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EVALUATION"**

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**Evaluation of policy measures for agri-food networks in  
Italian rural development programmes**

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## Evaluation of policy measures for agri-food networks in Italian rural development programmes<sup>1</sup>

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### *Abstract*

*The agri-food sector is characterized by very heterogeneous agreements and formal and informal contracts aimed to create stable relationships among firms.*

*In this scenario, the actors are linked by common interest in creating and distributing added value. In the network, the risk and the responsibilities are shared by the participants and the transaction costs are reduced by the presence of dynamic flows of information and knowledge.*

*Consequently, the creation and development of agri-food networks is a main objective of regional administration in their Rural Development Plans.*

*The article item is the presentation and the discussion of the methodology used for the evaluation of Integrated Measures Project (Progetti Integrati di Filiera, PIF) presented by firm networks and agri-food chains in Veneto.*

*The result are demonstrated extremely interesting about the understanding of PIF. Moreover, the comparative study serve to understand the result in terms of competitive advantage and income for the farmers.*

*Keywords: agri-food networking, food-chain policy, Rural Development Programme*

*JEL classification: Q18.*

### 1. INTRODUCTION

Cluster policy has received increased attention by many governments especially as a strategic tool for the development of the industrial sector and the introduction of innovation. The cluster approach is aimed to develop an inclusive policy targeted to different economic and institutional actors operating in a specific region. The cluster became the main actor of a dynamic process that involves not only the components of the cluster but all territory. (Porter, 1990).

According to this policy, different studies have been carried out in Europe both to identify a cluster and evaluating performance and the contribute to regional development. The cluster concept is used to describe different economic networks: enterprise networks (operating in industrial sector), public and private partnerships (i.e. in France, cluster initiatives are defined as a group of businesses, training centers and research units in a given geographical location working together to generate synergies in innovation and international projects). Recently, a definition of cluster policy was proposed in the European Commission Staff working

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<sup>1</sup> The methodology of the case study presented in this paper is extracted from the mid-term evaluation report of Veneto' Rural Development Programme (RDP) 2007-2013, realized by the Agriconsulting SpA. All the responsibilities of the contents are of the authors.

document<sup>2</sup>. Cluster policy can be defined as specific governmental efforts to support clusters, cluster initiatives can be understood as “organized efforts” to increase growth and competitiveness of clusters within a region, involving cluster firms, government and/or the research community.

The necessity to introduce and develop locally specific sustainable innovation in the agro-food sectors represent the motivation for the introduction of policy focused on networks integrating different actors (farms, industrial firms, training and research centers) operating in a specific food chain. The goal is to combine competitiveness, food quality and environmental compatibility creating synergies both in the producing and marketing processes and in the development of more environmental friendly techniques, technologies and materials (i.e. inputs and packaging).

The integrated chain approach has been introduced in the Italy’ National Strategy Plan (NSP) aims in order to create a strong coordination of business conducts at all chain stages, ranging from primary production to consumption, to reduce transaction costs, linked to the exchange of materials, and information within the industry itself. The chain project tends to transform the contexts, within which different actors operate and exchange goods with each other, from a spot market position to a “almost-organization” one. The benefits of this transformation are different and can be summarized as follows:

a. better quality products to satisfy the needs of the various stages production (the output of one stage constitutes the next phase input), with a transaction costs reduction, which are minimized by stable provision relationships, in which the characteristics of quality and service are established, in a participatory manner, by the sector actors, and the reduction of opportunistic behaviour inside the chain, as an effect of repetition over time of trade between the same parties;

b. greater information flow through the supply chain and the accelerating effect in the introduction of product and process innovations, especially in food industry, involving changes in the techniques and business conducts in all chain;

c. coordinating costs of entire process reducing, due to the sharing / division of business risks (and financial) within the chain and not a single company, through contractual nature agreements.

These features provide sector flexibility and adaptability to changing market demands; this allows a more competitive chain organization on the market and a more stability in the relations between industrial and agricultural phase, with the consequence of a more local roots of economic activities characterizing it. In rural development, the chain approach allows to face sector issues at length and overall, promoting solutions that require the involvement of different actors operating in the sector itself upstream and downstream, overcoming the frequent situations of poor aggregation and lack of development of shared and synergistic entrepreneurial

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<sup>2</sup> SEC (2008) 2637: “The concept of clusters and cluster policy and their role for the competitiveness and innovation: main statistical results and lesson learned”

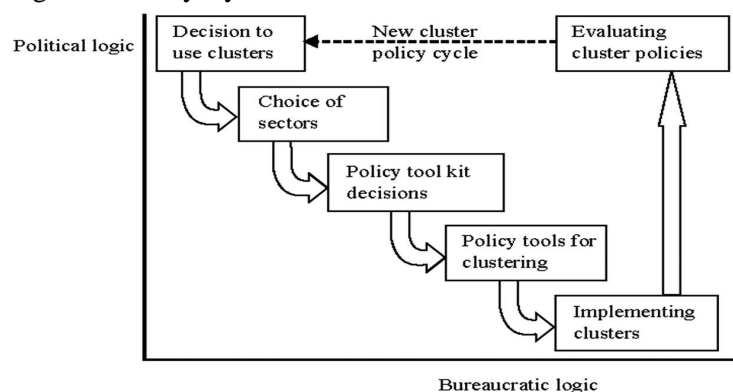
attitudes. The integrated project implement an operational mode characterized by a strategic and system logic that can amplify and multiply the effects of the benefits produced by the individual interventions aimed at improving the competitiveness and strength of the agriculture and forestry sector. Furthermore, the creation and consolidation of relations and transactions within the different segments of the chains allows to balance the added value chain by improving the redistribution and laying the foundation for a consolidated and sustainable development over time. The tendency towards an integrated chain approach is also emphasized in the transversal objectives and priorities defined at Community level to increase the effectiveness degree of the achievement of objectives such as restructuring, modernization and innovation in the food sector, improving the quality of production, the strengthening and development of dynamic agricultural sector.

## 2. THE CHALLENGES ON THE EVALUATION OF INTEGRATED FOOD CHAIN POLICY

The policy evaluation of integrated food chain supporting programmes (PIF) presents several difficulties due to the complexity of the food chain and of a coordinated process and initiative finalized to create/strength a business network. Moreover, the difficulty is linked to numerous indirect effects expected from the policy implementation regarding the regional context not only for the actors directly beneficiaries of the measures.

The main evaluation question is **"Does the policy programme work?"**. In the evaluation process of Rural Development Programme (RDP), there are two aspects to be considered: the adequacy of the programme instruments to the expected effects and the measure of the effect for future decision making. The evaluation may refer to the effects of measure in various way but has to proof that practice the expected effects can be achieved by the measure (effectiveness or efficacy). At the same time, has to relate the effect of the policy action to their costs (efficiency) (Guy, 2003). Both the aspects contribute to the policy decision making process giving elements for the political and bureaucratic logic guiding the design and implementation of RDP.

Figure 1: Policy Cycle



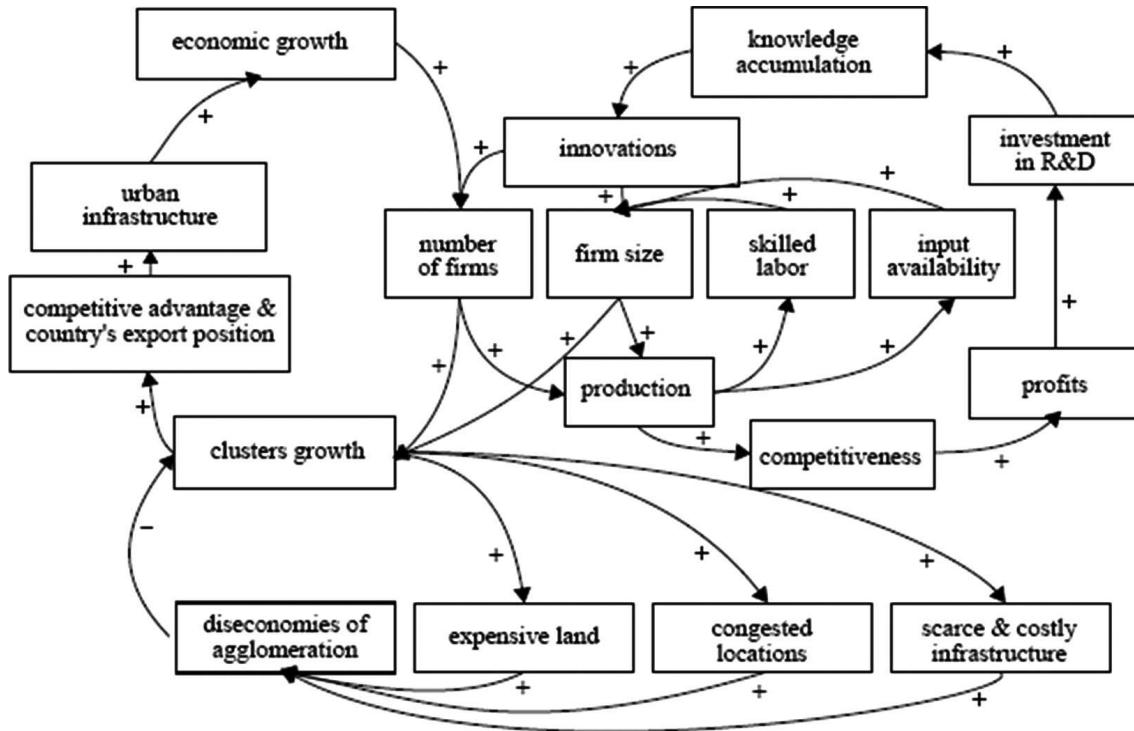
Source: Schmiedeberg (2010).

In the NSP, the objectives of integrated measures policy are the formation and the strengthen of networks, assuming that the farm and firm benefits is increasing inside the network in terms of "global performance" and at the same time there is a better regional performance. The evaluation question regards:

- a. The new organization;
  - b. Performance at different levels;
  - c. The indirect impacts on the sectorial and regional contest.
- a. When the policy is finalize to the new organization creation, usually the programme individuate an "ideal type" of food chain referring to the actors that to be involved in the chain and network creation. In this case the evaluation is based on a bench marking between the ideal type and the new organization applying for the measures. The result of this process is used as selection criteria of the beneficiaries. In this case the independent evaluator is asked to assess the process and the tools activated to promote new organizations and networks.
- b. The performance has to be evaluated directly (regarding to the enterprises involved) and indirectly on the contest. The first aspect include not only the single enterprise performance index but also index regarding the cluster development intended as the number and intensity of relationship inside the food chain. A number of different indicator could be evaluated referred both to the single enterprise and the organization as a whole to enlighten the synergy effect; these indicators could be classic ones, as increase in income and revenue, productivity, R&D expenditure, collaborative agreements, and innovative (more specific for the rural economy) as endogeneity of the products and processes, redistribution of economic growth, environmental impact and evaluation of life cycle products. The second level needs a clear definition of different expected effects at regional level as for example the employment rates, the development of links and territory integration, the contribution to the regional gross added value. One of the main difficulties linked to the performance evaluation is the data availability needed to the construction of indicators for the direct impact the problem is linked both to the collection of data from the actors directly involved in the programme and of sectorial data, these last ones to be used as a comparative base line. The difficulties of collecting data in food chain depend mainly from the lack of accountability in the primary sector and the use of informal relations among enterprises. Another peculiar aspect of food chain is the difficulty to collect and evaluate data on innovation activities that usually are measures using indicators such as patent statistics, R&D expenditure; this kind of activities (patents, licences, etc).
- c. An integrated policy approach (cluster/network policy) is mainly indirect and could be considered according to Porter (1990) facilitating and not pushing policy; in other words, it is an accompanying policy that is more effective in presence of existing and developing networks and enterprise initiatives. From an evaluation point of view, this nature poses to main problems: the evaluation of the effects of the combination of different measures and the adequacy of the combination itself, the real contribute of the policy to the development of a complex organization and his echo on the regional development. According to Buendia (2005), the development of the industrial organization depends from a large number of factors; many of

these are not controlled by the members of the network and often the driven forces of development are “linked to causality” and depends from the creativity and capacity of one of the actors.

Figure 2 The Evolution of Industrial Clusters



Source: Buendia (2005)

The presence of the cluster/network makes it possible a “domino effect” trough which all the network actors maintain entrepreneurship and take advantages from the innovation introduced by a single actor (Ventura, Milone, Van Der Ploeg, 2010). This process erases an attribution problem relating the individuation of causal relation between the policy measures and the development of the network and the regional context.

### 3. METHODOLOGICAL TOOLS: AN OVERVIEW

The challenges linked to evaluation of the cluster/network policy have been object of several methodological strategies; in reality there is a great range of case studies rather than a consolidated and systematic methodological approach.

A comprehensive overview of evaluation method was produced by C. Schmiedeberg (2010) in relation to cluster policy. The paper presents five different evaluation methods and show in the following figure.

Table 1: evaluation methods

<b>Methods</b>	<b>Criteria</b>	<b>Main goals</b>	<b>Limits</b>
<i>Reporting</i>	Analysis of quantitative/qualitative data	Report of the execution of the programme (chronological progresses, difficulties, procedures evaluation)	Audit tool more than evaluation tool
<i>Case studies</i>	Open and flexible approach includes several qualitative/quantitative techniques	Trace the process, explanation and interpretation of data from multiple information sources	Research strategies rather than method; lack of objectivity and generalizability
<i>Econometrics</i>	Quantitative test of the effect of cluster policy mainly on single actor within cluster	Increase the credibility of the results	High requirement of data and methodological capabilities; Does not take into account indirect and long term impact
<i>Systemic approaches</i>	Focus on cluster instead of single members approach: Input-Output models, network analysis, benchmarking of different indicators between the cluster and other groups of actors.	Evaluation of interaction within the cluster and the dynamic, driving forces and success factors of the policy	Data requirement specially at regional level; Cannot give conclusion on the real economic benefits of the policy
<i>Cost related approach</i>	Method to evaluate efficiency of the policy rather than the effectiveness	To measure the net benefit of the rate of return of a intervention	The difficulty to calculate all cost (direct and indirect) and the indirect financial benefits

Source: own elaboration from Schmiedeberg, 2010.

All methodological approach present different limits regard to the evaluation requirement. This suggests to use a mixed approach based on quantitative data and qualitative information collected directly from the main economic and institutional actors. In our case study we introduce indicators for each of the expected effects of the policy that are constructed with statistical data and direct interviews collected in different phases of the policy tools implementation. The methodology implemented refers mainly to the reporting, systemic and cost related approaches.

#### **4. THE CASE STUDY: THE PROGETTI INTEGRATI DI FILIERA (PIF) IN THE VENETO RDP**

Following the National Strategy Plan, several Italian Regions introduced an “integrated measures” policy on their RDP. This measure focused mainly on young farmers policy (“Pacchetto Giovani”), territorial policy (Progetti Integrati d’Area”) and Food chain policy (“Progetti Integrati di Filiera”). Veneto was the first Region to activate this new instrument and

included in the programme evaluation some specific evaluation questions for both the integrated approaches. In this paper we illustrate the methodology and the first results of the evaluation of the Integrated Approach for the development of the regional food chains.

The general aims of the NSP are clearly reflected in the framework of the motivations and objectives contained in the specific details on the "Progetti Integrati di Filiera" (PIF) of Veneto RDP:

*"The overall purpose of the integrated supply chain is to create and consolidate relationships within various segments of agricultural production chains considered strategic to regional level, in order to achieve a redistribution of the added value created that is profitable for all involved in the project".*

This general aim has declined in specific and operational objectives, so the Project for Integrated Chain:

1. develops integrated planning initiatives;
2. develops the technological and organizational innovation;
3. increases the value added of the agri-food chain;
4. provides adequate basic producers fell on improving profitability;
5. ensures proper functional integration and concentration of actions;
6. improves the competitiveness of agricultural and agro-industrial sector in the context of chain;
7. describes economic - productive role of agriculture;
8. organizes the product supply;
9. encourages the link between production companies and territory;
10. allows the formation and strengthening of entrepreneurial skills and business culture in all segments of the industry.

The strategy of the Region aims to stimulate and support cluster of enterprises operating in different stages of food chain and research and training institutions, to improve competitiveness and sustainability of the more important regional agro-food sectors trough the introduction of product, process and organizational innovations. The priority sectors are: dairy (cow milk), wine, fruit and vegetables (crops included in the fruit and vegetable and potatoes CMO), meat (beef, pork, poultry, eggs), field crops (corn, wheat, soybeans, sunflower seed, feed ), Olive, Nursery, Other sectors (rice, niche products, cereals and seeds, fiber plants, medicinal plants, small farms, rabbits and other smaller productions not covered otherwise).

In the RDP was introduced a special programme that allow business cluster to apply for the integrated use of different measures:

- Measure 121 Modernization of agricultural farms;
- Measure 123 Adding value to agricultural products.
- Measure 111 Training and information for persons engaged in agriculture, forestry and food, through;
- Measures 114 Use of consulting services;

- Measure 124 Cooperation in the new products development, processes and technologies in agriculture, forestry and food;
- Measure 132 participate in the food quality system;
- Measuring 133 agribusiness information and promoting activities.

## 5. THE EVALUATION METHODOLOGY

According to main Regional goals, the following evaluation questions were posed to the independent RDP evaluator:

1. *How much the rural development programme has brought the integration and aggregation, durable and independent from any public aid available?*
2. *How much the integrated approach has determined synergistic effects of interventions?*
3. *How much the procedure complexity of integrated approach has conditioned the success of itself?*

The methodology used and following illustrated is finalized to give adequate answers to these questions. The evaluation process has been divided in two parts: the evaluation of the implementation procedures finalized to assess the effectiveness of the designed procedure itself create/enlarge organized food chain; the evaluation of the impact of the integrated approach and of the food chain policy.

### 5.1. Evaluation of procedures

For the procedure evaluation we use an integrated methodologies approach combining the reporting methodology, taking into account the data coming from the monitoring of the execution of the PIF programme with perception of participating institutional and economic actors. The integrated design was triggered by the 2008 call (DGR n. 1999 of 12 February 2008 and subsequent amendments) which provided three stages in the application process:

- the formulation of an "Expression of Interest" (Manifestazione di Interesse) promoted by an initial network of farms and firms operating in the same agro-food chain;
- the presentation (not earlier than 60 days the publication of the notice by the proponent) of the "Common Goal Application CGA (Domanda Obiettivo)";
- the submission of "Individual Application" containing the project and documents of the individual participants (farms, industrial firms) a, (within 90 days after publication by the Regional administration of the decree of approval of the CGA.

The call gives top priority to the investments location in mountain areas and to producers organizations, in particular to their group forms (AOP and OP), which are "exogenous" elements of building project process.

The other main priorities identified in the PIF programme call refer to strategic common objectives to all sectors represented by "endogenous" variables linked to the aggregation ability and design choices, determinant for the score and ranking project.

All priorities are linked to a wide participation to the PIF of the primary sector firms that are integrated within the PIF through contractual supply links to processors and/or commercialization enterprises. The evaluation was conducted regard to effectiveness of the tools used In the three phases; for the expression of interest the assessments was focused on the quality of the communication tools and of the information available. One indicator was constructed based on the new linkages and participants in the applicant cluster. For the application phases, the main goal of the evaluation was the simplicity of the demand presentation and the adequacy of the measure to the cluster development objectives.

A sort of auditing was carried out through the implementation of direct interviews to the promoter of all the financed Fodd- Chain Projects to detect the difficulties encountered in the definition of common cluster objective and in the preparation of the application form.

Regarding the Individual Application of farms and industrial firms, the indicators give information about the changes intervening between the cluster application and final investment plan of the single enterprises and have been constructed on the differences between the request of financial support for the investments in the "Common GoalApplication" and the single application.

## **5.2. Evaluation of the integrated approach**

The methodology designed to evaluate of the PIF introduces a series of performance indicators related to specific and operational objectives defined in the Veneto RDP of , as shown in the following table that, for each indicator, defines the method of calculation, information sources used and the development timing of indicators for the evaluation study, in the mid-term evaluation (2010) or the next update scheduled for 2012 and, finally, on ex-post evaluation (2015).

For the evaluation of the integrated chain design results, several indicators have been proposed, which require of more information for their construction sources in an integrated manner: the project documents presented in the application objective, data from regional monitoring system, information and data from field surveys (only one of these, made from proponents of PIF approved could be achieved in the period before the mid-term valuation, while for the subsequent, we refer to completion of the investments and the period following the constraints expiration, contractual and investment destinations, under the program). Therefore, below is carried out a comprehensive assessment for those objectives for which it is possible to construct indicators based on information available at the time of the Mid-term evaluation, while for a complete evaluation framework can be found in subsequent searches as part of the interim evaluation, and ex post evaluation system.

In the table, we present the methodological plan containing the logic link between specific and operative objectives, indicators, calculation methodology, data source and timing.

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Table 2: Methodology scheme to evaluate the chain integrated plain effects

Specific and Operative objectives	Indicators	Method	Sources	Timing
1 Development integrated planning initiatives	Business involvement in project strategy implementation	Number of enterprises participating PIF	Monitoring database Project documentation	Intermediate evaluation (2010)
	Level of participation/involvement of aggregation and local businesses	Evaluation by project leader interviewed	Questionnaire to project leader	
	Main aspect of PIF implementing	Comparison number of firms/investment allocation Calculation of PIF total value and its redistribution compared with the value chain in Veneto region	Monitoring database Project documentation Questionnaire to project leader	
2 Development tecnology/organizational innovation	Modernization/Process, product and organization innovation of the enterprises participating PIF	Analysis of investment patterns and their interdependence Innovation analysis: typology, objectives, firms involvement Research projects activated	Project documentation Questionnaire to project leader Project documentation	Intermediate evaluation (2010)
	Participation of farms to research and innovation projects	project objectives firms involved on research project	Questionnaire to project leader	
3 Increase agri-food chain added value	Increase in gross added value	Analysis of gross added value change for 100.000 € of total investment and public expenditure Comparison of results with survey sample ones	Sample Direct Survey	Intermediate evaluation update (2012)
4 Allow adequate basic producers fell on improve profitability	Income growth for individual companies participating in the project	Survey on farms sample on income variation	Sample Direct Survey	Intermediate evaluation update (2012)
5 Ensure adequate integration/concentration of functional actions	Ability of PIF to act as an instrument of integration between operations	Number of measures asked in the PIF	Monitoring database Project documentation	Intermediate evaluation (2010)
	Ability of PIF to increase the functionality of the proposed actions by participants	Analysis of investment priorities Evaluation by leader project leader	Monitoring database Questionnaire to project leader	
6 Improve competitiveness of agricultural/agro-industrial sector	Consistency between objective expected of project initiatives and strategies to improve competitiveness	Description of intervotion aims	PIF documentation	Intermediate evaluation (2010)
	Improvement of competitiveness of price and cost reduction	Individuazione e descrizione degli elementi che determinano il miglioramento della competitività	Project documentation	Intermediate evaluation update (2012)

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Specific and Operative objectives	Indicators	Method	Sources	Timing
		Comparison with other products on market	Sample Direct Survey	
7 Characterize economic/productive agriculture role	Introduction/development of quality systems in individual farms and chain	Typology of quality introduced systems and involvement degree on enterprises on different chain phases	Project documentation Questionnaire to project leader	Intermediate evaluation (2010)
	Increase of chain production (adequate critical mass of product)	Changing of agricultural production volume traded on chain before and after PIF funding Changing in the ratio between production volumes and dimensional parameters of involved companies Changing in % of quality raw material or produced with PIF farms regulation	Project documentation Sample Direct Survey	Intermediate evaluation update (2012)
8 Organize the product supply	Strengthening of relations within the sector	Intensification of chain relationships	Questionnaire to project leader	Intermediate evaluation (2010)
	Stability/continuity of supply over time	Typologies and duration of supply/Selling contracts Increasing of cooperatives/associations and volumes conferred	Sample Direct Survey	Intermediate evaluation update (2012)
9 Encourage the link between production companies and territory	Development of links and territory integration	Changing in % of raw material produced and processed by PIF companies coming from reference territory	Project documentation	Intermediate evaluation update (2012)
	Employment growth respect single projects	Changing occupation on farms	Sample Direct Survey	
10 Allow formation and strengthening of entrepreneurial skills and business culture	Redistribution of gross added value in PIF compared to the sector	Calculation of PIF total value and its redistribution compared with the value chain in Veneto region	Sample Direct Survey Regional statistic sources	Ex post evaluation (2015)

Source: Mid-term evaluation Report of Veneto RDP (Annex n. 5), December 2010.

### **5.2.1 Development of integrated planning initiatives**

The evaluation of the first target chosen by the Veneto Region for the PIF, "Developing integrated planning initiatives" is carried out through three indicators:

- a. The involvement of enterprises to implement corporate strategies;
- b. Ability of PIF to involve/aggregate local firms operating in different parts of chain and the role of institution as a reference point and interface for the proponents of the project plans;
- c. Significant aspects of PIF implementation, made by comparing the distribution of investments, defined in the design phase, to those financed and analysis of difficulties of PIF implementation.

### **5.2.2 Development technological and organizational innovation**

The second objective evaluation was conducted in the intermediate evaluation through the analysis of investment patterns, their interdependence and the degree of innovation (process, product, organization), on the basis of project documentation and on a specific questionnaire section to be offered to the subject leader, to investigate the nature and effects of innovation. The indicators used are two:

1. Modernization and product innovation and organization of enterprise participating in the PIF
2. Farms participation on research/innovation projects.

The first indicator consider the "innovation" and "innovation diffusion" has been introduced in the PIF objectives and the importance attached to this objective by the proponents of funded PIF.

Among the objectives identified by the region characterizing the PIF, the introduction and innovations development is not mentioned explicitly, however, most of the objectives references it, beginning the development of innovative chain initiatives to that of competitiveness strengthening of agricultural and agri-food systems. The measures provided for the construction of a PIF and procedures (the cost cap maintenance on 124 measure provided for individual projects) address the PIF more to innovations dissemination that had been developed and / or adopted by the proposer or by chain reference.

The introduction and diffusion of innovation within the chain is an objective of most of agents, also those ones that didn't activate measure 124 inside project. In this case, the data coming from direct interviews were used to evaluate the interest in the introduction of innovations in the project. Although the nature of the different measures allow mainly the introduction of incremental innovations or the introduction of techniques and technologies to improve product quality and / or service (quality as matching the standards expected from the chain next stage aimed to reduce production costs, through a waste reduction, the transaction ones, related to the inputs verification, the process and the product).

### **5.2.3 Increase agri-food chain added value**

The construction of an indicator to measure increase agri-food chain added value, based on investment value and change on added value in the chain, will be performed in the updating of mid-term evaluation (2012).

### **5.2.4 Allow adequate producers relapse to improve profitability**

One of main issues to which the chain integration, including contractual one, want to respond, is to improve the capacity of the agricultural negotiations aimed at a more equitable redistribution of the added value, that is created in the path from the start to the consumer, thus improve the profitability of companies active in the primary sector.

The construction of an indicator for this objective will be performed in the updating of mid-term review in 2012 when will become available sample data for the reconstruction of the value chain within the PIF and the spot market.

### **5.2.5 Ensure adequate integration/concentration of functional actions**

For the evaluation of achieving the fifth goal two indicators were proposed:

- a) number of active measures in the PIF as a whole and from individual beneficiaries, with special reference to agricultural enterprises;
- b) the analysis of types of investments triggered by the companies to integrated projects (with the current state to the only measure 121 also turns off the PIF).

The first indicator provides a direct assessment of the use of more coordinated measures in the single PIF and individual agricultural enterprises that, inside it, can benefit from several measures. The second indicator allows to assess the integration of all investment measures' inside of PIF between firms operating at different stages of the chain and possible synergistic effects.

### **5.2.6 Improve competitiveness of agricultural/agro-industrial sector**

The evaluation of this goal is done through two indicators, one refers to the design and the second to the results of the implementation of the PIF investment:

- a. The first indicator derived from an examination of the consistency of the investments made in different parts of the chain between them and the strategies aimed at improving competitiveness;
- b. The second indicator relates to improvement of competitiveness in terms of cost and market prices obtained from the PIF as a result of the project and will be carried out in an update of the intermediate evaluation.

For the first indicator was an analysis of the purpose of investment for each PIF, while for the second indicator will be carried out direct surveys at the completion of projects.

### **5.2.7 Characterize economic/productive agriculture role**

Also regarding the qualification of the economic - productive role of agriculture through the chain approach, the data processing from Objective applications emerge as proponents and companies, within the project plans had a significant interest implementing those initiatives and actions focused on improving the quality of agricultural production systems and involved in the PIF. The opinions expressed by the proponents interviewed support the facts recorded by the project proposals: for the majority of respondents to the questionnaires, in fact, quality improving has been the "leit motive" of the project proposals presented. In addition, according to a strong component of interviewed, the PIF has contributed decisively to increase the process quality, determined by the objective results of an increase in certified products.

For the evaluation of this objective were found two operational indicators:

1. The introduction and development of quality systems in PIF individual companies and in chain
2. The 'increase in production inside chain (adequate critical mass of product administered)

The first indicator concerns the introduction / development of products based on quality systems recognized at the institutional level (DOC, DOP, IGP, Organic) and voluntary management quality systems at different stages of the food chain (ISO system).

### **5.2.8 Organize the product supply**

The organization of agricultural supply has always been and remains one of the primary goals of the agricultural and food policy due to the fragmented structure of the primary sector and the socio-economic constraints to the physical enlargement of farm size. A goal, which finds now new contents, but also new tools for implementation:

- The search for scale economies in downstream phases of the food chains and, particularly, in logistics and after-sales services, are driving the tendency to manage increasing critical mass of products, through contractual arrangements that can create synergies between processing and marketing companies
- ICT have greatly improved the management of these agreements and the physical and information flows that are exchanged between enterprises by reducing cost and enabling integration to a network where individual companies continue to maintain their individuality, even through a division of the common market and financial risk.

These new networking possibilities are characterized by a greater flexibility compared to vertical integration where the control and production decisions are centralized. They fit better in the medium and long term to market changes and its segmentation, ensuring stability in the relationship between business entities and therefore of a stable supply organization. The indicators identified for the aggregate objective assessment of supply refer to two conditions:

1. Strengthening of relations within the food chain (regarding both material flows and information and knowledge exchanges)
2. Stability / continuity of supply agreements over time

### **5.2.9 Foster productive links between business and territory**

The evaluation of the link between production companies in the PIF and the territory is made through the use of a development indicator of links with the area and the relative increase of employment. The mid-term evaluation shows some elements of area linking emerged from the PIF questionnaire and from qualitative analysis of project plans: in particular, it focused on the value of strengthening of local markets (58%) and number of farms that used measure 132.

### **5.2.10 Allow information and strengthening of entrepreneurial skills and business culture**

The latter objective is, in many ways, a summary of the previous ones: take into account the whole chain performance and how these have an impact on individual businesses that belong to it, in economic terms, but also entrepreneurial skills in complex and PIF's contribution to these collective and individual performance.

## **CONCLUSIONS**

Several interesting findings appear in this search path. First, there is a growing importance of integrated approach to rural development policies and to the industrial ones.

Furthermore, it is increasing the need for assessment tools that take into account the complexity of organizations that are on base of agro-industrial economy in all sectors.

Finally it is important to be the multiplicity of objectives related to the support of the food chain direct and indirect, which take into account the enhancement of specific local conditions.

The assessment must therefore take into account / integrate different methodological tools that can overcome the lack of quantitative data and at the same time provide performance and results indicators sufficiently strength to assess the effectiveness and efficiency of the instruments. In the case study presented is relevant the evaluation of the implementation procedures through a methodology of reporting and the identification of indicators for individual program objectives. Experience in the case study shows the importance of following these measures throughout their implementation in the medium term, as many of the expected effects can be assessed on completion of the program and after a few years from this.

However already in the intermediate evaluation of the program was possible to give indications to regional decision-makers in their responses to evaluation questions through a combination of participatory methodologies such as direct surveys with those of related quantitative analysis of data from applications for participation.

The majority of participants claim to be generally satisfied about the presence of this instrument compared to expectations in terms of matching the needs of his business, and in terms of implementation procedures.

There is a strong convergence between the economic actors and the policy makers towards the consolidation of the chain, from the increase in contractual relations and the

introduction of innovations in the chain. Also these requirements are expressed differently in the various productive sectors.

The needs for consolidation refers to the different parts of the chain in relation to the type of product, while there is a need, in all areas of building, of new business relationships, particularly those areas that are considered more sensitive to the current crisis market, such as meat, wine and fruit and vegetables one.

The degree of PIF satisfaction is rather high respect to expectations of ability to consolidate reports, construction of new relations in the different stages and in respect of marketing; seems less appropriate, however, as a way to encourage introduction of innovations, in particular organizations. One exception is the meat industry in which the appreciation of the PIF to develop innovative chain is high and widespread in the three types.

The positive assessment of the PIF and the process put in place is confirmed by the responses to the last two questions. In fact, 91% of respondents said that it considers adequate for the measures specified in the notice to set and achieve a PIF.

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