



**Let's work together:
Territorial cooperation for
the provision of public goods
in the context of the reformed CAP**

The agri-environmental agreement in Valdaso MARCHE REGION (ITALY)

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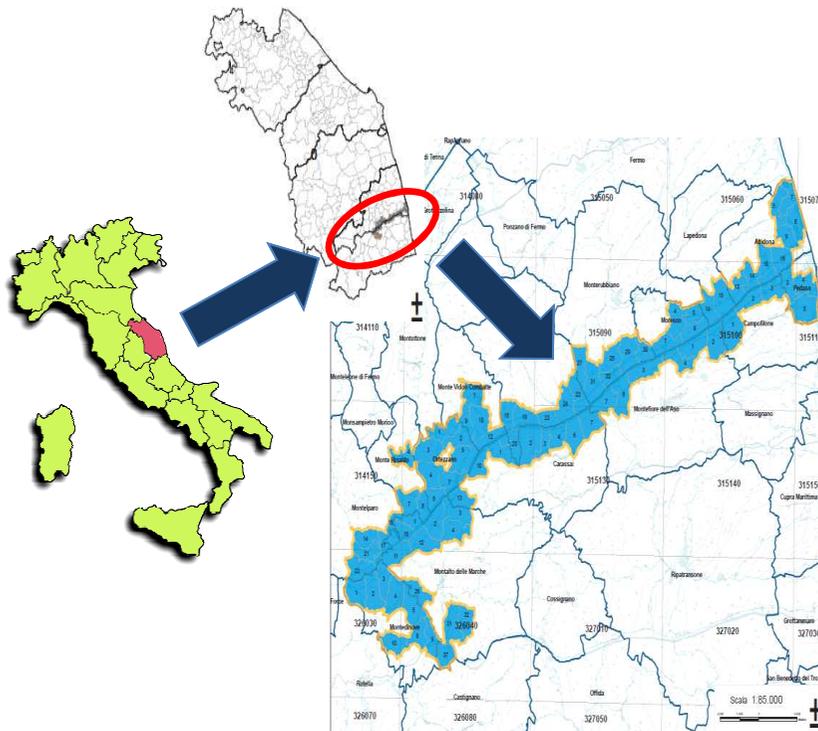


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Background

The territory

Valdaso (Aso Valley) is a valley alongside the Aso river, between the Fermo and Ascoli Piceno provinces, in the south of Marche Region



The local farming system

Small farms, highly specialised in fruit production (peach). Intensive farming, high use of fertilisers and pesticides > **Problems of water quality, air quality and soil fertility**



Nuova agricoltura

Small (and informal) association of local farmers. Main objectives: adoption of more sustainable practices, development of local markets

The agri-environmental agreement

The agri-environmental agreements (AEAs)

An AEA is defined as “a set of commitments for farmers in a limited area, supported through a mix of RDP measures activated to reach specific environmental goals” (RDP Marche Region)

Valdaso AEA → water quality

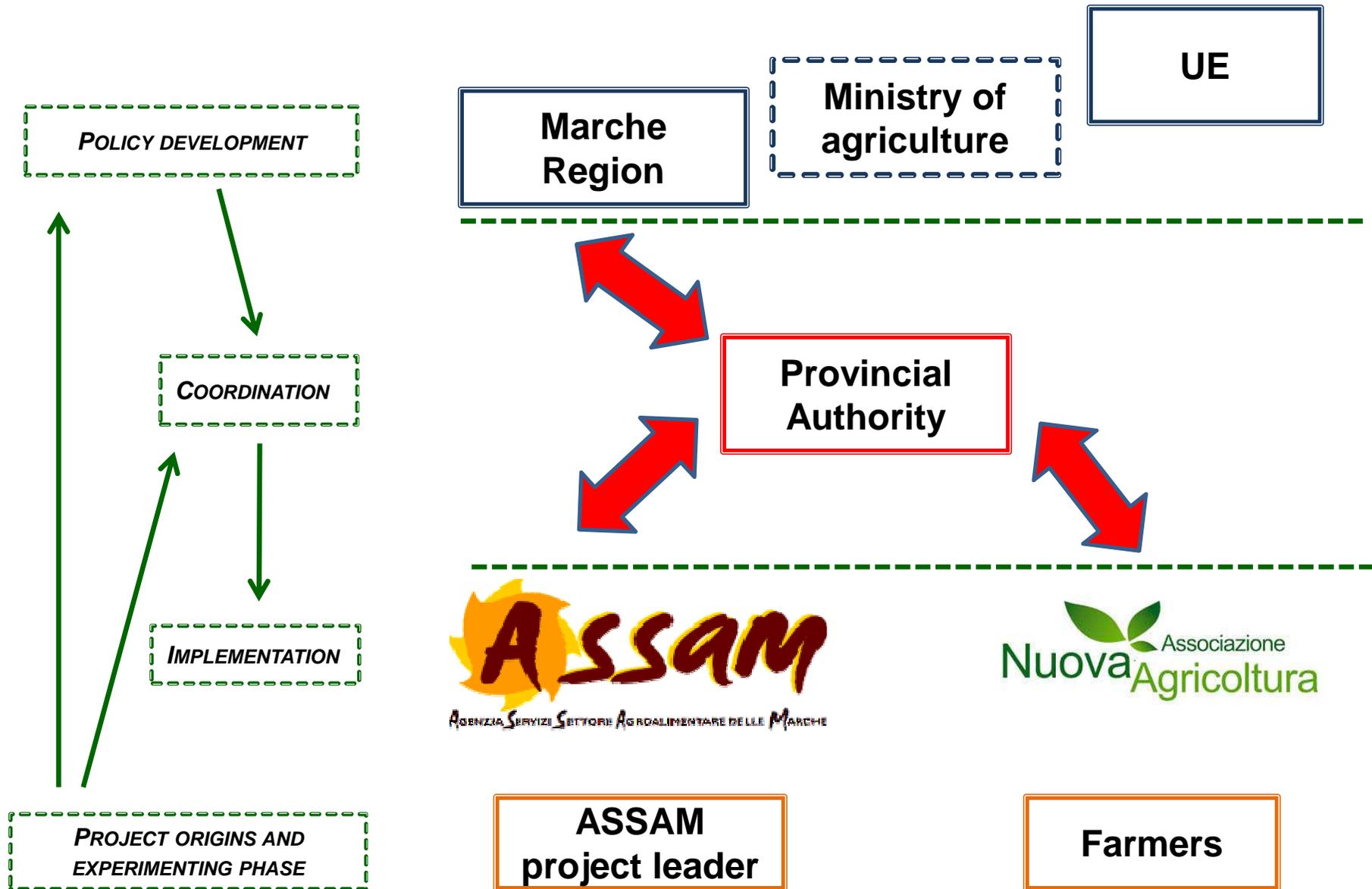
- **Period:** Five-seven years (launched in 2009)
- **Area:** > 50% to NVZ > 30% of the UAA with permanent crops
- **Objectives:** -30% N, P, K and substitution of agro-chemical inputs -90%

Integrated delivery

- **Measure 214**
 - **214.a Integrated Agriculture** (advanced IPM – mating disruption)
 - **214.b Organic agriculture**
 - **214.c Crop extensification** (green cover)
- **Measure 111**
 - **111.b** Training activities and information actions



The stakeholders involved



The results

Territorial level

- Participation of almost 100 farmers (2012)
- 560 hectares cultivated with IPM techniques (68% of the targeted area)
- Extensification (green cover) in 270 ha
- Networks and knowledge effects

Farm level

- Economic results: cost reduction and CAP payments (650 €/ha/year)
- Collective marketing strategy (**QM label**)
- Pro-active engagement of farmers

Institutional level

- Capacity-building and networks
- Development of other AEAs (6 agri-environmental agreements for biodiversity conservation in Natura 2000 areas)



***Synergies between economic, social and environmental benefits
Long-term shifting in stakeholders' thinking and action***

Key factors of success

Well defined farming system

- Farms size, specialisation in fruit production, intensive agriculture
- Collective approach necessary to make the technique of advanced IPM effective

Social capital

- Trust and reciprocity due to: local leadership (ASSAM technician), small group of motivated farmers (*Nuova Agricoltura*), tradition of cooperation

Involvement of a public extension service (ASSAM)

- Effective communication and information regarding the new farming practices and on the results of the agreement (residues of pesticides in fruits samples), territorial vision, public interests

Local network

- New approach to innovation, resulting from the involvement of a broad range of local stakeholders

Policy innovation

- Integrated suites of measures, focus on farmers' attitudes and motivations (i.e. through the early involvement of farmers in the policy design process), adoption of measures targeted to local needs

Problems and solutions

Farm level

- Free riding → social control as solution (it depends on group size, the rule of 150?)
- Public support → delay of payments, bureaucracy and administrative burden as major concerns

Territorial level

- “Scale mismatch” between ecological and social/institutional dimensions → NVZ as partial and unsatisfactory solution
- Effects on public goods → unsatisfactory monitoring and evaluation

Institutional level

- Lack of coordination → lack of devolution to the provincial authority
- Higher transaction costs compared to measures targeted to individual farms → additional costs were not fully covered

Transaction Costs	Examples			Provincial authority	Regional gov.
Search Costs	Identifying stakeholders, gathering information and funding	√	√	√	√
Bargaining Costs	Meetings, verbal and written communications acquiring external support	√		√	
Monitoring and Enforcement costs	Monitoring others, external monitoring, enforcing sanctions		√		√

CAP 2014-2020: opportunities

Horizontal regulation

- **Cross compliance:** water and pesticides are specifically addressed (Directive 2009/128/EC on sustainable use of pesticides) → Valdaso AEA may facilitate the compliance with the new rules

First pillar

- **Greening requirements** → Valdaso AEA complementary to the three greening requirements (small vs large farms; permanent crops vs arable crops)

Second pillar

- **General structure:** from a logic based on measures to a more flexible and result-oriented approach → the success of Valdaso AEA is based on flexibility and targeting
- **European Partnership for Innovation** → Valdaso AEA as good example of “interactive innovation model”, based on a combined action of advisors, farmers, organizations, private companies
- **Collaborative and collective approaches:** specific support for collective beneficiaries with higher transaction cost payments → possible solutions to the main problems of Valdaso AEA

Italian Partnership Agreement (Objective 6) → Approach based on agri-environmental agreements

CAP 2014-2020: challenges

Farm level

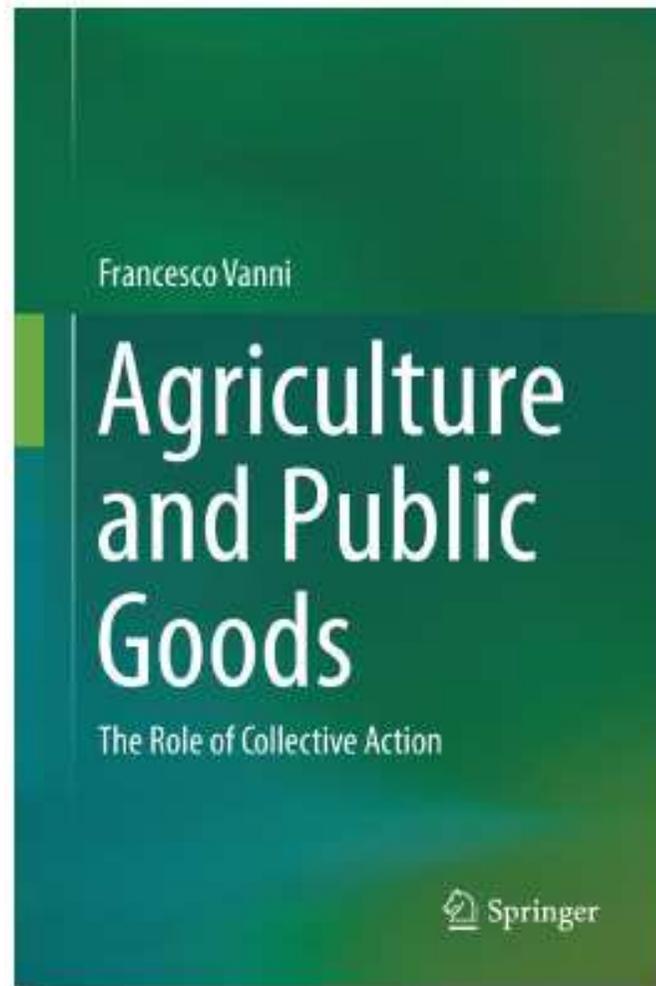
- Designing (and implementing) policy measures that stimulate a pro-active attitude of farmers, by focusing on their motivations and attitudes on environmental issues (integration with marketing strategies)
- Supporting existing collective action (*art. 36*) but also stimulating collective action
- Creating local networks, sharing knowledge and innovation (*EIP*)

Institutional level

- Identifying and supporting intermediary institutions that may promote cooperation (*art. 36*)
- Supporting collective approaches to environmental projects (*art. 29 and art. 36*)
- Covering transaction costs for collective beneficiaries (*art. 29*)
- Enhancing the capacity of local institutions to design innovative policy measures and adopt efficient governance solutions (main limitation: path dependency mechanisms)

Territorial cooperation and public goods provision

- Several factors to be considered: (1) Biophysical characteristics of the territory; (2) Type of public good to be provided (i.e. river basin for water quality); (3) Presence of intermediary institutions and (4) Interests/awareness of local stakeholders → ***There is not one size fits all solutions***



***Thank you for
your attention!***

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