

RDP analysis: Measure 16 ‘Cooperation’

M16.3

Small operators & rural tourism

In 2015, the Contact Point of the European Network for Rural Development (ENRD CP) carried out a broad analysis of the 2014-2020 Rural Development Programmes (RDPs). The following text forms part of a series of summaries outlining the information gathered on specific Measures (M) and sub-Measures. The summaries aim to provide an overview of the common trends and main differences in the programming decisions taken across the range of RDPs. If you believe that any of the information presented does not accurately reflect the content of one of the RDPs, please communicate your concerns to info@enrd.eu.

Where specific RDPs are referenced in the analysis, they are indicated with the official EU country codes (e.g. EE for Estonia). In the case of regional RDPs, the name of the region is given after the country code (e.g. IT-Lazio).

1. Regulation background

1.1 Measure 16 cooperation¹

Supported actions under Measure 16 (M16) and its sub-Measures are implemented by groups of at least two cooperating entities (except in very specific cases of pilot projects). In this report we will refer to these cooperating entities, which includes networks, clusters, EIP Operational Groups and others, using the term ‘cooperation group’.

According to the Rural Development regulation (EC 1305/2013), cooperation groups supported by M16 are expected to implement projects fostering, *“cooperation approaches among different actors in the Union agriculture sector, forestry sector and food chain and other actors that contribute to achieving the objectives and priorities of rural development policy...”*

M16 sub-Measures offer potential support for:

- the establishment and running of cooperation activities, covering the cooperation groups’ and the projects’ coordination and organisation costs, and
- the carrying out of projects, covering the direct costs that arise from the activities of the project.

However, RDP Managing Authorities may decide to support only the creation and running cost of the cooperation group under Measure 16 and fund the direct project costs (such as investments) under other RDP Measures.²

¹ Reg. 1305/2013 Art.35

² *“Where support is paid as a global amount and the project implemented is of a type covered under another measure of this Regulation, the relevant maximum amount or rate of support shall apply.”* Reg. 1305/2013 Art.35.6

1.2 Sub-Measure 16.3

Sub-Measure 16.3 (M16.3) provides for:

“...cooperation among small operators in organising joint work processes and sharing facilities and resources, and for the development and/or marketing of tourism services related to rural tourism ...”³

Sub-Measure 16.3 aims at supporting ‘small’ operators in rural areas to find economies of scale that are hard to achieve when acting alone. The sub-Measure specifically focuses on small operators in the tourism sector but at the same time it is also open to ‘small rural operators’ not necessarily involved in tourism.

The target group is restricted to operators falling under the definition of micro-enterprises employing fewer than 10 persons and whose annual turnover or balance sheet does not exceed €2 million⁴. Natural person not engaged in economic activity at the moment of applying for support are also eligible.

³ Reg. 1305/2013 Art.35(2)(c)

⁴ Commission Recommendation 2003/361/EC of 6 May 2003

2. RDPs programming the sub-Measure

M16.3 is programmed in 37 RDPs across 15 Member States (MS).

Table 1 - List of RDPs programming M16.3

| N | RDPs ⁵ |
|----|-----------------------|
| 1 | Austria (AT) |
| 2 | BE-Wallonia |
| 3 | Czech Republic (CZ) |
| 4 | DE-Brandenburg/Berlin |
| 5 | DE-Thuringen |
| 6 | Estonia (EE) |
| 7 | ES-Andalucia |
| 8 | ES-Galicia |
| 9 | ES-I Baleares |
| 10 | ES-I Canarias |
| 11 | ES-La Rioja |
| 12 | ES-Madrid |
| 13 | ES-Pais Vasco |
| 14 | FI-Mainland |
| 15 | Hungary (HU) |
| 16 | Ireland (IE) |
| 17 | IT-Basilicata |
| 18 | IT-Calabria |
| 19 | IT-Campania |
| 20 | IT-Emilia Romagna |
| 21 | IT-Lazio |
| 22 | IT-Marche |
| 23 | IT-Piemonte |
| 24 | IT-Puglia |
| 25 | IT-Sicilia |
| 26 | IT-Toscana |
| 27 | IT-Umbria |
| 28 | IT-Valle D'Aosta |
| 29 | Lithuania (LT) |
| 30 | Malta (MT) |
| 31 | PT-Acores |
| 32 | PT-Mainland |
| 33 | Slovakia (Sk) |
| 34 | UK-England |
| 35 | UK-Northern Ireland |
| 36 | UK-Scotland |
| 37 | UK-Wales |



Map 1 - RDPs programming M16.3

For MS having regional RDPs, the map indicates the number of RDPs that programmed M16.3 out of the national total.

⁵ Belgium (BE); Germany (DE); Spain (ES); Finland (FI); Italy (IT); United Kingdom (UK).

3. Scope of RDP programmed activities

Impact

Cooperation under M16.3 is expected to increase the economic viability of small operators by reducing difficulties experienced by farms due to the reduced scale of their activities. The sub-Measure is therefore specifically expected to have a positive impact on territories characterised by business fragmentation with poor market penetration and limited cooperation and networking among farmers.

Two main types of approaches emerge within the ways M16.3 will be used:

Option A: Cooperation actions among **actors operating in the field of rural tourism**.

Option B: Cooperation actions among **small farmers for the organisation of joint work processes and sharing facilities and resources**.

Cooperation in the tourism sector (A)

The majority of the RDPs will implement the first option focusing M16.3 support in the field of rural tourism. The sub-Measure will help develop and better structure the tourism sector by supporting the creation of **new clusters, associations and networks in the field of rural tourism**.

Rural tourism marketing

Among the RDPs implementing this approach a smaller but still very consistent number specified that cooperation and the creation of networks will specifically aim at **marketing in the field of rural tourism** (e.g. BE-Wallonia to foster rural Wallonia's identity and branding, ES-Pais Vasco to develop the 'Euskadi' brand, ES-Andalucia to develop tourism in its nature parks). In a limited number of cases the RDPs will focus M16.3 support exclusively on marketing activities (e.g. ES-Canarias, BE-Wallonia).

Case 1: Support to rural tourism in BE-Wallonia

M16.3 in BE-Wallonia supports promotional activities for the tourism sector, especially through the following activities:

- networking of rural tourism stakeholders with the aim of fostering rural Wallonia's identity and branding;
- strengthening existing networking tourism platforms;
- developing IT applications and paper documentation and guides for trailers, walkers, bikers, etc. including innovative games;
- promoting tourism via the use of new and traditional communication strategies and tools;
- organising promotional campaigns and events around tourism in Wallonia; and
- carrying out benchmarking and other studies in tourism.

Cooperation among small farmers (B)

A high number of RDPs are supporting **vertical and horizontal cooperation among farmers not necessarily working in the field of rural tourism** (option B). Following this approach M16.3 supports the initial management activities and the investments necessary for small farmers to **share equipment, machinery and services**. The cooperation actions are expected to facilitate small enterprises in producing, processing and marketing their products as well as in organising joint

work processes.

Case 2: The Milk Production Partnerships Scheme in IE

In order to support the milk production sector and tackle the negative effect of a proliferation of one-person farms, in the early 2000s IE introduced the Milk Production Partnerships Scheme under the Milk Quota Regulations. The scheme aimed to **incentivise farmers' cooperation, support quality land access, improve life balance issues for dairy farmers and encourage the next generation into farming**. The scheme ceased in March 2015 and was substituted by M16.3 support. M16.3 beneficiaries are farm partnership registered in a national register.

Sharing facilities in tourism (A+B)

A very limited number of RDPs **mix the two approaches** supporting the cooperation activities among rural tourism actors, in particular the sharing of facilities and services to improve tourism offers (e.g. IT-Campania and UK-Northern Ireland).

The following table provides examples of RDPs following the above identified M16.3 implementation approaches:

Table 2 - M16.3 approaches and RDPs: summary table

| Approach | Examples of RDPs |
|---------------------------------------|---|
| Cooperation in the tourism sector (A) | AT, DE-Brandenburg/Berlin, DE-Thuringen, ES-Andalucia, ES-Galicia, ES-Canarias, ES-Madrid, ES-Pais Vasco, FI, HU, IT-Basilicata, IT-Calabria, IT-Campania, IT-Emilia Romagna, IT-Marche, IT-Piemonte, IT-Puglia, IT-Sicilia, IT-Umbria, IT-Valle D'Aosta, MT, SK, UK-England, UK-Northern Ireland, UK-Wales |
| Rural tourism marketing | AT, BE-Wallonia, DE-Thuringen, ES-Andalucia, ES-Madrid, ES-Pais Vasco, IT-Campania, IT-Emilia Romagna, IT-Puglia, IT-Sicilia, IT-Umbria, IT-Valle D'Aosta, SK, UK-Northern Ireland |
| Cooperation among small farmers (B) | AT, DE-Thuringen, ES-Andalucia, FI, HU, IE, IT-Calabria, IT-Piemonte, IT-Puglia, IT-Toscana, IT-Umbria, IT-Valle D'Aosta, IT-Sicilia, LT, PT-Asores, PT-Mainland, SK, UK-Northern Ireland, UK-Scotland DE-Brandenburg/Berlin, UK-Wales |
| Sharing facilities in tourism (A+B) | IT-Campania, UK-Northern Ireland |

Specific approaches

A number of specific approached were also identified:

- Several RDPs focus M16.3 actions among micro-enterprises in the **crafts sector** (e.g. AT and IT-Sicilia).
- A high number of RDPs privilege the **food sector** (e.g. DE-Brandenburg/Berlin, ES Galicia, IT-Emilia Romagna, IT-Puglia, UK-Northern Ireland, UK-Scotland).
- Several RDPs use M16.3 in both agriculture and **forestry** (e.g. IT-Toscana, DE-Thuringen, IT-Lazio, IT-Umbria, LT, UK-Northern Ireland).
- At least two RDPs invest in **tourism activities in nature** (e.g. ES-Andalucia and ES-Galicia).

- For at least one RDP, M16.3 involves **social farming** (e.g. IT-Marche).

Case 3: Food hubs in UK-Northern Ireland

In UK-Northern Ireland M16.3 supports “*co-operation among agriculture, food and forestry micro enterprises in organising joint work processes and sharing facilities and resources, such as food hubs ... Food hubs in this context relate to a collaborative workspace being utilised by the co-operating members and could for example be a distribution, storage, marketing, innovation or collection centre*”.⁶

Innovation

Some RDPs state that cooperation **projects must have an innovative component**. Types of innovation highlighted are:

- development and implementation of **innovative cooperation approaches and business models** able to strengthen the competitiveness of the companies (e.g. AT, ES-Baleares, ES-La Rioja, FI); and
- development of **new products, activities, technologies or processes** (e.g. in AT, ES-Canarias, ES-Pais Vasco, ES-La Rioja, HU).

Transnational cooperation

A number of RDPs including EE, FI, SK, UK-Wales allow for M16.3 supported projects to engage in cross-border cooperation with other MS/regions in EU.

4. Contribution to Focus Areas and linkages to other Measures

Most RDPs highlight that M16.3 contributes to the following Focus Areas (FA):

- 6A - Diversification & job creation;
- 6B - Local development;
- 3A - Agri-food chain integration & quality; and
- 2A - Farm’s performance, restructuring & modernisation.

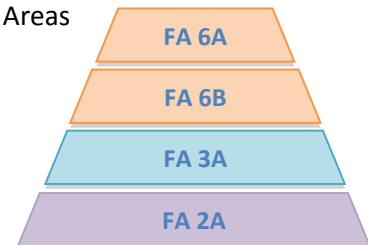


Figure 1 - M16.6 contribution to FAs and Priorities

RDPs do not provide much information on how M16.3 will be used in combination with other Measures. Some however highlight that the sub-Measure could be used together with **M04 ‘Investments in physical assets’** (e.g. IT-Lazio and UK-Northern Ireland) and others with **M1 and M2 on ‘Knowledge transfer and advisory services’** (e.g. IT-Emilia Romagna, IT-Basilicata and UK-wales).

⁶ UK-Northern Ireland RDP.

5. Eligibility criteria and selection process

Eligible costs

Eligible costs are identified as:

- studies, viability studies, creation of business and marketing plans;
- animation costs, costs related to running the cooperation;
- implementation of the business plan;
- marketing and promotional activities.

A number of RDPs define further eligible costs:

- purchase of new machinery and facilities (IT-Marche, IT-Calabria);
- creation of common spaces (IT-Umbria);
- access to advice on introducing new services onto market (IT-Calabria); and
- running pilot projects (ES-Pais Vasco).

Duration

RDPs do not provide much information on the maximum allowed duration of the projects. Where specified, RDPs define that the cooperation action must last for a maximum number of **years ranging from two to seven**.

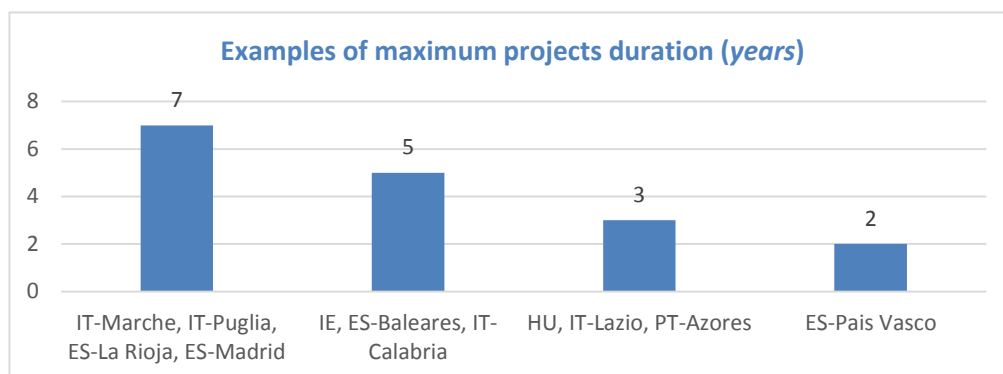


Figure 2 - Examples of maximum project duration

Cooperation group Most of the RDPs define the beneficiaries as:

- actors from the agriculture, food or forestry sectors;
- partnership or groups composed by small enterprises;
- networks and clusters set-up for implemented a specific project;
- associations of farmers and entities working in the field of rural tourism; and
- natural persons.

All RDPs establish that the beneficiaries must be **micro-enterprises**. Most of the RDPs define 'micro-enterprises' according to what is established in the regulation⁷.

As set by the regulation, most of the RDPs establish that the cooperation group must be composed of **at least two entities**. A number of RDPs follow a different approach, establishing a minimum of:

- 3 actors: in AT, IT-Marche, MT
- 5 actors: in HU, SK
- 10 actors: in EE, IT-Emilia Romagna

In general, within the projects selection processes, RDPs privilege cooperation groups having higher numbers of microenterprises (e.g. ES-Galicia, IT-Basilicata, IT-Calabria, IT-Lazio, IT-Marche).

Case 4: CLLD groups in UK-England

In UK-England the CLLD Local Action Groups funded by M19 are within the possible beneficiaries of M16.3.

Further criteria

Further criteria identified are:

- Promotion of **woman and youth employment** (e.g. ES-Galicia, IT-Lazio, IT-Piemonte, IT-Sicilia, IE);
- Contribution to the **mitigation of climate change** (e.g. ES-Canarias);
- **Innovations brought by the project** in terms of products, services, production/tourism methods, activities created (e.g. ES-La Rioja, ES-Pais Vasco, HU);
- Location of the project implementation in **rural areas classified as having development problems** (e.g. IT-Lazio, IT-Piemonte).

⁷ See section 1. Regulation background

6. Financial aspects

Budget Maximum budget allocated to the projects may vary from €25 000 in IT-Lazio to €500 000 in ES-Pais Vasco.

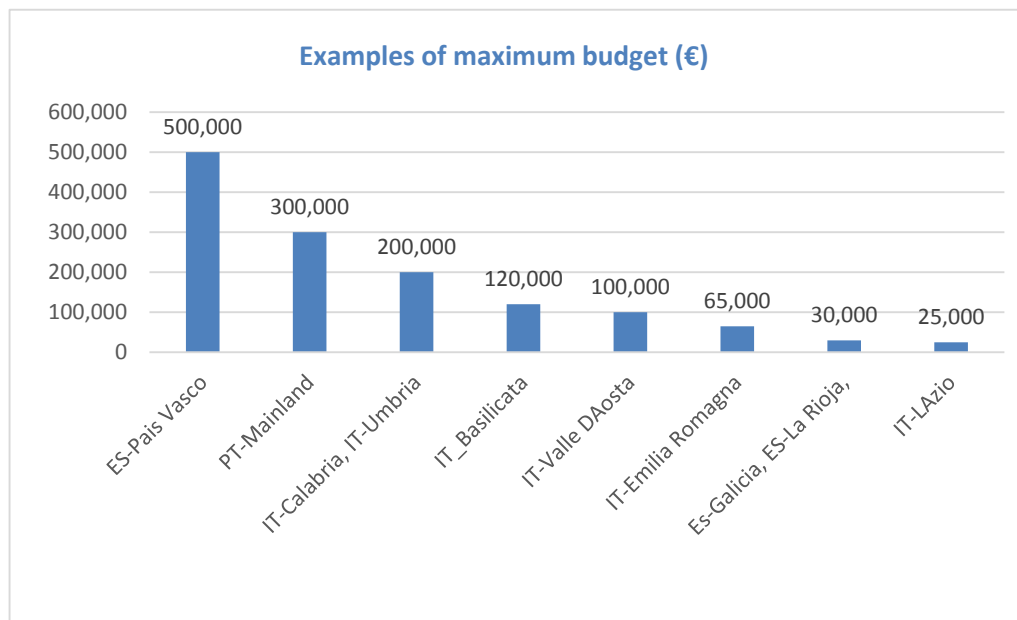


Figure 3 - Examples of maximum budget

Case 5: Budget allocation in IT-Emilia Romagna

IT-Emilia Romagna sets a minimum budget of €25 000. Furthermore, it distinguishes between:

- the 'development and marketing of products/services related to agri-tourism and social farming' having access to a maximum budget of €65 000; and
- the 'development and marketing of tourist services related to rural tourism and tourist routes' having access instead to a maximum budget of €200 000.

Support rates

Support rates will vary from 70% to 100%.

Table 3 - Examples of M16.3 support rates

| Examples of RDPs | Support rate |
|--|--------------|
| ES-La Rioja, IT-Basilicata, IT-Lazio, IT-Puglia, IT-Sicilia, IT-Umbria | 100% |
| BE-Wallonia, ES-Pais Vasco, IT-Calabria | 80% |
| ES-Galicia, IT_Emilια Romagna, IT-Valle D'Aosta, PT-Azores | 70% |

Some RDPs do not set a unique support rate but establish specific conditions:

- In PT-Mainland the level of support set is 65% for **less developed regions** and 55% for other regions;
- In UK-England costs for cooperation activities are covered 100% in case of cooperation groups among **non-profit making organisations** and 50% for commercial operations.
- In UK-Northern Ireland **animation costs and costs for the cooperation** are funded for 100%, while costs for the project implementation are covered by M04 and therefore are **subject to M4 support rates**.
- In UK-Scotland and UK-Wales support rates vary depending on **size of applicants and other criteria**.

Simplified cost options: cases

- BE-Wallonia: use of **lump sums** for staff cost directly involved in the project.
- EE: use of **flat-rates** in case of indirect costs, use of flat-rate for up to 25% of eligible direct costs and use of **lump sum** of up to €100 000 per project.
- Use of **SCOs** in UK-Northern Ireland.