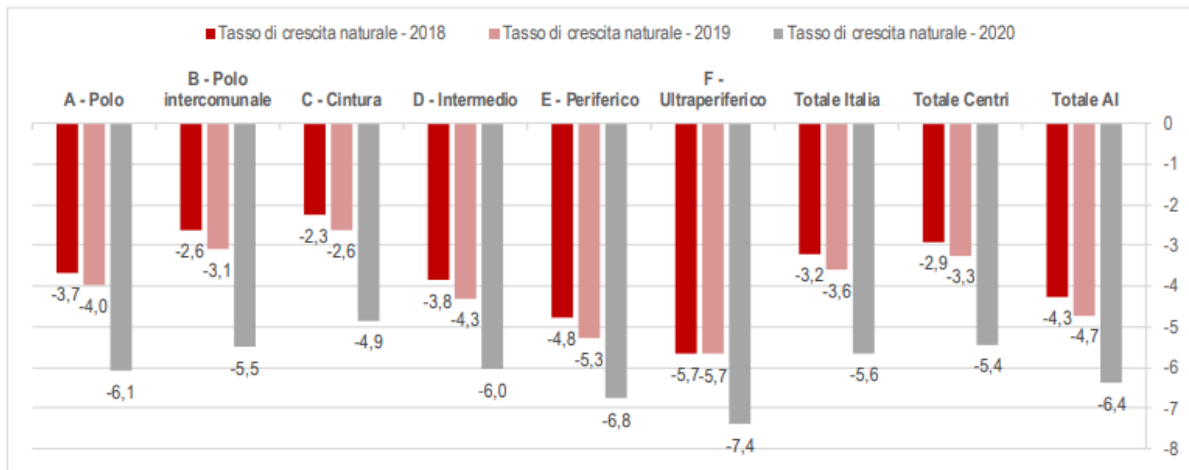
The Belt class Municipalities, on average, exhibit less negative results, with a natural growth rate ranging from -2.3% in 2018 to -2.6% in 2019 (and -4.7% in 2020 during the Covid-19 period). Within this category, favourable rates are more prevalent at the municipal level, with 662 municipalities in 2019 showing positive natural balances, signifying that births exceeded deaths. This accounts for two-thirds of all Italian municipalities with recorded birth rates surpassing mortality rates (ISTAT, 2022).

Another factor contributing to depopulation is a negative migratory balance, where the number of people leaving a municipality for another exceeds those coming in. Both internal and external migration patterns have significantly shaped Italy's demographic landscape in the past, often driven by employment opportunities (such as post-war migrations to Northern regions or emigration abroad). These phenomena persist today, albeit to a lesser extent than in the past, with immigration from abroad becoming more common (ISTAT, 2022).

The migratory index, calculated as the ratio between the migratory balance and the total number of registrations and cancellations in various internal areas, is relatively low on average. This indicates a significant balance between registrations and cancellations (see Figure 4). The 2020 data suggests a growing inclination to abandon places of residence the farther they are from service centres (indicated by negative index values for internal areas) (ISTAT, 2022).

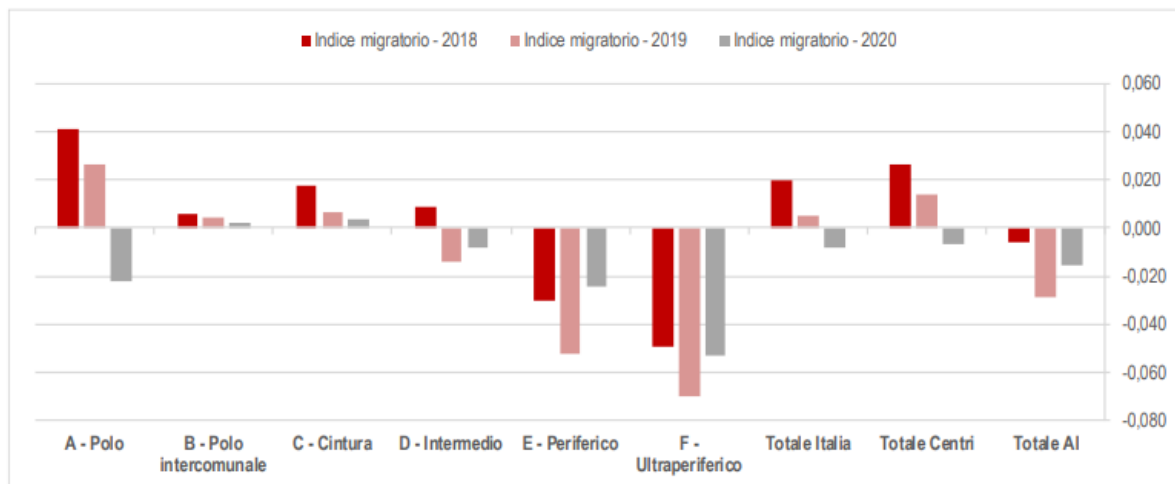
The most expulsive municipalities (index value greater than -0.5) numbered 187 in 2019, primarily small municipalities located in Internal Areas or, at most, the Belt class. In contrast, the most attractive municipalities amounted to 43 (index above 0.5, with 11 exceeding 0.9), and notably, there were no Polo Municipalities or Inter-municipal Centers in this category (ISTAT, 2022).

**Figure 12: NATURAL GROWTH RATE OF THE RESIDENT POPULATION ACCORDING TO THE CLASSIFICATION OF INTERNAL AREAS. Years 2018, 2019 and 2020. Percentage values.**



Source: ISTAT (2022).

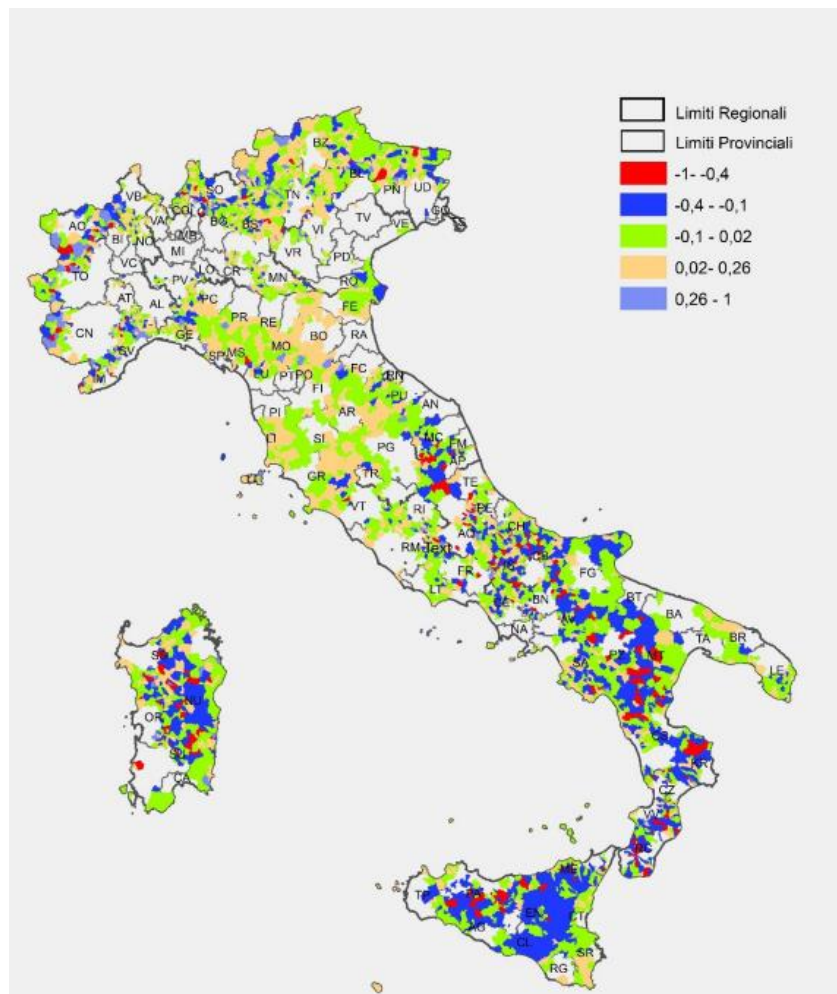
**Figure 13: MIGRATION INDEX ACCORDING TO THE CLASSIFICATION OF INTERNAL AREAS Years 2018, 2019 and 2020. Percentage values.**



Source: ISTAT (2022).

The following cartogram makes a graphical representation of the migration index in the Internal Areas in 2019.

**Figure 14: MIGRATION INDEX IN INTERNAL AREAS - YEAR 2019.**



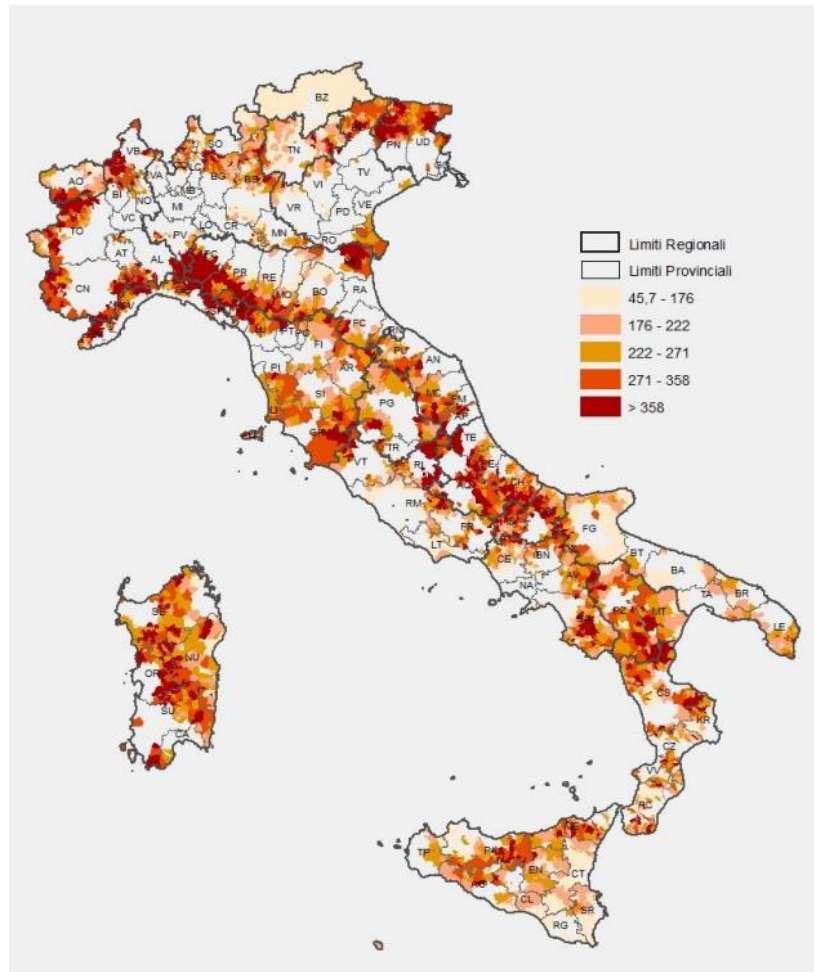
Source: ISTAT (2020).

The ageing of the population is a critical factor for the Internal Areas as it creates further obstacles to reducing the gaps between the territories.

The old age index was computed to measure this phenomenon by comparing the population aged 65 and older to those in the 0-14 age group. In the ISTAT report, findings, along with the proportions between these age groups, enable us to categorise a population's structure as either progressive (a larger young population), stationary (equally balanced age groups), or regressive (a larger elderly population) (ISTAT, 2022). These different structures have diverse implications for the social system, labour force, healthcare system, and prospects for regional development, among others.



**Figure 15: AGING INDEX IN INTERNAL AREAS - YEAR 2020 (PERCENTAGE VALUES).**



Source: ISTAT (2020).

Italy presently exhibits a stable population structure of the regressive type, signifying a significant elderly population compared to the youth. In 2020, Italy's old age index stood at 182.6, with higher internal values than central regions (196.1 versus 178.8) (ISTAT, 2022). In Peripheral and Ultrapерipheral Municipalities, the elderly population is more than double the size of the young population (206.8 and 223.4, respectively). In contrast, the lowest value is observed in the Belt Municipalities (166.5) (ISTAT, 2022).

In terms of incidence, the elderly population outweighs the younger one, with over-64 individuals constituting about a quarter of the national population (23.3% in central regions, 24.4% in internal areas, and peaking at 25.7% in the Outermost Municipalities) (ISTAT, 2022).



Among the Central Municipalities, the Polo Municipalities have the highest incidence of elderly residents (24.3%), potentially influenced by more extensive elderly care services and facilities in urban centres compared to peripheral areas (ISTAT, 2022).

A similar pattern emerges when examining the incidence of the subset of the population over 80. The younger population (15-29 years) ranges from 14.8% in Hub Municipalities to 15.4% in inter-municipal Hubs (ISTAT, 2022). The slightly lower share of young people in hubs may be attributed to the movement of the population from major urban centres to smaller or more peripheral areas, driven by lower housing costs, reduced congestion, and potentially enhanced quality of life.

While average values of different municipality categories offer insights, it is essential to note that there are internal variations. The lowest incidence of the population under 30 years old is found in the Peripheral Municipality of Poggiodomo in the province of Perugia (1.1%). In contrast, the highest (23.7%) is observed in the municipality of Lauregno in the province of Bolzano/Bozen, which is also a peripheral area (ISTAT, 2022).

**Figure 16: DEMOGRAPHIC INDICATORS ACCORDING TO THE CLASSIFICATION OF INTERNAL AREAS.**

Classificazioni dei Comuni	Popolazione al censimento 2020			
	Indice di vecchiaia	Incidenza della popolazione 15-29 anni	Incidenza della popolazione 65 anni e più	Incidenza della popolazione 80 anni e più
A - Polo	194,1	14,8	24,3	8,2
B - Polo intercomunale	178,8	15,4	23,4	7,3
C - Cintura	166,5	15,1	22,4	6,9
D - Intermedio	188,1	15,0	23,9	7,7
E - Periferico	206,8	15,1	25,0	8,2
F - Ultraperiferico	223,4	14,9	25,7	8,8
<b>Totale Italia</b>	<b>182,6</b>	<b>15,0</b>	<b>23,5</b>	<b>7,6</b>
Centri=A+B+C	178,8	14,9	23,3	7,5
Aree Interne=D+E+F	196,1	15,0	24,4	7,9

Source: ISTAT (2022).

In these peripheral regions, there has been a sporadic decline in human settlements, leading to the abandonment and deterioration of historical and artistic treasures and hindering the efficient delivery of essential services. These challenging circumstances only partially ensure the exercising of the right to active citizenship.

## **CHAPTER 3: Evolution of Rural Development Policies Evaluation Paths**

To analyse how the programs relating to rural marginal areas have been evaluated, it is necessary to take the theoretical aspects of the evaluation as a reference. It means describing the evaluation, how, and why it is done.

In addition to the analysis of the scientific literature, the regulatory tools, the methodological documents, and the framework of the indicators offered by the EU will be studied, supporting the various programs.

### **3.1 Evaluation History**

The evaluation of public policies originated in the United States in the 1960s and found fertile ground in the Anglo-Saxon world while appearing only later in Continental Europe (Senato della Repubblica, 2016). In this regard, Nicoletta Stame said: *«Evaluation developed in the USA before because there was no tradition of public intervention in social affairs, and they wanted to prove its effectiveness, while in continental Europe, where public intervention was an integral part of the institutional system, for a long time there had been no doubts about the result and no need for evaluation was felt»* (Palumbo, 2002).

In the sixties, the US Democratic administrations of Presidents Kennedy and Johnson produced a considerable effort to fight unemployment, deviance, and the degradation of urban areas and to offer public health and educational services. The use by the state of huge sums for interventions in the social field represented a significant reversal of trend compared to the traditionally liberal political culture of that country, according to which social assistance interventions had to be produced by civil society itself. In a country where the bureaucratic tradition of many European states was not rooted (based on the highly centralised model of Napoleonic origin) and where, consequently, attention to the effectiveness of public action prevailed rather than to compliance with the law, the development of such massive public interventions led to the financing of a series of evaluation studies to verify how public money was spent.

Subsequently, the great crisis that affected the economy of Western countries in the seventies led to a change in the evaluation methods in the United States. From a tool for experimenting with new policies, it transformed into a support for the rationalisation of public spending: its objective became that of identifying the programs to be cut and the waste to be reduced.

In the eighties, under the administrations of Reagan first and then of Bush senior, the objective of these governments of strong containment of public spending, above all through a drastic reduction in social expenditures, determined, consequently, a general downsizing of the role of evaluation.

In the nineties, the Democratic administration of President Clinton gave a renewed acceleration to social programs, leading to a consequent growth in evaluation studies. However, the perspective on which such studies are conducted, which soon spread throughout Europe, appears different. The worsening of public debt leads to growing attention to the results of public action. The themes of public entrepreneurship, the centrality of results, rather than the quality of the offer and user involvement are thus placed at the centre of the evaluation. The evaluation highlights to what extent the objectives of a program have been achieved, and public operators know that it depends on the results achieved whether a program will be kept alive or not.

The second half of the nineties and the beginning of the new millennium have seen significant changes in the field of evaluation because of the growth of globalisation. The growing global interconnection, both at an economic-financial and political level, has produced significant changes in the field of evaluation. In particular, the effects of the recent severe global economic-financial crisis have produced serious repercussions within individual countries. Thus, the pressing need to contain public spending was the driving force that made a growing internationalisation of evaluation, that is, the use of evaluation practices by some important international institutions, such as the World Bank, the OECD, or the Commission. European; at the same time, the importance of evaluation in the private sector has grown. Evaluator associations have been created not only in other nations of the American continent but also in Asia, Oceania, and Europe, demonstrating the widespread use of evaluation in these realities.

In the member countries of the European Union, the field in which the evaluation had the most significant application was that of cohesion policies aimed at reducing the differential in economic development between the different regions of the EU and implemented through the provision of Structural Funds. Since 1988, it has become mandatory for the various entities that use these funds (states, regions, private partners) to evaluate the financed programs, while the Commission promotes thematic and transversal evaluations in various countries. The presence of community rules has thus led to the development of evaluation practices in many member states, especially in those states where there are regions whose development rate is lower than

the European average. Many of these states have an administrative culture permeated by bureaucracy and compliance with regulations (therefore, very far from the culture of evaluation). The obligation to evaluate programs financed by Structural Funds has undoubtedly extended evaluation practice in political and administrative action.

According to the ENRD guide (produced by the European Commission), three phases in the use of evaluation and, therefore, in the quality of its organisation can be identified in European countries:

1. In the first phase, the evaluation responds to the regulations force. Consequently, it is essentially perceived as a further bureaucratic requirement required by the Commission, which must be met to receive funding.
2. In the second phase, evaluation becomes a system for improving the design and implementation of public programs. In this phase, a dialogue is established between evaluators and decision-makers, while the quality of evaluations and the possibility of access to data improve rapidly.
3. In the third phase, the evaluation becomes a political act with publicly discussed results. Consistent with the growing needs for accountability (i.e., a public "accounting" of its actions by the government), its primary purpose is to inform public opinion on the effectiveness and efficiency of the use of public funds, and this makes evaluation a democratic tool to increase citizen information and participation.

As regards Italy, the initial phase is coming to an end, which saw, on the one hand, enthusiasm for the possible innovations resulting from the evaluation and, on the other, the manifestation of attitudes of passive resistance and attempts to bring the evaluation back into everyday bureaucratic practice. In fact - as Nicoletta Stame has argued - in Italy, since the 1990s, two movements have been present: a decisive external action coming from the Structural Funds, as in other European countries, alongside a belated internal stimulus towards the development of a New Public Management (Stame, 1998). The outward push is undoubtedly more evident and recognised because it is to this that the merit of having posed to the administrations the problem of the demand, management and use of evaluation goes (Stame, 1998). As for the internal push, the picture is very mixed because it involved forcing the system of legitimacy controls, which had constituted a substantial obstacle until then (Stame, 1998).

Therefore, the evaluation in Italy is still substantially conceived as a further bureaucratic obligation towards the European Union. Only in the last decade has our country started a

process to institutionalise the evaluation of public policies. Still, the main driving factor was the obligation to evaluate the actions financed by the Structural Funds foreseen by the European Commission procedures, followed by the evaluation in many state and regional administrations.

On the other hand, regarding the culture of evaluation, since the beginning of the 1990s in Italy, the debate among institutional operators has significantly intensified on improving public administration's performance through specific administrative machine governance tools. The meeting point of this debate was undoubtedly Legislative Decree no. 30 July 1999. 286, which establishes the general principles for setting up the internal evaluation and control system in central public structures. This legislative decree initiated, in particular, management control, while Law 17 May 1999, n. 144 established regional units to evaluate and verify investments and created specific evaluation units in some ministries; Law 8 November 2000, n. 328 (Framework law of social policies) entrusted the regions with systematically evaluating the social programs implemented in the regional territories; finally, evaluation procedures have been introduced for the university and the school system.

### **3.2 Definition of evaluation**

The initial essential analysis to be carried out involves delineating the concept and establishing the principles of evaluation. The importance of this definition becomes evident as concepts and methodologies related to corporate sector management control are frequently conflated with the processes and evaluation methods used in public policies (Faccilongo & Di Gioia, 2020). Evaluation, in the context of public policies, aims to assess how these policies have achieved their intended goals, often involving modifying behaviours or conditions in society that need improvement (Lippi, 2007). Consequently, according to this definition, policy evaluation doesn't concern the operation of a single organisation but rather the overall effectiveness of all the organisations involved in a public policy with a singular public interest objective, which encompasses various dimensions, not all of which are strictly material, such as an increase in GDP (Faccilongo & Di Gioia, 2020).

The evaluation process encompasses a range of elements, which, in many cases, differ from each other, utilising diverse and non-uniform methodologies and units of measurement. This context's initial significant methodological distinctions date back to the early 1980s

(Faccilongo e Di Gioia, 2020). Several authors, including Foley (1992), have used definitions to clarify that the two activities are distinguished by their approach to analysis, the subject of investigation, the reference paradigm, the methods employed, and the data processed. The differentiation between control and genuine evaluation is crucial since, all too often, in the Italian debate, for instance, "public policies" evaluation and "management" control are wrongly considered interchangeable methodologies producing the same outcomes (Faccilongo e Di Gioia, 2020). Essentially, anything (organisations or policies, individuals or procedures, effects or activities) can be equally and indiscriminately the subject of both evaluation and control.

The term "evaluation" itself is versatile. It often refers to activities without specification, such as project selection, personnel assessment, ex-ante analysis of alternatives, judgment of organisational performance, and ex-post analysis of program and project effects (Faccilongo e Di Gioia, 2020). "Evaluation" has not yet developed a fully mature disciplinary identity, and thus, the process of establishing a common language is still evolving among experts. Consequently, it is essential to initiate the evaluation process by starting with the "evaluation question," which arises from the needs of public and/or private stakeholders, and then proceed to identify tools, definitions, and methodologies based on the specific context and circumstances (Faccilongo e Di Gioia, 2020).

Numerous definitions have been given to the evaluation concept, especially in the Anglo-Saxon world: an extensive range which opens the way to disparate conceptual proposals, alternative methodological paths, and different evaluation conclusions.

In this context, we confine ourselves to presenting three of the most significant definitions offered within the Italian framework:

- For Stame (1998), *«evaluating means analysing whether an action undertaken for a purpose that corresponds to a collective interest has obtained the desired or other effects, expressing a judgment on the gap that normally occurs, to propose any changes that take into account any potential manifested»*.
- For Palumbo (2001), *«evaluation is a cognitive activity aimed at providing a judgment about oneself an action, intentionally carried out or intended to be carried out, intended to produce external effects, which is based on social science research, and which follows rigorous and codifiable procedures»*.
- For Bezzi (2003), *«evaluation is mainly (...) a social research activity applied (...) to reduce complexity decision-making, through the analysis of direct and indirect,*

*expected and unexpected effects expected, wanted and unwanted, of the action, including those not attributable to material aspects (...)».*

### **3.3 The evaluation of agricultural policies and rural development**

In recent years, the process of redefining European agricultural policies has gained momentum, with a focus on integrated territorial development. Challenges faced by European agriculture include market liberalisation, competition from low-cost products in emerging countries, evolving consumer preferences, new societal demands, rural transformations, and the need to harmonise land use with environmental, cultural, and historical considerations. There are criticisms of existing economic-productive planning models influenced by incentive and disincentive policies, both within the European Union and internationally (Faccilongo e Di Gioia, 2020).

European agriculture has shifted away from a strict productivist approach, emphasising the production of food and fibre, as well as landscape preservation, rural area protection, employment retention, and environmental conservation. This shift has been supported by rural development policies that promote multifunctionality in agricultural businesses, encouraging the production of goods not adequately incentivised by the market (Faccilongo e Di Gioia, 2020).

The methodologies and processes for evaluating agricultural policies and designing incentive mechanisms are crucial for promoting environmentally beneficial and economically sustainable goods (Faccilongo e Di Gioia, 2020). Effective evaluation allows policymakers to optimise resource utilisation in sectors requiring direction and support.

The effectiveness of agricultural support policies hinges on the implementation methods and types of agreements, with contracts being significant determinants. Ex-ante planning that considers stakeholder needs is fundamental for efficient planning while avoiding distortions in global trade and adhering to "Green Box" policies (Faccilongo e Di Gioia, 2020).

Policy intervention stems from recognising complex problems that policymakers must address through a well-defined agenda of interventions. These problems evolve and are influenced by economic, societal, and actor-related factors. Policymakers identify relevant issues, develop strategies for resolution, specify target subjects and geographical areas, and consider policy dosage and duration based on problem types and territorial development levels (Faccilongo e

Di Gioia, 2020). The choice of strategy depends on the adaptability and effectiveness of tools in specific territories.

After verifying these elements, policymakers choose the means to achieve their objectives and implement the policy. The final stage of the policy cycle involves evaluating results compared to the initial goals and the degree of problem resolution outlined in the agenda. Evaluation is an integral part of the entire policy cycle, not confined to the final stage, and aligns with functions that evolve at different times (Faccilongo e Di Gioia, 2020).

It means that there are three types of evaluation of the policy:

- ex-ante (in the decision-making phase)
- intermediate (during policy implementation)
- ex-post (in the policy evaluation phase) (Faccilongo e Di Gioia, 2020).

For every evaluation type (ex-ante, intermediate, and ex-post), distinct sets of goals, methods, and instruments exist. Our goal will be to deepen the ex-ante evaluation.

### **3.4 The ex-ante evaluation: theoretical aspects**

The ex-ante evaluation aims to support the decision maker in the policy design phase by predicting the impacts of different policy alternatives, reducing the effects of the uncertainty of the decision maker's choices (European Commission, 2003).

The ex-ante evaluation responds to the objective of knowing in advance the effects of the decision to be taken. It is implemented in the planning phase before the program is adopted. Its function is essential to clarify - before the project takes its definitive form and its implementation begins - the functionality and coherence of the objectives concerning the needs of the context in which the project was built (Faccilongo & Di Gioia, 2003). As Bezzi (2003) points out, *«In this case, the evaluation helps decision makers to choose between alternative scenarios (derived from probable different impacts of the action to be launched), or between alternative programs and projects, or between alternative execution methods of the same program or project, or again, if there is no real possibility of choice, it helps to estimate the different effects, positive and negative, of the process or event being implemented, to develop any corrective or support sub-projects»*. Ex-ante evaluation is primarily associated with organizational and planning functions rather



than control processes, as it typically aids in program or service development. (Faccilongo & Di Gioia, 2020).

Bezzi (2003) distinguishes different types of ex-ante evaluation:

- The predictive evaluation of the effects and impacts, which aims to prefigure the possible scenarios relating to a project intended for implementation, helps the decision-maker choose between alternative actions and plan the interventions adequately. The forecasts it produces are probabilistic, subject to all those factors that intervene in generating social change and are indeterminable by their nature.
- The evaluation of the quality of the planning and implementation plan serves to verify whether the objectives of the program are relevant to the problems that we want to address, as well as to analyse the unity of the tools concerning the goals and to ascertain the concrete ways in which they are thinking about exploring the program.
- The evaluation for the selection of projects is aimed at recognising, among several projects concerning the same area, the most functional and coherent ones with respect to the given elements.

This form of ex-ante evaluation is prevalent in Italy, particularly in the allocation of funds from the European Union's structural funds, with its primary objective being the selection of projects that align best with the overall tender objectives and offer a more favourable cost-benefit ratio (Faccilongo & Di Gioia, 2020).

However, the selection process is typically guided by predefined criteria in the announcement, and the evaluation is based on the information provided in the project submissions, lacking the capacity to conduct actual predictive research (Faccilongo & Di Gioia, 2020).

Forecasting tools commonly assess policy impacts in economic evaluations, with a broad presence in the literature, such as diverse analysis types, ranging from microeconomic methodologies and tools to macroeconomic approaches (Faccilongo e Di Gioia, 2020). As (Faccilongo e Di Gioia, 2020) suggested, the latter mainly include models based on partial equilibrium such as AGLINK (The OECD Partial Equilibrium Model); FAPRI – EU GOLD (The Food and Agricultural Policy Research Institute – EU Grain, Oilseed, Livestock and Dairy Model); CAPRI (Common Agricultural Policy Regional Impact Model); CAPSIM (Common Agricultural Policy Simulation) or AgriPolis (Agricultural Policy Simulator) (Henrichsmeyer, 1995); Balmann, 1997; Conforti and Londero, 2001; Hanrahan, 2001; Heckeley and Britz, 2001; Arfini, 2005). Instead, within the former there are simulation models that use Cost-

Benefit or Cost-Effectiveness Analysis (Bazzani and Viaggi, 2004; Schou et al., 2000; Havlik et al., 2003; Lankoski and Ollikainen, 2000, Multicriteria Analysis Bartolini et al.; Bartolini et al.), econometric models (Sinabel et al., 1999; Bergland, 1999) and finally forecasting models based on the creation of scenarios (Nijkamp and Vindigi, 1998; Morris et al., 2004; Gallerani et al., 2004).

The ex-ante analysis can be done both with quantitative methods, therefore methods which require the construction of a sample, the application of econometric methodologies and which are based on the collection and analysis of statistical data, and with methods qualitative, which are based on the use of non-standardized detection techniques and tools, and with hybrid methods, which use qualitative-quantitative tools. Among the quantitative methods, the most widespread is Difference in Difference (DiD); among the qualitative methods, the most relevant are the SWOT analysis and the Delphi method. Multicriteria analysis is one of the methods halfway between the qualitative and quantitative ex-ante evaluation methods.

### **3.5 The ex-ante evaluation: methodologies**

One of the prevalent methods for the ex-ante evaluation of policies is the cost-benefit analysis. It is a decision-making tool that supports or does not support decisions in the planning and final phases. This analysis first developed as a practice and only subsequently had a theoretical development. In the United States, the widespread and systematic use of cost-benefit research began with the federal government's adoption of this approach alongside the passing the *River Harbor Act* in 1902 (Petroni, 2004). Subsequently, the Flood Control Act of 1936 embraced this methodology (Petroni, 2004). During the 1950s and 1960s, economic science started to develop cost/benefit analysis on a theoretical basis, and its methods extended to various disciplines, spanning from law to administrative sciences to politics (Petroni, 2004). Cost/benefit analysis achieved prominence in 1965 when President Lyndon Johnson integrated it into the new Planning-Programming-Budgeting System. Since then, cost/benefit analysis has become an integral part of decision-making processes at the federal government level and has influenced many choices made at the state and local levels, particularly in sectors such as transportation, health, justice, defense, education, and the environment (Petroni, 2004).

Whenever we try to assess the pros and cons of a specific situation, we employ a form of cost-benefit analysis (CBA). While this is typically associated with examining private and public

investments, it can be applied to any hypothesis involving environmental change, even those purely institutional and without direct costs.

CBA serves as a technique for appraising projects or policies, aiming to identify, estimate, and express in monetary terms their impact on certain economic factors (as noted by Portney). In practice, two primary types of analysis are recognised: financial evaluation and economic evaluation. The methods and procedures for both are similar, with critical distinctions arising from the following factors:

- a) Financial evaluation exclusively considers elements that have internal effects on the investor's financial statements. In contrast, economic evaluation considers factors like externalities and external economies with positive or negative consequences, usually on entities other than the investor.
- b) The valuation metric differs; financial evaluation relies on market prices, while economic evaluation employs variously elaborated shadow prices.

Some, particularly in Italy, reserve the term "cost-benefit analysis" for economic evaluation, while others specify it as "social cost-benefit analysis." It's important to note that financial evaluation pertains solely to the investor's financial position concerning third parties. In contrast, economic evaluation encompasses the overall well-being of the community impacted by the project.

Both evaluation forms are not confined to specific purposes: economic evaluation can provide insights into collective interests when applied to a private venture, and financial evaluation of public organisation investments evaluates the effects on the organisation's budget.

In essence, CBA primarily aims to eliminate inefficient projects that, under similar conditions, achieve the same objectives as other projects but require a more significant resource expenditure. As an alternative, albeit with substantial theoretical complexities, it also seeks to choose projects that maximise contributions to social well-being, all while ensuring an adequate increase in net benefits for individual economic agents (Weimer, 2008).

In Italy, the CBA was introduced in public administrations in the early 1980s for investments requiring funding from the FIO-Fund for Investments and Employment at the Ministry of Budget and Economic Planning. A dedicated office for evaluation, the Public Investment Evaluation Unit, was established. Subsequently, it was adopted by the DDPP Fund (primarily as a financial evaluation) for financing local authorities and other public entities. More recently,

it has been employed by the Ministry of the Environment in the context of environmental impact assessments.

Over the last decade, CBA has expanded into other sectors, including tourism and culture.

As mentioned, for the evaluation of policies in rural areas, it is possible to use the *Difference in Difference* (DiD) estimator, which in empirical economics, for example, is widely used to estimate the effects of specific interventions and political changes which do not concern everyone at the same time and in the same way (Lechner, 2011). DID, which is used in several social sciences, is an approach that is therefore used for estimating random effects. The DiD design is usually based on the de facto comparison of four different groups of objects. Three of these groups are not affected by the treatment (Fadhilah & Prasetyo, 2020). In many applications, "time" is essential for distinguishing groups (Fadhilah & Prasetyo, 2020). In addition to the group that has already received treatment (post-treatment treated), these groups are those treated before the treatment (pre-treatment treated), those not treated in the period preceding the treatment, those treated (pre-treatment non-treated), and those not treated in the current period (post-treatment untreated) (Fadhilah & Prasetyo, 2020). The idea of this empirical strategy is that if the two treated and two untreated groups are subject to the same time trends, and if the treatment had no effect in the pre-treatment period, then an estimate of the treatment "effect" in a period when it is known to have none, it can be used to remove the effect of confounding factors to which a comparison of post-treatment outcomes of treated and untreated may be subject (Lechner, 2011). That is, we use the average changes in the outcome variables for the untreated over time and add them to the intermediate level of the outcome variable for the treated before treatment to get the intermediate outcome that the treated would have had if the undergone underwent the treatment (Lechner, 2011).

Another prevalent method is the SWOT analysis, used as a qualitative evaluation tool in Rural Development Programs. In this context, the relevance of the programs in addressing the most critical needs of the territories covered by the program and, therefore, the assessment of the needs themselves are underlined (European Commission, 2016). SWOT analysis can identify areas where key improvements can be expected due to the program. The same can result from document analysis, interviews (with paper, online, and telephone questionnaires), focus groups, etc.

The SWOT analysis is, therefore, a tool used for strategic planning and strategic management in organisations, thus a tool for analysing the strengths, weaknesses, opportunities, and threats

involving an organisation, a plan, a project, a person, or an activity (Gürel & Tat, 2017) necessary to achieve a goal. The SWOT analysis has been praised for its simplicity and has been used continuously since the 1960s (Phadermrod, 2019).

SWOT stands for *Strengths, Weaknesses, Opportunities and Threats* and can be analysed as a process in which the management team identifies internal and external factors that impact performance (Namugenyi et al., 2019).

In detail:

- *Strengths & Weaknesses* are the internal elements (internal context) of the organisation, plan, project, person, or activity.
- *Opportunities and threats* are external elements (external context) to the organisation, plan, project, person, or activity outside their control.

Initially, the SWOT was used purely for business management and organisational development approaches; over time, this tool has acquired a high practical relevance for rural policies in all EU member states (Knierim & Nowicki P., 2010). Thanks to its "explanatory power" of all those elements (internal and external) that can determine the success (or otherwise) of a program, it is increasingly used for «*territorial diagnoses and evaluation of Program*» (Bolli et al., 2019).

A further tool that can be used for ex-ante evaluation is the *Delphi panel technique* to estimate the potential impacts of an intervention and subsequently consider the evaluation results (European Commission, 2013). The *Delphi method* is a systematic and qualitative forecasting method that takes the form of several cycles of written questionnaires that allow experts (reference in the process) to express their opinions (Gordon, 1994). Once the experts respond to each round of questionnaires, the facilitator compiles all the responses and shares a summary report with each expert. Subsequently, the experts review this summary report and express their agreement or disagreement with their peers' answers. Following this, the experts filled out another questionnaire, offering updated opinions influenced by the information in the summary report. The Delphi method concludes when a consensus on the predictions is achieved.

As a hybrid tool between qualitative and quantitative methods, there is *Multicriteria analysis*, which is used to compare multiple interventions based on different criteria; therefore, it is used in the ex-ante evaluation to compare various proposals available or to compare interventions separate but similar for classification purposes (European Commission, 2013). Such analysis may involve weighting, which reflects the relative importance placed on each criterion. It may

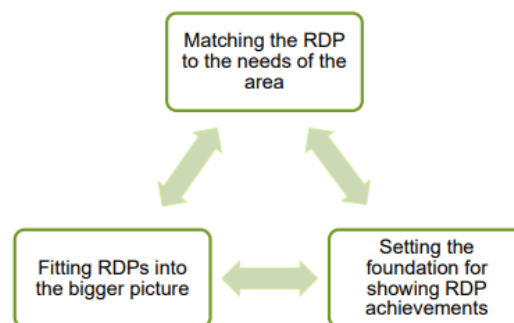
include the formulation of a single judgment or a synthetic classification or several types that reflect the different points of view of the *stakeholders* (*multicriteria-multijudge analysis*) (European Commission, 2013).

### **3.6 Evaluation of EU methodological documents**

At this point, we begin talking about the ex-ante evaluation, as indicated in the EU methodological documents, referring to the Rural Development Programs of the CAP programming from 2007-2013.

The ex-ante evaluation is the first step in evaluating the Rural Development Programs (RDPs) and forms part of drawing up each RDP before submitting for approval. By providing independent judgment and recommendations on technical and/or policy issues linked to the programs, the ex-ante evaluation aims to improve the quality of the programs, optimise the allocation of budgetary resources, and contribute to capacity building for future monitoring and evaluation activities.

**Figure 17: ROLE OF THE EX ANTE EVALUATION IN DESIGN AND EVALUATION OF RURAL DEVELOPMENT PROGRAMMES.**



Source: European Communities (2014).

The ex-ante evaluation thoroughly analyses each RDP's underlying strategy and objectives - including baselines, quantifiable objectives, and target levels. It should identify and appreciate medium and long-term needs, the goals to be achieved, the expected results and the quantified objectives, particularly in terms of impact on the baseline situation (European Communities, 2014). Furthermore, it should consider the extent to which the Community's priorities have been considered, the lessons drawn from previous programming and the quality of the implementation, monitoring, evaluation, and financial management procedures (European Communities, 2014).

Ex-ante evaluations are organised under the responsibility of the Member States and must be outsourced to independent evaluators by Art. 84 of Council Regulation (EC) 1698/2005. The ex-ante report should be annexed to every RDP Program by Annex 2 of Commission Regulation (EC) 1974/2006<sup>19</sup> (European Communities, 2014).

### 3.6.1 Programming 2007-2013

The guidelines for the ex-ante evaluation of RDP are presented in the 2007-2013 programming Guidance Annex C of the *Handbook on Common Monitoring and Evaluation Framework (CMEF)*. In the 2007-2013 programming, the guidance includes a summary of details about the regulatory framework, the methodological approach, roles, responsibilities and tasks of the process and reporting (European Commission, 2006b). It also covers the Strategic Environmental Assessment (SEA) requirements, which should form part of the ex-ante evaluation.

The purpose of these guidelines is:

- To provide a practical tool to plan and conduct ex-ante evaluations.
- To give an overview of the methodological framework.
- To clarify the role of ex-ante evaluation.
- To explain what is required and the specific tasks to be carried out, including the responsibilities of the various actors.
- To explain the requirements concerning the SEA (European Commission, 2006b).

Furthermore, in the synthesis document of the ex-ante evaluation reports established at the program level for all Rural Development Programs (RDPs) co-financed by the EAFRD in the 27 Member States commissioned by DG AGRI and carried out during 2008, it is possible to identify the answer to a fundamental question: *to what extent do the rural development strategies and measures established by Member States correspond to the needs of European rural areas* (European Commission, 2008). In this respect, the synthesis analyses the identified needs and corresponding program objectives by referring as much as possible to baselines and quantifying goals and target levels.

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<sup>19</sup> Reg. (EC) No 1974/2006 of 15 December 2006 laying down detailed rules for the application of Council Regulation (EC) No 1698/2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD).

The synthesis is also intended to provide elements to improve the monitoring and evaluation of RDPs. This is achieved by assessing evaluation practices, synthesising trends at the Community level, creating data sets, and finally appreciating the overall coherence between the expected impacts of the programs and the overarching Community strategic priorities (European Commission, 2008).

The synthesis is centred around six main evaluation themes, which reflect the structure and content of the single evaluation reports:

- *SWOT analysis and assessment of needs*: The analysis of the strengths and weaknesses, opportunities, and risks (SWOT analysis) of the geographical area affected by the program precedes the ex-ante evaluation; it represents the first step towards defining the program strategy and has the aim of highlighting the needs of the rural areas involved. The SWOT analysis refers to the main structural components of rural areas and must achieve an appropriate and coherent classification of the disparities to be addressed. The SWOT analysis and definition of the program strategy are based on quantified data and relevant initial indicators. The ex-ante evaluation must evaluate the SWOT analysis results relating to the programme. In this regard, article 85 of regulation no. 1698/2005 of the Council requires identifying and evaluating medium and long-term needs. In carrying out this task, the ex-ante evaluation must: - evaluate the completeness of the SWOT analysis; - analyse the causes of the identified disparities; - identify and evaluate the driving forces of sustainable rural development; - contribute to the quantification of the initial indicators related to the context and objectives (both standard and specific to the programme) by verifying and, if necessary, suggesting modifications to the proposed indicators and values; - evaluate and, if necessary, offer revisions of the classification of disparities and priorities attributed to the identified needs and the corresponding concrete objectives and preferences of the actions monitoring (European Commission, 2008).
- *Policy objectives*: To ensure the coherence of the goals proposed for the program with the strategic orientations of the programs and national strategic plans, article 85 of regulation no. 1698/2005 of the Council requires identifying and evaluating the goals to be achieved, identifying and assessing the results to be obtained, identifying and evaluating lessons from the past, identifying and evaluating community-added value, and identifying and evaluating the extent to which



community priorities have been taken into account. In this context, the ex-ante evaluation must assess the program objectives derived from the needs and the correspondence of the purposes ("the goals to be achieved") to these needs; - identify and examine the intervention logic of the measures, from product to result and impact, and evaluate to what extent the desired outcomes of the measures contribute to the achievement of the identified objectives and general objectives at national and community level; - evaluate the internal coherence of the programs, verifying the balance between the operational purposes of the different measures, the existence of positive mutual interactions and the absence of possible conflicts and internal contradictions; - take into account, where appropriate, lessons learned from the previous programming period, in particular regarding good practices, incidents that may influence policy implementation, the effectiveness and cost-effectiveness of measures and any specific problems to measures identified in evaluation reports or other sources of information; - evaluate to what extent the expected objectives can realistically be achieved with the financial resources allocated to the different measures within each axis; - evaluate the time to which rural development programs contribute to achieving the community priorities and the intervention priorities defined in the national strategic plan, especially with regard to growth, employment and sustainability; - evaluate the coherence of rural development programs with the objectives of economic and social cohesion and with those of the Community fisheries support instrument; - analyze the environmental impact of the programs, applying the strategic environmental assessment required by Directive 2001/42/EC monitoring<sup>20</sup> (European Commission, 2008).

- *Measures*, then define the lessons of the past and data taken into consideration in outlining the program project - Starting situation (needs and objectives) of the planned interventions - Measures applied to achieve the goals of the program - Intervention logic of each measure applied - Balance between the standards used to perform the objectives monitoring (European Commission, 2008).
- *Impacts*, based on the information in the draft program documents, article 85 of Regulation 1698/2005 requires identifying and evaluating quantified objectives, notably regarding impact compared to the baseline situation. To fulfil this task, the

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<sup>20</sup> Directive 2001/42/EC — Strategic Environmental Assessment Directive (SEA).

ex-ante evaluation must: - verify that the goals are quantified in a meaningful and verifiable way to allow subsequent monitoring and evaluation of the programme, in particular concerning its usefulness and sustainability; - evaluate the correct application of common baseline indicators and the use of program-specific baseline indicators, as well as program-specific impact indicators reflecting the objectives and circumstances specific to the program under consideration; - evaluate the expected impacts of the measures compared to the starting situation, paying particular attention to the verifiability of the effects of the measures under consideration; - verify the functioning of the data collection mechanisms, to ensure constant monitoring of trends during the different phases of the program based on the indicators applied monitoring (European Commission, 2008).

- *Added value of Community involvement*, therefore the subsidiarity and proportionality considered in the proposal, the reference of the program project to community objectives, the complementarity, and synergies of the program project with other interventions, the level of additional ("marginal") effects that can be attributed to the program project monitoring (European Commission, 2008).
- *Monitoring and evaluation*, defining and implementing the monitoring and evaluation system, the indicators to be used to measure resources, products, results and impacts and the system in use for collecting, archiving, and processing data monitoring (European Commission, 2008).

The findings related to these themes are mainly based on an in-depth screening of the existing programming documents (i.e., ex-ante evaluation reports, national/regional RDPs, national strategy plans, and strategic environmental assessment reports) (European Commission, 2008).

Rural development programs must reflect the strategic approach defined in Title II of Council Regulation 1698/2005.

Therefore, the ex-ante evaluation verifies the extent to which rural development programs reflect the identified priorities:

1. in the "Community strategic guidelines on rural development policy for the programming period from 1 January 2007 to 31 December 2013" (Article 9 of Council Regulation 1698/2005), which establishes the strategic priorities for each axis of rural development programs at the Community level.

2. in the national strategic plans for rural development, drawn up by the Member States based on the Community strategic guidelines, which identify the national strategies and priorities to be pursued by the rural development programs (Article 11 of Council Regulation 1698/2005) (European Commission, 2008).

The ex-ante evaluation also considers the provisions contained in the Implementation Methods of Regulation no. 1698/2005 of the Council, which provides detailed information on the implementation of rural development programs. They establish that the environmental assessment required by Directive 2001/42/EC concerning the evaluation of the effects of specific plans and programs must be integrated into the ex-ante assessment.

### **3.6.2 Programming 2014-2020**

Compared to the previous programming, the main changes concern the following points:

1. The ex-ante evaluation becomes a more integrated process in the Program design process and involves the evaluator from the initial stages.
2. The relationships between the Managing Authority and the evaluator are set up in such a way as to make the evaluation process efficient and lead to a better and, above all, helpful result.
3. The aspects being evaluated are broader and go beyond the strategy and content of the Program, including the evaluation of the adequacy of human resources and administrative capacity (as requirements for ex-ante conditionality).
4. Greater stakeholder involvement is expected, with a more active role.
5. The SEA process is strongly connected to parallel programming paths (for example, with regional programming and the drafting of the Partnership Agreement) (Cagliero & De Matthaëis, 2012).

The ex-ante evaluation is configured as an activity aimed at formulating an independent judgment and as an accompanying activity that sees the evaluator involved with the Management Authorities (MA) in refining the drafting of the future Program (Cagliero & De Matthaëis, 2012). This process should occur throughout the programming period, from preparing the Program through its presentation to the Commission services and up to final approval (Cagliero & De Matthaëis, 2012). Furthermore, it must always be remembered that the drafting of the PSR is strongly linked to the preparation of other programming tools, such

as the Partnership Agreement, and further evaluation reports, such as the SEA (Romito, 2012). In other words:

- The RDP must be structurally linked to the Partnership Agreement.
- The ex-ante evaluation must be structurally linked to the RDP.
- The SEA must be structurally linked to the ex-ante evaluation (Cagliero & De Matthaëis, 2012).

In this process, some particularly relevant and strongly connected moments can be highlighted, which can be summarised in three phases, during which the ex-ante evaluators should be mainly involved, and their recommendations are actively taken into consideration to improve the design of the RDP (Cagliero & De Matthaëis, 2012).

*Phase 1: SWOT analysis and needs assessment.*

The Management Authority collaborates with internal and external partners to conduct a territory analysis and define a SWOT analysis. Various stakeholders, including regional and local public bodies, environmental authorities, and economic, environmental, and social groups, are involved in this process. They provide input on identified needs and potential beneficiaries. An ex-ante evaluator and SEA experts assess the SWOT analysis's quality, primary needs identification, and use of context indicators. The Management Authority reviews the SWOT and needs assessment based on this feedback and proposed changes, determining how to incorporate them (Cagliero & De Matthaëis, 2012).

*Phase 2: Construction of the intervention logic.*

The Managing Authority, in collaboration with various stakeholders, develops the Program's intervention logic, including objectives, measures, actions, resource allocation, expected results, targets, and milestones. Stakeholders actively contribute to this process and may provide input on resource allocation. They can also suggest significant changes to the program's structure. An evaluator assesses the intervention logic for coherence, resource distribution, alignment with the Europe2020 strategy, relevance, clarity, and indicator reliability. Preliminary checks on factors like administrative capacity are conducted. Based on the evaluator's feedback, the Managing Authority may revise the intervention logic, resource allocations, objectives, and timing. If significant changes are made, these are proposed to the partnership through further stakeholder consultation (Cagliero & De Matthaëis, 2012).

*Phase 3: Management and governance and finalisation of the Program.*

The Managing Authority and specific entities like the Paying Body and potential external experts finalise the Program, considering mandatory elements specified in Community Regulations, such as required administrative capacity. The evaluator offers conclusive feedback on the draft Program and compiles the final SEA report, which also encompasses the Strategic Environmental Assessment (SEA) findings. The Managing Authority creates the final document, considering recommendations from other involved parties. All suggestions from the evaluator and their resolutions are documented. Lastly, the complete Program, including the ex-ante evaluation report, is submitted to the Commission services (Cagliero & De Matthaeis, 2012).

In the context of SWOT analysis and need assessment, it is essential to point out that even in this programming, it is a prerequisite for evaluating needs and defining the objectives to be addressed and is a moment of diagnosis (Cagliero & De Matthaeis, 2012).

It is necessary for the SEA to develop four main aspects, linked together in a logical and chronological sense: evaluating the completeness of the SWOT; evaluating and possibly completing the framework of indicators and the proposed estimation methods; examining the coherence of the SWOT as a starting point for the needs assessment; evaluate the overall coherence of the Program (Cagliero & De Matthaeis, 2012).

In operational terms, therefore, the ex-ante evaluation must guarantee that the SWOT analysis and the needs assessment:

- are complete and provide an exhaustive picture of the territory.
- are based on appropriate data (context indicators), making it possible to benchmark between the territory considered and other parts in the national and community context.
- are logically interconnected (the SWOT analysis must justify the identified needs)
- are coherent and complementary with the different programming levels.
- are consistent with the SEA.
- consider the six rural development priorities and the cross-cutting priorities of the EU 2020 strategy.
- allow the needs of groups of stakeholders or specific territorial areas to be identified and justify any sub-programs.
- consider the indications deriving from previous programming (Cagliero & De Matthaeis, 2012).

As regards the two years 2021-2022, a transitional regulation<sup>21</sup> has been introduced which extends most of the rules of the 2014-2020 CAP until the end of 2022, also including new elements to provide a more significant contribution to the European Green Deal and ensure a transition gradually to the future framework of the CAP strategic plans. The transitional period aimed to provide EU countries with sufficient time to design and prepare for the implementation of their CAP strategic plans with the assistance of the Commission.

### **3.6.3 Programming 2023-2027**

In current programming, Member States are responsible for evaluating their CAP strategic plans (ex-ante, intermediate, ex-post). At the same time, the Commission is responsible for the summaries at the level of the ex-ante evaluations of the Member States and ex-post at the level of the Union (COM (2018) 392 final and following<sup>22</sup>).

The ex-ante evaluation aims to enhance the quality of the CAP strategic plans by assessing the adequacy of the strategy, specific goals, targets, interventions, and budget allocation. It relies on the SWOT analysis and needs assessment (Bolli et al., 2021). The ex-ante evaluation process supports administrations in refining the CAP strategic plan and ensures systematic feedback from the evaluator. This process is transparent to the European Commission, with an evaluation logbook showing how the evaluation results were incorporated or explaining any instances where they were not (Bolli et al., 2021).

The summaries of the ex-ante evaluation and strategic environmental assessment (SEA) reports will be attached to the CAP Strategic Plan in Annex I. The latter must include:

- (i) The main results of the ex-ante evaluation referred to in Article 125 of the legislative proposal.

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<sup>21</sup> Reg. (EU) 2020/2220 of the European Parliament and of the Council of 23 December 2020 laying down certain transitional provisions for support from the European Agricultural Fund for Rural Development (EAFRD) and from the European Agricultural Guarantee Fund (EAGF) in the years 2021 and 2022 and amending Regulations (EU) No 1305/2013, (EU) No 1306/2013 and (EU) No 1307/2013 as regards resources and application in the years 2021 and 2022 and Regulation (EU) No 1308/2013 as regards resources and the distribution of such support in respect of the years 2021 and 2022.

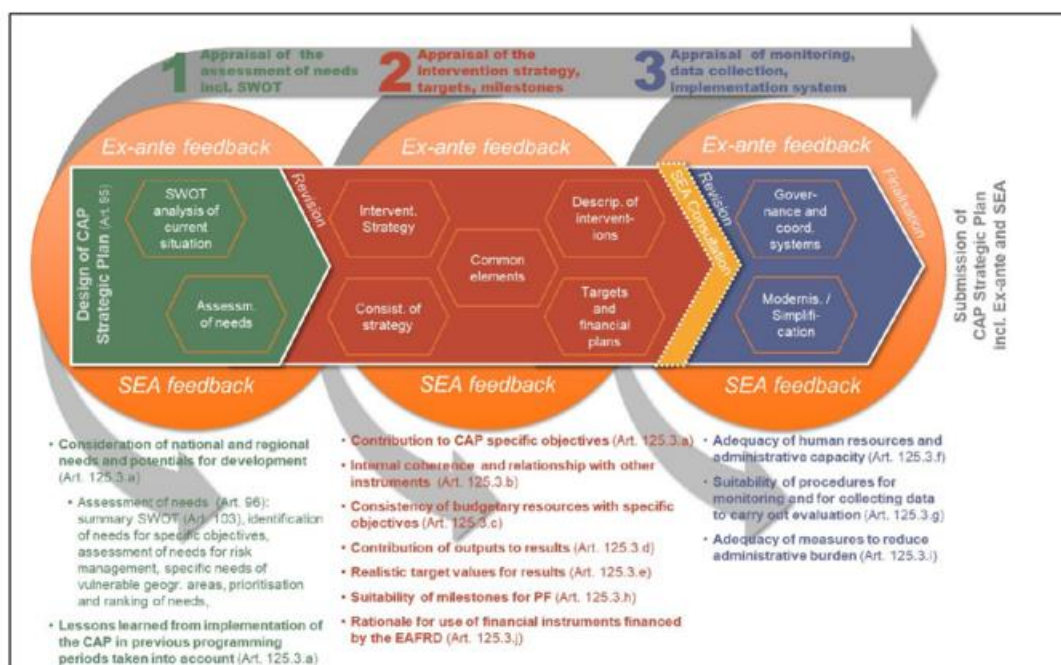
<sup>22</sup> Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing rules on support for strategic plans to be drawn up by Member States under the Common agricultural policy (CAP Strategic Plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulation (EU) No 1305/2013 of the European Parliament and of the Council and Regulation (EU) No 1307/2013 of the European Parliament and of the Council.

- (ii) The main findings of the strategic environmental assessment (SEA) by Directive 2001/42/EC1 of the European Parliament and the Council.
- (iii) An explanation of how they were considered or, if applicable, why they were not.
- (iv) A link to the complete ex-ante evaluation and SEA report (Bolli et al., 2021).

The evaluation activity for the CAP SP is carried out by independent experts as assigned by the responsible administrations. The European Evaluation Network's Helpdesk provides tools and guidance on the ex-ante evaluation and SEA regulations and methods for managing evaluation services.

The ex-ante evaluation, including SEA, occurs during the CAP SP definition period until EC approval. Even after receiving evaluation reports, the EC can provide feedback within three months of the CAP strategic plan's presentation. The approval of the CAP strategic plan should occur within eight months of that date.

**Figure 18: PHASES OF THE EX-ANTE EVALUATION AND THE SEA.**



Source: Help desk (2019).

Below are the tasks of the different actors in the three phases of the evaluations.

*Phase 1: SWOT analysis and needs assessment.*

The ex-ante evaluator assesses the SWOT and Needs analyses, checking context and impact indicators and coherence and completeness. Gaps are identified, and recommendations are

made for improvement. The SEA expert evaluates environmental aspects, depth of assessment, and the necessary data for the strategic environmental assessment. They also assess the likely program impact in the absence of implementation. The Partnership includes various public authorities, economic and social partners, civil society representatives, and environmental organisations informed and consulted on the validated SWOT analysis and recommendations by the ex-ante evaluator and SEA experts. They provide input on territory challenges, needs, and beneficiaries, with their concerns prioritised. After receiving feedback and making necessary adjustments, the managing authority approves the SWOT analysis and needs assessment, considering recommendations and their implementation documented in the logbook (Bolli et al., 2021).

*Phase 2: Evaluation of the strategy and intervention logic of the CAP SP, of the targets and milestones.*

The ex-ante evaluator assesses the strategy and intervention logic, focusing on internal and external coherence, complementarity of interventions, budget allocation, clarity of indicators, and realism of targets. They provide observations and recommendations. The SEA expert evaluates the potential environmental impact of the Strategy, proposes alternative solutions if unwanted impacts are identified, and reviews the environmental evaluation criteria and indicator system. Environmental authorities initiated a SEA consultation involving affected public sectors, environmental protection organisations, and other interested groups. The Managing Authority establishes consultation methods. The partnership is consulted at this stage, considering the feedback from the ex-ante evaluator and SEA experts and the results of the public SEA consultation. This leads to the validation of objectives and milestones or other adjustments to the intervention logic. Observations and recommendations are documented in a logbook. If substantial changes are made, they require validation through further partnership consultation. The process and its outcomes are described in Annex III on partner consultation (Bolli et al., 2021).

*Phase 3: Finalization of the CAP SP and the ex-ante evaluation report and SEA (Annex I of the SP).* The SEA expert evaluates the environmental and climate impact of the CAP SP, considering various factors, proposing alternatives, justifying their choices, and describing environmental links and the "zero option". They assess the environmental characteristics of areas' ecological protection objectives and propose monitoring and impact reduction measures.



All recommendations and improvements are included in the environmental report, referring to the consultation process and environmental monitoring indications (Bolli et al., 2021).

The competent Authority explains how environmental considerations were integrated into the SP, considering the Environmental Report and consultation results. The ex-ante evaluator provides final observations on the programming document, including target adequacy and potential Union intervention value. They also assess governance and monitoring systems. The managing authority finalises the CAP SP, considering recommendations from the ex-ante evaluator and SEA experts documented in a logbook. Finally, the managing authority approves and presents the documents, including the CAP SP, to the European Commission (Bolli et al., 2021).

In the meantime, in Italy, the National Monitoring Committee for the implementation of the Strategic Plan of the Common Agricultural Policy for the 2023-2027 programming period was established with the Decree of Minister Francesco Lollobrigida of 3 March 2023, as provided for in article 124 of Regulation (EU) 2021/2115<sup>23</sup>. The Committee is responsible for monitoring the overall implementation of the CAP Strategic Plan and the national interventions contained in the Plan itself.

One of the critical aspects of the evaluation is the lack of data available for evaluating the 2023-2027 CAP. For this reason, the fourth Good Practice Workshop took place on 8 and 9 June 2023 in Malmö, Sweden (GPW), a seminar on good practices organised by the European Helpdesk for CAP Evaluation. The object of the meeting was to address the lack of data to evaluate the strategic plans of the CAP, identifying the critical issues and hypothesising viable solutions. The seminar saw the presence of 82 participants, coming from 25 different EU Member States (MS) (only 2 MS were absent, Luxembourg and Cyprus), including Managing Authorities (MA) (the most represented category with 57% of participants), evaluators, representatives of the EC, Paying Bodies (PO), researchers and representatives of the National Rural Networks (NRN).

As usual, these GPWs illustrated the positive experiences gained in some MS in addressing the main *data gaps* functional for effectively responding to the evaluation needs of the 2023-2027 period. Estonia illustrated the solutions and specific studies they have implemented to collect

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<sup>23</sup> Reg. (EU) 2021/2115 of the European Parliament and of the Council of 2 December 2021 establishing rules on support for strategic plans to be drawn up by Member States under the common agricultural policy (CAP Strategic Plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulations (EU) No 1305/2013 and (EU) No 1307/2013.

information for the evaluation of the PSP on issues related to Biodiversity, Water, Soil, Landscape, and socio-economic impacts.

Austria illustrated the methods and critical concepts to correctly monitor all indicators provided in the PSPs of regulatory sources. Wageningen University exhibited some systems and/or models (e.g., FLINT, MEF4CAP, Mind Step) helpful in investigating and collecting data relating to agricultural companies' environmental aspects and socio-economic variables. Furthermore, possible sources have been identified to enhance the indicators for some themes in which data availability for evaluation purposes is particularly critical: pesticides, innovation, import/export, nutrient balances, use of antibiotics, animal welfare, production factors, and emissions of CO<sub>2</sub>. Furthermore, the EC, with the support of the Helpdesk on the evaluation of the CAP, illustrated the logical scheme that underlies the connection between the evaluation criteria (Coherence, Relevance, Efficiency, Effectiveness, and Community Added Value) and the relationship with the indicators envisaged by the standard framework (Performance Monitoring and Evaluation framework) underlining the need for further data. Finally, the Joint Research Center (JRC) described the results of the collaboration with DG AGRI for the development of models and meta-analysis (iMAP) capable of guaranteeing the mapping of environmental agro-climate practices and the relationship with the indicators of PMEF and the creation of a system of information relating to previous evaluation experiences relating to climate issues, soil erosion, water quality and various environmental parameters in general, allowing the use of coefficients and parameters with the aim of provide harmonised estimates (therefore aggregable at European level) or comparisons on the impact of the implementation of various agricultural practices.

To adequately evaluate the CAP and implement it effectively, it is central to organise a system capable of collecting quality, reliable and timely data on the main relevant issues of RDPs.

Below are some beneficial ideas for addressing the relevant challenges of the RDP in Italy, starting the programming period correctly and orienting the process towards correct management from the beginning.

- It is essential to collect data already at the stage of submitting aid applications by potential beneficiaries. In this way, it is possible to increase the robustness and level of detail (granularity) of the data collected, and it is possible to be more precise in

indicating the objectives of the support and how the intervention will contribute to fueling the output and result indicators.

- Concerning the evaluation approaches to be used, in addition to counterfactual analyses, it is necessary to provide other methods to evaluate whether a change occurred in the reference context thanks to an intervention or whether it would have occurred without it.
- The identification and overcoming of *data gaps* for evaluation is essential for the title of the added value of LEADER, in which there are significant challenges due to the multiple dimensions to be taken into consideration. About Investments in agricultural companies, another critical aspect is represented by the identification of the relevant data sources that allow linking investments to income (for example, FADN, surveys on agricultural companies, company files, etc.).
- In investing in agricultural companies with environmental objectives, the data should allow us to verify the *trade-off* between environmental benefit and (negative) effect on profitability and company income.
- Particular attention in data GAP recognition must be dedicated to governance and simplification in the context of the new implementation model.
- It is essential to activate all possible mechanisms to encourage maximum coordination and best cooperation between all the stakeholders involved in the evaluation, the MAs, the POs, the evaluators, the researchers, the EC, etc., to address all *data gaps in a coordinated manner*.

### **3.7 Evaluation and the framework of indicators**

Before going into the merits of the indicators, it is good to introduce the concepts of evaluation and monitoring introduced in the EU as part of the CAP, a policy from which meaningful connections with rural development emerge.

Monitoring and evaluation serve distinct but complementary purposes. Monitoring involves continuously examining data and maintaining a systematic record of budget revenues and funded activities. It primarily generates quantitative data and offers feedback regarding implementing tools and measures. This process helps identify and correct deviations from

operational and specific objectives, making public spending more transparent and providing valuable insights into program management (European Commission, 2015).

In contrast, evaluation involves a judgment of interventions based on the desired results and impacts and the needs to be addressed. It is a systematic tool that provides objective evidence to inform decision-making, enhancing effectiveness, utility, and efficiency. Evaluation contributes to transparency, learning, and accountability by allowing us to derive lessons for the future to understand what works, under what conditions, and why (or why not) (European Commission, 2015).

The purposes of evaluations are as follows:

1. Contribute to the definition of interventions (performance): Evaluations assist in determining the effectiveness of interventions, aiding in the refinement of policies and measures.
2. Support efficient resource allocation (accountability): They play a crucial role in ensuring the responsible allocation of resources, thereby being accountable for public spending.
3. Improve the quality of interventions (efficiency): Evaluations enhance the efficiency of interventions by identifying areas that require improvement.
4. Report on the results of interventions (transparency): They promote transparency by presenting results and outcomes to the public (European Commission, 2015).

Monitoring and evaluation results serve multiple purposes, as they:

1. Provide a valid basis for shaping future policies: By showcasing the effectiveness of measures and achieving objectives, they contribute to the evolution of policies.
2. Inform the establishment and measurement of long-term policy and program objectives: They are used to set and assess objectives over extended periods.
3. Enhance accountability for public spending: Evaluations address citizens' concerns and questions regarding using taxpayers' money, ensuring accountability (European Commission, 2015).

The evaluation of the effectiveness of regional community *policies* is linked to the "system of implementation, result and impact indicators" where a "*performance evaluation is made, i.e.,*

*an approach which consists in verifying the trends of pre-defined objective variables ex-ante (regardless of whether they are indicators of achievement and/or result)* (Marchesi et al., 2011). As part of the evaluation and monitoring of European cohesion policy, for example, in the 2014-2020 programming period, the European Commission has defined guidelines, therefore providing a joint monitoring and evaluation framework to measure the performance of the policy itself. Reference is made to impact, result, product, and context indicators *relevant for the monitoring and evaluation of the European Agricultural Fund for Rural Development (EAFRD) and defined in Implementing Regulation (EU) No. 808/2014<sup>24</sup> of the Commission*. The context indicators refer to socio-economic indicators (population, age, work, etc.), sectoral indicators (employed by economic activity, labour productivity in the agriculture and forestry sector, etc.) and environmental indicators (land cover, areas disadvantaged, etc.); the product indicators provide information regarding who, for example, uses the support provided by the CAP (European Commission, 2017); the result indicators verify the effects that the policy wants to produce directly and immediately; finally, the impact indicators ascertain the impact of the interventions envisaged by the long-term policy (European Commission, 2017).

### **3.7.1 The indicators of the CAP 2007-2013**

A list of common initial indicators in the 2007-2013 CAP programming reflects community priorities and objectives. Apart from the shared baseline indicators, it's necessary to establish program-specific indicators at the program level to address unique national or regional needs and distinct national or program-related priorities.

These initial indicators, both general and program-specific, fall into two categories. First, initial context-related indicators describe the overall conditions of the geographic area affected by the program, encompassing socio-economic factors, environmental aspects, and agricultural structure. They provide valuable insights into the strengths and weaknesses of relevant regions and factors that could impact the program's objectives but aren't directly within the program's scope.

The second category, initial indicators related to the objectives, offers essential information about the initial status of the parameters targeted by the program. They are a reference point

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<sup>24</sup> Reg. (EU) No 808/2014 of 17 July 2014 laying down rules for the application of Regulation (EU) No 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD).

for measuring progress toward achieving the program's objectives. Establishing indicators involves measuring the initial situation relative to the desired parameters at the program's outset. Monitoring changes in these indicators over time provides a basis for evaluating the impact of interventions according to the objectives. Objective-related indicators are linked to predefined target levels, representing the change in each initial indicator compared to the starting situation.

Additionally, seven common impact indicators are used to assess the impact of measures in line with the objectives explicitly defined by the Council and the strategic guidelines for rural development. Evaluating the effect of individual measures and the entire program requires consideration of these seven indicators, which encompass contributions to growth, employment, productivity, biodiversity, areas of high natural value, water, and climate change. Program-specific impact indicators should complement the common impact indicators.

These references are contained in Regulation (EC) no. 1698/2005 of the Council of 20 September 2005 on support for rural development from the European Agricultural Fund for Rural Development (EAFRD).

### **3.7.2 The indicators of the CAP 2014-2020**

The monitoring and evaluation framework encompassed the entire Common Agricultural Policy (CAP), covering its pillars and undergoing modifications to simplify and enhance coherence while providing in-depth scrutiny of policy interventions.

The EU regulations governing the monitoring and evaluation framework for the CAP during 2014-2020 are outlined at various levels:

1. The horizontal regulation (Regulation (EU) No. 1306/2013, Article 110)<sup>25</sup> establishes a common framework for monitoring and evaluating CAP results, encompassing all CAP tools, including direct payments, market measures, and rural development initiatives.
2. Specific to the second pillar of rural development, the monitoring and evaluation system is established through the Common Provisions Regulation (Regulation (EU) No.

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<sup>25</sup> Reg. (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008.

1303/2013), defining standard monitoring and evaluation elements for the European Structural and Investment Funds. Additionally, the Rural Development Regulation (Regulation (EU) No. 1305/2013) addresses the unique aspects of rural development programs. These regulations are often considered together because their provisions complement each other (European Commission, 2015).

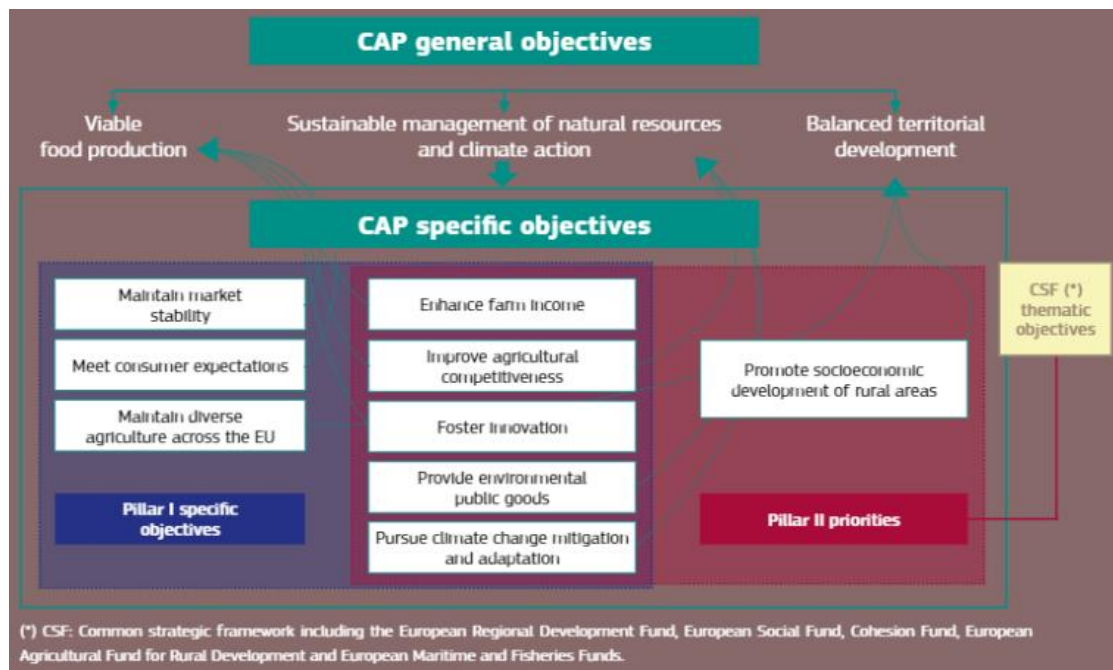
The outcomes obtained from CAP measures evaluate the three general objectives of the CAP itself: sustainable food production, sustainable natural resource management, climate action, and balanced territorial development. In the context of the second pillar, these objectives align with the themes of the Europe 2020 strategy for innovative, sustainable, and inclusive growth (European Commission, 2015).

Policy objectives must be connected to the intended measures to ensure effective monitoring and evaluation. The general objectives of the CAP are further divided into specific purposes, with some being common to both pillars (income support and market support) and others linked exclusively to the first or second pillar (European Commission, 2015). The relationship between the general and specific objectives is illustrated in Figure 14.

The instruments in the first pillar play a pivotal role in achieving specific objectives and, ultimately, advancing the general objectives of the CAP. Direct payments support and stabilise farmers' income, enhance competitiveness, contribute to environmental public goods provision, and address climate change through mitigation and adaptation (European Commission, 2015). Market measures act as a safety net during market disruptions or crises, maintaining stability and meeting consumer expectations.

Within the second pillar, six priorities guide the planning of measures to attain policy objectives. One overarching focus is to promote knowledge transfer and innovation, while three cross-cutting objectives—innovation, environment, and climate change mitigation and adaptation—are pertinent to the remaining five priorities (European Commission, 2015).

**Figure 19: GENERAL AND SPECIFIC OBJECTIVES OF THE CAP**



Source: European Commission (2015).

Indicators serve as essential tools for assessing the achievement of objectives or describing various contextual factors, such as economic, social, or environmental aspects.

These indicators provide data for quantifying and simplifying phenomena in program evaluation. Figure 2 illustrates the categorisation of indicators into three levels:

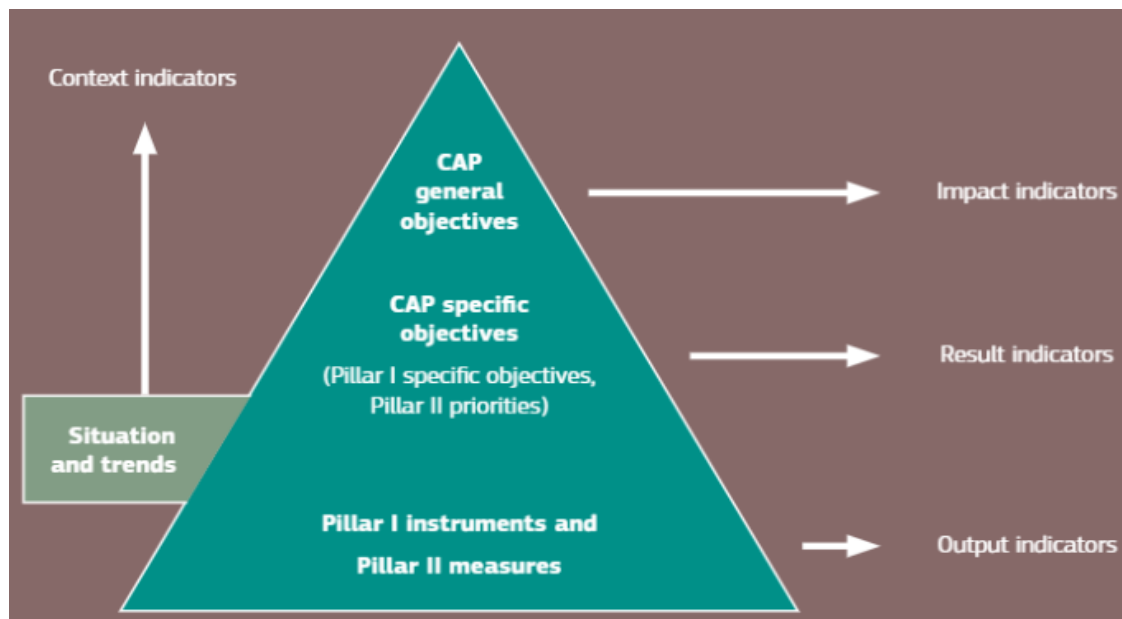
- output indicators measure the direct outcomes of a program (e.g., the number of energy-saving investments funded);
- result indicators indicate the immediate effects (e.g., jobs created due to an investment measure);
- impact indicators delve into longer-term effects (e.g., rural unemployment rates). Impact indicators are associated with the CAP's general objectives, result indicators with specific objectives, and output indicators with individual policy interventions (European Commission, 2015).

Additionally, contextual indicators offer information on broader economic and environmental trends, climate data, agricultural statistics, and rural factors. These indicators are like the "operational image" of the CAP, providing vital information. Evaluators use these indicators as a foundation for assessing the CAP. The Commission



and Member States meet regularly to exchange experiences and best practices under both pillars. (European Commission, 2015).

**Figure 20: INDICATOR HIERARCHY**



Source: European Commission (2015).

For the 2014-2020 period, community regulations emphasised the significance of evaluation as an essential analytical and judgment tool in the decision-making process. It was imperative to evaluate the general objectives using shared impact indicators (Bolli et al., 2021). However, the approach for this period was marked by a more comprehensive effort to establish a universal system based on the Common Monitoring and Evaluation System (CMES), which encompassed a wide range of indicators, standardised evaluation inquiries, the evaluation plan, and a list of guidance documents, especially for rural development (European Commission, 2017).

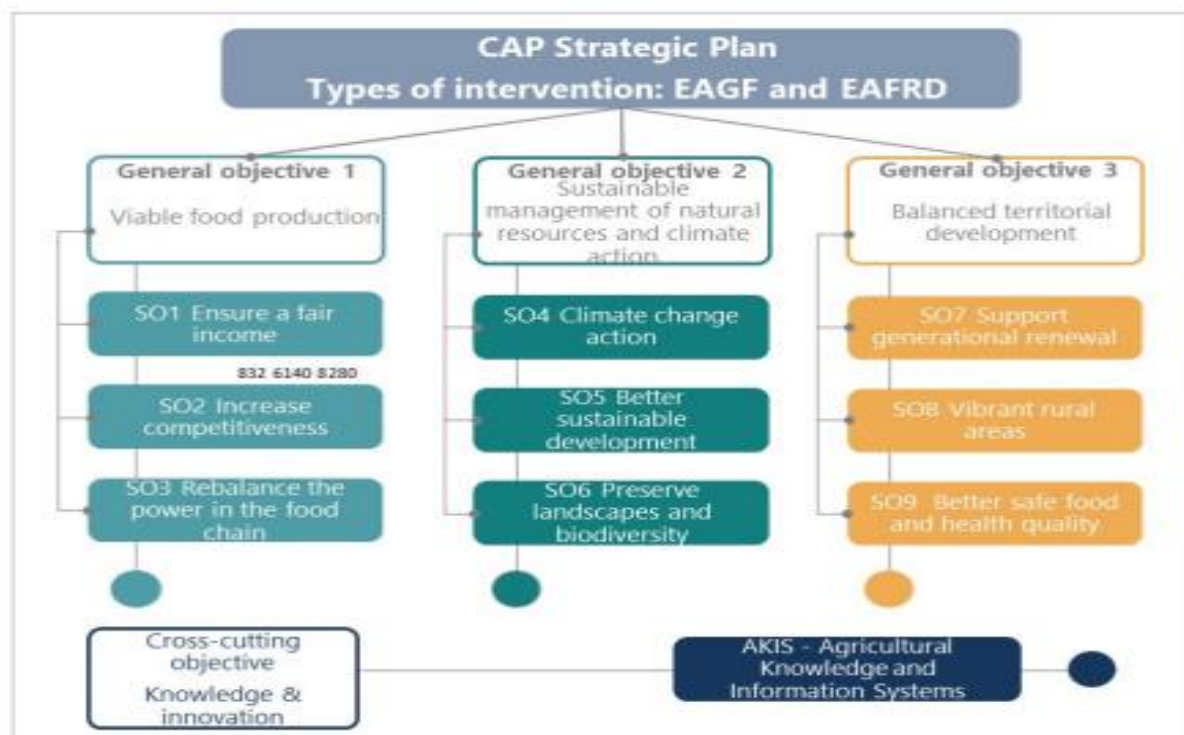
### **3.7.3 The post-CAP indicators 2014-2020**

On 1 June 2018, the EC presented a proposal for a regulation establishing the rules for support for the Strategic Plans (SP) that Member States (MS) must develop within the CAP, which is financed by the European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD). The synergistic approach of the two pillars of the CAP is undoubtedly the first innovation the EC introduces for the current programming period. The EC legislative package consists of three documents:

- (i) a regulation that covers the architecture and rules of National Strategic Plans (NSPs) as well as the types of interventions that MS must implement (European Commission, 2018a).
- (ii) regulation on the Common Organization of the Markets of Agricultural Products (European Commission, 2018b).
- (iii) horizontal regulation on the CAP's financing, management, and monitoring (European Commission, 2018c).

In contrast to the 2014-2020 programming period, significant revisions characterise the European regulation concerning NSPs (National Strategic Plans) (Bolli et al., 2021). This regulation centres around three overarching objectives, nine distinct specific objectives (SO), and an overarching cross-cutting aim related to the modernisation, innovation, and digitalisation of agriculture and rural regions. As shown graphically (Figure 1), for the first time, the two pillars of the CAP work together with a synergistic and complementary approach under a single strategic framework (Carey, 2019).

**Figure 21: THE GENERAL AND SPECIFIC OBJECTIVES OF THE CAP 2023-2027.**



Source: Cagliero et al. (2021).

The new implementation approach outlines the development of a unified National Strategic Plan (NSP) for each Member State, structured around the cooperative execution of various operations encompassing both pillars of the Common Agricultural Policy (CAP). These operations are guided by a set of performance indicators corresponding to different phases of the NSP, all geared toward achieving shared objectives (as shown in Figure 1). This proposal introduces a fresh governance model and redefines the division of responsibilities between the European Union (EU) and the Member States. The guidance on implementing the future CAP has given rise to this innovative approach known as the New Delivery Model (NDM), marking the second significant development. In essence, the focus is shifting from mere compliance to a greater emphasis on achieving results and improved performance, with a stronger focus on common and shared elements, as Mathews (2019) and Cagliero & Licciardo (2020) suggested.

Formulating the National Strategic Plan (NSP) by the Member State should adhere to a comprehensive intervention strategy, following a well-structured planning cycle, commencing with a needs assessment rooted in evidence, as Carey (2019) advocates. This delegation of responsibility to the Member States signifies a significant juncture in reforming the Common Agricultural Policy (CAP), as Erjavec et al. (2018) highlighted. The NSP provides Member States autonomy and increased responsibility in shaping and executing their policies, including region-specific interventions. However, the overarching objectives and lines of action remain defined at the European community level, as Bolli et al. (2021) noted.

A pivotal aspect of the New Delivery Model (NDM) is the mechanism for assessing implementation effectiveness. This mechanism is intended to facilitate the transition from the present compliance-based system to the forthcoming performance-oriented policy framework, aligning with the goal of simplification and greater flexibility, in principle, as put forth by Mathews (2019). This shift towards a results-driven approach necessitates the establishment of a robust Performance Monitoring and Evaluation Framework (PMEF) jointly overseen by Member States and the Commission. The PMEF relies on common indicators to assess and supervise the performance of all the tools within the new CAP, fostering a continuous learning process, as indicated by the European Commission (2018a) and the European Commission (2021). The PMEF furnishes essential elements for tracking the implementation progress towards achieving objectives and targets (performance clearance and performance review) and supporting an ongoing evaluation of the NSP. Furthermore, it encompasses annual reports on the efficacy of PS implementation, also known as yearly performance reports, as Bolli et al. (2021) mentioned.

In alignment with previous practices, the Commission suggests evaluating the CAP's performance concerning the National Strategic Plan (NSP) through shared indicators. In this regard, it can be argued that the Performance Monitoring and Evaluation Framework (PMEF) essentially represents a progression from the Common Monitoring and Evaluation Framework (CMEF) of 2014-2020.

The achievement of the objectives of the new CAP is based on a standard set of indicators, which includes:

- *context indicators*, relating to the starting situation (*baseline*) of the areas subject to intervention and linked to determining any effects or changes. Some of these indicators also constitute the denominator of the result indicators.
- *output indicators*, relating to the implementation of the supported interventions. They constitute the basis for determining the *unit of amount and are connected to the performance clearance* process.
- *result indicators*, relating to specific objectives and used for defining and quantifying intermediate targets (*milestones*). The verification of the achievement of the milestone constitutes the *performance review*.
- *impact indicators*, refer to the general and specific objectives of the evaluation process.

Therefore, in the 2021-2027 programming, the European Commission has foreseen the same evaluation indicators present in the previous programming, which, however, are calculated based on the objectives of the strategic plans of the Member States. The substantial difference is that the new set of indicators is result-oriented (Cagliero et al., 2020).

The transition to a performance-based monitoring model represents a significant innovation involving defining annual forecast values for output and result indicators to gauge implementation progress. Several principles will guide the Performance Monitoring and Evaluation Framework (PMEF):

1. Context indicators will remain crucial, reflecting critical trends in the program area, but a more selective approach with clear definitions is needed.
2. Assessing the overall effectiveness of policy implementation will use impact indicators on a multi-annual basis.
3. The annual evaluation of policy implementation will rely on result indicators.

4. Output indicators will link expenditure to effective policy implementation each year.
5. Utilizing statistical and administrative data can enhance the reliability of implementation performance indicators, provided a system of quality controls is in place.

In contrast to the previous period (2014-2020), there is no requirement for an interim evaluation in the current framework. Instead, evaluation results are reported in enhanced Annual Implementation Reports concerning Rural Development Programs (RDPs) progress. The previous format was rigid and overly focused on presentation homogeneity and comparability, potentially missing program-specific nuances and opportunities for necessary adjustments.

However, the new system is not free from critical issues. With the apparent shift towards a simplified and performance-oriented approach to the CAP, the new PMEF presents a few differences from the previous system. Some examples concern the lack of a joint intervention logic at the EU level or a standard set of evaluation questions. The Commission justified the step backwards on these two elements with the new implementation model of the CAP, based on greater flexibility and subsidiarity for the MS in terms of drawing up the NSPs (Cagliero et al., 2020).

The New Delivery Model (NDM) represents a significant shift in the monitoring and programming approach for the Common Agricultural Policy (CAP). This change involves defining forecast values for output and result indicators annually, aligned with the level of implementation and spending progress (Cagliero et al., 2021b). In contrast, the previous 2014-2020 programming had the Managing Authority set target values for these indicators only at the end of the program, with intermediate values for selected outputs within the performance framework (Cagliero et al., 2021b). While there is some simplification in the output verification process, it remains essential to move in the direction of estimating the yearly progression of results, making the NDM a noteworthy innovation (Cagliero et al., 2021b).

Another relevant element concerns estimating a single value for each result indicator at the plan level, regardless of the governance system that each MS will adopt (Cagliero et al., 2021b). Furthermore, although not all result indicators will be subject to review (Cagliero et al., 2021a), annual values will still have to be programmed.

The new delivery model has a significant impact due to its mechanism, particularly in the planning phase, which emphasises the policymaker's consideration of the timing and pace of

individual interventions (Cagliero et al., 2021b). This emphasis is crucial because most result indicators are closely tied to outputs, such as the relationship between organic hectares (work) and the percentage of organic hectares in the total agricultural area (result) (Cagliero et al., 2021b). In addition to this, several new elements need to be considered:

1. The concept of partial output represents the value of physical production based on financial progress. For example, a project funded at 70% progress contributes 70% toward completion. This concept is essential for estimating annual product indicators and monitoring performance.
2. Financial year as the accounting basis: Monitoring and annual performance reports now follow the financial year, which runs from 16/10/N to 15/10/N+1, rather than the calendar year. This shift should be considered when estimating indicators and analysing spending trends from previous programming years.
3. Role of the certification body: The proposed regulation assigns new tasks to certification bodies, and further clarification is expected through ongoing discussions. Understanding the functions of these bodies is crucial in assessing their impact on information flow and implementation timelines (Cagliero et al., 2021b).

These changes in the new model require a more detailed consideration of timing, accounting, and certification roles for effective implementation.

Since the Rural Development Programmes for the 2000-2006 period, the Italian perspective has strongly criticised the overly systematic approach of various joint monitoring and evaluation frameworks (Cagliero and Cristiano, 2013). Additionally, concerns have been raised about the rigidity of the ex-ante, in-itinere, and ex-post evaluation processes (Bolli et al., 2021). The criticism mainly revolves around the confinement of evaluation to a standardised set of questions that may not always be relevant at the local level. The requirement to populate a fixed set of indicators and adhere to predefined logic is seen as problematic.

Over time, there has been an increasing demand for systematicity in different programming cycles (Bolli et al., 2021). However, the emphasis on standardisation has come at the expense of valuing, reliability, and usability of evaluation results, leading to a worrying trend (Cagliero et al., 2021a). This trend continues in the current programming period, proposing a standardised prescriptive format that prioritises presentation homogeneity and comparability between paths,

neglecting the specificities of programs and the ability to interpret potential changes (Bolli et al., 2021).

Addressing this issue and shifting the focus away from methodological details that may not be genuine problems is crucial (Cagliero et al., 2021b). The effort to provide answers to common questions and conform to the criteria and indicator framework has resulted in formal evaluations with empty or meaningless indicators, leading to a certain level of mistrust in the evaluation processes despite extensive efforts to promote an evaluation culture (Cagliero et al., 2021a).

The question remains: "*But has politics triggered the change it predicted?*" (Bolli et al., 2021). In this regard, the EC indicates that «*Policy making is at the centre of broader approaches by providing a holistic picture to policymakers and focusing on what is relevant for assessing and redesigning policies. In this sense, evaluation is an important policy component*» (European Commission, 2021b).

### **3.7.4 Monitoring and Evaluation of the CAP Strategic Plans 2023-2027 in Italy**

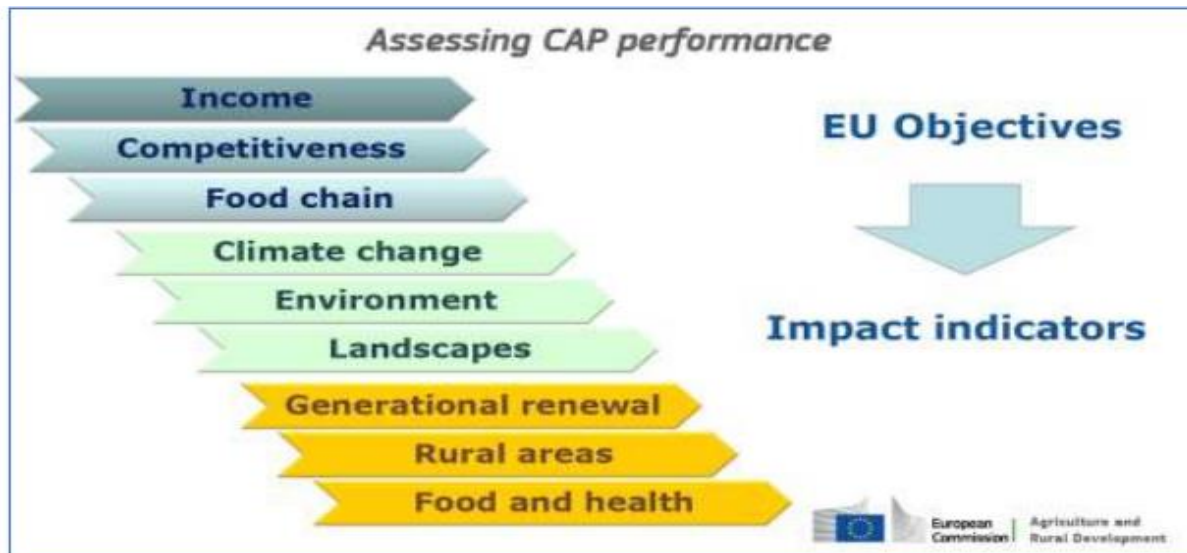
The regulatory recommendations and the new delivery model for the CAP 2023-2027 dictate that adhering to the principle of shared management, MS are accountable for assessing their own CAP DPs (Bolli et al., 2021). They are expected to engage regions in formulating the evaluation plan and overseeing regional initiatives. Meanwhile, the Commission is entrusted with consolidating the EU-level ex-ante evaluation summaries and conducting mid-term and ex-post evaluations at the Union level (Bolli et al., 2021).

Under the responsibility of the MA of the CAP NSP, the following evaluation activities must be carried out:

4. The ex-ante evaluation, which includes the requirements for strategic environmental assessment established in Directive 2001/42/EC, aims to improve the quality of the design of the CAP DPs. The areas of analysis of the ex-ante evaluation are reported in art. 139 of the current Regulation.
5. The evaluation during the implementation period.
6. The ex-post evaluation of the CAP strategic plan's global impact will be implemented by 31.12.2031 (Bolli et al., 2021).

Furthermore, without prejudice to what will be further specified in the EC implementing acts, the evaluation of the CAP NSP must be carried out in terms of effectiveness, efficiency, relevance, coherence, EU-added value, and impact on the contribution they make to the objectives, general and specific to the CAP (Bolli et al., 2021).

**Figure 22: Areas of the NSP evaluation of the CAP**



Source: European Commission (2021).

Hence, the national evaluation throughout the program period can be categorised into thematic segments aligned with various areas of CAP intervention. These segments encompass:

1. Thematic and multilevel evaluations for addressing the strategic and cross-cutting goals of the CAP. This includes the examination of annual performance assessments, which, in continuity with the ex-ante evaluation, guide policymakers in executing the Plans and contribute to accumulating practical evaluation insights to assess the overall impact of the NSP and its role in achieving CAP objectives.
2. Evaluation of all other interventions that fall under the purview of the CAP but are not part of the Plan. This includes specific elements of market organisation and particular schemes related to the interventions outlined in Regulation (EU) No. 1308/2013 (Bolli et al., 2021).



## **CHAPTER 4: Vision of the new policies for rural development**

This chapter describes the new and different policies and strategies recently approved, which could positively or negatively influence the current difficult situation in rural areas and, therefore, marginal rural areas.

The starting document is the communication of the European Commission on the long-term vision of rural areas, with his Rural Pact and Rural Action Plan. These documents highlight the centrality of rural areas in terms of the EU's green and digital transition.

The new CAP, 2023-2027, then is analysed, which is based on nine key objectives that focus attention on aspects such as social, environmental, and economic and, among these, there is the concept of "developing dynamic rural areas", therefore promoting employment, growth, social inclusion, and local development in rural areas, including the bioeconomy and sustainable forestry. Furthermore, the new CAP aims to achieve three environmental objectives linked to rural development: fight climate change, protect natural resources and improve biodiversity through supporting organic farming and responsible management of production factors (e.g., pesticides and fertilisers). Digital transition and ecological transition have become the new keywords involving the rural system and the economy in general.

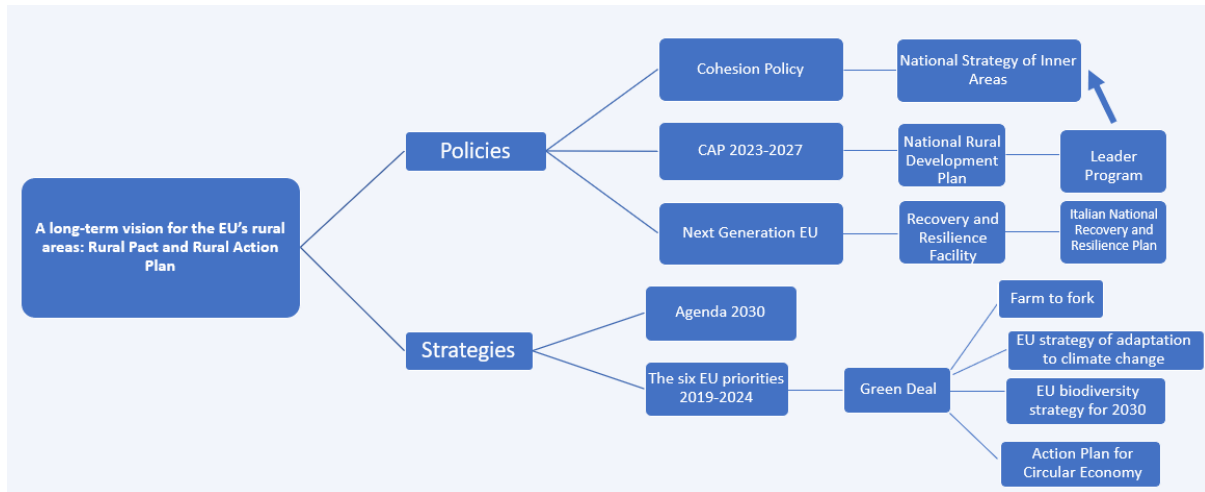
Together with the new CAP, the recent European Green Deal, an essential part of the implementation of the United Nations 2030 Agenda, whose main objective is to make Europe the first continent "to zero climate impact by 2050" (Pupo, 2021), and the From Farm to Fork strategy (its operational tool) focus on the role of the entire food chain in making food systems sustainable. It has an important role in rural development as this strategy rewards operators in the agri-food chains who reduce pesticides in agriculture and/or invest in organic farming.

In the Italian context, among the different ones, an important policy is the National Recovery and Resilience Plan (NRRP), a national application of the Next Generation EU strategy, a program to get out of the pandemic crisis dictated by the Covid-19 to create the foundations for a new and sustainable Europe. The NRRP, with its missions and components, will be able to contribute to rural development as it contributes to the digital and environmental transition process that the new EU policies require, thus reducing the disparities between urban centres and rural areas.

The analysis path that will be followed in this chapter is summarised in the figure below (Figure 23). It is worth specifying that this chapter will present a general presentation of the different

policies and strategies. Only in the next and last chapter will an in-depth analysis be made from the perspective of rural areas and, therefore, marginal rural areas.

**Figure 23: VISION OF THE NEW POLICIES FOR RURAL DEVELOPMENT**



Source: Our elaboration

## **4.1 The long-term vision of rural areas**

On 30 June 2021, the European Commission presented to the European Parliament, the Council, the European Economic and Social Council and the Committee of the Regions a Communication, “*A long-term Vision for the EU's Rural Areas - Towards stronger, connected, resilient and prosperous rural areas by 2040*”. This document identifies areas of action towards stronger, connected, resilient and prosperous rural areas and communities.

President von der Leyen, in July 2019, said in this regard:

*«Our rural areas are the fabric of our society and the heartbeat of our economy. The diversity of landscape, culture and heritage is one of Europe's most defining and remarkable features. They are a core of our identity and economic potential»* (European Commission, 2021a).

In this document, after a brief introduction to the characteristics of rural areas (which we discussed in the second chapter), the opportunities of such territories are specified such as:

1. Digital technology and teleworking: there is renewed attention to rural areas as places of new possibilities for economic and social renewal, eco-living, well-being, and security. This renewed attention to the rural areas is due to the opportunities of the green economy, the new societal demands, the new digital technology, and the expansion of

teleworking (especially after the COVID-19 pandemic) (European Commission, 2021a).

2. Natural resources: are the assets on which to build a sustainable and prosperous future when well-managed; for capturing carbon and air pollutants from the atmosphere, providing ecosystem services, regulating water flows, and preventing soil erosion, it helps to have natural areas and rural landscapes covered by forests. Decent work and livelihoods, ecological systems and biodiversity and climate and risk resilience are safeguarded by sustainable farming and forestry management, which includes economic, social, and environmental sustainability. Improving the quality of produced output is essential in supporting farmers, foresters and rural entrepreneurs because they are the enablers of the transition towards a sustainable and greener society and economy. Thanks to the increased focus on mitigating climate change (which includes renewable energy production), rural areas can combat energy poverty if business models retain value within rural communities and ecosystem services are valued properly (European Commission, 2021a).
3. Bioeconomy: one of the EU's largest sectors and includes forestry, agriculture, fisheries, aquaculture and food, feed, bio-energy and bio-based products (European Commission, 2021a). This sector can help the European Union speed up progress toward the circular and low-carbon economy. It will contribute to strengthening and modernising its food sector and the industrial base of rural areas (European Commission, 2021a). A sustainable bio and circular economy will create new and more diverse value chains (European Commission, 2021a). These chains will be greener while protecting the environment and biodiversity and will be a more cost-effective process (European Commission, 2021a). The bioeconomy of the EU (post-Brexit composition) employed around 17.5 million people and generated €614 billion of value added in 2017 (Ronzon et al., 2020). The bioeconomy can drive innovative business solutions within rural areas and can be supported through SMEs and initiatives such as Startup Villages.
4. Food: new opportunities for the rural economy and farmers can be generated by the evolving consumer demand for healthier and sustainable food, including organic products of better quality. The role of farmers is strengthened, and the development of short supply chains increases their income, the transition towards organic production methods, local processing, and innovative products, in line with the Action Plan for the

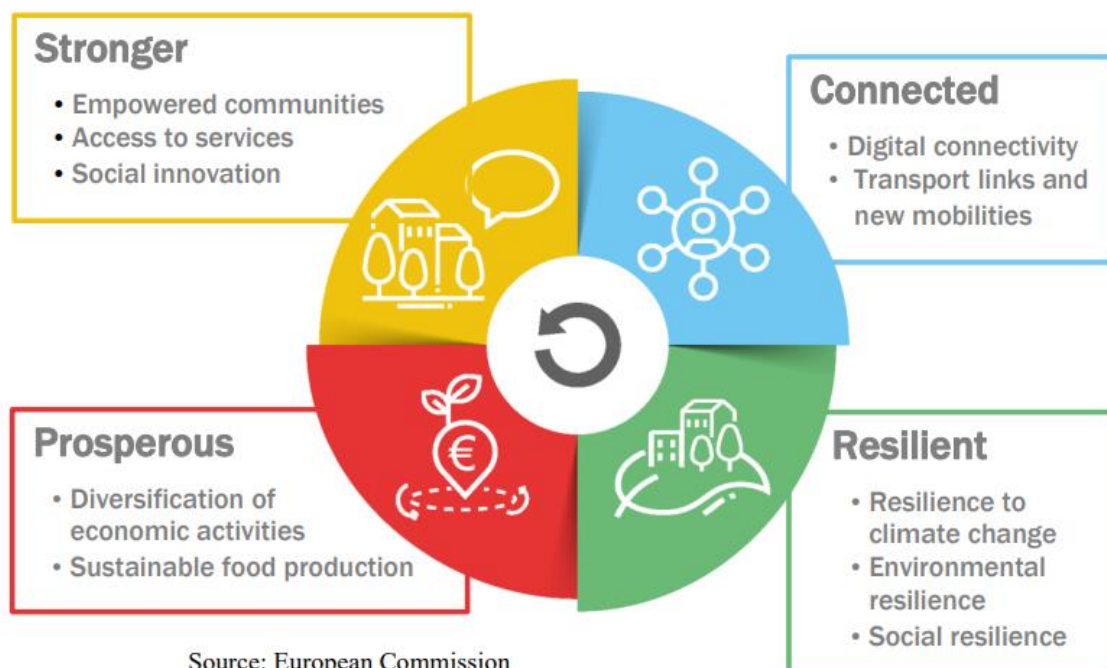
Development of Organic Production and the EU's Farm to Fork Strategy (European Commission, 2021a).

5. Tourism: a more comprehensive offer of quality tourist activities, including the production of local quality products, on-farm activities, the adequate management of landscapes, and sea-land interaction in coastal rural areas, can be a benefit also for sectors like tourism. The Bio-districts are geographical areas where farmers, tourist operators, associations, the public and public authorities enter into an agreement based on organic principles and practices for the sustainable management of local resources. These Bio-districts are a promising concept in this regard, especially in combination with the network of Natura 2000. Attracting young, new male and female farmers, preventing land abandonment, and facilitating land access are essential to account for the needs of medium and small-sized farmers. This should also involve agricultural workers like seasonal workers and those with a migrant background. The management and the development of tourist offers should be supported by making the best use of technology and digital services (European Commission, 2021a).
6. Digital connectivity: in rural areas, it is a key enabler for diversifying economic activities because it will make it easier for start-ups and entrepreneurs to set up and grow their businesses, creating new economic opportunities for the rural areas. High-quality jobs in all sectors will be created in these rural areas thanks to the development of innovative ecosystems (European Commission, 2021a).
7. Quality of life: it also refers to the involvement of local communities in public and social life, as well as in artistic and cultural activities, because they are likely to influence the attractiveness of rural areas (European Commission, 2021a).

The next step of this document was to identify four scenarios, each of which illustrates a possible future for rural areas in 2040, also underlining the interdependencies between rural and urban areas.

The four scenarios are summarised in the following figure:

**Figure 24: MAIN DRIVERS SHAPING THE FUTURE OF RURAL AREAS FOR 2040 AND THE FOUR COMPLEMENTARY ACTION AREAS.**



Source: European Commission (2021a)

*Stronger rural areas.*

The first scenario expresses the concept of '*empowered and vibrant local communities*', understood as:

1. Empowered communities: involving the inhabitants of rural territories by making them an active part of decisions to develop tailor-made, territory-based and integrated political solutions and investments. Be active in consultations of rural constituencies or online voting, particularly remote and remote rural areas, which are more attractive by involving people in decisions about their future (European Commission, 2021a).
2. Access to service: the situation varies between Member States, but the population of several of the EU's rural areas is growing older and shrinking, which means that there could be pressure on providing private and especially public services. The key is to ensure that rural areas are attractive places to work and live (European Commission, 2021a).
3. Social innovation: *access to essential services of good quality, including water, sanitation, energy, transport, financial services and digital communications*”<sup>26</sup> must be

<sup>26</sup> Action Plan Principle 20 – The European Pillar of Rights.

guaranteed for all. Some innovative solutions for the provisions of these essential services should be developed, encouraging social innovation and making the best of the possibilities offered by digital tools. (European Commission, 2021a).

### *Connected rural areas.*

The second scenario expresses the concept of '*well connected*' rural areas, understood as:

1. Digital connectivity: Developing digital infrastructure in rural areas is crucial for several reasons:
  - Economic Development: Digital infrastructure enables rural areas to participate in the digital economy. This means access to e-commerce, online education, and remote work opportunities, which can stimulate economic growth.
  - Attractiveness: With digital capabilities, rural areas have become more attractive places to live and do business. High-speed internet, for example, is a key factor for individuals and companies considering relocating to rural areas.
  - Improved Services: Digital technologies allow for the delivery of better and more efficient services. For instance, multi-modal intelligent transport systems can enhance transportation options, and smart energy and lighting solutions can reduce energy costs and environmental impact.
  - Safety and Emergency Response: Digital infrastructure supports rapid emergency assistance. With real-time communication and data sharing, first responders can react more swiftly and effectively in case of accidents or disasters.
  - Waste Management: Targeted waste management solutions powered by digital technology can optimize collection routes, reduce costs, and minimize environmental impact through data analysis and predictive maintenance.
  - Resource Optimization: Digital technologies enable resource allocation optimisation in rural areas. This can be particularly important in agriculture, where precision farming and IoT sensors can improve crop yields while conserving resources like water and fertilizers.
  - Quality of Life: Overall, these digital services can enhance the quality of life in rural areas by improving access to healthcare, education, and entertainment, reducing energy bills, and making transportation more efficient.

2. Transport links and new mobilities: Improved transport infrastructure means enhanced accessibility and connectivity for rural areas, which is vital for their socio-economic development. Strong transport links can bring investment and tourism, making the region more attractive for businesses and residents. Strengthening transport links and promoting new mobility solutions in rural areas is a multifaceted strategy with vast potential. It not only boosts the economy and connectivity of the rural areas themselves but also has ripple effects on urban centers, the environment, and the broader national and regional infrastructure.

### *Resilient rural areas*

Rural areas can and should play a central role in the European Green Deal. It is no coincidence that the third scenario expresses the concept of rural areas as '*resilient to climate change, natural hazard and economic crises*', understood as:

1. Resilient to climate change: rural areas, as “guardians of ecosystems and champions of carbon-neutral initiatives”, are pivotal in addressing climate change and advancing both the bio and circular economies. These areas ought to emphasize sustainable agricultural practices, responsible forestry, agri-centric commerce, and a broad spectrum of eco-friendly endeavors. This includes advocating for carbon farming and fostering community-driven, top-tier production (European Commission, 2021a).
2. Environmental resilience: to improve rural areas, environmental resilience mandates that various sustainable endeavors coexist harmoniously. While family farming ventures should be balanced with other economic pursuits, it's vital to maintain the distinct independence of each economic sector through thoughtful land management and designated zoning. Additionally, agriculture must be practiced with a keen awareness of its implications on aquatic and marine habitats (European Commission, 2021a).
3. Social resilience: the empowerment of rural areas hinges on harnessing the diverse skills and backgrounds within our communities. Comprehensive retraining and upskilling should be accessible to all, ensuring quality job prospects for everyone. Representation in decision-making processes at every governance level is essential, from local to national. Issues like gender inequality, biases, and violence need addressing. Special focus is required for youth, older people, individuals with

disabilities, children, LGBTQI+ individuals, migrants, and the Roma community, ensuring they have full access to fundamental amenities, encompassing social, educational, and health services (European Commission, 2021a).

### *Prosperous rural areas*

In the last scenario, we talk about two concepts in particular:

1. **Diversification of economic activities:** Economic activities should be broadened and rooted in eco-friendly local strategies that enhance the environment's appeal for businesses. To achieve this diversification, communities should have access to both digital and blended learning opportunities to foster new skills and encourage entrepreneurial thinking. Instead of consolidating, fostering better connections among small enterprises can be beneficial. This approach helps prevent shifting control and profits out of rural areas
2. **Sustainable food production:** Promoting sustainable food production and establishing concise supply chains can enhance local economies. Utilizing labels that highlight the distinctiveness and quality of local and traditional food items can be beneficial. Organized groups of producers can boost the appeal of their products and regions via promotional efforts. Such initiatives meet the growing preference for locally sourced items and bolster the sustainability and self-reliance of Europe's food production (European Commission, 2021a).

All these scenarios with their key concepts can be summarised in 10 objectives for 2040:

1. *Attractive spaces, developed in harmonious territorial development*, realizing their unique potential and transforming them into hubs of opportunity that offer localized solutions to combat the localized impacts of global challenges.
2. *Engaged in multi-level and place-based governance*, develop comprehensive strategies that use cooperative and participatory methods, capitalizing on custom-tailored policy blends and the interdependence between urban and rural areas.
3. *Providers of food security, economic opportunities, goods, and services for wider society*, including bio-based materials, renewable energy, and the promotion of local, community-based, high-quality products while ensuring an equitable distribution of generated value.



4. *Dynamic communities focusing on well-being*, including livelihoods, fairness, prosperity, and quality of life. These communities should be places where all individuals live and work harmoniously, with the capacity for mutual support.
5. *Inclusive communities* of inter-generational solidarity, fairness, and renewal. They should be open to newcomers and actively promote equal opportunities for all.
6. *Flourishing sources of nature* that align with and contribute to the goals of the Green Deal, encompassing climate neutrality and the sustainable management of natural assets.
7. *Fully benefiting from digital innovation* ensures universal access to emerging technologies, widespread digital literacy, and opportunities for acquiring advanced skills.
8. *Entrepreneurial, innovative, and skilled* people who co-create to advance technological, ecological, and societal progress.
9. *Lively places equipped with efficient, accessible, and affordable public and private services, including cross-border services*. These services should be tailored to address specific needs, such as transportation, education, training, health and care, social life, and retail businesses.
10. *Place of diversity*, making the most of their unique assets, talents and potential (European Commission, 2021a).

Beyond the multitude of distinctions within rural regions, which offer advantages for effective adjustment, these aspirations underscore a shared foundation and potential contributions from the European Union. Consequently, they are put forth as collective aims to support an enduring vision for the EU's rural areas.

This document, in addition to discussing what is described above, also consists of two sections that introduce the Rural Pact and the Rural Action Plan, which will help achieve the objectives of this vision. These sections will be analyzed in the following paragraphs.

#### **4.1.1 Rural Pact**

The Rural Pact, which constitutes a central element of the Action Plan, which we will discuss in the next paragraph, is a framework for cooperation between EU, national and regional politicians, local authorities, and social and economic actors and contributes to achieving the shared objectives in the Vision. In this way, stakeholders are directly involved in the approval

of Vision's objectives and in the debate on how to achieve them. The Rural Pact also aims to support better access to finance and help ensure that the specific needs of different rural areas are met.

The aim is to make all levels of governance interact with the various stakeholders, therefore:

- Public authorities
- Civil society organisations
- Businesses
- Citizens
- Academic and research and innovation organisations.

The Commission acts as a facilitator of the Compact so that it becomes a “successful framework” as defined in the Vision. In support, an office has been created, the Rural Pact Support Office (RPSO), which coordinates and implements the networking activities of the Rural Pact and its community with the ambition to achieve the Rural Pact objectives and the Long-term vision for EU's rural areas. Furthermore, the Rural Pact coordination group was established, an informal group representative of the participants in the pact to develop it further and steer its process.

The European Commission created the Rural Pact by establishing the Rural Pact community in December 2021. This community welcomed participation from all European institutions, national and local authorities, stakeholder organizations, and citizens from the 27 Member States, encouraging them to deliberate on this compact. In addition to this, the European Commission conducted brainstorming and coordination efforts in collaboration with key entities such as the European Committee of the Regions, the European Economic and Social Committee, the European Parliament, the French Presidency of the Council of the EU, as well as the leading stakeholder organizations associated with the European Rural Parliament movement and the ENRD Contact Point (EC, 2022).

The Commission sought feedback from the Rural Pact community regarding the initial proposal via a survey conducted between 16th and 31st May 2022. A webinar was organized for European stakeholder groups from the Civil Dialogue Group on Rural Development and the Common Provisions Regulatory Group on 20th May 2022<sup>27</sup>.

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<sup>27</sup> <https://ruralpact.rural-vision.europa.eu>

According to this proposal, the objectives of the Rural Pact can be summarised as follows:

1. Amplifying rural voices and bringing them higher on the political agenda.
2. Structuring and enabling networking, collaboration & mutual learning.
3. Encouraging and monitoring voluntary commitments to act for the vision<sup>28</sup>.

The ultimate version of the proposal received final approval during the Rural Pact conference held in Brussels on 15th and 16th June 2022. The community deliberated on how to translate the vision into practical measures. This conference, which attracted over 450 participants, commenced with a morning session dedicated to pre-events. During these pre-events, insights were gathered from diverse governance levels and stakeholders. The European Commission's actions within the Rural Action Plan framework were also reviewed. The conference then moved into plenary sessions to explore ways to enhance governance across various tiers and consider the Rural Pact proposal<sup>29</sup>.

The second day of the conference was centered on pinpointing specific actions related to the nine themes of the rural action plan. It also involved outlining the upcoming phases of the Pact.

The purpose of the Rural Compact conference was to assemble delegates from EU institutions, coupled with national, regional, and local bodies and stakeholder groups, all aiming to contribute to the collective goals of the vision (EC, 2022). Guest speakers showcased examples, research results, and best practices to spark initiatives to create more robust, interconnected, and resilient strategies for thriving rural regions by 2040 (EC, 2022).

At the June 2022 Conference, attendees actively contributed to the governance strategy of the Rural Pact. They were also encouraged to prioritize rural interests and broader local development initiatives in their policy-making. One of the primary objectives of the conference was to review and ratify the Rural Pact's proposal, strategize its structure and forthcoming stages, and streamline the dialogue between institutions (EC, 2022). This was in conjunction with mapping out the various 2022 networking events and initiatives that further the rural vision and support the Rural Pact.

This collaborative effort led to the participants' introduction of over 40 commitments, targeting specific challenges rural communities face (EC, 2022). These commitments were crafted to

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<sup>28</sup> <https://ruralpact.rural-vision.europa.eu>.

<sup>29</sup> Id.

secure a promising future for these regions. The suggestions made during the conference were comprehensive, visionary, and progressive. They encompassed nine key areas: climate change and environment; health; robust economy, social justice, and employment; EU's global stance; values, rights, rule of law, and safety; digital evolution; European democratic principles; migration; and the realms of education, culture, youth, and sports (EC, 2022). Naturally, there were intersections between some of these proposed initiatives.

The proposals aim to stimulate the simplification of people's daily lives, both in rural and urban areas, with interventions ranging from access to healthcare, education and affordable housing to feeling safe within those schools and homes. The proposals made the call on Europe to be more active, “more independent and better able to provide for itself in vital sectors from energy and sustainable food, materials and medicines, digital chips and green technologies, cybersecurity, security, and defense while addressing the most significant problems of our generation: from pandemics and war to double green and digital transitions or demographic change.

In Italy, the National Rural Network has invited all stakeholders of agricultural and rural communities to participate in the "Italy - Rural Pact" consultation, sending a contribution and reporting innovative and exemplary projects that can represent good practices adopted in Italy, according to the development of two forms aimed respectively, the first, at businesses, companies and societies, the second at public bodies, national/collective associations, Local Action Groups (LAGs), Operational Groups (GOs) of the PEI, networks, etc. The same Network then created a dossier for the European Commission, “Contributions and innovative projects – Italy”, summarising the reports received, which were 48 divided as follows:

- n. 32 from public bodies, national associations, collective associations, LAGs, GOs, networks, etc.
- n. 16 from private entities, such as businesses, companies, and societies<sup>30</sup>.

Additionally, on 3-4 May 2023, the Swedish government facilitated a Conference to exchange insights on championing rural regions within the scope of the Rural Pact<sup>31</sup>.

The Rural Pact Support Office hosted another pivotal gathering, the Policy Action Lab, on 29 June 2023 in Brussels. This event marked the inauguration of the rural revitalization platform.

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<sup>30</sup> <https://www.reterurale.it/flex/cm/pages/ServeBLOB.php/L/IT/IDPagina/24536>

<sup>31</sup> <https://ruralpact.rural-vision.europa.eu>.

It also served as a platform to expand on existing efforts and delve into strategies and policies that can promote growth in rural areas grappling with population decline<sup>32</sup>.

A very recent event was the High Rural Policy Forum “Shaping the Future of Rural Areas”, organized by the Spanish presidency of the Council of the European Union and the European Commission with the Rural Pact Support Office on 27-29 September 2023 in Sigüenza (Guadalajara), Spain. The forum presented a pivotal platform for key political figures to propel the political roadmap for the future of rural domains, enrich discussions within the Council of the EU, and assist Member States in leveraging rural regions to fulfill the LTVRA goals<sup>33</sup>. The event further paved the way for harmonization between various policy tools and approaches. Drawing in 200 participants, the forum primarily catered to policymakers and public officials from all 27 Member States involved in managing EU funds, especially those linked to the EU's agricultural and cohesion policies. Additionally, the event welcomed contributions from EU networks, initiatives, regional and local bodies, stakeholder entities, civil society groups, and academic institutions focused on the policy sectors addressed during the forum, ensuring a well-rounded representation of nations at the gathering<sup>34</sup>.

#### **4.1.2 Rural Action Plan**

As mentioned, to accompany the Vision and the concept of the Rural Pact, we find the Rural Action Plan, which is an action plan articulated around flagship initiatives. Various EU strategies are already in place to tackle rural challenges and prospects, fostering a balanced, fair, green, and innovative evolution of rural areas.

The Rural Action Plan:

- 1. foster territorial cohesion and create new opportunities to attract innovative businesses.*
- 2. provide access to quality jobs.*
- 3. promote new and improved skills.*
- 4. ensure better infrastructure and services.*

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<sup>32</sup> Id.

<sup>33</sup> [https://ec.europa.eu/regional\\_policy](https://ec.europa.eu/regional_policy).

<sup>34</sup> Id.

5. *leverage the role of sustainable agriculture and diversified economic activities*<sup>35</sup>.

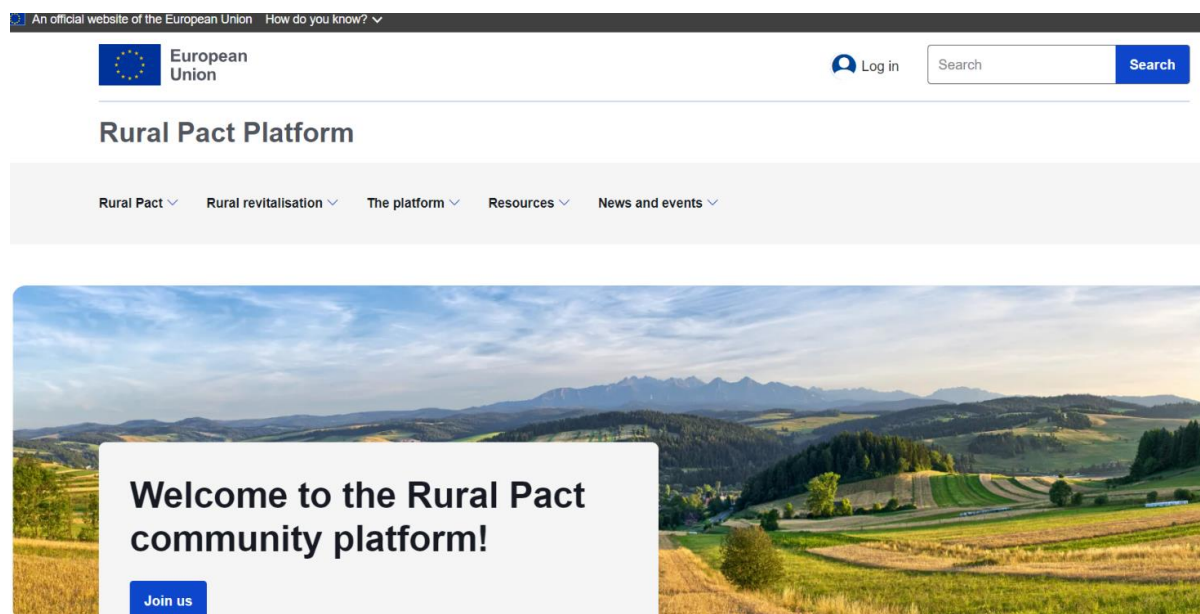
The thematic section is based on four action categories and revolves around nine flagship initiatives and fifteen supportive actions.

Each initiative amalgamates various EU policy sectors, driving the overarching vision and mutual objectives. Six overarching actions further complement the plan.

*Stronger rural areas.*

The first flagship is “*Revitalizing rural areas most affected by population loss*”. A platform dedicated to rural revitalization has been established, serving as a central hub for rural communities, project organizers, and local governing bodies to connect, disseminate information, and share inspirational practices and resources<sup>36</sup>. This platform mainly focuses on rural areas grappling with population decline, an aging populace, and limited economic prospects.

**Figure 25: RURAL PACT PLATFORM**



Source: [https://ruralpact.rural-vision.europa.eu/index\\_en](https://ruralpact.rural-vision.europa.eu/index_en)

<sup>35</sup> <https://ruralpact.rural-vision.europa.eu>.

<sup>36</sup> <https://ruralpact.rural-vision.europa.eu>.

The rural revitalization platform consolidates resources and information beneficial for rural areas grappling with population dwindling, aging, and demographic challenges. It caters to those involved in enhancing these regions at national, regional, and local tiers, notably local action teams, national rural and CAP networks, and key stakeholder groups. These entities are instrumental in disseminating, adapting, and making European-level insights and experiences relevant to local participants from various countries, regions, and villages<sup>37</sup>.

Rural revitalization is one of the two primary areas of interest within the Rural Pact community platform. It fosters cooperative engagement for all Rural Pact community members, regardless of the specific rural areas they advocate for.

From December 2021 to June 2022, the European Network for Rural Development orchestrated a thematic group dedicated to rural revitalization. Their objectives were to:

- *identify the enabling factors of rural revitalisation.*
- *build a self-assessment tool to design policies for rural revitalisation.*
- *make recommendations on how to structure the platform*<sup>38</sup>.

Furthermore, the platform incorporates the learnings from other endeavors, including smart village initiatives, European territorial collaborations, and Territorial agenda pilot projects.

The second flagship is “*Creating a stronger innovation ecosystem for rural areas*”. The research and innovation beacon for rural communities is pivotal in propelling knowledge and fostering a conducive atmosphere for innovation within these areas. It unites public and private stakeholders to ensure rural communities flourish, becoming enticing hubs for innovators to reside and operate. This flagship:

1. *invests in dedicated rural research and innovation projects under Horizon Europe*
2. *connects rural innovators through:*
  - *the Agriculture European innovation partnership, addressing priority farmers and foresters and related industries and value chains but now extending to rural areas more broadly under the new CAP,*

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<sup>37</sup> Id.

<sup>38</sup> <https://rural-vision.europa.eu/>.

- *a new European forum for startup villages, facilitating startup-driven innovation in rural areas*<sup>39</sup>.

### *Connected rural areas.*

The first flagship is “*Enhanced Networking for LEADER and Smart Villages*”. Enhancing current transport links is vital for rural regions. Pursuing this, refining sustainable multi-faceted mobility approaches and networks is essential, leveraging digital advancements.

Drawing from its expertise in managing urban mobility systems, the Commission backs the SMARTA 3 project. This initiative seeks to establish a network of rural municipalities that collaborate to pinpoint effective mobility strategies, building on the momentum of its two successful predecessor projects<sup>40</sup>.

Furthermore, the Commission is launching a novel initiative to bolster the evolution of digital multimodal mobility services. These offerings will streamline the accessibility of information, transactions, and reservations for all available mobility options within a given area<sup>41</sup>.

The second flagship is “*Rural Digital Futures*”. Its main goals for advancing the digital evolution of rural areas include:

1. *Seeking to improve digital connectivity*: To diminish the digital divide between rural and urban zones, ensuring widespread, cost-effective access to swift connectivity. This involves tapping into private-sector investments supplemented by national and EU fund allocations.
2. *Supporting the development of digital technology*: Embracing digital innovation and cutting-edge technologies is vital for rural progression, with significant funding from Horizon Europe and the Digital Europe Program.
3. *Promote improving digital skills and entrepreneurship*. The European Social Fund, the European Agricultural Fund for Rural Development, and other European schemes play a pivotal role in uplifting digital skills and entrepreneurial endeavors to leverage the digital shift.

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<sup>39</sup> Id.

<sup>40</sup> <https://rural-vision.europa.eu/>

<sup>41</sup> Id.



4. Provide a “Rural in digital” index. It will gauge progress towards the objectives set for the digital decade, focusing on bridging the digital disparity between urban and rural environments<sup>42</sup>.

#### *Prosperous rural areas*

The first flagship is “*Supporting entrepreneurship and the social economy in Rural Areas*”. The Social Economy Action Plan (SEAP), adopted in December 2021, encompasses specific strategies for rural areas, such as:

- *Supporting Member States and stakeholders* to boost the social economy and social innovation in rural areas through the future EU network for the Common Agricultural Policy.
- *Expanding the European Social Economy Regions network* to reinforce new regional and local partnerships to boost digital and green transitions in territories.
- *Enhancing networking between rural businesses through the*, as well as through calls for inter-regional cooperation through the European Social Economy Missions<sup>43</sup>.

The Commission launched on 14 October 2022 a Transition Pathway for the 'Proximity and Social Economy' that sets a clear agenda for accelerating the green and digital transition of social economy companies and organisations in the decade to come. Stakeholders are invited to propose pledges to commit.

On 30 November 2022, the EU CAP network organized the workshop on “*Young entrepreneurs - Engines of innovation in rural areas*”, where practices funded by EU programs spotlighted leadership narratives from grassroots communities and innovative minds within rural settings.

#### *Resilient rural areas*

The first flagship is “*Addressing climate change in peatland areas through carbon farming*”, which contributes to building up carbon sinks by investing in rewetting wetlands and peatlands. It will offer great potential in terms of climate benefits.

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<sup>42</sup> Id.

<sup>43</sup> <https://rural-vision.europa.eu/>.

The Communication on Sustainable Carbon Cycles, adopted on 15 December 2021, aims to:

1. *reduce our reliance on carbon.*
2. *recycle carbon from waste streams.*
3. *upscale carbon removal solutions that capture CO<sub>2</sub> from the atmosphere and store it for the long term*<sup>44</sup>.

The second flagship is “*A soil deal for Europe*”, which contributes to tackling soil challenges in rural and urban settings, fostering urban-rural linkages.

This Mission, launched on 29 September 2021, is implemented through concrete research and innovation projects funded under Horizon Europe, living labs and lighthouses, the advancement of soil monitoring, and greater societal engagement.

The third flagship is “*Promoting social resilience and women in rural areas*”. This flagship includes actions to improve rural women's entrepreneurship, participation in decision-making and investment in work-life balance services, including the European care strategy, dedicated networking activities and research and innovation actions.

The Commission adopted on 7 September 2022 the European Care Strategy, which:

- *acknowledges the specific challenges rural areas are facing.*
- *commits to improving evidence on care provision in rural areas.*
- *proposes a framework for policy reforms to help close the gender employment gap, increase women's empowerment, and contribute towards gender equality, including by revising the Barcelona targets.*
- *commits to support Member States through the EU Common Agricultural Policy Network (EU CAP Network)*<sup>45</sup>.

The EU CAP network organized on 15-16 November 2022 the workshop “*Advancing gender equality in rural areas in the EU*”, which allowed institutions and practitioners to share data and exchange experience on three key areas:

- *entrepreneurship*

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<sup>44</sup> Id.

<sup>45</sup> Id.

- *participation in decision-making*
- *provision of services in rural areas*<sup>46</sup>.

The EU CAP Network has released a Policy Insight series issue focused on amplifying the recognition of women's achievements within agri-food value chains and rural development<sup>47</sup>.

The Commission also funds projects on women-led innovation in rural areas under the flagship on research and innovation for rural areas, such as:

- *FLIARA - Female-led innovation in agriculture and rural areas*
- *SWIFT - Supporting Women-led Innovations in Farming and rural Territories*
- *GRASS CEILING - Gender equality in rural and agricultural innovation systems*<sup>48</sup>.

## **4.2 Policies**

Once the presentation of what is one of the most important documents presented by the European Commission in terms of rural development has been carried out, it is a good idea to move on to describing the policies which, directly and/or indirectly, concern rural areas and therefore the marginal rural areas.

### **4.2.1 Cohesion Policy**

Article 174 (ex Article 158 TEC) of the Treaty on the Functioning of the European Union (TFEU) states that:

*“To promote its overall harmonious development, the Union shall develop and pursue its actions leading to the strengthening of its economic, social and territorial cohesion.*

*In particular, the Union shall aim at reducing disparities between the levels of development of the various regions and the backwardness of the least favoured regions.*

*Among the regions concerned, particular attention shall be paid to rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or*

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<sup>46</sup> Id.

<sup>47</sup> Id.

<sup>48</sup> Id.

*demographic handicaps such as the northernmost regions with very low population density and island, cross-border and mountain regions*<sup>49</sup>.

The EU use the Cohesion policy to support this, the basis of European solidarity.

Cohesion policy offers dedicated resources and investment instruments to regions to tackle particular challenges:

- Border regions and cross-border cooperation (Interreg)
- Urban areas
- Remote, islands, mountainous or sparsely populated areas
- Outermost regions<sup>50</sup>.

Cohesion policy funding primarily focuses on the EU's less developed countries and regions. The goal is to bridge the existing economic, social, and territorial gaps within the EU, for example with Just Transition Fund (to alleviates the socioeconomic costs triggered by the climate transition) or REACT-EU (that address the effects of the coronavirus pandemic on the economic situation of EU)<sup>51</sup>.

The Commission has streamlined its approach for the upcoming long-term EU budget spanning 2021-2027. Instead of the previous 11 thematic objectives from the 2014-2020 phase, it now proposes 5 key policy objectives aimed at shaping a competitive and forward-looking Europe:

1. *a more competitive and smarter Europe*, by fostering innovative economic transformations
2. *a greener, low carbon transitioning towards a net zero carbon economy*, emphasizing clean energy, green and blue initiatives, circular economy, climate change adaptation, and risk management
3. *a more connected Europe by enhancing mobility*, prioritizing regional mobility and connectivity

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<sup>49</sup> Consolidated version of the Treaty on the Functioning of the European Union - PART THREE: UNION POLICIES AND INTERNAL ACTIONS - TITLE XVIII: ECONOMIC, SOCIAL AND TERRITORIAL COHESION - Article 174 (ex Article 158 TEC) Art. 174 (ex Article 158 TEC) TFUE.

<sup>50</sup>The European Union (EU) counts nine outermost regions, which are geographically very distant from the European continent: French Guiana, Guadeloupe, Martinique, Mayotte, Reunion Island and Saint-Martin (France), Azores, Madeira (Portugal), The Canary Islands (Spain) (<https://ec.europa.eu/>).

<sup>51</sup> [https://ec.europa.eu/regional\\_policy](https://ec.europa.eu/regional_policy)

4. *a more social and inclusive Europe*, realized through the European Pillar of Social Rights

5. *a Europe closer to citizens*, emphasizing sustainable development across all territorial types<sup>52</sup>.

The regulatory package for the 2021-2027 cohesion policy programming entered into force on 1 July 2021.

These regulations steer the structural and investment funds to over EUR 330 billion (valued in 2018), representing nearly one-third of the EU's extended budget<sup>53</sup>.

In comparison to the prior programming, the current one introduces:

- *Policy objectives*: The EU cohesion policy now emphasizes a concise set of five policy objectives tailored for a competitive, future-oriented Europe.
- *Climate targets*: prioritized climate and environmental objectives, set minimum targets for funds, and a mechanism to adapt to climate shifts.
- *Greater empowerment*: Local, urban, and territorial entities have enhanced fund management roles.
- *Simplification*: The current cohesion policy offers a unified set of guidelines across its eight funds, reducing the need for supplementary legislation. This entails notably:
  - *Lighter and more frequent reporting*.
  - *Lighter controls for programs*
  - *Faster delivery*
  - *End of Commission approval for significant projects*.
  - *No more designation of management and control bodies*.
- *Creating conditions for success*: Clear and consolidated prerequisites are consistent throughout the entire programming duration.
- *Flexible programming*: This aligns with evolving challenges and needs, with fund allocation flexibility post the mid-term socio-economic review.

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<sup>52</sup> Id.

<sup>53</sup> Id.

- *Reinforced visibility and communication provisions*: This includes stipulations for beneficiaries and operations of strategic relevance<sup>54</sup>.

The Partnership Agreement, endorsed between Italy and the European Commission, received the green light with the Implementing Decision C (2022) 4787 final on 15 July 2022<sup>55</sup>. This was in the presence of the Minister for the South and Cohesion, Mara Carfagna, and the European Commissioner for Cohesion and Reforms, Elisa Ferreira. For the 2021-2027 programming phase, Italy has been allocated €75.3 billion from the Structural and Investment Funds, encompassing European and national co-funding.

The Agreement defines the strategy and priorities on the 5 strategic objectives, as well as the methods of effective and efficient use of the structural funds, indicating the total financial allocation for each fund, by category of region, for the entire programming period and by year. The Asylum, Migration and Integration Fund, the Internal Security Fund and the Border and Visa Control Instrument are not covered by the AdP. At the same time, the amounts relating to the European Territorial Cooperation programs are not included in the distribution of ERDF resources indicated in the AdP.

The resources arriving from Brussels amount to 43.1 billion euros, including the shares allocated to the Just Transition Fund (JTF) and to the European Territorial Cooperation (CTE). This is the largest amount compared to previous cycles. The Regions' share is close to 48 billion euros.

The new cycle will see some changes in the classification of individual regions. In fact, not only Abruzzo, which is confirmed in this category, but also Umbria and Marche (previously among the "most developed" ones) are considered "in transition". The "less developed" regions are those remaining in the South (Campania, Molise, Puglia, Basilicata, Calabria, Sicily and Sardinia), while the "most developed" include those in the Centre-North, with the exclusion of Umbria and Marche.

Cohesion policy is financed by resources from national and European sources.

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<sup>54</sup> Id.

<sup>55</sup> DECISIONE DI ESECUZIONE DELLA COMMISSIONE del 15.7.2022 che approva l'accordo di partenariato con la Repubblica italiana CCI 2021IT16FFPA001.

#### 4.2.1.1 National Strategy of Inner Areas (SNAI)

The National Strategy for Internal Areas (SNAI) is an part of the Cohesion Policy and acts as an Italian adaptation of European cohesion policy. Its primary purpose is to address the challenges of marginalization and demographic decline prevalent in Italy's internal areas.

This strategy defines internal areas as *«those areas significantly distant from the centers offering essential services (education, health and mobility), rich in important environmental and cultural resources and highly diversified by nature and as a result of centuries-old anthropization processes. It lives in these areas represent approximately a quarter of the Italian population, in a portion of the territory that exceeds sixty percent of the total, and which is organized into over four thousand municipalities»* (Barca et al., 2014; Dipartimento per lo Sviluppo e la Coesione. 2013).

Also, in the SNAI documents the characteristics of the internal areas of the country are analysed *«present a: rich climatic and natural biodiversity which has in turn favored the diffusion and survival of extraordinarily different agricultural products, which arrived in Italy through successive, centuries-old waves. This double diversity, first natural and then the result of human action, is mixed in individual places with the diversity of languages, cultures and traditions, favored by the separation between places. In a historical phase in which, in the presence of a new wave of globalisation, the diversity of places and polycentrism take on a growing role in aspirations of people and as an opportunity for development, Italy is particularly well positioned: polycentrism must not be pursued – but maintained»* (Barca, et al. 2014).

The Strategy is a pioneering initiative, elevating the concerns of vulnerable regions to the forefront of national discussions and devising policies that seamlessly integrate rural and local development measures within a framework of multi-tiered territorial governance. Rather than adopting a one-size-fits-all approach, the Strategy employs a place-based method, curating unique solutions for individual territories. The primary objective of the Strategy, as stated in the document "National Strategy for Internal Areas: definition, objectives, tools and governance" (Dipartimento per lo Sviluppo e la Coesione. 2013), is to counteract declining populations and birth rates. This is achieved by focusing on environmental conservation, safeguarding residents, promoting regional cultural and natural diversity, and revitalizing the job market by tapping underutilized resources (Barca, et al. 2014). The classification and methods of mapping the territories were described in the second chapter.

The areas selected by SNAI are 72, including 1077 municipalities with approximately 2,072,718 inhabitants.

**Figure 26: THE 72 SELECTED PROJECT AREAS**



Source: Internal Areas Technical Committee (2019).

In the 2021-2027 programming period, SNAI continues its mission as outlined in Italy's Partnership Agreement. It introduces 56 new internal regions while retaining 67 of the 72 identified during the 2014-2020 cycle.

The Department for Cohesion Policies selected these new target areas based on recommendations from the Regions. The selection prioritized more isolated and remote municipalities, factoring in various demographic, economic, social, and environmental indicators showcased heightened challenges compared to other regional sectors. For a detailed understanding of the 2021-2027 internal area mapping, refer to the Department for Cohesion Policies' document titled "Criteria for selecting the new Internal Areas to be supported in the 2021-2027 cycle" from January 2022.

The selection process of the new Internal Areas concluded in 2022. 43 new internal areas were admitted to SNAI National co-financing 2021-2027, to which are added 13 coalitions qualified as internal areas with non-national financing, for a total of 56 new areas.

67 of the 72 SNAI areas 2014-2020 were also confirmed, some of which with a new perimeter.

Overall, therefore, the SNAI 2021-2027 concerns 124 project areas , involving 1,904 municipalities, in which 4,570,731 inhabitants live, of which:



- 56 new Areas 2021-2027, which overall involve 764 Municipalities (data as of 2020), in which a population of 2.056.139 resides.
- 37 Areas identified in 2014-2020, which were confirmed without any change to the initial perimeter: they involve 549 Municipalities in which a population of 977.279 inhabitants resides.
- 30 Areas identified in 2014-2020 which present a new perimeter compared to the original configuration following the annexation and/or exclusion of municipalities: these are 556 Municipalities in which a population of 1.324.220 inhabitants resides.
- The "Minor Islands special project" which involves the 35 Municipalities on which the Islands are located, with a total population of 213.093 inhabitants (Senato della Repubblica, 2023).

The total national resources made available are equal to over 591 million euros, in addition to the allocations coming from the operational programs of the ESI Funds and other public and private funds, to cope with the pursuit of social cohesion objectives aimed at slowing and reverse the depopulation phenomena of Internal Areas.

The joint action through two classes of actions (local development projects, financed mainly by European funds, and interventions to adapt and improve essential services, using national resources) has as its primary objective guaranteeing local communities' new opportunities for life and development that allow them to maintain an adequate population for the reference territory.

The development of these territories not only represents an opportunity for fair development for the whole of Italy, but the very possibility of establishing new economic activities and the creation of employment is closely related to the strengthening of the qualitative and quantitative offer of essential services (education, health and mobility), which therefore represents an absolute and necessary precondition.

The risk is that demographic decline and geographical marginalization will be followed by dysfunctional processes of compromising the very provision of basic services, which may be better served by difficulty in accessing schools that guarantee equal training provision and learning levels to those insured in urban areas, failure to guarantee adequate health facilities, insufficient mobility to and from internal areas.

The procedure that leads to the financing of individual projects in the area is divided into three main phases:

1. Selection of the areas, through a public preliminary investigation procedure, carried out jointly by all the central Administrations present within the Internal Areas Technical Committee and by the Region or autonomous Province concerned.
2. approval of the area strategy by the Department for Cohesion Policies.
3. signing of the Framework Program Agreement, through which the Central Administrations, the Regions and the territories assume commitments for implementing the objectives defined in the Area Strategies.

#### **4.2.2 Programming 2023-2027**

On 2 December 2021, the agreement on the reform of the common agricultural policy (CAP) was formally adopted<sup>56</sup>. By 31 December 2021, each EU country was required to submit its CAP strategic plan. The Commission had six months to evaluate and approve the plans.

On 1 January 2023, the agreement on the reform of the common agricultural policy (CAP) entered into force, moving towards a fairer, greener and more results-based CAP.

CAP 2023-2027 declares to take the Farm to Fork Strategy and the European Biodiversity Strategy to 2030 as fundamental references to comply with. Secondly, the new delivery model based on the National Strategic Plans (NSP) covering both pillars is formally adopted. From a centralised CAP, based on compliance, we move, adhering to the 2017/2018 proposal, to decentralized management and verifying results (performance) based on targets and indicators.

*A* *Fairer* *CAP*

The CAP targets for the period 2023-2027 aim to provide support to those who require it most:

- *redistribution of income support*: During the 2023-2027 CAP period, EU member states must allocate a minimum of 10% of their direct payments to the redistributive income support instrument. This allocation is aimed at better addressing the income requirements of small and medium-sized agricultural holdings.

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<sup>56</sup> <https://agriculture.ec.europa.eu/>

- *active farmers*: The new legislation introduces a mandatory yet adaptable definition of active farmers, which individual EU member states will establish. This definition will encompass the level of farming activities conducted. Only individuals meeting the criteria for active farmers will be eligible for certain forms of EU support.
- *social conditionality*: CAP payments are now contingent on compliance with specific EU labor standards, incentivizing beneficiaries to enhance working conditions on farms payment.
- *convergence*: In the 2023-2027 CAP, there will be a greater convergence of income support levels both within individual EU countries and between different EU countries.
- *support for young farmers*: EU member states must allocate a minimum of 3% of their budget for direct payments to support young farmers, either through income or investment assistance, or by providing start-up aid to assist young farmers.
- *better gender balance*: Gender equality and the promotion of increased women's participation in agriculture have, for the first time, become integral components of the CAP strategic plans. EU member states must assess these issues and work to address the challenges identified<sup>57</sup>.

### *A greener CAP*

The CAP 2023-2027 helps agriculture to make a much stronger contribution to achieving the objectives of the European Green Deal:

- *More ambitious environmental objectives*: The CAP plans are aligned with environmental and climate legislation. Each EU country, in its CAP Strategic Plan, is compelled to demonstrate more significant commitment to environmental and climate action compared to the previous programming period, ensuring there is no regression. Furthermore, these plans must be updated in response to changes in climate and environmental legislation.
- *Contribution to the Green Deal objectives*: The national strategic plans for the CAP make significant contributions toward achieving the objectives of the Green Deal. The CAP recommendations delineate how this contribution is anticipated to unfold.

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<sup>57</sup> <https://agriculture.ec.europa.eu/>

- *Enhanced conditionality*: Payments to CAP beneficiaries are now contingent on adherence to a more rigorous set of mandatory requirements. For instance, each farm must allocate a minimum of 3% of arable land to biodiversity and non-productive elements, possibly receiving support through ecological schemes to raise this figure to 7%. Additionally, wetlands and peat bogs receive protective measures.
- *Eco-schemes*: A minimum of 25% of the budget for direct payments is allocated to eco-schemes. These schemes provide substantial incentives for adopting climate- and environmentally-friendly agricultural practices and approaches, which may encompass organic farming, agroecology, carbon management in farm soils, and enhancements in animal welfare.
- *Rural development*: At least 35% of the funds are designated for measures to support climate, biodiversity, the environment, and animal welfare in rural areas.
- *Operational programmes*: in the fruit and vegetable sector, 15% of expenditure is allocated to environmental initiatives within operational programs.
- *Climate and biodiversity*: notable 40% of the CAP budget is earmarked for climate-related initiatives, aligning with the overarching commitment to allocate 10% of the EU budget to biodiversity objectives by the conclusion of the Multiannual Financial Framework period (MFF) of the EU<sup>58</sup>.

### *More results-oriented*

The CAP legislation introduces a performance, monitoring, and evaluation framework that includes a common set of indicators. These indicators will be closely tracked through annual performance reports and biannual reviews of CAP strategic plan implementation. This monitoring serves to evaluate the progress made by EU countries in reaching their CAP targets and objectives, as previously discussed in Chapter Three.

The CAP for 2023-2027 is a revamped policy emphasizing outcomes and performance. It centers on ten specific objectives aligned with the overarching EU goals related to social, environmental, and economic sustainability in both agriculture and rural regions.

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<sup>58</sup> <https://agriculture.ec.europa.eu/>

The document outlines several key objectives for the CAP, which can be summarized and rewritten as follows:

- **Enhancing Agricultural Sustainability:** The CAP aims to bolster agricultural income and resilience across the EU to ensure long-term food security, agricultural diversity, and economic sustainability. It involves analyzing current income levels, assessing the CAP's role in income support, and addressing variations across EU countries and sectors. This effort also includes measures to increase competitiveness.
- **Empowering Farmers in the Supply Chain:** The CAP seeks to improve farmers' position in the food supply chain through actions like fostering cooperation among farmers, enhancing market transparency, and implementing effective measures to counter unfair trading practices.
- **Climate Action and Environmental Protection:** The CAP strives to contribute to climate change mitigation and adaptation by reducing greenhouse gas emissions, enhancing carbon sequestration, and promoting sustainable energy practices. It also focuses on safeguarding landscapes and biodiversity, efficient natural resource management, and reducing chemical dependency to halt biodiversity loss and preserve ecosystems.
- **Supporting Young and New Farmers:** The CAP aims to attract and support young and new farmers while facilitating sustainable business development in rural areas.
- **Fostering Rural Development:** The CAP endeavors to promote dynamic rural areas, ensure the production of quality food, enhance employment, drive growth, support gender equality (including women's participation in agriculture), and facilitate social inclusion and local development. This includes fostering circular bioeconomy, sustainable forestry, and responding to society's food and health needs by producing high-quality, healthy, and sustainably sourced food, reducing food waste, improving animal welfare, and addressing antimicrobial resistance.
- **Promoting Knowledge and Innovation:** The CAP aims to modernize agriculture and rural areas by promoting knowledge, innovation, and digitalization. This will be achieved by encouraging better access to research, innovation, knowledge exchange, and training for farmers<sup>59</sup>.

To illustrate the logic behind these ten objectives, the European Commission has drawn up a series of documents summarising each objective and explaining its political relevance.

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<sup>59</sup> <https://agriculture.ec.europa.eu/>

Each Member State (MS) is required to have only one National Strategic Plan (NSP). Italy, for example, replaced 21 regional rural development programs, a national second pillar measure, and notifications for direct payments and sectoral interventions with a single NSP<sup>60</sup>. This simplification eases the European Commission's investigative and control tasks but increases complexity at the MS level. When aspects of the NSP are determined at the regional level, the strategy must ensure coherence and uniformity with national elements, recognizing the role of regions and local institutions in partnership and governance. The NSP should start with a "Needs Assessment" based on a SWOT analysis, identifying priorities and justifying the "Intervention Strategy." For each specific objective, the "Intervention Strategy" defines final and intermediate targets based on the MS's "Needs Assessment" and related result indicators.

#### **4.2.2.1 Italian CAP Strategic Plan 2023-27**

As mentioned above, each EU country implements a national CAP strategic plan which brings together funding for income support, rural development and market measures. In defining their strategic plans, EU member states worked towards attaining the ten specific objectives by implementing a comprehensive set of policy measures devised by the Commission. These measures were tailored to align with individual national needs and capabilities<sup>61</sup>.

MIPAAF has notified the Strategic Plan for the Common Agricultural Policy 2023-2027 in Brussels. The main innovations and choices still to be made in line with the EU objectives of environmental, economic, and social sustainability<sup>62</sup>.

Enhancing the agri-food and forestry sectors to ensure environmental, economic, and social sustainability is the primary objective of Italy's Strategic Plan for implementing the CAP 2023-27, which has been submitted to the European Commission<sup>63</sup>. The strategy prioritizes sustainability and inclusivity as key drivers for competitiveness, both at the sectoral and territorial levels.

This plan is the culmination of an extensive collaborative process, commencing with policy briefs, SWOT analyses, and needs assessments, and then advancing through dialogues involving all stakeholders at the Partnership Table and the technical tables.

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<sup>60</sup> <https://www.reterurale.it/>

<sup>61</sup> <https://agriculture.ec.europa.eu/>

<sup>62</sup> <https://www.pianetapsr.it/>

<sup>63</sup> Id.

In accordance with the provisions of Regulation (EU) no. 2115/2021, this plan uniquely amalgamates resources and initiatives targeted at bolstering farmers' income, enhancing market conditions for select agricultural productions, and fostering rural development<sup>64</sup>. These interventions represent an integrated approach, with responsibilities distributed among the Ministry, the Regions, and the Autonomous Provinces, and are encapsulated in a unified programming document.

Collectively, the resources allocated to these diverse initiatives amount to nearly 27 billion euros from EU funds. Furthermore, an additional 9 billion euros from national and regional co-financing have been earmarked for rural development initiatives. The plan started on January 1, 2023, after the approval from the European Commission. This endorsement will follow a deliberative process involving discussions and negotiations to refine the strategy, clarify intervention descriptions and objectives, and address other relevant considerations and insights that the Commission may deem necessary to improve.

For the first time, payments to CAP beneficiaries will be linked to compliance with regulations concerning labor conditions, encompassing objectives related to employment, employer obligations, and workplace health and safety.

The reform of the Common Agricultural Policy (CAP) is set within a broader context, considering the recent emergence of new environmental, social, and economic challenges. These challenges have been addressed in the comprehensive package of initiatives outlined in the European Green Deal, notably the Farm to Fork and Biodiversity 2030 strategies, along with guidance from the Long-term Strategy for European rural areas. Moreover, the Plan aligns with major strategies that encompass themes related to the ecological transition, including the National Strategy for Sustainable Development, National Strategy for the Circular Economy, and EU Forestry Strategy 2030. It also operates in synergy with measures stipulated in the National Recovery and Resilience Plan (NRRP) and the Partnership Agreement, considering recommendations provided by the European Commission to all Member States.

The Plan's foundation lies in the imperative to chart a new course where sustainability and inclusiveness serve as pivotal drivers of competitiveness, both within sectors and on a territorial scale. To effectively address these challenges, Italy has embarked on a journey to shape its agricultural, food, and forestry policies in a manner that is progressive, ecologically sensitive,

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<sup>64</sup> Id.

and inclusive. These policies have been harmonized and integrated to interpret key measures innovatively, with an ecological and inclusive focus, while working synergistically with existing policies and tools.

The Italian CAP Strategic Plan 2023-27 is defined by several key choices and objectives, which are as follows:

1. **Ecological Transition:** The Plan places significant emphasis on the ecological transition of the agricultural, food, and forestry sectors in response to environmental challenges outlined in the European Green Deal, Farm to Fork, European Biodiversity Strategy, and the European Climate Framework. Over 10.7 billion euros are allocated to interventions with clear environmental goals, such as eco-schemes, agro-climatic-environmental actions, forestry measures, investments in environmental sustainability, Natura 2000 allowances, and Directive waters. The Plan also highlights the importance of national eco-schemes to support climate and environmental sustainability, landscape and cultural heritage protection, and biodiversity preservation.
2. **Organic Farming:** The Plan recognizes the significance of organic agriculture and allocates over 2 billion euros in support of this sector. The goal is to reach 25% organic surface area by 2027. The Plan also promotes supply chain contracts and a forthcoming Action Plan on organic farming.
3. **Animal Welfare:** A substantial portion of eco-scheme resources, approximately 1.8 billion euros, is dedicated to animal welfare and reducing the use of veterinary drugs. This includes measures to combat antimicrobial resistance. The Plan is complemented by other interventions for animal welfare and sustainability.
4. **Income Support:** The Plan ensures a fairer income support system, promoting equalization of income support levels across the entire national territory. Resources are allocated for internal convergence, benefiting intermediate rural areas, areas with development challenges, mountainous regions, and some internal hilly areas. Additionally, 10% of the national budget is allocated to redistributive support for medium-small companies.
5. **Support for Specific Sectors:** The Plan allocates 13% of the direct payments budget to coupled support, targeting specific sectors and products crucial for



social, economic, and environmental reasons. An additional 2% of resources supports protein crops.

6. Risk Management Tools: The Plan introduces nearly 3 billion euros for subsidized insurance and a new national mutual fund, where farmers contribute through a withholding of 3% of direct payments. These tools offer basic mutual coverage against catastrophic meteorological and climatic events for all agricultural companies benefiting from direct payments.
7. Supply Chain Competitiveness: The Plan aims to improve the competitiveness of supply chains by fostering better integration of actors, supply management, and modernization of production structures. The Plan includes initiatives for specific sectors such as wine, fruit and vegetable, olive, beekeeping, and potato. Support is also provided for rural development investments and cooperation initiatives that enhance relations within local supply chains.<sup>4</sup>
8. Youth Engagement: The Plan places a strong emphasis on supporting young people within the agricultural sector, aiming to promote generational turnover and foster resilience and innovation in the sector.
9. Labor Conditions: To improve working conditions, the Plan introduces social conditionality, linking payments to compliance with rules related to labor conditions. This includes strengthening business consultancy services and implementing measures to enhance employment conditions.
10. Rural Area Diversity and Attractiveness: The Plan recognizes the diversity and attractiveness of rural areas and offers various intervention tools to promote their development, such as food districts, biodistricts, smart villages, river contracts, and more.
11. Sustainable Forest Management: The Plan supports the diffusion of sustainable forest management through effective forest planning and interventions that improve damage prevention due to natural disturbances and external climatic events.
12. Knowledge System (AKIS): The Plan aims to enhance the knowledge system and support agricultural and forestry companies in adopting sustainable and innovative production techniques. It seeks to overcome the fragmentation of the knowledge system, improve integration between consultancy, training, and information, and introduce new technologies.

13. Gender Equality: Gender equality is a transversal principle of the CAP, and the Plan incorporates activities aimed at combating discrimination and promoting women's contribution to the agro-forestry sector and rural areas. These activities include enhancing female entrepreneurship, facilitating access to credit, improving skills, promoting work-life balance, and coordinating actions to optimize gender impact (Italy - National Rural Development Programme, 2023).

These fundamental choices and objectives collectively shape the CAP Strategic Plan for 2023-2027, aligning it with sustainability, inclusiveness, and competitiveness goals within the agricultural, food, and forestry sectors (Italy - Italian CAP Strategic Plan, 2023).

#### **4.2.2.2 Leader program**

Leader is the acronym for “*Liaison Entre Actions de Développement de l'Economie Rurale*” (connection between development actions of the rural economy). It is an intervention approach aimed at mobilizing and developing local communities through public private partnerships (LAG). Leader programming is aimed at all local actors, considers the endogenous development potential, and aims at integrated and innovative territory development.

The mission entrusted by the new CAP to LEADER local development is included in specific objective no. 8 of Regulation (EU) 2021/2115: «*Promote employment, growth, gender equality, including women's participation in agriculture, social inclusion and local development in rural areas, including the circular bioeconomy and sustainable forestry*»<sup>65</sup>.

LEADER will have to contribute to limiting/reversing the adverse effects caused by the continuous depopulation of rural areas, especially the most marginal ones.

The program is key in developing rural areas, aligning with the EU's long-term vision. The document strongly emphasizes the importance of involving stakeholders and local civil society in shaping and executing policies and investments in a holistic manner. It encourages investments that align with the unique needs of various rural regions while fostering enduring development paths that can flourish through the web of local relationships among stakeholders.

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<sup>65</sup> Reg. (EU) 2021/2115 of the European Parliament and of the Council of 2 December 2021 establishing rules on support for strategic plans to be drawn up by Member States under the common agricultural policy (CAP Strategic Plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulations (EU) No 1305/2013 and (EU) No 1307/2013.

This approach not only steers investments to suit the requirements of diverse rural areas but also strives to foster the creation of sustainable, long-term development trajectories, solidified by the collaborative efforts of local actors. The overarching goal is to promote socially responsible behavior, the generation of collective public goods, and the enhancement of public institutions' effectiveness and innovation.

The LEADER program plays a pivotal role due to its capacity to facilitate the formation of local partnerships dedicated to constructing strategies based on local resources. These partnerships actively involve local actors in the planning, execution, and monitoring of strategy. By creating these partnerships, LEADER acts as a catalyst for mutual understanding, open dialogue, and the sharing of ideas, ultimately strengthening trust among local stakeholders.

Looking at the composition of these Local Action Group (LAG) partnerships, they bring together a mix of public and private actors. These groups encompass entities driven by societal objectives, such as cultural and voluntary associations, alongside representations motivated by safeguarding members' interests, like chambers of commerce, financial institutions, and private businesses. In this manner, LAG partnerships constitute an organizational structure where not only are the relationships between actors redefined, but the motivations that bring these actors together are reshaped. These motivations coalesce around shared visions of development and mutual commitments, allowing diverse stakeholders to collaborate and contribute to their regions' growth.

The document strongly emphasizes the importance of involving stakeholders and local civil society in shaping and executing policies and investments in a holistic manner. It encourages investments that align with the unique needs of various rural regions while fostering enduring development paths that can flourish through the web of local relationships among stakeholders. This approach not only steers investments to suit the requirements of diverse rural areas but also strives to foster the creation of sustainable, long-term development trajectories, solidified by the collaborative efforts of local actors. The overarching goal is to promote socially responsible behavior, the generation of collective public goods, and the enhancement of public institutions' effectiveness and innovation.

With these objectives in mind, Italy has recently designed interventions to bolster the LEADER approach within the CAP Strategic Plan. For instance, one of these interventions, SRG05, known as "Leader preparatory support," is aimed at ensuring the effectiveness of activities

outlined in the Specific Support to Local Development (SSL). Its primary purpose is to stimulate the formation of local partnerships equipped with the necessary expertise, facilitating information dissemination and continuous training for local public and private stakeholders.

Likewise, the SRG06 intervention, named "Implementation of Leader strategies," offers the opportunity to finance several project categories:

1. "Complex projects" involve a wide array of integrated and shared initiatives among groups of local beneficiaries, fostering stronger collaboration among local actors.
2. "Pilot projects" streamline procedures and seek to encourage innovative concepts and interventions that might otherwise struggle to secure funding.
3. "Umbrella projects" revolve around acquiring small-scale equipment and services for businesses and municipalities, aiming to promote the adoption and dissemination of innovations<sup>66</sup>.

Moreover, through the SRG05 and SRG06 interventions, Local Action Groups (LAGs) can assist local stakeholders in the execution of projects, providing them with expertise and professional support to ensure the successful implementation of initiatives in their regions.

The European Commission, the European Parliament, and EU leaders have reached a consensus on a recovery plan to address the economic and social repercussions triggered by the coronavirus health crisis. This comprehensive plan aims to lay a foundation for fostering sustainable, resilient, and prepared European countries, which can embrace the challenges and opportunities presented by the ecological and digital transition. It represents a substantial investment in Europe's future and the Member States' recovery following the Covid-19 emergency<sup>67</sup>.

The launch of the 2021-2027 programming period and the reinforcement of the EU's long-term budget have brought the spotlight onto the new cohesion policy and the financial instrument known as NextGenerationEU. This temporary €750 billion instrument is designed to invigorate a "sustainable, uniform, inclusive, and equitable recovery" and stands as the most substantial economic stimulus package ever financed by the EU.

The entire initiative led by the European Commission is structured around three main pillars:

1. *Support to Member States for investments and reforms*

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<sup>66</sup> <https://www.reterurale.it/>

<sup>67</sup> <https://next-generation-eu.europa.eu/>

2. *Reviving the EU economy by encouraging private investment*
3. *Learning lessons from the crisis*<sup>68</sup>.

The objectives of NextGenerationEU can be succinctly summarized as follows:

- *Make it Green!* Europe is on a trajectory to become the world's first climate-neutral continent by 2050. This means producing no more greenhouse gases than our ecosystems can naturally absorb. With NextGenerationEU, the EU are committed to investing in environmentally-friendly technologies, promoting eco-friendly vehicles and public transportation, enhancing energy efficiency in our buildings and public spaces, and taking measures to protect our natural environment. This encompasses efforts to improve water quality in rivers and seas, reduce waste and plastic pollution, undertake extensive afforestation initiatives, and support renewable energy adoption. Furthermore, the EU is dedicated to fostering eco-friendly agricultural practices to ensure healthier food production.
- *Make it Digital!* The future will be significantly shaped by technology. With NextGenerationEU, the EU is striving to ensure that people can connect via 5G and have access to EU-wide ultra-fast broadband, receive a digital identity (eID) for easier access to online public services and greater control over personal data, foster innovation and efficiency in our cities, enhance online shopping security, and harness the power of artificial intelligence to combat climate change and to improve healthcare, transportation, and education.
- *Make it Healthy!* Considering the impact of the coronavirus pandemic on our lives, the EU is committed to creating a safer and healthier Europe, better prepared for future crises. With NextGenerationEU, the EU plan to collaborate with all EU countries to bolster defenses against health threats, increase investment in research and innovation for the development of vaccines and treatments, modernize health systems to ensure better access to technology and medical supplies in hospitals across the EU, and fund training for healthcare professionals.
- *Make it Strong!* The pandemic has affected various aspects of our lives, and the EU is striving to build a stronger and more resilient Europe. This includes encouraging young people to study science and technology, supporting further education and apprenticeships, and offering financial support to young entrepreneurs. Additionally,

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<sup>68</sup> <https://next-generation-eu.europa.eu/>

the EU is assisting sectors such as tourism, culture, and the arts in their recovery, making them more digital and sustainable.

- *Make it Equal!* Ensuring a Europe that works for everyone is a fundamental goal. The EU is committed to providing equal opportunities for all Europeans, regardless of their location or background. This entails combating racism and xenophobia, promoting gender equality and women's empowerment, protecting the rights of the LGBTQI+ community, and fighting discrimination. The EU will also strengthen legislation to address all forms of hate speech and hate crimes. Equality extends to economic and social opportunities for all, including those with disabilities and individuals living in rural, remote, or disadvantaged areas. The EU is focusing on boosting employment opportunities for these groups and helping more people access decent and adequate housing. Inclusive education for children, regardless of their background, situation, or specific needs, is also a key investment area for the EU<sup>69</sup>.

### 4.2.3 Recovery and Resilience Facility

The Recovery and Resilience Facility (RRF) stands as a temporary instrument that occupies a central role in NextGenerationEU, the European Union's strategy to emerge from the ongoing crisis with greater strength and resilience. Under the Facility, the European Commission secures funds through financial market borrowing, issuing bonds on behalf of the EU. These resources are then made available to EU Member States to carry out ambitious reforms and investments with a two-fold objective:

- *make their economies and societies more sustainable, resilient and prepared for the green and digital transitions, in line with the EU's priorities.*
- *address the challenges identified in country-specific recommendations under the European Semester framework of economic and social policy coordination*<sup>70</sup>.

The RRF plays a pivotal role in the implementation of the REPowerEU plan, which is the Commission's response to the socio-economic disruptions and global energy market repercussions caused by Russia's invasion of Ukraine<sup>71</sup>.

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<sup>69</sup> <https://next-generation-eu.europa.eu/>

<sup>70</sup> [https://commission.europa.eu/business-economy-euro/economic-recovery/recovery-and-resilience-facility\\_en](https://commission.europa.eu/business-economy-euro/economic-recovery/recovery-and-resilience-facility_en)

<sup>71</sup> Id.

This Facility came into force on February 19, 2021, and it funds reforms and investments in EU Member States beginning from the outset of the pandemic in February 2020 and continuing through to December 31, 2026. Each country can receive funding up to a predefined maximum amount<sup>72</sup>.

To avail support from the Facility, EU governments have submitted national recovery and resilience plans that outline the reforms and investments they intend to execute by the end of 2026, accompanied by clear milestones and targets. Notably, these plans allocate a minimum of 37% of their budget to green initiatives and 20% to digital measures<sup>73</sup>.

Notably, the Recovery and Resilience Facility is performance-based, meaning that the Commission disburses the funds to each country only once they have met the agreed-upon milestones and targets for implementing the reforms and investments outlined in their plan. After governments have successfully achieved these milestones and objectives, they can request payments, up to two times per year. The Commission evaluates these payment requests to ensure that the stipulated milestones and objectives have been met. If they have, the Commission releases the funds acquired through the capital markets<sup>74</sup>.

For transparency and tracking the progress of each EU country in realizing the EU's vision, a tool called the Recovery and Resilience Scoreboard has been developed. This scoreboard provides an overview of the progress in implementing the Recovery and Resilience Facility and the national recovery and resilience plans.

#### **4.2.3.1 Italian National Recovery and Resilience Plan (NRRP)**

The National Recovery and Resilience Plan (NRRP) is an integral component of the European Next Generation EU (NGEU) program, which was sanctioned by the European Union to combat the repercussions of the pandemic crisis, encompassing a comprehensive 750-billion-euro package.

The Recovery and Resilience Facility underwrites the "Italia Domani" NRRP with 191.5 billion euros. This sum is complemented by an additional 30.6 billion euros from the Complementary Fund (Italy – NRRP, 2021). The Complementary Fund's resources have been mobilized via a

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<sup>72</sup> Id.

<sup>73</sup> Id.

<sup>74</sup> Id.

multi-year budget deviation sanctioned in the Council of Ministers on April 15, 2021, specifically to provide financial backing for a national investment plan aligned with the NRRP strategies.

The plan is developed around three strategic axes, shared at European level:

- *Digitalisation and innovation*
- *Ecological transition*
- *Social inclusion*<sup>75</sup>.

The plan, composed of six missions and 16 components, is the result of extensive discussions held in recent months with both the European Commission and Parliament, closely following the parameters outlined in the Recovery and Resilience Facility (RRF) Regulation.

The six missions outlined in the plan include:

- *Digitalisation, innovation, competitiveness, culture, and tourism*: The components of the mission are:
  1. *Digitalisation, innovation, and security in the PA.*
  2. *Digitalisation, innovation, and competitiveness of the production system.*
  3. *Tourism and culture 4.0.*
- *Green revolution and ecological transition*: The components of the mission are:
  1. *sustainable agriculture and circular economy*
  2. *energy transition and sustainable mobility*
  3. *energy efficiency and redevelopment of buildings*
  4. *protection of the territory and water resources.*
- *Infrastructures for sustainable mobility*: The components of the mission are:
  1. *investments in the railway network and road safety*
  2. *intermodality and integrated logistics.*
- *Education and research*: The components of the mission are:
  1. *strengthening the offer of education services (from nursery schools to universities)*
  2. *from research to business.*
- *Inclusion and cohesion*: The components of the mission are:
  1. *employment policies*
  2. *social infrastructure, families, communities and the third sector*

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<sup>75</sup> <https://next-generation-eu.europa.eu/>



3. *special interventions for territorial cohesion.*
- *Health*: The components of the mission are:
    1. *proximity networks, structures, and telemedicine for local healthcare*
    2. *innovation, research, and digitalisation of the national health service* (Italy – NRRP, 2021).

In addition to these missions, the NRRP embodies transversal priorities, addressing generational, gender, and territorial equality. The projects are evaluated based on their potential to rejuvenate the prospects of young people, women, and regions, promoting opportunities for all without discrimination (Italy – NRRP, 2021).

The NRRP encompasses three types of reforms:

1. *Horizontal or Contextual Reforms*: Focused on enhancing equity, efficiency, and competitiveness through Public Administration and justice system reforms.
2. *Enabling Reforms*: These aim to facilitate the implementation of the plan by dismantling barriers to public and private investments. Measures include regulatory and bureaucratic simplification, and the promotion of competition.
3. *Sectoral Reforms*: These involve regulatory innovations in specific intervention areas or economic activities, aligning with the missions (Italy – NRRP, 2021).

Furthermore, measures outside the scope of the NRRP but deemed crucial for achieving its overarching objectives include tax system rationalization and strengthening the social safety net.

The implementation of the plan falls within the purview of central administrations, regions, and local authorities. This is based on their institutional responsibilities and is executed using existing structures and procedures, with the addition of organizational simplifications and enhancements that will be introduced.

### **4.3. Strategies**

Once the EU and Italian policies have been presented, it is a good idea to move on to describing the strategies which, directly and/or indirectly, concern rural areas and therefore marginal rural areas.

### 4.3.1 Agenda 2030

The 2030 Agenda for Sustainable Development is a comprehensive framework established in September 2015 by the governments of all 193 UN member countries. This initiative outlines 17 Sustainable Development Goals (SDGs) within a broader program comprising 169 specific targets. These SDGs officially commenced at the outset of 2016, charting a 15-year course for the world. Governments worldwide have made a collective commitment to achieving these goals by the year 2030.

The SDGs build upon the achievements and lessons learned from the preceding Millennium Development Goals. They represent shared objectives across a range of pivotal development issues, such as poverty alleviation, hunger eradication, and the fight against climate change, among others. Notably, the term 'common objectives' underscores their universal applicability, affecting all countries and individuals. The aim is to ensure that no one is excluded or left behind in the journey towards global sustainability.

Within this framework, the European Union has also embraced the responsibility of translating and incorporating the principles of the 2030 Agenda for sustainable development. The methodologies for defining community-level objectives serve as a crucial reference point for EU member countries in shaping their respective strategic goals<sup>76</sup>. During the opening address of the European Parliament's plenary session, chaired by Ursula von der Leyen in July 2019, the European Commission unveiled an extensive action plan set to unfold over the next five years. This plan underscores the Union's determination to achieve the Sustainable Development Goals, including its commitment to the Paris Agreement on climate change<sup>77</sup>. It lays the groundwork for a comprehensive EU strategy spanning the years 2019 to 2024.

In Italy, the "Benessere Italia" control room was established, the body of the Presidency of the Council which has the task of "coordinating, monitoring, measuring and improving the policies of all Ministries in the name of the well-being of citizens" (Presidenza del Consiglio dei Ministri, 2020). A step forward to provide Italy with governance for the 2030 Agenda, a tool

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<sup>76</sup> <https://commission.europa.eu/>

<sup>77</sup> Opening Statement in the European Parliament Plenary Session by Ursula von der Leyen, Candidate for President of the European Commission (16 July 2019).

that will allow the Government to promote fair and sustainable well-being through the definition of new approaches and new policies (Presidenza del Consiglio dei Ministri, 2020).

Equitable sustainable regeneration of territories, mobility and territorial cohesion, energy transition, quality of life, circular economy are the five macro areas in which its programmatic lines are developed. They place the person at the center and aim to promote healthy lifestyles, define balanced lifetimes, plan fair living conditions, promote actions aimed at human development and continuous training.

The 2030 Agenda is based on five key concepts:

- *People*. Eliminate hunger and poverty in all forms, guarantee dignity and equality.
- *Prosperity*. Ensuring prosperous and whole lives in harmony with nature.
- *Peace*. Promote peaceful, just and inclusive societies.
- *Partnerships*. Implement the Agenda through strong partnerships.
- *Planet*. Protect the planet's natural resources and climate for future generations (United Nations, 2015).

The 17 *Goals* refer to a set of important issues for development that take into consideration in a balanced way the three dimensions of sustainable development - economic, social and ecological - and aim to put an end to poverty, fight against inequality, tackle climate change, to build peaceful societies that respect human rights.

The 17 objectives are:

1. *Zero Poverty*: Eradicate poverty in all its forms everywhere.
2. *Zero Hunger*: End hunger, achieve food security, improve nutrition and promote sustainable agriculture.
3. *Health and well-being*: Ensuring healthy living and promoting well-being for all ages.
4. *Quality Education*: Ensure inclusive and equitable education and promote lifelong learning opportunities for all.
5. *Gender equality*: Achieve gender equality and self-determination for all women and girls.
6. *Clean water and sanitation*: Ensure the availability and sustainable management of water and sanitation for all.
7. *Clean energy*: Ensuring access to affordable, reliable, sustainable, and modern energy for all.

8. *Decent work and economic growth*: Promote sustained, inclusive, and sustainable economic growth, full employment, and decent work for all.
9. *Industry, innovation, and infrastructure*: Building resilient infrastructure, promoting inclusive and sustainable industrialization, and supporting innovation.
10. *Reduce inequalities*: Reduce inequalities within and between countries.
11. *Sustainable cities and communities*: Making cities and human settlements inclusive, safe, resilient, and sustainable.
12. *Responsible consumption and production*: Ensuring sustainable consumption and production patterns.
13. *Climate action*: Take urgent action to combat climate change and its consequences.
14. *Life Underwater*: Conserving and sustainably using the oceans, seas and marine resources.
15. *Life on Earth*: Protect, restore, and promote the sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt the loss of biodiversity.
16. *Peace, justice, and strong institutions*: Promote peaceful and inclusive societies geared towards sustainable development, ensure access to justice for all and build effective, accountable, and inclusive institutions at all levels.
17. *Partnership for the Goals*: Strengthen delivery and relaunch the global partnership for sustainable development (Figure 27) (United Nations, 2015).

**Figure 27: THE SUSTAINABLE DEVELOPMENT GOALS**



Source: UN Agenda 2030 (2015).

### 4.3.2 The six EU priorities 2019-2024

Every five years, at the beginning of each new mandate of the European Commission, the President defines the priority areas on which the Commission intends to focus. In the wake of the 2019 European elections and with a mandate from both the European Council and the European Parliament, the von der Leyen Commission laid out a set of ambitious objectives to shape the future of Europe:

- *achieve climate neutrality by 2050.*
- *making the 1920s the “European digital decade”.*
- *strengthening Europe in the world with a more geopolitical approach<sup>78</sup>.*

The Commission's six priorities are:

1. a *European Green Deal*, to establish a new approach for revitalizing the European Union, steering it towards a contemporary, carbon-neutral, resource-efficient, sustainable, and competitive economy. This objective will be explored in greater detail in the next paragraph.

<sup>78</sup> [https://commission.europa.eu/strategy-and-policy/priorities-2019-2024\\_en](https://commission.europa.eu/strategy-and-policy/priorities-2019-2024_en)

2. *a Europe ready for the digital age, strengthening digital sovereignty*, with A strong emphasis on data, technology, and infrastructure is pivotal for a digital transformation that benefits all individuals within Europe.
3. *An economy that serves people*, fostering a more conducive investment climate and bolstering growth to generate high-quality employment opportunities, especially for the youth and small enterprises.
4. *A stronger Europe in the world*, promoting multilateralism and the rule-based global framework by pursuing a synchronized approach to external initiatives and presenting a unified European perspective on the international stage.
5. *Promote our European way of life*, guaranteeing a European Union marked by social and economic equity, inclusivity, and justice for all its citizens, firmly grounded in the principles of the rule of law.
6. *A new impetus for European democracy*, Enhancing the influence of European citizens in decision-making and shaping EU agendas, all the while safeguarding democracy from external intervention. On the European continent, in fact, democracy is under attack (see the war Russia-Ukraine)<sup>79</sup>.

These priorities underscore the Commission's commitment to shaping a more sustainable, digital, and democratic future for Europe, all while strengthening its position on the global stage.

### **4.3.3 Green Deal**

The European Green Deal is a package of strategic initiatives that aims to put the EU on the path to a green transition, to achieve climate neutrality by 2050. The plan is to comprehensively assess all current climate legislation and introduce new legislation concerning the circular economy, building refurbishment, biodiversity, agriculture, and innovation (European Commission, 2019).

In 2019, European Commission President Ursula von der Leyen declared that the *European Green Deal* will be for Europe «*like landing a man on the Moon*», as this pact would make Europe the first continent to have achieved climate neutrality<sup>80</sup>.

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<sup>79</sup> [https://commission.europa.eu/strategy-and-policy/priorities-2019-2024\\_en](https://commission.europa.eu/strategy-and-policy/priorities-2019-2024_en)

<sup>80</sup> Press remarks by President von der Leyen on adopting the European Green Deal Communication Brussels, 11 December 2019.

The Green Deal strives to propel the EU towards a just and prosperous society with a modern and competitive economy. It underscores the importance of adopting a comprehensive, cross-sectoral strategy where all relevant policy areas contribute to the overarching climate objective. The package encompasses initiatives related to climate, environment, energy, transportation, industry, agriculture, and sustainable finance, with these sectors being intricately interconnected (European Commission, 2019).

The European Green Deal was officially introduced by the Commission in December 2019, and it was duly acknowledged by the European Council during its December meeting the same year<sup>81</sup>. Of the €1.8 trillion in investments designated within the NextGenerationEU recovery plan and the EU's seven-year budget, one-third is allocated to advance the European Green Deal. To align with the European Commission's vision, a series of propositions have been adopted to overhaul EU policies related to climate, energy, transportation, and taxation.

The primary objective is to achieve a reduction in net greenhouse gas emissions by no less than 55% by 2030, relative to the 1990 baseline levels.

The initiatives included in the Green Deal are different.

The 55% Ready package serves as the vehicle to translate the climate aspirations of the Green Deal into legislative action. This package comprises a series of proposals designed to overhaul existing climate, energy, and transport legislation and to introduce new legislative measures aimed at harmonizing EU laws with its climate objectives (European Commission, 2019).

The objective of this package of proposals is to establish a consistent and equitable framework for achieving the EU's climate goals, with a threefold purpose:

- Ensure a fair and socially transition.
- Preserve and enhance the innovation and competitiveness of EU industries, while guaranteeing a level playing field with economic entities from non-EU countries.

Bolster the EU's preeminent role in the global battle against climate change (European Commission, 2019).

The key actions outlined in this regulation are as follows:

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<sup>81</sup> <https://commission.europa.eu/>

- Establish a trajectory for emissions reduction up to 2050 to ensure predictability for businesses, stakeholders, and citizens.
- Develop a system for monitoring and reporting progress towards the set objective.
- Ensure a cost-effective and socially equitable transition toward sustainability (European Commission, 2019).

Following a provisional agreement with the European Parliament in April 2021, the Council endorsed the agreement in May 2021, making the regulation effective<sup>82</sup>.

In June 2021, EU Environment Ministers adopted conclusions that support the new EU climate change adaptation strategy. This strategy outlines a forward-looking vision for the EU to become, by 2050, a society that is resilient to climate change and thoroughly adapted to its inevitable impacts.

The measures envisaged by the strategy include:

- *better collection and sharing of data for better access to and exchange of knowledge on climate impacts.*
- *nature-based solutions to help build resilience to climate change and protect ecosystems.*
- *integrating adaptation into macrofiscal policies.*

Additionally, there are several other significant initiatives that aim to contribute to the broader objectives of the Green Deal. These include:

- **EU Biodiversity Strategy 2030:** This strategy is designed to play a role in the restoration of biodiversity across Europe by 2030, thereby generating benefits for people, the climate, and the planet. The EU Forest Strategy for 2030, unveiled by the Commission in July 2021, was building upon the principles of this Strategy.
- **Commission's Farm to Fork Strategy:** This strategy is oriented towards aiding the EU in reaching climate neutrality by 2050. It does so by transitioning the current EU food system towards a more sustainable model.

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<sup>82</sup> <https://www.consilium.europa.eu/>



- Circular Economy Action Plan: A comprehensive plan that details the EU's strategy for transitioning to a circular economy, where resources are reused, and waste is minimized.
- EU industrial strategy: the EU places its trust in European industry to take the lead in driving the transition toward climate neutrality. This industrial strategy is devised to support industry as an agent of change, innovation, and growth<sup>83</sup>.

The concept of a "Just Transition" also figures prominently. It acknowledges that achieving climate neutrality by 2050 may pose more significant challenges for certain Member States and regions compared to others—factors such as heavy reliance on fossil fuels or the presence of carbon-intensive industries.

In June 2021, European Union ministers came to a consensus on their response to the Commission's "restructuring wave" strategy, emphasizing key aspects related to social inclusion, economic resurgence, and the transition towards a more environmentally friendly future<sup>84</sup>.

#### **4.3.3.1 Farm-to-fork**

At the end of May 2020, the European Commission published the "*Farm to Fork*" strategy, as an essential part of the European Green Deal, the ambitious legislative proposal on the environment on which the new Commission, established last December and in office, worked for the next 5 years.

The "Farm to Fork" strategy represents a comprehensive ten-year plan put forth by the European Commission, aimed at ushering in a more equitable, health-conscious, and environmentally responsible food system. This strategy marks a pivotal milestone as it is the very first instance of the European Union formulating a food policy that introduces a range of measures and objectives encompassing the entirety of the food supply chain, spanning from production to consumption, naturally encompassing distribution. The overarching goal is to elevate the sustainability of European food systems beyond their current state (European Commission, 2020b). Each member state within the EU will be expected to adhere to this

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<sup>83</sup> Id.

<sup>84</sup> Id.

strategy, enacting national-level regulations that contribute to the attainment of the designated EU objectives. Furthermore, member nations receive supplementary support measures during the strategy's implementation (European Commission, 2020b).

The "Farm to Fork" strategy is in alignment with the objectives of sustainable development, seeking not only to enhance standards within the European Union but also to spark global improvements through international collaboration and trade policies that involve third countries. Essentially, the EU's mission is twofold: first, to initiate its own ecological transition and second, to forestall the adoption of unsustainable practices in other parts of the world (European Commission, 2020b).

The core objectives are:

- *Ensure sustainable food production.*
- *Ensure food safety.*
- *Promote a sustainable food supply chain from start to finish,*
- *Promote the consumption of sustainable foods and support the transition towards healthy eating habits.*
- *Reduce food waste.*
- *Fight food fraud along the supply chain* (European Commission, 2020b).

**Figure 28: THE FARM TO FORK STRATEGY**



Source: <https://food.ec.europa.eu>

On October 19, 2021, the European Parliament resoundingly approved the non-legislative resolution for the Farm to Fork strategy, with a substantial majority of 452 votes in favor, 170 against, and 76 abstentions. The adopted text underscores the significance of sustainable, health-conscious, and animal-friendly diets in achieving the goals of the European Green Deal, spanning climate action, biodiversity conservation, pollution mitigation, and public health improvement (European Commission, 2020b). In essence, the Farm to Fork strategy is geared towards expediting the transition to a sustainable food system, characterized by a neutral or positive environmental footprint. This approach aims to contribute to climate change mitigation, biodiversity restoration, food security, nutrition, and public health by ensuring that everyone has access to sufficient, safe, nutritious, and sustainable food (European Commission, 2020b). It also aims to maintain food accessibility, promote fair economic returns, bolster the competitiveness of the EU's supply sector, and support equitable trade (European Commission, 2020b).

Additionally, the strategy encompasses several other crucial aspects related to the development of a healthier diet and animal welfare (European Commission, 2020b). These contain measures to curtail meat consumption, as well as the consumption of highly processed foods rich in salt, sugars, and fats. The strategy emphasizes the gradual phase-out of cage farming and the establishment of common, scientifically valid indicators to assess animal welfare. It introduces innovations related to the reduction of greenhouse gas emissions through the "Ready for 55% by 2030" package (European Commission, 2020b). This package includes ambitious standards and targets to combat emissions stemming from agriculture and land use. It also sets stringent criteria for the generation of renewable energy from biomass. Furthermore, the strategy advocates for greater prudence regarding the introduction of new genetically modified organisms (GMOs).

The Common Agricultural Policy (CAP) and the Common Fisheries Policy (CFP) serve as pivotal instruments that facilitate the transition towards sustainable food systems while simultaneously ensuring that key stakeholders such as farmers, fishermen, and their families maintain dignified living standards and economic livelihoods.

In tandem with these policies, consumers also possess the power to influence the nature, production, and provenance of food products. To incentivize the food industry to offer products that are both healthful and sustainable, the European Commission has introduced proposals for standardized and mandatory front-of-pack nutrition labeling. Furthermore, the Commission is

working to establish a Regulatory Framework for Sustainable Food Systems (FSFS), encompassing various aspects of food products, including nutrition, climate impact, environmental considerations, and social factors. This framework is slated for adoption by the Commission before the close of 2023.

The strategy extends its influence to contribute to the advancement of a circular economy significantly. It seeks to reduce the environmental footprint of the food processing and retail sectors by addressing critical elements like transportation, storage, packaging, and food waste. Additionally, the strategy addresses the issue of food fraud along the supply chain, which jeopardizes the sustainability and safety of food systems by misleading consumers and engaging in inequitable trade practices (European Commission, 2020b). In addition to CAP and CFP funds, around €10 billion also comes from Horizon Europe investments in R&I related to food, bioeconomy, natural resources, agriculture, fisheries, aquaculture, and environment, which support the CAP's agricultural advisory services and the Agricultural Sustainability Data Network to assist farmers in the transition.

#### **4.3.3.2 2030 Climate & energy framework**

The Commission presented the 2030 energy and climate policy framework on 22 January 2014. This is a communication setting out a framework for EU energy and climate policies for the period from 2020 to 2030.

The 2030 framework seeks to assist the EU in tackling various challenges, such as:

- Progressing further towards the goal of reducing greenhouse gas emissions by 80-95% compared to 1990 levels by 2050.
- Addressing elevated energy costs and the EU economy's susceptibility to potential price hikes, particularly in the realms of oil and gas.
- Replacing and upgrading energy infrastructure and providing a stable regulatory framework for potential investors.
- agreeing on a greenhouse gas reduction target for 2030<sup>85</sup>.

In July 2021, the 2030 framework was introduced, outlining new targets and strategies to enhance the competitiveness, resilience, and sustainability of the EU economy and energy

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<sup>85</sup> <https://www.consilium.europa.eu/>

system. This framework entails objectives for decreasing greenhouse gas emissions, augmenting the utilization of renewable energy, and suggests a novel system of governance and performance metrics<sup>86</sup>.

It proposes the following actions:

- *a commitment to continue reducing greenhouse gas emissions, setting a target of 40% to 55% by 2030 compared to 1990 levels.*
- *a target for renewable energy from 32% to 42.5% of energy consumption, leaving flexibility to Member States to set national targets.*
- *Energy efficiency target for final energy consumption: from 32.5% to 36%.*
- *Energy efficiency target for primary energy consumption: 39%.*
- *the reform of the EU emissions trading system with a view to including a market stability reserve.*
- *key indicators - on energy prices, diversification of energy supply, interconnections between Member States and technological developments - to measure progress towards a more competitive, secure and sustainable energy system.*
- *a new governance framework for reporting by Member States, based on national plans coordinated and evaluated at EU level<sup>87</sup>.*

#### **4.3.3.3 The EU Biodiversity Strategy for 2030**

The strategy aims to put Europe's biodiversity back on the path to recovery by 2030 for the benefit of nature, people and the climate.

To achieve this objective, the strategy defines an organic framework of commitments and actions to address the leading causes of biodiversity loss:

- *changes in land and sea use*
- *excessive exploitation of biological resources*
- *climate changes*
- *pollution*
- *invasive alien species (European Commission, 2020a).*

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<sup>86</sup> Id.

<sup>87</sup> <https://www.consilium.europa.eu/>

The strategy also provides a blueprint for the European Union's position in the post-2020 global biodiversity framework, which was adopted at the United Nations Biodiversity Summit in 2021.

The Biodiversity Strategy for 2030 was adopted alongside the Farm to Fork Strategy. Both were designed to strengthen each other, and to bring together nature, farmers, businesses, and consumers.

To put biodiversity back on the path to recovery, the strategy defines a series of objectives and commitments to be achieved by 2030 at the latest, in the following four main areas (European Commission, 2020a).

1. *A coherent network of protected areas:*

- Legally protect at least 30% of the Union's land surface and 30% of its seas and integrate ecological corridors into an actual trans-European nature network.
- Strictly protect at least 30% of the Union's protected areas, including all primary forests and ancient forests<sup>88</sup>;
- Effectively manage all protected areas, defining clear conservation objectives and measures and subjecting them to appropriate monitoring (European Commission, 2020a).

EU member states must exhibit substantial advancements in legally designating new protected areas and incorporating ecological corridors by the conclusion of 2023<sup>89</sup>.

2. *Union nature restoration plan, which includes the following commitments for 2030:*

- propose binding EU nature restoration targets in 2021.
- restore vast surfaces of degraded, carbon-rich ecosystems.
- ensure that habitats and species do not show any deterioration and that at least 30% of those in unfavorable conservation status achieve favorable conservation status or at least a positive trend.
- reverse the trend of decreasing pollinators.
- reduce the risks and use of chemical pesticides by 50% and reduce the use of the most dangerous pesticides by 50%.

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<sup>88</sup> Primary Forest: forest cover that has never been logged and developed following natural disturbances and processes, regardless of age; Old-growth Forest: A section of forest that has created structures and species usually associated with old primary forests of that type.

<sup>89</sup> <https://dopa.jrc.ec.europa.eu/>

- use at least 25% of agricultural land for organic farming and significantly increase the diffusion of agroecological practices.
  - make significant progress in remediating contaminated soil.
  - plant three billion new trees for biodiversity, fully compliant with ecological principles.
  - Bring back at least 25 000 km of free-flowing rivers.
  - Reduce by 50% the number of red list species threatened by invasive alien species.
  - Reduce loss of nutrients in fertilizers by at least 50%, obtaining a reduction of at least 20% in using fertilizers.
  - equip cities with at least 20,000 inhabitants with an ambitious urban greening plan by the end of 2021.
  - eliminate or minimize the adverse effects of fishing and extractive activities on sensitive species and habitats.
  - eliminate by-catches of marine species or reduce them to a level that allows their recovery and conservation (European Commission, 2020a).
3. *Create the conditions for profound change:*
- Introduce a new European framework for biodiversity governance
  - Choose an integrated and whole-of-society approach, involve businesses.
4. *An ambitious global agenda on biodiversity.* The Union will contribute to this agenda by committing itself to:
- work with like-minded partners in a coalition of high ambition for biodiversity and take the lead on an ambitious post-2020 global biodiversity framework.
  - use external action to promote the protection and restoration of biodiversity (European Commission, 2020a).

The Commission will review the strategy by 2024 to assess the progress made and whether further steps must be taken to achieve the objectives.

#### **4.3.3.4 Action Plan for Circular Economy**

In March 2020 the European Commission presented, under the European Green Deal in line with the proposal for the new industrial strategy, the action plan for a new circular economy which includes recommendations on more sustainable product design, waste reduction and on empowering citizens, such as through the 'right to repair'. Resource-intensive sectors, such as

electronics and information and communication technologies, plastics, textiles, and construction, enjoy specific attention.

By providing measures across the entire life cycle of products, the new plan aims to make our economy better suited to a green future, strengthen its competitiveness while protecting the environment and establish new rights for consumers. Building on the work carried out since 2015, it focuses on design and production functional to the circular economy, to ensure that the resources used are kept in the EU economy for as long as possible. The plan and its initiatives will be developed closely with businesses and all stakeholders.

Frans Timmermans, Executive Vice President responsible for the European Green Deal, said: *«If we want to achieve climate neutrality by 2050, preserve our natural environment and strengthen the competitiveness of our economy, our economy must become fully circular. Our model Today's economy is still, for the most part, linear: only 12% of secondary materials and resources are reintroduced into the economy. Many products break too easily, cannot be reused, repaired or recycled, or are single-use. huge potential for both businesses and consumers to exploit and with today's plan we have launched a series of interventions aimed at transforming the way products are manufactured and enabling consumers to make sustainable choices for themselves and the environment»<sup>90</sup>.*

Virginijus Sinkevičius, Commissioner for Environment, Oceans and Fisheries, said: *«There is only one planet Earth, yet we will consume three planets' worth of resources between now and 2050. The new plan will make circularity the norm in our lives and will accelerate the green transition of our economy. What we propose is incisive action to change the basis of the sustainability chain: product design. Future-oriented interventions will create business and job opportunities, establish new rights for European consumers, exploit innovation and digitalisation and, like nature, will ensure that nothing goes to waste»<sup>91</sup>.*

The Circular Economy Action Plan, presented today as part of the EU Industrial Strategy, will propose measures to:

- *Making sustainable products the norm in the Union:* the Commission will propose a legislative act on the Sustainable Products Strategy to ensure that products placed on the EU market are designed to last longer, are easier to reuse, repair and recycle, and contain recycled materials as much as possible rather than primary raw materials. The

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<sup>90</sup> <https://ec.europa.eu/>

<sup>91</sup> Id.



measures will also limit single-use products, address premature obsolescence and ban the destruction of unsold durable goods.

- *empower consumers*: consumers will have access to reliable information on issues such as the reparability and durability of products so that they can make more sustainable choices and will benefit from a real "right to repair".
- *Focus on sectors that use more resources and have a high potential for circularity*: the Commission will launch concrete actions in several areas such as: electronics and ICT: a "Circular Electronics Initiative" to extend the life cycle of products and improve waste collection and treatment; batteries and vehicles: a new regulatory framework for batteries to improve sustainability and increase the circularity potential of batteries; packaging: new binding provisions defining what is allowed on the battery market 'EU. Includes requirements for reducing excessive packaging; plastics: new binding provisions on recycled content and particular focus on the issue - IP/20/420 of microplastics and bio-based and biodegradable plastics; textiles: a new EU strategy for textiles to strengthen competitiveness and innovation in the sector and promote the EU market for the reuse of materials; building and construction: a comprehensive plan for a sustainable built environment promoting the principles of circularity for buildings; food: a new legislative initiative on reuse to replace packaging, tableware and disposable cutlery with reusable products in catering services.
- *reduce waste*: the emphasis will be on the need to avoid waste in the first place and transform it into high-quality secondary resources that benefit from an efficient secondary raw materials market. The Commission will examine the possibility of introducing a harmonized EU-wide model for separate waste collection and labelling. The action plan also includes a series of interventions aimed at minimizing EU waste exports and tackling illegal shipments<sup>92</sup>.

The European Parliament endorsed the Circular Economy Action Plan in February 2021, aiming for a zero-carbon, environmentally sustainable, toxic-free, and fully circular economy by 2050<sup>93</sup>. Stricter recycling rules and binding 2030 targets for material use and ecological footprint were included. In March 2022, the Commission introduced measures to expedite the transition to a circular economy, focusing on sustainable products, consumer empowerment,

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<sup>92</sup> <https://environment.ec.europa.eu/>

<sup>93</sup> Id.

and strategies for construction products and textiles<sup>94</sup>. In November 2022, new EU-wide packaging rules were proposed, aiming to enhance packaging design, promote clear labeling, encourage reuse and recycling, and transition to bio-based, biodegradable, and compostable plastics<sup>95</sup>.

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<sup>94</sup> Id.

<sup>95</sup> Id.

## **CAPITOLO 5: SWOT analysis of the policies and strategies about marginal areas in Italy**

As mentioned in the previous chapters, the ex-ante evaluation can be done both with quantitative methods, therefore methods which require the construction of a sample, the application of econometric methodologies and which are based on the collection and analysis of statistical data, and with qualitative methods, which are based on the use of non-standardized detection techniques and tools, and with hybrid methods, which use qualitative-quantitative tools.

The method that was chosen in our analysis was the SWOT analysis, a tool used for strategic planning and strategic management in organizations, therefore a tool for analyzing the strengths, weaknesses, opportunities and threats that they involve an organization, plan, project, person, or activity (Gürel & Tat, 2017) necessary to achieve a goal. As already widely said, the SWOT analysis is a valuable scheme for reflecting and examining specific issues of a given situation territory (for example, from an economic, social, or environmental point of view). It is a method that allows us to study any topic, and we can adopt different methods of in-depth analysis by moving the magnifying glass closer or further away (for example, remarkably detailed SWOTs, which then allow us to reach the Program SWOT) (Cristiano et al., 2019). Furthermore, it is essential to be able (and to know) to distinguish between the external and internal context - for example, between weaknesses (internal) and threats (external) – to better identify needs.

Initially, the SWOT was used purely for business management and organizational development approaches; over time, this tool has acquired a high practical relevance for rural policies in all EU member states (Knierim & Nowicki, 2010). Thanks to its "explanatory power" of all those elements (internal and external) that can determine the success (or otherwise) of a program, it is increasingly used for "territorial diagnoses and evaluation of programs" (Bolli et al., 2019).

### **5.1 Theoretical framework**

As mentioned previously, considering that there are different definitions of rural areas, in our case study, we will pay attention to marginal rural areas in Italy defined by SNAI as internal areas.

The presentation of the territory, so the context analysis, with the related problems, was presented in chapter II of this doctoral thesis.

This attention arises because we asked ourselves some questions deriving from studying the policies and strategies that have followed one another over the years and the unpleasant data of these territories.

*Despite 25/30 years of intervention to develop/rebalance rural areas, why has the gap between rural and urban areas not decreased but increased instead? Because the gap between the South as a whole and, in particular, the rural territories and the rural territories of the rest of the Center-North and the rest of Europe (except perhaps for some parts of the Balkan areas and the Eastern countries that entered later) is not filled? Why were the broader objectives not achieved, even though the rural development concepts were increasingly appealing? Why didn't the tools put at the top (which were always an integrated and bottom-up approach) and the twenty/thirty years of experience of materialising real programmes, tenders and money have no assorted effect?*

All these questions we asked ourselves, therefore, led us to form the following research question:

*Does the rural system have the skills and/or tools to seize the opportunities dictated by the new policies? So, do the new policies guarantee rural development in rural areas?*

This chapter will try to answer these questions through the SWOT analysis.

## **5.2 SWOT analysis**

In this paragraph, we will get to the heart of the SWOT analysis based on the policies and strategies analyzed and the data relating to Italy presented in the previous section.

In our evaluation work, we will first describe the results of the SWOT analysis point by point and then present a single and complete final picture.

SWOT analysis will highlight the strengths of rural development, recognizing the importance of inclusive and comprehensive approaches to address the challenges rural areas face.

It is worth specifying that, from a first analysis, it is known that some policies and strategies directly involve rural areas and marginal areas and others that affect them indirectly.

Our analysis showed that the long-term vision of rural areas, proposed by the European Commission and the new CAP and the Cohesion policy, focuses on rural areas. Indeed, the document that completely recalls the concept of internal areas is the SNAI. The NRRP also provides support for internal areas in two lines of intervention:

- Strengthening community social services and infrastructures
- Proximity health services.

Indirectly, we find in the strategies that, as in the Green Deal, there is no specific mention of rural areas and marginal rural areas, but the awareness that they can play a key role in the green, ecological and inclusive transition.

### **5.2.1 Strengths**

Before starting the analysis, it is essential to clarify that the strengths and weaknesses are internal to the key actor or the intervention context. They are elements under control, and one can act directly, for example, by using existing responses and skills (strengths) to address and resolve problems arising from weak points.

The strengths are, therefore, positive factors internal to the organization, the territory or the sector of intervention (skills, available resources, etc.).

One of the strengths identified in the long-term vision is that a shared and collegial working method is envisaged between the Agriculture and Regional Development Commissions under the coordination of the Vice Presidency. Furthermore, there is the desire to use the different political instruments in an integrated manner: the CAP, the Regional Development Fund, the European Social Fund, the Cohesion Fund, and the Fisheries Fund. Thirdly, we start from the specific needs of rural areas and the involvement of those who live in these areas with local and regional authorities, as demonstrated by the preliminary use of the public consultation tool.

Finally, there is a fourth characteristic on which the Brussels Commission is focusing a lot. It consists of the desire to exploit not only the agricultural and forestry potential of rural areas but also to implement a holistic vision for the future of rural areas to promote employment, growth, social inclusion, and generational renewal, exploiting the potential of research, digitalisation and transport infrastructures. Full recognition is accorded to the pivotal role played by local communities in bolstering rural areas. To facilitate accessibility to information regarding ongoing projects and potential funding opportunities, a comprehensive "one-stop

shop" platform is proposed. Rural-focused research and innovation endeavors under the Horizon Europe program will drive innovation within rural communities and for their benefit.

Allusions are made to the annual gathering of start-up villages and the indispensable functions of LEADER and smart villages. Innovative programs such as Erasmus+ and the European Solidarity Corps will extend their reach to rural areas through inclusive measures. Regarding connectivity, the imperative to enhance existing transportation networks and achieve 100% high-speed broadband coverage in rural regions by 2025 is duly acknowledged.

A wide array of initiatives encompasses rural resilience's environmental, climate, and social dimensions, overseen by a European Commission research group dedicated to improving data collection and analysis for rural areas.

Furthermore, a rural verification mechanism is poised to assess the anticipated impacts of crucial EU legislation on rural areas, particularly in bolstering municipalities undergoing energy transition and addressing climate change. A workstream is in the works to support the exchange of best practices, enhance access to funds, and boost awareness of the contributions made by municipalities to the fight against climate change. EU funds are to back rural building renovations, energy efficiency improvements, and renewable energy generation. Carbon farming is also acknowledged as a source of income for farmers. Initiatives are on the horizon to uplift women in rural areas, including enhancing quality education and caregiving services for children and dependents.

To stimulate prosperity, strategies are advocated to diversify economic activities, provide education and training, promote small and medium-sized enterprises (SMEs), and market products bearing geographical indications, with a particular emphasis on strengthening the position of producer groups in the food supply chain.

The mantra, "The little one cannot do it alone", underscores the significance of collaborative programs. Leveraging existing tools, notably LEADER is highlighted to help shape and realize the future vision at the local level. Engaging local communities gains prominence, thereby fortifying ongoing initiatives such as local action groups (LAGs) and the LEADER methodology to conceive rural development actions and stimulate their active involvement in EU decision-making processes. Such participatory approaches guarantee rural populations' dynamic and direct participation in decision-making processes. Cooperation and establishing networks that foster local engagement are alternatives to conventional consolidation. These networks can function remotely and need not be limited to geographic proximity. Urban-rural

linkages are envisioned to be governed by balanced partnerships that ensure a level playing field.

Specific Objective (SO) 8 within the Common Agricultural Policy of the European Union (CAP) unequivocally favours rural areas. It aims to "Promote employment, growth, gender equality, including women's participation in agriculture, social inclusion, and local development in rural areas, including the circular bioeconomy and sustainable forestry," tasks that LAGs are entrusted to execute.

In the 2023-2027 programming, LEADER (Liaison Entre Actions de Développement de l'Économie Rurale - Connection between development actions of the rural economy) assumes a strategic role in invigorating rural areas, combating depopulation, poverty, and environmental degradation, and addressing the unique needs of rural areas in the long term, aiming to bridge the gap with urban areas in terms of essential services, infrastructure, social inclusion, unemployment, and equity. The intervention primarily targets rural areas, with strategies focused on local development:

- Expanding the supply and accessibility of goods and services in the territories to transform them into social and economic value.
- Fostering relationships between public and private socio-economic entities and engaging residents to strengthen social capital.
- Supporting connections and integration among different sectors of the local economy to enhance the territorial system.
- Promoting structural changes, including new product processes and organizational models in businesses and local authorities for the sustainable management and use of private and public resources.
- Establishing networks of synergy and complementarity between local centers (institutional, productive, social) and external ones (e.g., urban) to develop high-quality skills, attract new investors, and improve the relationship between transaction costs and the local population.

The Local Development Strategy encompasses:

- The delineation of the geographical area and population affected by the strategy.
- A description of the process involving the local community in strategy development.

- An analysis of the development needs and potential of the territory, including a SWOT analysis.
- A description of the strategy and its objectives with measurable targets and associated actions.
- A depiction of the strategy's management and monitoring, demonstrating the local action group's capacity to implement it and specific evaluation methods.
- The financial plan is divided into Sub-intervention A and Sub-intervention B, with resources allocated to Sub-intervention B not exceeding 25% of the total public contribution and at least 10% dedicated to operation B.2: Animation and communication.

This signifies the potential for LAGs to extend their focus to marginal rural areas rather than exclusively concentrating on well-established rural regions. One of the key strengths of the new CAP lies in its innovative governance model (New Delivery Model) centered on measurable objectives. Greater subsidiarity is embraced through heightened contributions from individual member states and the formulation of national strategic plans to delineate specific action tools. Integrating direct payments, rural development, and a segment of the CMO (sectoral measures) into a single regulation fosters a common approach with a unified implementation model for various policy instruments. Member states will determine resource utilization methods through national strategic plans, potentially translating into increased attention to areas based on their inherent characteristics. Member states are tasked with structuring interventions, aligning them with objectives and targets, outlining operational measures and rules, and generating annual reports on outcomes.

Overall, it was recognized that successful rural development is not just a matter of EU policies but requires cooperation with national, regional and local governments.

One of the key strengths of the SNAI lies in its utilization of a multilevel governance model involving the State, Regions, and local institutions while also emphasising the importance of collaboration among Mayors as a prerequisite for establishing enduring coalitions within the regions. A notable innovation in the program's approach is the Strategy's co-planning method. This approach commences by actively engaging relevant stakeholders and enables the initiation of a process to empower local actors facilitated by a team of national experts who work closely with the regions. This method has proven advantageous in eliciting specific requests for intervention from the areas rather than generic ones and cultivating advanced project ideas. In



many instances, it has opened up intervention possibilities that would otherwise be unavailable, especially with the involvement of specialized competence centres.

Within the framework of the SNAI, interventions encompass various aspects, including education, local development, agriculture, healthcare in internal areas, and initiatives related to training and employment, which serve as a solid foundation for the regions.

Therefore, it can be asserted that the SNAI's approach, which prioritizes processes through scouting, co-planning, and on-site support, has proven highly effective in designing and implementing intricate interventions that involve multiple stakeholders and encompass a wide range of themes. This approach is well-suited for addressing complex, multi-fund, and multi-dimensional projects, such as enhancing territorial socio-health networks or reviving local communities based on their unique cultural and agricultural identities.

The structure of the NRRP includes a specific mission dedicated to social and territorial cohesion, within which interventions dedicated to internal areas can also be found. For example, financing lines have been launched dedicated to strengthening infrastructure to improve roads and social facilities, hoping to create systems or ecosystems that can stimulate innovation. These are interventions which, at the moment, have mainly activated urban regeneration projects in small towns, which are intertwined with support for the areas affected by the earthquake, which largely coincide with internal areas.

The launch of the National Strategy for Internal Areas (SNAI) has instilled a newfound awareness among public decision-makers. They now understand that the development of these diverse and heterogeneous territories cannot be guided by a one-size-fits-all approach imposed by external forces. Instead, the sustainability of these areas hinges on their capacity to generate opportunities. Their strength lies in their ability to provide local responses to the demands for enhanced education and skills development, particularly for the young workforce entering the job market.

In this context, the card of environmental sustainability emerges as the most promising and effective one that these territories can play to their advantage. It encompasses the management of forests for CO<sub>2</sub> sequestration and exchange policies and the rejuvenation of biodiversity in parks and protected areas.

In Italy, the pursuit of the UN Agenda 2030 must be connected to addressing rural areas. These regions, characterized by their fragility stemming from both physical-geographical and environmental conditions and the evolving social dynamics that have transpired over time, hold

the key to the future of biodiversity conservation and regeneration on our continent. This pivotal role of rural areas has finally gained recognition in the new strategies, notably the Green Deal, which stands as a priority path for realising the Sustainable Development Goals (SDGs) outlined in Agenda 2030.

### **5.2.2 Weakness**

Weaknesses are internal factors that can negatively interfere with the implementation of a strategy.

The EU's long-term vision, although it may be a turning point document for rural areas given the ambitious objectives, considers rural areas as a unique whole. Although there are similar characteristics among European rural areas, it is also true that each country has different factors, which lead to a further division with marginal rural areas. This task is indeed in the hands of the member countries, but it is also true that there continues to be an overall vision that only sometimes works.

Concerning the Common Agricultural Policy (CAP), potential issues may arise if the increase in subsidiarity is not accompanied by a well-defined allocation of responsibilities between the EU and its Member States. Furthermore, there is a risk of a race to the bottom regarding ambition without precise accountability mechanisms.

The current incentives for the agricultural sector to shift towards providing multifunctional services such as environmental protection, landscape preservation, and hydro-geological defense remain relatively modest. This poses a risk to agricultural enterprises, as they may find themselves in a state of limbo where the reduction of undifferentiated incentives, combined with the legacy conditions of the past (whether coupled or decoupled), isn't adequately offset by sufficient recognition and compensation for their multifunctional roles. This issue is particularly relevant to rural and marginalized areas.

Divergent national decisions regarding the options granted to Member States can result in significant treatment disparities for producers in various EU countries. These discrepancies may be seen as attempts to adapt the CAP to specific national and regional requirements. However, individual member states or their regions could also exploit these differences for strategic advantages in the market. The risk here is that the commitment to multifunctionality may weaken overall, or some may use it by favoring environmental dumping practices, whether overt or concealed.

Moreover, there is a growing trend toward separating cohesion policy and the CAP instead of a unified European policy to promote regional and local development and cohesion and convergence. This narrowing perspective on rural development and rurality needs to address the needs of the expanded European Union and the advancements in structural and cohesion policies. Consequently, it leads to a dangerous isolation of rural development, hindering efforts to integrate it with regional development and relegating it to a secondary role relative to the agricultural sector's policy.

Within the context of the SNAI (Italian National Strategy for Inner Areas), the involvement of two European Regional Development Funds (ERDF) and the European Social Fund Plus is foreseen. However, in most instances, these funds will be part of separate programs. Only a few regions are considering the possibility of creating a multi-fund program. While this situation doesn't prevent the integration of both funds' interventions into the SNAI, it does require different administrations to collaborate in program development to establish effective means for these two areas of intervention to communicate.

Additionally, the Agricultural Development Fund (EAFRD) and national resources within the new formal framework exist outside the programmatic structure supporting the SNAI. This necessitates formulating strategic options within the programs to ensure seamless integration between structural funds and other funding sources, even in this altered scenario. This, in turn, demands the initiation and oversight of collaborative pathways between various sectoral administrations at the regional and national levels, particularly regarding identifying local demands and the processes of co-planning, support, and local-level participation.

Furthermore, learning from past experiences and avoiding repeating mistakes is imperative. To this end, several comparative meetings have been established within the National Evaluation System to assist in shaping the 2021-27 programs. These meetings cover the organization and utilization of valuable evaluative knowledge and facilitate discussions between administrations concerning critical aspects to be included in the programs to support territorial coalitions' activities effectively.

Amidst these circumstances, governance tailored to the unique characteristics of different regions, often characterized by fragmentation, becomes a pivotal factor. Reviving local self-governance, attuned to the realities of small, inland, and mountain communities, is an imperative. With this localized approach, intervention strategies can maintain their effectiveness. Hence, there is a pressing need to establish a coordinated national government direction capable of fostering inter-institutional synergies, which the current ministerial

dispersion tends to impede. The Inter-ministerial Committee for Economic Planning and Sustainable Development (CIPESS) holds the potential to craft a sustainable development agenda for inland and mountainous areas.

It is crucial to note that engaging with Rural Development Programs (RDPs) is intricate within the new programmatic structure. Due to the diverse regional context, this engagement was only sometimes straightforward in the previous programming. The integration of the EAFRD into the SNAI took place through various methods depending on the specific contexts. Moreover, in many cases, reliance on generic tenders during the implementation phase, which were not tailored to the particular needs of the areas, despite the extensive co-planning efforts to define necessary actions and potential implementers, resulted in misalignment between the regions' demands and the program's capacity to deliver appropriate responses.

A significant area for improvement in the Italian National Recovery and Resilience Plan (NRRP) is its failure to comprehensively reveal territorial inequality's extent. Among the disparities that have been addressed, those impacting internal regions remain concealed, tucked away in the hidden corners of Italy. These areas consist of remote and overlooked micro-communities whose challenges go unnoticed and unreported. Furthermore, since these regions are scattered across the entire geographical expanse of Italy, spanning from the Chiavenna Valley to Salento through the central Apennines, their unique needs and concerns must be found in the historical discourse on Italian territorial issues.

The initial concern pertains to the funding allocation method, which relies on competitive bidding for various projects. This approach, borrowed from the field of public law, is designed to adhere to the principle of rewarding merit and opposes the concept of "rain" financing or any form of economic planning. However, it has been acknowledged that this method risks leaving the regions most in need at a disadvantage, primarily due to their lack of expertise, a prerequisite for successful bidding. This issue is particularly pronounced in the internal areas, where isolation and depopulation have led to a chronic shortage of qualified human resources.

Entrusting all aspects to competitive bids in these internal regions not only perpetuates existing inequalities, a common trend in addressing territorial disparities but also leads to a significant misalignment between objectives and means. To effectively respond to these bids, the regions should have already addressed the underlying issues, such as achieving a critical mass, fostering innovation capacity, and establishing a well-trained workforce, among other considerations.

At an institutional level, the responsibility for initiating change is placed on municipalities, which, due to austerity policies imposed on local authorities, need to catch up on the necessary generational shift vital for public administration innovation. In the internal regions, where small or very small municipalities predominate (comprising over half of Italian municipalities), the impact of reduced staff and a lack of personnel turnover is particularly pronounced. The resources and energy still present in larger urban centres cannot overcome these challenges. Furthermore, it is unrealistic to expect that the long-term solution lies in hiring facilitators or territorial policy experts. The internal regions require a capable and dedicated public administration to facilitate their revival, especially considering the absence of a substantial private sector. This vulnerability makes these areas particularly susceptible to "predatory" interventions by companies with no genuine roots in the region and primarily focused on securing contracts.

Indeed, initiatives aimed at revitalization are in progress and have already been initiated in small towns. However, there is a risk that these efforts may be limited to mere structural refurbishment, as relying solely on real estate assets cannot fulfil the crucial role of rejuvenating a region. It's worth noting the interesting observation that even the terminology used in the public discourse surrounding the National Recovery and Resilience Plan (NRRP) heavily borrows from civil engineering, with terms like "earthing" and "construction projects". The revitalization of a place, particularly in a remote location, poses a complex challenge that inherently hinges on the intricate puzzle of generating employment, a historically pivotal driver of demographic vitality.

As previously highlighted, the Rural Development Program (RDP) presents several comprehensive approaches that can significantly enhance the efficacy of the National Strategy for Internal Areas (SNAI), whether they take on a LEADER approach or a more sector-specific one. Undoubtedly, LEADER predominates for two primary reasons: firstly, it has been firmly established in these regions for over two decades and can access dedicated financial resources, including additional support, when operating in the internal areas of various regions. Secondly, LEADER initiatives are well-aligned with most of the internal areas delineated by the SNAI.

The quest for solutions to the challenges and prospects can be found in the multi-fund innovation of Community-Led Local Development (CLLD). In these scenarios, a heightened commitment is necessary for governing the integration between CLLD and SNAI, facilitated through a joint regional technical committee featuring representatives from various funding sources. In regions where CLLD is financed exclusively by the European Agricultural Fund

for Rural Development (EAFRD), a regional selection committee comprising predominantly technical officials suffices.

Although the crucial role of rural areas in the context of climate change, biodiversity, and agri-food supply chains has at last garnered recognition in the new strategies, there still needs to be a more comprehensive analysis regarding the diversity within rural areas. As a result, the pivotal role played by internal areas in forthcoming challenges needs to be more emphasized.

### **5.2.3 Opportunities**

Before continuing the analysis, it is essential to point out that the opportunities, together with the threats, are external factors and are elements that are not under control and on which it is not possible to act directly. In this case, it is a question of knowing how to identify the favourable conditions of the intervention context (opportunities) to exploit them to support the strategy that is intended to be implemented.

Opportunities are, therefore, positive factors existing in the context that can be exploited to support the organisation, the territory or the sector of intervention. In the National Strategy for Internal Areas (Snai), sustainable tourism is recognized as a key driver of local development alongside agri-food systems, local renewable energy supply chains, and traditional knowledge and craftsmanship. The overarching goal of this strategy is to counter the trend of depopulation (Department for Development and Cohesion, 2013). Tourism stands out as a significant opportunity within Italy's internal regions, and the linchpin of this entire process lies in the pivotal role that local communities can, and indeed must, assume. These communities are seen as evolving collective entities capable of reactivating the existing human resources in their areas and simultaneously attracting new entrepreneurs and residents. The social actors of the region, including administrators, tourism professionals, cultural experts, farmers, and the general public, are uniquely positioned to lead the development of the tourism-environmental product. They achieve this by identifying, promoting, and enhancing a range of valuable elements that contribute to and support the tourism value chain.

Participatory approaches are essential in devising strategies and methods for revitalising these areas, including their tourism sectors. They are a prerequisite for the success of development policies. With that said, and starting from the premise that only a shared vision can drive tangible action, it is crucial to explore how to encourage effective participation. This should

ensure genuine collaboration among all stakeholders and the establishment of networks and active relationships, both within regions and across different areas.

The COVID-19 pandemic has given rise to a pervasive and unprecedented scepticism regarding various remote work forms, often called telecommuting. This represents a genuine despatialization, signifying a profound shift in the connection between work and physical workplaces. It is characterized by a detachment from the traditional link between employees and their employer's physical office. Remote work presents a promising prospect for rural or internal areas, enabling individuals to either return to these regions or remain there, thereby contributing to their revitalization. Simultaneously, it's essential to recognize several key megatrends. These include the rising interest in the sustainable bio-based industry, the circular economy, novel work models, and a growing emphasis on wholesome nutrition and sustainable diets. These trends underscore the increasing strategic significance of sustainable technologies that rely on rural resources.

Agriculture is a linchpin for sustainability, facilitating job creation, providing access to high-quality, affordable food, and preserving rural landscapes. While rural areas encompass more than just agriculture, the latter continues to play a fundamental role in their fabric. Sustainable agriculture is pivotal in the shift towards a green economy and fortifying resilience in rural regions. In the future, agriculture should pivot towards greater sustainability, stronger local ties (short supply chains), and more diversified value chains. Moreover, as generational succession is at risk, investment in training the next generation of farmers and "geographical indications" (GI) experts is imperative for the sector's continuity.

The embrace and implementation of innovation in all its facets (digital, productive, social, community-driven) are paramount for the future of rural areas. Social innovations, particularly those driven and rooted in the community, hold exceptional importance for rural regions and warrant fortification and promotion for the future. Access to economic opportunities is a key factor in making areas appealing over the long term.

The green transition should be viewed as an asset, not a burden. Rural areas are well-positioned to harness their natural resources and focus more on climate change mitigation and adaptation. Achieving this necessitates a better acknowledgment of ecosystem services and an inclusive approach to support an equitable transition. This encompasses services and connectivity as well.

The appeal of rural areas is shaped by various factors, with particular emphasis on providing online services (related to healthcare and education), improved internet connectivity, and an increased population in these regions. Access to healthcare facilities stands out as a pivotal factor contributing to the enduring allure of rural areas.

Innovative and alternative approaches to transportation can mitigate costs environmental impact, and enhance accessibility.

A higher quality of life, proximity to nature, and a strong sense of belonging are many motivations for residing in or relocating to rural areas.

The significance of fostering a sense of belonging is a foundational aspect of the attractiveness of rural areas. By 2040, rural regions should remain inclusive, welcoming individuals of all ethnic backgrounds, genders, ages, abilities, and origins. Achieving this goal necessitates addressing the needs of both newcomers and existing residents.

Preserving the distinct "rural" character was also emphasized, affirming the importance of rural areas retaining their rural identity.

The appreciation for rural areas has grown in the wake of the pandemic, owing to reduced crowding, lower pollution levels, and the ability to work remotely from the countryside.

Upon analyzing the highlighted opportunities and requirements, reinforcing rural areas' resilience emerges as a central element. This entails rural areas transitioning toward a just, environmentally sustainable, and inclusive future. Resilience encompasses social, environmental, and economic aspects. Stakeholders believe that smart specialization can bring added value, but they also stress the importance of diversity. Diversification and collaboration are crucial components of rural resilience (adapted from the European Commission document).

#### **5.2.4 Threats**

Threats are external factors and are risk factors of the context that represent a threat to the organization, the territory or the sector of intervention.

It is, therefore, necessary to identify the threats and risks present in the intervention context (threats) to constantly monitor them during the implementation of the intervention strategy and mitigate the adverse effects.



The most significant risk is represented by the profound economic, social, territorial and geomorphological inequalities experienced by the inhabitants of internal areas. Depopulation, demanding access to healthcare, education (both first and second level) and the lack of job opportunities, especially for the young generations, are the main factors that determine the difference in living standards of internal communities and mountainous compared to urban ones located downstream.

While inland areas often enjoy a climatic advantage compared to urban centers, they are not immune to the forces of acceleration and suffer the consequences of climate change through extreme weather events exacerbated by environmental degradation. Environmental deterioration due to land consumption is another concern. Local authorities, in their pursuit of economic resources to support social services, sometimes alter regulatory plans to allow increased construction, thereby capturing urbanization-related revenues.

It's worth noting that the new set of policies and strategies addresses the environmental crisis and the welfare system crisis as distinct issues. Failing to view these problems in an interconnected manner results in actions and policies that tend to exacerbate contradictions rather than resolving them.

Recognizing depopulation as the primary threat to inland areas is not a recent revelation. In today's globalized world, with high population mobility, combatting depopulation in these regions increasingly demands more than simply retaining the existing population, especially the youth. It now hinges on the ability of non-urban territories to be attractive, drawing in young individuals. Attracting and retaining young people becomes a powerful incentive for these areas, whether native to the region or newcomers seeking to establish their life projects, be it in work, business, or education.

Remote working is undoubtedly an opportunity, but at the same time, some factors threaten its possible spread. First of all, organisations, especially public ones, are no longer encouraging this working method, but on the contrary, they are backtracking and bringing employees back to the office. The second problem is linked to the need for more connectivity and infrastructure, which should be implemented. A lower proportion of households in Italian marginal areas have access to next-generation broadband compared to the EU average. Tertiary education and basic digital skill levels are lower in rural areas, and a significant gap exists between male and female employment rates. The widening of economic inequalities serves as a warning signal, indicating a vulnerability in local, but more significantly, national and regional redistributive policies. This vulnerability could contribute to the emergence of critical social issues.

Furthermore, when we think about valorising internal Italian areas, we often make an automatic connection with the tourism sector, as if there were no other possibility to revive rural areas other than turning them into open-air museums. To be viable, however, a country cannot be reduced to a postcard, a welcoming place for more or less wealthy tourists. *«An attitude of this type does not favour the return of young people»*, concludes Membretti, *«but only of certain categories of entrepreneurs, who perhaps buy an entire village to create resorts, without a return for the territory. The theme of tourism must be integrated with other activities, such as remote working, to encourage medium-long-term residency»*<sup>96</sup>.

Threats include concerns about infrastructure needs, such as better public transport and access to key public services, such as water, electricity and services like banks, utilities and post offices.

One threat is undoubtedly the weather. If it is true that the CAP is complicated, it is also true that its application in Italy is even more so. The efficiency of the institutions has not always proved to be up to the needs, which has already led to severe delays in previous programming.

The 2026 deadline for the NRRP, for example, is a double-edged sword. Municipalities are asked to have a serious, responsible and constructive approach. Still, it is not considered that many municipalities in internal areas cannot spend the resources available. This lack is simply due to the know-how, but also to the slow turn-over between generations.

### 5.2.5 Results

This paragraph aims to illustrate the results of the SWOT relating to the set of policies and strategies for the growth of marginal areas and identify a common thread between them, which can lead to the achievement of significant economic, social and territorial results compared to the Italian context.

**Figure 29: SWOT ANALYSIS**

STRENGTHS	WEAKNESSES
1. Emphasis on shared and collegial working methods between Agriculture and Regional Development Commissions.	1. The EU's long-term vision for rural areas, while ambitious, sees them as a collective entity despite their diversity.

<sup>96</sup> <https://www.morningfuture.com/>

<ol style="list-style-type: none"> <li>2. Integrated use of various political instruments, including CAP, Regional Development Fund, European Social Fund, Cohesion Fund, and Fisheries Fund.</li> <li>3. Focus on the specific needs of rural areas and involvement of local communities through public consultation.</li> <li>4. Holistic vision for the future of rural areas, including employment, growth, social inclusion, and generational renewal through research, digitalization, and transport infrastructure.</li> <li>5. Recognition of the pivotal role of local communities in rural development.</li> <li>6. Proposal for a comprehensive "one-stop shop" platform for project information and funding opportunities.</li> <li>7. Initiatives under Horizon Europe to drive innovation in rural communities.</li> <li>8. Mention start-up villages, LEADER, smart villages, Erasmus+, and European Solidarity Corps.</li> <li>9. Acknowledgment the need for enhanced transportation networks and high-speed broadband in rural areas.</li> <li>10. Initiatives to address environmental, climate, and social dimensions in rural resilience.</li> <li>11. Support for rural building renovations, energy efficiency improvements, renewable energy generation, and carbon farming.</li> <li>12. Efforts to uplift women in rural areas through education and caregiving services.</li> <li>13. Strategies to diversify economic activities, promote SMEs, and market products with geographical indications.</li> </ol>	<ol style="list-style-type: none"> <li>2. The Common Agricultural Policy (CAP) may face challenges with increased subsidiarity and a lack of clearly defined responsibilities.</li> <li>3. There is a risk of decreased incentives for agricultural sectors to provide multifunctional services, potentially affecting rural and marginalized areas.</li> <li>4. Differences in national decisions regarding options within the Common Agricultural Policy (CAP) can lead to disparities in how producers are treated across EU countries. These differences can be seen as efforts to adapt the CAP to specific national and regional needs. Still, they may also be exploited for strategic market advantages, potentially weakening the commitment to multifunctionality.</li> <li>5. There is a growing trend to separate cohesion policy from the CAP rather than having a unified European policy to promote regional development and rural areas. This approach isolates rural development, hindering its integration with regional development and relegating it to a secondary role relative to agricultural policies.</li> <li>6. The Italian National Strategy for Inner Areas (SNAI) involves two European Regional Development Funds (ERDF) and the European Social Fund Plus. Still, in most cases, these funds are part of separate programs. Collaboration among different administrations is required to ensure effective communication and integration of interventions between these two areas.</li> <li>7. The need for seamless integration between the Agricultural Development Fund (EAFRD) and national resources with the</li> </ol>
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<p>14. Emphasis on collaborative programs, including LEADER and participatory approaches involving local communities.</p>	<p>Italian National Strategy for Inner Areas (SNAI) program.</p> <ol style="list-style-type: none"> <li>8. The importance of learning from past experiences and avoiding repeating mistakes, with comparative meetings to shape programs and support territorial coalitions effectively.</li> <li>9. The significance of governance is tailored to the unique characteristics of different regions, particularly small, inland, and mountain communities.</li> <li>10. Challenges in the funding allocation method that relies on competitive bidding, potentially leaving the neediest regions at a disadvantage.</li> <li>11. The role of municipalities in initiating change but facing challenges due to austerity policies and a lack of personnel turnover.</li> <li>12. The need for more comprehensive recognition of the diverse role played by internal areas in addressing climate change, biodiversity, and agri-food supply chains.</li> </ol>
<p style="text-align: center;"><b>OPPORTUNITIES</b></p> <ol style="list-style-type: none"> <li>1. The recognition of sustainable tourism as a vital driver of local development, with a focus on the role of local communities in reactivating human resources and attracting new entrepreneurs and residents.</li> <li>2. The importance of participatory approaches in devising strategies for revitalization, emphasizing shared visions, effective collaboration, and networks among stakeholders.</li> <li>3. The potential of remote work (telecommuting) to contribute to the revitalization of rural and internal areas, especially in the post-COVID-19 era.</li> </ol>	<p style="text-align: center;"><b>THREATS</b></p> <ol style="list-style-type: none"> <li>1. Profound economic, social, territorial, and geomorphological inequalities, driven by depopulation, lack of access to healthcare and education, and limited job opportunities, especially for young generations.</li> <li>2. Environmental degradation due to land consumption, driven by the pursuit of economic resources, leading to increased construction and urbanization.</li> <li>3. The need to address environmental and welfare system crises as interconnected issues to avoid exacerbating contradictions.</li> </ol>

<ol style="list-style-type: none"> <li>4. Emerging megatrends include sustainable bio-based industries, the circular economy, novel work models, and the emphasis on sustainable diets and agriculture's central role in sustainability.</li> <li>5. The significance of innovation, mainly social and community-driven innovations, in shaping the future of rural areas and enhancing access to economic opportunities.</li> <li>6. The need to view the green transition as an asset for rural areas, emphasizing the harnessing of natural resources and climate change mitigation and adaptation.</li> <li>7. Factors that make rural areas attractive include access to online services, improved internet connectivity, access to healthcare, alternative transportation approaches, quality of life, and a sense of belonging.</li> <li>8. The importance of preserving the rural identity and fostering a sense of belonging in rural areas.</li> <li>9. The growing appreciation for rural areas in the post-pandemic world is due to reduced crowding, lower pollution, and the ability to work remotely from the countryside.</li> <li>10. The central element of reinforcing rural areas' resilience, focusing on social, environmental, and economic aspects, diversification, and collaboration.</li> </ol>	<ol style="list-style-type: none"> <li>4. The importance of making non-urban territories attractive to young individuals, whether native or newcomers.</li> <li>5. The need for better connectivity and infrastructure.</li> <li>6. A focus on tourism should be integrated with other activities to encourage medium to long-term residency rather than just attracting tourists.</li> <li>7. Concerns about infrastructure needs, including public transport and access to essential public services.</li> <li>8. The complexity of implementing policies like the Common Agricultural Policy (CAP) in Italy is characterized by delays and challenges in the efficiency of institutions.</li> <li>9. The 2026 deadline for the National Recovery and Resilience Plan (NRRP), for example, could be a problem, with some municipalities lacking the know-how and experiencing a slow turnover between generations.</li> </ol>
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Source: our elaboration.

What has been found is that both the problems and the objectives are similar to the past but more focused on the environment (more public goods and fewer private goods).

Unfortunately, the operational intervention tools risk being the same as in the past (call mechanisms aimed at individual beneficiaries, private or public) who pursue the specific interest envisaged by the individual call without taking into account the overall vision of the local community in which they are inserted, of a comprehensive strategy and an integrated

picture of development, in all its dimensions (social, economic, environmental), as envisaged in the cold in the long-term vision.

It is necessary to create fertile ground for the production of ideas by training human capital, particularly insisting on those currently less so to involve them in PNRR, CAP, etc., projects.

The public and private entities responsible for the institutional coordination of sector interventions/assets must also be trained:

- Human capital must coordinate interventions for each agricultural asset of each agri-food system.
- Human capital must manage the coordination of interventions between the different assets.

The result of a project is partly conditioned by the weight of bureaucracy and how the procedures that characterise and regulate it are managed.

In light of all of the above, it is necessary to provide for territorial coordination at the level of implementation of all the calls foreseen downstream of the policy instruments that characterize the new vision of rural development, the CAP, the Next Generation EU and the Cohesion Policy.

In other words, we have two parallel worlds that must meet at the level of local territories (local development systems):

- 1) The world of policies built within the European Union (CAP, Cohesion Policies, Next Generation EU, etc.), programs at the national level (PNRR, etc.) and calls for tenders at the local level.
- 2) The different forms of local and territorial aggregation.

A plausible answer is that we need to "network" and increase connections (territorial cohesion), create integration (cooperation and complementarity), and involve and coordinate actors and levels of development (partnership, subsidiarity and multilevel governance) because the sharing of programs and responsibility on the part of all promoters of the growth processes should guarantee the success of the results.

The fundamental challenge is selecting the measures, interventions and actions most likely to be virtuous and yield positive results.

As suggested by the Accademia dei Geogofoli, one of the options could be to define a land policy intervention in rural areas to encourage the mobility of agricultural areas and the creation

of businesses with a critical dimensional and economic mass commensurate with the needs<sup>97</sup>. A second solution is the review of some rural development policy interventions, directing them towards the specific needs of agricultural, forestry, craft and service businesses in remote rural areas<sup>98</sup>. Then there is the issue of valorising traditional and quality productions and these territories' cultural, landscape, environmental and architectural heritage, using innovative and ingenious formulas and approaches in addition to those implemented today.

The SNAI could be an initial point of reference due to its ability to maximize the synergy of programs and resources between European rural development and cohesion policies in marginal rural areas. This strategy is tailored to the national context's specific needs and actual conditions, avoiding a broad macro-regional interpretation (such as North or Mezzogiorno) and instead focusing on uniformly distributed regions throughout the country. These areas possess distinctive rural and mountainous characteristics, and despite their marginal and disadvantaged status, they are rich in human and environmental resources. Ultimately, the Internal Areas exhibit dual qualities—they hold significant endogenous potential while facing development challenges that necessitate priority actions to revitalize local economies. By implementing local development and integrated territorial development strategies, the Internal Areas exemplify the cross-cutting and complementary nature of the interventions that support them. This approach involves harnessing the resources of all the funds within the Common Strategic Framework, mainly the ERDF, ESF, and EAFRD. As a result, the Internal Areas stand out as a prime example of integration and complementarity between policies, both in the context of past and future programming.

### **5.3 Best practices**

In addition to the SWOT analysis, we added a brief sum of the best practices for developing Italian internal and rural areas in this chapter.

We report the results from the 2021 "*Chi l'ha fatto?*" announcement on best practices that have improved the quality of life for residents of internal areas. The initiative took place as part of the third year of the project "*L'accesso ai servizi bancari nelle aree interne*", created in collaboration with UniCredit, as part of Noi&UniCredit, the collaboration program between the bank and 14 consumer associations of national importance, in which Cittadinanzattiva has

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<sup>97</sup> <https://www.georgofili.info>

<sup>98</sup> Id.

participated since 2005<sup>99</sup>. It should be noted that this announcement is not subject to ministerial authorisation under the Presidential Decree. 430 of 10.26.2021, and has exclusively social purposes.

From first to third place, here are the winning projects:

*Proxima*<sup>100</sup>: the Digital Proximity Showcase (Friuli Venezia Giulia, Internal Area of Alta Carnia and Internal Area of Canal del Ferro – Val Lauco and Resia, province of Udine). A digital showcase to allow the inhabitants of an internal area of the province of Udine to purchase products and services in addition to those available in local shops in the area and, at the same time, support these small commercial entities. The project was born from research on community welfare generated in the Friulian Alpine valleys during the first lockdown, highlighting local shops' social role.

*Cavi*<sup>101</sup>: (Puglia, internal area of the Gargano, Cagnano Varano, province of Foggia). Through a series of workshops that involved the entire resident population, the aim was to highlight the historic centre of the town, of great beauty but unfortunately increasingly abandoned in favour of more modern living areas, to improve visitors' perception of beauty. The idea was born in 2017 from the commitment of a group of young people who decided to reconstitute the local Pro Loco of Cagnano Varano and commit themselves to giving light to their territory with initiatives and events.

*Visit Enego*<sup>102</sup>: (Veneto, Altopiano Sette Comuni, Enego, provincia di Vicenza). It all comes from the commitment of five young people who deal with the tourist promotion of the Enego area on social channels through Reels, videos, documentaries and interviews with people from the town, dissemination of the initiatives of local associations, advice on itineraries and valorisation of slow and slow tourism Green, weather report.

*«A wide-ranging national strategy should be adopted in favour of these areas to guarantee an adequate supply of essential services, which goes beyond the useful funds provided by the PNRR: in this sense, we are pleased that the Minister for the South and Cohesion territorial announced the expansion of SNAI to a further 23 internal areas. At the same time, initiatives must be valorised, supported and encouraged - such as those awarded by Who did it? - which, starting from the local communities themselves, can stem depopulation, especially among the*

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<sup>99</sup> <https://www.cittadinanzattiva.it/>

<sup>100</sup> <https://proximatape.com/>

<sup>101</sup> <https://www.youtube.com/watch?v=HMQ-pnDPGtY>

<sup>102</sup> [https://www.youtube.com/watch?v=Y5\\_HRX4-Jz0](https://www.youtube.com/watch?v=Y5_HRX4-Jz0)



*young sections of the population and recreate a sense of identity and belonging»<sup>103</sup>, declared Anna Lisa Mandorino, general secretary of Cittadinanzattiva. «This is what our “Carta della partecipazione delle aree interne” aims to do, which intends to promote paths that give impetus to the community's protagonism and their participation in the development policies that concern them, thus promoting the effectiveness of the strategies national and their adherence to the needs of the territory»<sup>104</sup>.*

“Chi l’ha fatto?” can also be considered a best practice from our point of view. This initiative has the aim of collecting, disseminating and encouraging good practices in internal Italian areas, i.e. those projects and activities carried out by citizens, non-profit associations, etc., who have contributed to improving the quality of life of residents, paying particular attention to the 17 global objectives of the UN Agenda 2030 and in particular to the issues of sustainability and inequalities<sup>105</sup>.

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<sup>103</sup> <https://www.huffingtonpost.it/>

<sup>104</sup> Id.

<sup>105</sup> <https://www.cittadinanzattiva.it/>

## CONCLUSIONS

This PhD thesis aimed to identify if the new generation of policies can favour rural development in marginal territories, thus understanding the success and failure factors of the same, together with the opportunities and threats. In our case study, we focused on marginal rural areas of Italy defined by SNAI as internal or inner areas.

This attention arises because we asked ourselves some questions deriving from studying the policies and strategies that have followed one another over the years and the unpleasant data of these territories.

*Despite 25/30 years of intervention to develop/rebalance rural areas, why has the gap between rural and urban areas not decreased but increased instead? Because the gap between the South as a whole and, in particular, the rural territories and the rural territories of the rest of the Center-North and the rest of Europe (except perhaps for some parts of the Balkan areas and the Eastern countries that entered later) is not filled? Why were the broader objectives not achieved, even though the rural development concepts were increasingly appealing? Why didn't the tools put at the top (which were always an integrated and bottom-up approach) and the twenty/thirty years of experience of materialising real programmes, tenders and money have no assorted effect?*

Therefore, all these questions we asked ourselves led us to form our research question.

The policies and strategies analyzed pursue a common logic, such as the strengthening of infrastructures and services, the training of human capital, the support of production activities and small and medium-sized enterprises, the protection of the environment and the sustainability of development.

Despite the various positive results achieved in the different programming cycles, something must have worked little or badly if deep gaps still exist in countries regarding economic, social and territorial development between European and Italian citizens and the path towards convergence and cohesion is still incomplete.

What has been found is that both the problems and the objectives are similar to the past but more focused on the environment (more public goods and fewer private goods).

Unfortunately, the operational intervention tools risk being the same as in the past (call mechanisms aimed at individual beneficiaries, private or public) who pursue the specific

interest envisaged by the individual call without taking into account the overall vision of the local community in which they are inserted, of a comprehensive strategy and an integrated picture of development, in all its dimensions (social, economic, environmental), as envisaged in the cold in the long-term vision.

It is necessary to create fertile ground for the production of ideas by training human capital, particularly insisting on those currently less so to involve them in PNRR, CAP, etc., projects.

The public and private entities responsible for the institutional coordination of sector interventions/assets must also be trained:

- Human capital must coordinate interventions for each agricultural asset of each agri-food system.
- Human capital must manage the coordination of interventions between the different assets.

The result of a project is partly conditioned by the weight of bureaucracy and how the procedures that characterise and regulate it are managed.

In light of all of the above, it is necessary to provide for territorial coordination at the level of implementation of all the calls foreseen downstream of the policy instruments that characterize the new vision of rural development, the CAP, the Next Generation EU and the Cohesion Policy.

A plausible answer is that we need to "network" and increase connections (territorial cohesion), create integration (cooperation and complementarity), and involve and coordinate actors and levels of development (partnership, subsidiarity and multilevel governance) because the sharing of programs and responsibility on the part of all promoters of the growth processes should guarantee the success of the results.

The SNAI could be a starting point, as it allows for maximum complementarity of programs and instruments between European rural development and cohesion policies within marginal rural areas. Through local development and integrated territorial development strategies, the Internal Areas show the transversal and complementary nature of the interventions that support them, involving the involvement of all the funds of the Common Strategic Framework and therefore represent the most outstanding example of integration and complementarity between policies.

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*«A man who falls offers the opportunity to lend him a hand, he who seeks a path offers the opportunity to help find it. And so all of us, depending on the circumstances, are the one who falls, the hand that catches him, the one who seeks direction, and the finger that points it to him. No one is self-sufficient. (...) Every award, every individual recognition makes no sense if it is not the result of sharing». (from the movie "Il Premio").*

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