

Action plan – Lombardy Region

I. General information

Project	SME ORGANICS
Partner organisation	Unioncamere Lombardia
Other partner organisations involved (if relevant)	
Country	ITALY
NUTS2 region	Lombardy
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II. Policy context

The Action Plan aims to impact:	<input checked="" type="checkbox"/> Investment for Growth and Jobs programme <input type="checkbox"/> European Territorial Cooperation programme <input type="checkbox"/> Other regional development policy instrument
Name of the policy instrument addressed	Regional Operational Programme (ERDF ROP) 2014-2020 co-financed by the European Regional Development Fund (ERDF) of the Lombardy Region

On the strength of its 57,000 farms and 8,000 alimentary firms, Lombardy tops the Italian agricultural sector, the activities of which cover 69% of the national territory. Lombardy also holds a prestigious position on the quality agro-food production front: 31 PDOs (protected designation of origin) and PGIs (protected geographical indication) products, 22 CDOs (registered designation of origin), 5 GCDOs (denomination of controlled and guaranteed origin) and 15 TGI wines, no less than 248 traditional products, all selected on the basis of their processing, conservation and maturing procedures.

The agricultural sector plays an invaluable role in the entire region, not just from an economic point of view but also with respect to the protection, upgrading and improvement of the territory, contributing to the enhancement of its local and tourist identity.

In this framework the commitment of the Lombardy Region from 2013 to today, it is estimated in 1,7 billions euros for Agri-food system of Lombardy, within the new framework of the reformed CAP, and the enhancement and promotion of the EXPO2015 issues.

Some key figures about the agricultural sector in Lombardy are listed hereby:

- Agro-industrial added value of Lombardy is 15% of the national total Food industry, added value accounts for 42% of the total agro food industrial production value
- The area of Lombardy extends over 23.863 square km and is nearly 7.9% of national area: 43,7% of the regional territory is covered by agricultural areas
- Lombardy ranks amongst the first producers of Guaranteed products such as PDO (Protected Designation of Origin) and PGI (Protected Geographical Indication) Products (25 over a total of 243 in Italy)
- In the Lombardy region 2,000 km of wine and dine routes are present: 12 Routes are united in the "Federazione delle Strade dei Vini e dei Sapori di Lombardia" (Federation of the wine and dine routes of Lombardy).
- Lombardy is one of the leaders in the Italian and European organic market. The region, with 2,509 selling points and a density of 286 m2 per 1,000 inhabitants has a leading role in the retail sector
- The main research priority themes are sustainable and competitive agri-food supply chain, individual well-being (for instance new solutions for healthy ageing through systems, food, supplements and nutraceuticals), food safety, security, availability and protection.

- On another hand, as one of the areas of the Smart Specialization Strategy of the Lombardy Region, the agri-food sector takes advantage of a series of “tools” classified in two categories:
 - Tools addressed directly to enterprises to facilitate the evolution of the value chain and develop technologies, products and processes able to meet new needs of emerging market
 - Tools supporting the creation of enabling environments for enterprises so they can grow and evolve into emerging industries - specific cluster in the Agri-food area was been established.

Organic production in Lombardy is relatively limited, though constantly growing, if compared to conventional methods. Lombardy's organic farming is really modest compared to other regions. In 2015, organic farmers in Lombardy were 3% of the national total. With respect to the producers only, their incidence dropped to 2.2%, whereas the share of processors is higher (7.6%). The overall share of organic area is modest as well, compared to the national total, equal to 1.5% (2016 SINAB figures). The 41.4% of the national amount of packaged organic products consumption is concentrated in north-western Italy. This is the confirmation of known peculiarities in Lombardy: there is strong divergence between agricultural supply, which is rather limited, and the final demand, which is rather considerable. Strong demand, potential growth factor for the regional organic farming thus does not translate into a driving factor, and most of the organic products sold for consumption in Lombardy come from other regions and from imports.

On the basis of the context described above, it is clear how in Lombardy Region as in other regions involved in the project, the topic and scope addressed are transversal and involve different interconnected sub-sectors all along the value chain of the organic sector.

On the one hand the ERDF ROP is the main policy instrument in Lombardy supporting SMEs and enhancing their competitiveness, regardless of their sector. The policy instrument includes several measures targeting SMEs on the organic sector, always including them within a larger range of SMEs from other sectors. This policy instrument is thus the one targeted within the Lombardy Action Plan for its implication for SMEs all along the value chains and in several sub-sectors of the organic sector.

On the other hand the EAFRD RDP is the main policy instrument in Lombardy Region addressing agriculture at large and organic farming more in details, that is considered to be the hard core of the organic sector as whole.

For these reasons in the Action Plan of Lombardy Region, the main policy instrument considered will be the Regional Operational Programme (ERDF ROP) 2014-2020 Co-financed by the European Regional Development Fund (ERDF) of the Lombardy Region, but synergies and complementarities with the Rural Development Programme (EAFRD RDP) 2014-2020 Co-financed by the European Regional Development Fund (EAFRD) of the Lombardy Region will be also identified, evaluated and fostered to optimize the joint and efficient utilization at regional level of two policy instruments that in this sector are necessarily interconnected. An holistic approach is therefore considered during the whole implementation of the project activities; nevertheless the action included in this Regional Action Plan will definitely target the ERDF ROP 2014-2020, the axis targeted by the Action Plan is Priority III “Promote SME competitiveness”. The main objective of Priority Axis III is to improve business competitiveness from the start-up stage throughout their growth and consolidation. The main measure that will be targeted in the Action Plan is meant to support interventions for the creation of new businesses both through direct incentives and through the provision of services and micro-finance interventions (III.3.a.1.1).

The priorities identified in the Action Plan are also supported in the RDP. Lombardy's RDP puts particular emphasis on improving the competitiveness of agriculture and primary producers. In particular, the region has tried to diversify the RDP interventions in favour of the organic sector to

respond to the strong increase in the demand. In this respect, two main operations within Measure 11 are specifically meant to address the organic farming sector: Operation 11.1.01 is meant to support for the conversion from traditional to organic farming, by compensating for the higher costs and lower income involved in this type of change; operation 11.1.02 is meant to support for the maintenance of the organic production method, by paying for the higher costs and lower income involved in adopting this practice compared to conventional farming.

The consideration of both the policy instrument mentioned and their synergies is necessary to enhance SMEs competitiveness in the organic sector as a whole and all along the value chain through an Action Plan that adopts an holistic approach and implies tailored funding and policy mixes and an analysis of the conflicts and synergies of policy measures, quantified indicators, monitoring and evaluation procedures.

Adopting such a holistic approach the Action Plan aims at achieving that policies, programmes and objectives of ERDF ROPs 2014-2020, regional policies and RIS3 will be influenced by SME Organics and Interreg Europe.

The government of Lombardy Region has expressed its commitment to the project and action plan by signing a letter of support and actively participating in all project activities implemented and contributing to the discussion and definition of the Organic Action Plan.

The Regional Minister for Agriculture Gianni Fava has attended the regional field visit in Lombardy and led the visit of project partners in several companies addressed by the project.

The Head of Unit - Development, Innovation and Promotion of Production and Territory, Ms Donatella Parma, has attended all the meeting held in 2 years during the implementation of the project with the stakeholders and other regional officers have been directly involved in the project activities.

Ms Laura Ronchi and Mr Paolo Clarà from DG Agriculture attended the field visit in Bordeaux, while Mr Giancarlo Viola from the Delegation of Lombardy Region in Brussels attended the field visit in Lodz.

Besides the direct involvement in the project activities, during all the phases of the project the Regional Government has been provided with working documents and reports. These have been thoroughly discussed, shared and co-decided and this work resulted in a draft of the Organic Action Plan that has been agreed upon before submission to the JS and that also included all the lessons learnt during the project activities.

Finally for the implementation of the Regional Action Plan during the phase two of the project and follow up of the proposed action the same inclusive and participatory approach with the representative of the Lombardy Region Government will be adopted.


Part III. Details of the action envisaged

ACTION 1. Foster public support towards organic business and organic producers

<p>1. Background</p>	<p>Organic production in Lombardy is relatively limited, though constantly growing, if compared to conventional methods. Lombardy's organic farming is really modest compared to other regions. In 2015, organic farmers in Lombardy were 3% of the national total. With respect to the producers only, their incidence dropped to 2.2%, whereas the share of processors is higher (7.6%). The overall share of organic area is modest as well, compared to the national total, equal to 1.5% (2016 SINAB figures). The demand of organic products in the region is growing of 20% each year and there is a need a growing demand of local organic products in the market.</p> <p>The most relevant best practises and lessons learned during the implementation of the SMEs Organic project, to be transferred for the implementation of ACTION 1 "Foster public support towards organic business and organic producers" are the following:</p> <p>1 Regional Observatory on the development of Organic Agriculture in Apulia Region-BioBank Open Project - Apulia Region", which aims to monitor and to organize all regional level activities on organic farming. The Regional Observatory has the following objectives: i) Monitoring of the regional organic sector; ii) Data management and statistics; iii) Guidelines to organic production; iv) Provide an information desk (Programmes and tenders, Events, National and international Fairs, Urban markets, Prizes, etc.) Show to consumers the productions by farmer markets, specialized retailers, e-commerce, etc.; vi) Support to regional Management Authority of RDP 2014-2020, to review the measures by checking the use of organic subsidies and increasing the investment on specific crops depending of the knowledge of the region</p> <p>2. Call for proposal Upstream- Downstream – Nouvelle Aquitaine Poitou Charente Region: The objective of the Region Nouvelle-Aquitaine is to support the development of projects aiming at increasing the production and processing of organic products and at enhancing the balance between upstream and downstream sectors by extending market opportunities and fostering contractualization.</p> <p>Through a call for proposals, beneficiaries should meet the following requirements: they should be economic operators, working on long food chains and present a project with a partnership or contract between one operator upstream and one downstream. They can also plan to work with other SMEs of the sector and/or choose technical services providers. They have to provide a detailed description of expected amount and prices and identified the market they aim at. Projects can last between one and three years.</p> <p>The programme finances the project implementation costs (staff, expertise) and investments (40% of the eligible expenses, and a limit of 30.000€)</p> <p>The Agriculture department of the Regional Council of Nouvelle-Aquitaine examines the projects that are presented to a board of examiners (Region, DRAAF (national), and 2 associations representing the regional organic OFF stakeholders).</p>
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	<p>3. THE FIRST ORGANIC LABEL FOR LOCAL AUTHORITIES IN FRANCE Nouvelle-Aquitaine region, France The Grenelle Environment Forum sets targets on a national level to develop the organic production and sales. To support, reward and promote local authorities that reach those goals, INTERBIO Nouvelle-Aquitaine created the Territoire Bio Engagé label. The label covers 6% of all cultivated area in organic agriculture and 20% of organic products in public catering.</p> <p>4. STIMULATING COLLABORATION BETWEEN ORGANIC ACTORS ACROSS THE VALUE CHAIN Zofingen, Zentralschweiz region, Switzerland Bio Marché is an annual organic fair where around 200 small-scale producers, wholesalers, processors and traders from Switzerland and abroad gather. The fair gives the different actors the chance to present themselves and their products, to strengthen existing networks and to increase collaboration between the different actors across branches and the value chain.</p>
<p>2. Action description</p>	<p>The action main aim is to foster and upgrade the public support targeting organic producers and organic businesses at large.</p> <p>The objectives of the action are:</p> <ul style="list-style-type: none"> • Enhancing the overall competitiveness and sustainability of organic SMEs and their innovation; • Increasing the establishment of new companies in the organic sector. • Start-up in the organic sector will thus be supported through subsidised financing and non-repayable grant. <p>In order to achieve the above mentioned objectives the following concrete steps will be taken:</p> <p>Consulting services will be provided to organic companies and will be carried out by public or private entities, through qualified technicians, with the aim of addressing specific problems of the companies to improve their economic performance (improve profitability, reduce costs, make more professional management) and environmental sustainability (compliance with standards, adoption of less invasive practices on the environment and climate). Organic SMEs as well as their associations will be supported to cover the costs of controls incurred in producing under the quality schemes defined for organic agriculture.</p> <p>Producer groups that group/aggregate operators that actively participate in the quality schemes defined for organic agriculture will be supported to define and implement information and promotion programmes to improve knowledge of the existence and characteristics of organic products.</p>
<p>3. Players involved</p>	<p>Besides Lombardy Region that is the main player involved in the development and implementation of the action, the following players are directly involved:</p> <p>Public or private entities will be selected by Lombardy Region through a specific public procedure to provide consultancy services.</p> <p>SMEs will be the main target of the activities carried out during the implementation and development of the action.</p>

4. Timeframe	2019-2020
5. Costs (if relevant)	1 mln Euros
6. Funding sources (if relevant):	European Regional Development Fund (ERDF)
7. Monitoring	<p>The KPIs to monitor the development and implementation of the action are the following:</p> <ul style="list-style-type: none"> • Number of applicants (public or private actors) for receiving support • Number of (organic) farming SMEs benefitting from support • Number of farming SMEs applying for support covering costs of control for organic farming certification • Number of associations of quality farming products applying for support • Number of initiatives for new short supply chains financed

Date	11 February 2019
Name	Maurizio Colombo
Position	Chief Operating Officer
Signature	
Stamp of the organisation	<p>UNIONE REGIONALE DELLE CAMERE DI COMMERCIO IND. ART. AGR. DELLA LOMBARDIA Via Oldofredi, 23 - 20124 MILANO Cod. Fisc. 03254220159</p>