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“MORE ENTERPRISE - YOUTH AND FEMALE ENTREPRENEURSHIP IN AGRICULTURE”

(“PIÙ IMPRESA - IMPRENDITORIA GIOVANILE E FEMMINILE IN AGRICOLTURA”)

Case study

ITALY

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Summary

Farm managers' aging is one of the main issues within family farming (FF) in the European Union (EU) (Rete Rurale Nazionale, 2011). This is especially true for FF in Italy, where the percentage of farm managers aged 65 or more is above the EU average. In order to secure the sustainability and the long term survival of FF, generational renewal has therefore been acknowledged as a policy priority and placed on the political agenda at the national and EU levels (DG-IPOL, 2014).

The case study here proposed analyses the measure “*Più Impresa*” - *Imprenditoria giovanile e femminile in agricoltura*” (i.e., “More Enterprise” -youth and female entrepreneurship in agriculture) which is a very interesting example of a national policy aimed at supporting generational renewal in agriculture. “*Più Impresa*” is targeted to young farmers and women, and it consists of two sub-measures: one aimed at incentivizing the taking over of a farm by young and/or female farmers and the other aimed at supporting the development of an already existing farm managed by youth or women without age limit. After some reviews, nowadays the financial subsidies of the measure consist of an interest-free mortgage and a non-repayable loan.

This measure was set by the government because youth are recognised as playing a central role for the development of a sustainable and innovative agriculture. In fact, in order to tackle the ongoing and future global challenges, agriculture needs to pursue the three dimensions of sustainability, namely: economic, environmental and social and youth have been recognised as more inclined to innovate and to develop a kind of agriculture which better recognises the value of these three dimensions of sustainability. In addition, the youth are key to ensuring the survival of agriculture in the future in a context where the average age of farmers has been constantly increasing over time. Youth, by contrast, have also been recognised as the category of farmers with more limited access to land and credit and thus worthy to be supported in their farming activities (Rete Rurale Nazionale, 2011; 2018). Later on, this measure has also been extended to promote women's entrepreneurship in agriculture, as they currently represent less than one-third of agricultural entrepreneurs in Italy with almost no improvement over the last decade (ISTAT, 2022).

The main reason for the selection of this case study was that, in its initial formulation, it supported young farmers taking over a farm from a family member, thus, it was strictly related to the United Nations Decade of Family Farming (UNDF) Global Action Plan's Pillar 2 - Support youth and ensure the generational sustainability of family farming. Although the programme is no more restricted to FF, it implicitly still supports that kind of farming. As emerged from the interviews, most young farmers applying for the programme come in fact from a family farm or want to take over a farm from a relative working in agriculture. Moreover, given the recent extension of the support provided through the “*Più Impresa*” measure to women entrepreneurship in agriculture, in its current formulation it now also contributes to Pillar 3 - Promote gender equity in family farming and the leadership role of rural women.

Overall, the interviews with different stakeholders have helped to underline the main factors of success and the criticalities of the measure. In particular, the value of the participatory method in defining various formulation and implementation features was recognised, which has helped improving the measure's targeting, also to recognise FF peculiarities. A longer-term planning strategy, however, could be needed because it would better enable the planning of the applications and the consequent implementation of the activities.

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Introduction

Family farms - defined as a small agricultural business where agricultural entrepreneurs carry out their professional activity mainly relying on their own work and that of family members - has historically been and still is the main type of farming in Italy¹. According to the results of the VII Agricultural Census, in 2020 over 1.1 million farms in Italy were family farms, corresponding to 98% of the total number of farms in the country (ISTAT, 2022).

Although family farming (FF) represents the large majority of farms in Italy and manages more than 80% of the total Utilised Agricultural Area (UAA) (83% in 2016), it produces only 74% of the standard output of the country (Eurostat, 2016). This is because family farms are relatively smaller (10 ha on average) than other farms, especially if compared with those that do not rely on the family labour force (62 ha) (Eurostat, 2016).

The majority of FFs are located in the South of Italy (41%), followed by the Islands, the North-West, and the Centre with about 16% of the total number of FFs each. Only 10% of FFs are located in the North-East (ISTAT, 2022).

One of the key problems of FF in the European Union (EU) is related to the progressive aging of farm managers (Rete Rurale Nazionale, 2011; Cavicchioli *et al.*, 2019). This is particularly true for FF in Italy, as farm managers younger than 40 are only 7.5% out of total managers in FF (11% in farms with no family workers), and those older than 65 represent the largest share of farm managers (40% against 23% in farms with no family labour force) (Eurostat, 2016). More recent data, collected through the VII Italian Agricultural Census, have confirmed this negative trend, as the share of young agricultural managers aged less than 44 years has fallen by more than 4% over the last ten years (from 17.6% in 2010 to 13.0% in 2020) (Istat, 2022). Therefore, during the last decades, generational renewal has been recognized as a policy priority and has been put on the political agenda both at the EU and national levels to ensure the sustainability of FF (DG-IPOL, 2014).

In this setting, the Italian Ministry of Labour, together with the Ministry of Economics and Finance (MEF) and the Ministry of Agricultural, Food, and Forestry Policies (Italian acronym: MIPAAF) through the Legislative Decree 21.04.2000 n.185, (Title I, Chapter III), introduced one measure to encourage youth entrepreneurship and generational renewal in agriculture, with a particular focus on FF.

The program “*Più Impresa*” here analysed is rooted in this legislative decree. At first, it was targeted at young farmers (i.e., aged between 18 and 39) working in Italian regions whose development was lagging behind (Objective 1 regions) or experiencing some structural difficulties (Objective 2 regions)², and that wanted to take over a farm from a family member

¹ Even though neither the national nor the regional legislation have provided a clear definition of family farming (FF) in Italy, the Civil Code definition of “*direct farmer*” (i.e., *coltivatore diretto*) (Art. 2083) closely overlaps with the United Nations definition of FF. The “*direct farmer*” is in fact defined as a small agricultural entrepreneur who carries out his/her professional activity mainly relying on his/her own work and on that of the family members, provided that this workforce constitutes at least one-third of that necessary for the normal needs of cultivation of the land.

² According to the European Union Structural Funds regulation, Objective 1 regions are those whose development is lagging behind, being characterized by a gross domestic product lower than 75% of the Community average, while Objective 2 regions include areas experiencing structural difficulties, such as declining industrial areas or rural areas (EUR-Lex). A complete list of Objective 1 and Objective 2 regions is available at http://leg15.camera.it/cartellecomuni/leg14/RapportoAttivitaCommissioni/testi/05/05_cap20.htm (accessed on 15/09/22).

(a relative up to the third degree). The over-taking farmer had to submit projects for the development of initiatives relating to the production, marketing, and processing of agricultural products. The aid scheme was based on a soft loan accompanied by a non-repayable grant. Then, over the years, subsequent legislation adjustments and regulatory changes have broadened the geographical scope of the initiative, by including at first the whole South of Italy (i.e., also those areas not classified within Objectives 1 and 2), and later on, also young farmers working in the Centre-North (Ministerial Decree of 20 April 2021). The eligibility criteria have been extended over time, as currently, the beneficiaries of the aid scheme are young farmers who take over the management of an entire farm even if this was not previously owned by a family member, or also agricultural entrepreneurs aged less than 40 years old who are already running their farm and submit a project to consolidate their activity. Furthermore, in 2021 (Legislative Decree, n. 106 of 23.07.2021), the support has also been extended to women without any age limit, thus becoming a new tool to support female entrepreneurship in agriculture.

The main reason for the selection of this case study was that, in its initial formulation, it supported young farmers taking over a farm from a family member, thus, it was strictly related to the United Nations Decade of Family Farming (UNDF) Global Action Plan’s Pillar 2 - Support youth and ensure the generational sustainability of family farming.³

Even though the intra-family succession requirement has been abolished over time, it is important to acknowledge that this is still the most important pathway for the transfer of farm activities in Italy, as almost 75% of active farmers in 2020 in the country had taken over their farms from a relative or a family member (ISTAT, 2022). Therefore, also in its current formulation, this policy is still strictly related to the generational sustainability of family farming (Annex 1: Interview n. 2) also considering that FFs are the most affected by the aging of the farm population (Eurostat, 2016).

Methodology

In order to reconstruct the policy cycle of the measure, first, desk research was carried out with the aim to both retrieve statistical data on FF in Italy and the pertinent literature on young entrepreneurship in agriculture and to reconstruct the policy cycle of the measure over time. Data on FF in Italy were primarily collected from national and European statistical offices (i.e., ISTAT and Eurostat), but also from pertinent scientific literature (e.g., Cavicchioli et al., 2019; Rete Rurale Nazionale, 2011).

The scientific literature on the specific characteristics and the main problems and of young entrepreneurship in agriculture was retrieved using major databases, but also national research institutions websites (e.g., Giunta, 2016; Rete Rurale Nazionale, 2018; Cavicchioli et al., 2019; CEJA, 2017).

Finally, information on the legislative background, the changes applied to the measure over time, and when available, the reasons for policy transformation were retrieved from national legislation (Ministry of Agriculture, Food and Forests 2011, 2015; Italian Council of Ministries 2000-2021b); European legislation (European Commission 1999, 2004), official reports from

³ Furthermore, given the recent extension of the support to women entrepreneurship, this measure now also contributes to UNDF Global Action Plan’s Pillar 3 - Promote gender equity in FF and the leadership role of rural women

the Italian Court of Auditors (2021) and technical implementation instructions developed by the officials delegated to implement the measure (ISMEA, 2017).

The desk research has also allowed identifying the key stakeholders (e.g. policymakers implementing agencies, farmers’ associations) who were involved in the process. In this way, it has been possible to identify the stakeholders to interview, and also, their potential contribution to the reconstruction of the stages of the policy cycle. In total 9 semi-structured interviews were carried out with officials, policymakers, representatives of farmers’ associations, who were directly or indirectly involved with this measure, and one young farmer who was granted the “*Più Impresa*” aid in order to shed light on multiple stakeholders’ perspectives on this policy intervention (See Annex 1 for a complete list of the interviews).

Particular attention has been paid to the inclusion of three classes of stakeholders: policy-makers, programme managers and policy beneficiaries (like farmers or their associations). In fact, policy-makers at a strategic level are expected to focus on issues with a medium- to long-term time horizon; thus trying to involve people who guide agricultural-policy processes in high-level positions could shed light on important future challenges for the sector (Coderoni et al., 2021). Besides, high-level programme managers were also involved, who could give a unique picture of the overall policy cycle. On the other hand, farmers and their associations were expected to prioritise the practical aspects related to the pros and cons of the measure.

Single interviews were preferred over focus groups because this latter, if not adequately moderated, could discourage some interventions because of the absence of confidentiality (Gibbs, 1997), due also to differences in ‘social status’ (Bloor et al., 2001), or because some participants monopolise the discussion (Smithson, 2000), perhaps due to power relations (Bloor et al., 2001). Instead, semi-structured interviews have two benefits: first, informants are given the opportunity to express their opinions freely, and the interview can be more casual, promoting two-way communication (Bariball and White, 1994); second, both the interviewee and interviewer can ask for clarifications.

After being informed about the objectives of the research project, selected stakeholders who positively replied to the request to participate in the study were interviewed through online or phone interviews and they were ensured of the anonymity of the information collected. An informal hierarchy of topics and questions was prepared to handle the conversation (Coderoni et al., 2021) and open-ended questions were formulated to encourage spontaneous, articulated, and unique answers (Baumbusch 2010).

The interview protocol was adapted depending on the interviewee’s role, position, and background, and so, his/her potential knowledge about the different stages of the policy cycle. For instance, policymakers and farmers’ associations contribution was crucial for reconstructing the first stages of the policy cycle (i.e., agenda setting e policy formulation), while programme managers were helpful in reconstructing policy implementation, adoption, and evaluation, while farmers, farmers’ associations and private service providers helped to identify potential implementation challenges and issues.

Overall, these interviews allowed to obtain a broad overview of the stakeholders’ experiences and opinions on the “*Più impresa*” measure and to identify potential shortcomings and strengths which may direct future policy transformation.

Case Study Description and Analysis. The Five Stages of the Policy Cycle

a. Agenda Setting

One of the key issues of FF in the EU is related to the progressive aging of farm managers, particularly in rural areas, where there are less young farmers (Rete Rurale Nazionale, 2011; Cavicchioli et al., 2019). This is partly due to the fact that agriculture, over time, has become a sector less attractive for young people given the lower income generating opportunity compared to other sectors. This is particularly true considering that, unlike technology start-ups, the expected payback period for agricultural investments may last several years as biological processes are involved (e.g., investments in tree crops) (Annex 1: Interview 3). Moreover, access to land and credit are the main challenges that young farmers face when considering the establishment of agricultural activities (Rete Rurale Nazionale, 2011; 2018; Annex 1: Interview 2; 3; 4; 5). In 2016, 3.3 million family farmers were aged 65 or over in the EU-28, corresponding to more than one-third of the total number of farmers in the Union, while young farm managers (i.e., younger than 40 years old) accounted for only 10% of all managers of farms with only family labor (Eurostat, 2016). That is why during the last decades, generational renewal has been recognized as a priority and has been put on the political agenda both at the EU level and by national governments in order to ensure the sustainability of FF, as this still represents the predominant farm business model in Europe (DG-IPOL; Rete Rurale Nazionale, 2018). While in the past programming period of the Common Agricultural Policy (CAP) generational renewal was part of a broader objective, in the future programming period (2023-2027) it will represent a strategic objective of the CAP itself (i.e., objective 7: Attract and sustain young farmers and new farmers and facilitate sustainable business development in rural areas) (Rete Rurale Nazionale, 2018, European Commission, 2022; Interview 1; 7).

The issue of generational renewal is even more relevant in Italy, where the mature demographic profile of agriculture is more pronounced than in many other Member States, especially referring to family farms (Rete Rurale Nazionale, 2011 and 2018; Interview 4). In detail, in Italy, in 2016, the share of managers aged 65 or more, on the farms with only family workers was much higher (41.7%) than in farms without any family labor (22.2%) and in any case above the EU average (32.3% for FF and 13.7% for non-FF) (Eurostat, 2016). On the other hand, farm managers younger than 40 are only 7.8% of the total managers in FF, while they are 11% in non-family farms (Eurostat, 2016). More recent data, collected through the VII Italian Agricultural Census, have confirmed this negative trend, as the share of young agricultural managers aged less than 44 years has fallen by more than 4% over the last ten years (from 17.6% in 2010 to 13.0% in 2020) (Istat, 2022). Even though generational renewal is a critical issue for agriculture throughout the country, this may threaten even to a higher extent families located in disadvantaged and marginal areas, where the lack of succession may lead to both land abandonment and to the loss of farm-specific knowledge and human capital transmitted by previous generations (Rete Rurale Nazionale 2011; Cavicchioli, 2019; Interview 3; 5).

Under the impulse of the EU CAP, generational renewal in agriculture has been recognized as a priority and has been put on the political agenda also at the national level over the last decades (Annex 1: Interview 1; 4; 6). Therefore, policies aimed at the support of youth entrepreneurship in agriculture and the setting up of young farmers are currently considered as an urgent issue to be pursued at the Ministerial and governmental level, but independently from the only intra-farm succession (Annex 1: Interview 1; 3).

Overall, within the MIPAAF, issues related to FF are not deemed to be a policy priority *per se* and there is no formalization, within the Ministry, of any permanent office or consulting table which is in charge of FF issues (Annex 1: Interview 1; 4; 6). This is also because, during the last years, the Ministry has undertaken a path of reduction of offices and observatories due to cost reductions and procedures simplification (Annex 1: Interview 4).

The lack of a clear focus on the issues related to FF is confirmed also by the fact that neither the national nor the regional legislation have provided a legislative definition of FF except for the definition of the “direct farmer” (i.e., *coltivatore diretto*) that was introduced by the Civil Code in 1942 (Art. 2083) and subsequently amended (Annex 1: Interview 4; 6), which closely overlaps with the definition of FF adopted in the UNDFG Globan Action Plan.⁴ However, it is also important to acknowledge that FF is the most prevalent form of agriculture and intra-family succession is the most common form of farm succession in Italy (Annex 1: Interview 2; 4; 6). Therefore, even though policies that encourage generational renewal in agriculture in Italy do not explicitly refer to FF, they are in practice specifically related to FF (Annex 1: Interview 2; 4).

Supporting young entrepreneurship in agriculture is recognized as a public problem also because it may improve the profitability of farms by indirectly fostering innovation processes in agriculture, which is another key issue of the Italian agricultural sector (Annex 1: Interview 3; 4; 5). Young farmers are eager to embrace innovation, new technologies, smart agriculture and science-based research, and this can in turn guarantee a sustainable, profitable and productive future for farming and improve the competitiveness of the agricultural sector (MIPAAF, 2015; Annex 1: Interview 3; 4; 5). Moreover, young agricultural entrepreneurs are more risk-taking than older farmers, and so, they are more willing to adopt innovation and can bring new skills which can contribute significantly to the development and success of innovative processes in agriculture (Annex 1: Interview 3; CEJA, 2017). Therefore, measures supporting young entrepreneurship in agriculture should also support innovation adoption in order to favor the profitability and competitiveness of farms (Annex 1: Interview 3; 4; 5). This is especially true for FF, given the importance of farming in total household income and the need to adequately remunerate all production factors, including family labor (Annex 1: Interview 3; 5; 8). Supporting young entrepreneurship and agricultural innovation may be beneficial especially to marginal and peripheral rural areas, where significant land abandonment processes are taking place also because of the lack of services (e.g., nurseries, schools, digital communication facilities) (Annex 1: Interview 3; 4; 5; 6).

Besides, some bottom-up initiatives have been developed by farmers’ associations to promote a specific legislative intervention to support the so-called “peasant agricultural activities” (*agricoltura contadina*⁵, according to the Italian definition), which is a peculiar kind of FF

⁴ According to UNDFG GAP definition, FF is a means of organizing agricultural activities that is managed and operated by a family and is predominantly reliant on the family labor of both women and men.

⁵ According to this law, “peasant farms” are defined as “farms that meet all of the following requirements: a) they are conducted directly by the owner, by family members, even in the form of a simple agricultural company or partnership, or by the members of a cooperative consisting exclusively of working members, through their prevalent work contribution both with regard to the time dedicated to agricultural activities production both with regard to the possible collaboration of seasonal workers or permanent employees; b) practice agroecological production models favoring animal and plant biodiversity, diversification and crop rotation, farming techniques through the prevalent or partial use of grazing or, in case of impossibility of grazing, maintaining high levels of well-being of animals, in compliance with the voluntary guidelines on responsible management of land, fishing

whose legislative definition is now under discussion in the Italian Parliament (Law Proposal n. 2243 of 2021).⁶ Among other issues, this law proposal recognizes also the importance of generational renewal and the importance of young farmers in order to avoid the abandonment of peripheral rural areas. In detail, the “peasant agricultural activities” law proposal originated in 2009 from the “Popular Campaign for Farming Agriculture”, initially promoted by a network of farmers’ associations and peasant groups who collaborate to launch a petition with the intention of defending small-scale agricultural activities, mainly relying on family labor, and oriented towards self-consumption and direct sales. This petition later on was also supported by numerous other Italian stakeholders, including members of the Parliament belonging to different parties who express their willingness to support the institutionalization of this initiative. Given the rising public attention and support for the campaign and also the starting dialogue with the Ministry of Agriculture, the text of the petition was then converted into a law proposal. However, the instability of the Italian political system in those years, and the consequent changes in the government leadership and ministerial offices did not allow for sustained continuity in that initial dialogue and explain the delay in the legislative process of this law proposal (Giunta, 2016).

The law proposal on “peasant agricultural activities” is an example of the key role of a nationally representative farmers’ association as a pressure group in the development and transformation of public policies and measures directly or indirectly related to FF (Annex 1: Interview 2; 4; 6).

b. Formulation

Within the EU context, policies aimed at encouraging generational renewal in FF have typically developed according to two paths: on one side, retirement schemes have been proposed to incentivize the exit from the sector of older farm managers, and on the other side, there has been the support to young farmers, to encourage their entry (DG-IPOL, 2014; Rete Rurale Nazionale, 2018; Annex 1: Interview 4). However, because of the peculiar characteristics of the social security system in Italy, the retirement scheme has not been successful in the country, and measures have been focused on supporting young farmers’ entrepreneurship (Interview 4).

It is widely recognized that young farmers may face two main challenges during the early stages of their activity, that is, access to both land and credit (Rete Rurale Nazionale, 2011; 2018; Annex 1: Interview 2; 3; 4; 5). In fact, only 38% of young farmers in Italy own farmland, while this figure rises to 55% and 75% for farm managers aged between 41 and 64 and above 65 years old respectively (Rete Rurale Nazionale, 2018). Also, according to the Italian Court of Auditors,

territories and forests and the Ten elements of agroecology, and take care of the maintenance of local plant and animal varieties as well as the related cultivation and breeding techniques; c) promote the protection and conservation of the territory in its fundamental environmental and landscape aspects, supporting hydrogeological maintenance and the restoration of the original environment and landscapes; d) transform the raw materials produced in the company, also with traditional tools, products and methodologies of local use, without carrying out mainly automated mass production, favoring forms of solidarity and participatory economy; e) produce limited quantities of agricultural and food products, including forest products, intended for immediate consumption and for direct sale to final consumers pursuant to Article 4 of Legislative Decree No. 228 of 18 May 2001; f) fall within the discipline of the direct farmer, as defined by article 2083 of the civil code, or of the associative or cooperative forms.”

⁶ Disegno di Legge (DL) 2243. Disposizioni per la tutela e la valorizzazione dell'agricoltura Contadina. Available at: <https://www.senato.it/leg/18/BGT/Schede/Ddliter/54101.htm> (accessed: 07/20/22).

access to credit is reported as the main barrier for more than half (57%) of young farmers in Italy, while this percentage is much lower for young farm managers in the rest of the EU-28 (33%) (Rete Rurale Nazionale, 2018). This is particularly true considering that, unlike technology start-ups, the expected payback period for agricultural investments may last several years as biological processes are involved (e.g., investments in tree crops) (Annex 1: Interview 3). For this reason, it is acknowledged that support to young farmers should not be limited to first land-settlement aids, that is to the initial start-up of the farming activity, but also, should be extended to the early stages of their activity (Annex 1: Interview 3; 4; 5). The need to provide credit guarantees is also reported as one of the major issues faced by young agricultural entrepreneurs for the development and consolidation of their businesses (Annex 1: Interview 2; 3).

The “Più Impresa” measure takes into account all these issues as it is aimed at promoting and supporting youth and women’s entrepreneurship and the generational renewal in agriculture.

It was first introduced on 21st April 2000 by the Legislative Decree n. 185 and it was formulated according to the specific need to help young family farmers to access both land and credit. Since its earliest formulation, this regulation has been closely related to FF, as the support was firstly provided to young farmers taking over a farm from a relative up to the third degree.

Initially, this initiative was limited to farmers aged between 18 and 35 living in Italian regions under Objectives 1 and 2. At that time, the program provided a soft loan at a subsidized rate and a non-repayable loan to young farmers who took over the farm from a relative. To receive the loan, the young farmer had to submit a project for the development of the farm in any of the food chain stages: production, processing, and marketing of agricultural products.

When the measure was first issued in 2000, it was managed by INVITALIA (the Italian National Agency for entrepreneurship development) and it was later transferred to ISMEA (Institute of Agricultural and Food Market Services) which has been coordinating, managing and implementing it since 2007. This change has been made also because ISMEA retains the role of the National Land Organization and supports Italian regions in land reorganization activities by promoting the formation and expansion of land ownership, finally promoting generational turnover in agriculture.

Since 2007, ISMEA has constantly pondered, analysed and discussed the aims, the formulation and the results of this program in a participatory way, being the promoter of a technical committee including representatives from the main national farmers’ association (such as Coldiretti, CIA, Coopagri, and Confagricoltura) which are the main partners to deal with every time the program needs a new formulation and new amendments.⁷ Usually, issues discussed within the technical committee have emerged during the monitoring phase or come from specific requests made by the farmers’ associations.

The relocation of the program to an institution specifically dedicated to the agricultural sector was related to the need of treating this sector differently from the others due to its own specificities. If this change has represented a better means to help better tackle agriculture needs, on the other side, however, this kind of approach has fed the idea that farming activities

⁷ Those farmers associations are the most representative national agricultural organisations according to National Economic and Labour Council data.

should always be considered in a separate setting and farmers cannot be entirely considered “entrepreneurs” like in the other sectors (Annex 1: Interview 2).

The first change of the programme happened in 2005 when the Legislative Decree n. 266 established that not only single farmers could apply to the measure, but also farmers’ corporations. This was mainly done for the political will of the Ministry to valorize the corporate organisation in the agricultural sector (Law n.266 of 23 December 2005).

Based on the national farms’ associations’ suggestions and recommendations, in 2008 (Law n. 162) the scope of the measure was broadened by removing the family relationship requirement. From now on the audience of the beneficiaries has been expanded and the measure has started to focus on the purpose of the companies’ generational turnover. However, even though the family relationship requirement has been removed, it is clear that the FF remains the main reference point for the measure, as it represents the majority of farms in Italy. This clearly emerged during the discussion of regulatory changes to the measure, as observation was made on the requirements for companies to access the measure. The observation pointed out that the requirement for access to the measure was too strict as it provided that the majority in the shared capital by a young farmer, should be both in terms of participation shares and also in terms of numerical majority of the members in the company. However, for family farms with only one child, this could represent a problem. So, the comment argued that it would have been sufficient, for family businesses to fulfill the requirement, to refer to the majority of the shareholding, without the numerical majority of the members requirement (Annex 1: Interview 2). Following this remark, now is specifically stated that to comply with the requisite in the case of family-owned companies, it is sufficient to have the majority of the shareholding in the hands of young farmers (ISMEA, 2017).

In 2014, in order to match other economic sectors’ measures managed by INVITALIA, the part of support related to the non-repayable grant was eliminated. After that, the measure became less attractive, even because some measures within the Rural Development Programmes (RDP) still included that kind of grant. Therefore, young farmers started to prefer applying to RDP measures instead that of “*Più Impresa*” (Annex 1: Interview 2).

Some years later, on 20th June 2017, in order to satisfy the Mezzogiorno regions’ needs, the government issued the so-called program “*Resto al Sud*” [“I stay in the South”] (Ministerial legislative decree n. 91/2017) to support all kinds of new enterprises located in the Southern regions of Italy (including Abruzzo, Basilicata, Calabria, Campania, Molise, Puglia and the islands Regions). At this point, ISMEA, along with farmers’ associations, proposed a direct inclusion of the measure in the program *Più Impresa*. Thanks to the funds available through “*Resto al Sud*” a part of a non-repayable grant (up to 35% of the whole eligible expenditure) was re-introduced for those farms located in the above-mentioned southern region, while the farmers in other regions could only have access to interest-free subsidized loans covering up to the 60% of the planned expenditure. In the meantime, the age limit had raised from 35 to 39. After these changes, the measure became very attractive. Then, in 2020 (Law 11 September 2020, n. 120), the share of non-repayable funds was re-introduced to the whole national territory as a measure to combat the Covid-19 related economic crisis.

More recently, in 2021 (legislative decree n. 73), the program “*Donne in Campo*” [i.e., Women in the field], aimed at supporting female entrepreneurship, was completely transferred to the measure “*Più Impresa*”. This change has been the result of concurrent circumstances. First, the measure for female entrepreneurs (*Donne in campo*) was not having success; this was mainly

because it has been launched during the pandemic crisis (in September 2020). This measure thus received few applications, and many were rejected because of the minimal underlying planning (Annex 1: Interview 2). ISMEA and the MIPAAF held several meetings with associations to decide how to improve the measure. Meanwhile, the National Recovery and Resilience Plan was taking shape setting up new objectives that should be reached by Italy. As the most affected categories from the Covid-19 pandemic in terms of economic consequences had been young and women (Interview 2), a political willingness to sustain the recovery of these two categories emerged. The final choice referred to the agricultural sector was to use an instrument that was already in place and functioned quite well. This choice has been made also to try to simplify the policy framework by working with a single measure (Annex 1: Interview 2).

Since 2021, thus, the program *Più Impresa* has taken the ongoing framework: one part (hereafter, “*Più Impresa – taking over*”) supports young farmers and female farmers without age limit in the taking over of a farm, thus it helps the setting up of the farming activity. The other part (hereafter, “*Più Impresa – development*”) supports the development of an already established farm owned by a young and/or a female farmer. This second part has been promoted in the policy formulation phase by some farmer’s associations (Annex 1: Interview n. 3). As mentioned, during the years, there has been a change in the management of the measure (from INVITALIA to ISMEA), which has always more and more framed the focus of the measure to the specificities of the agricultural sector. These changes have reflected also in the change of the ministry in charge of issuing the primary legislation: in fact, the decree that defined criteria and modalities until “*Resto al Sud*” measure, was a decree of the MEF in agreement with the MIPAAF. When the reform was made in 2020 with the extension to the whole country, the decree was issued by the MIPAAF, in agreement with the MEF, which is more coherent with the policy formulation process (Annex 1: Interview 2).

The formulation of the policy, since it is managed by ISMEA, is based not only on consultation with stakeholders but also on the SWOT analysis which is conducted by the National Rural Development Network (NRDN) on the whole Italian territory in relation to all agricultural activities to provide evidence for the formulation of the Rural Development Policy. This happens because ISMEA is responsible for the youth section within the NRDN itself. This role allows ISMEA to have a direct relationship with the regional authorities which help to underline the local needs related to the youth in agriculture (Annex 1: Interview 2).

As regards policy alternatives that could have been considered, some stakeholders have suggested the possibility to assign lands to young people for free or for very low rent, especially in those areas - for example, mountain areas or internal hills - where young people would find very hard to live and to work due to the lack of basic services (Annex 1: Interview 6; 8). Also, the associations claim that it should be very important to provide services to facilitate farming activities (including the reduction of bureaucracy, access to transformation activities in rural areas, incentives to logistics, and broadband. Annex 1: Interview 3; 5; 6). However, these kinds of policies have been judged much more difficult to apply and deliver with respect to financial measures (Annex 1: Interview 3; 5; 6).

c. Adoption/endorsement

As mentioned, the program “*Più Impresa*” is rooted in the legislative decree n. 185 of 21st April 2000 (Title I, Header III) and the last update refers to the legislative decree n. 76 of 16th July

2020 and the legislative decree n. 73 of 25th May 2021. The section of the two most recent legislative decrees (n. 76 of 2020 and n. 73 of 2021) referring to agriculture was enacted by the executive decree 20th April 2021 issued by the MIPAAF. A summary of the executive decree was submitted to the European Commission ten working days before its entry into force to check whether the decree complies with the EU regulation on State Aids.

The programme is set by the MIPAAF, which defines, by the executive decree, the criteria to access the programme, the documents required to apply, the expenditures allowed, the procedure to get the funding, the warranty required, how the inspections and monitoring must be carried out, and the role of ISMEA, which is the implementer of the programme as well as the paying agency. The MEF, which provides the funds, is in charge of checking the budget of the programme (i.e., progressively monitoring the budget spent compared to the money available).

The money allocated to the programme are national resources, they are owned by the MIPAAF, while ISMEA is the paying agency.

As detailed, since its introduction in 2000 the programme has undergone reviews and updates. The review process consists in two steps. In the first step ISMEA collects observations from some of the Italian farmers’ unions (Coldiretti, Confagricoltura, CIA, Coopagri). The debate with the farmers’ unions is eased because ISMEA has a technical committee that is composed also by some representatives of those associations.

In the second step, ISMEA interacts with the MIPAAF, and they may come up with a review of the programme. Of course, the synthesis of the different interests is not always easy, and it can also depend on the political will of the Ministry; however, interviews have revealed that most of the policy makers over the years have been in favour of supporting young entrepreneurs by subsidizing them (Annex 1: Interview 1; 2; 3; 4). This review process is also based on the results of the SWOT analysis (see Section “Formulation”) if they come in a period prior to the publication of the tender.

Since 2021 the programme applies to the whole of Italy with both types of subsidies (interest-free mortgage and a non-repayable loan) and it is composed of two parts: “*Più Impresa – taking over*”, that supports young farmers and female farmers in the taking over of a farm and “*Più Impresa – development*” that supports the development of an already established farm owned by a young and/or a female farmer.

The programme “Donne in Campo” and the agricultural section targeted to youth of the programme “Resto al Sud” are nowadays merged in the measure “Più Impresa”. However, the financial endowments of the two programmes remains addressed to the corresponding category of beneficiaries: the women financed by “Più Impresa” are paid by the financial endowment from *Donne in Campo* while the youth from Southern Italian regions financed by “Più Impresa” are paid by the financial endowment of *Resto al Sud*. The other beneficiaries (youth from the North and Centre of Italy) are paid by a financial endowment not belonging to the two programmes.

The programme “Più Impresa – taking over” is addressed to micro, small, and medium agricultural enterprises⁸ managed by a farmer at least 18 years old and no more than 40 years

⁸ According to the EU Regulation 702/2014, micro, small and medium enterprises are those enterprises with less than 250 employees and with an annual turnover no larger than 50 millions euro.

old or by a female farmer without age limits, who want to take over a whole farm which exists since at least two years. The farmer can be organised in an individual company or in an agricultural associated company. In the case the taking over farmers belong to an agricultural associated company, more than half of the business partners must be aged between 18 and 40 years old or must be women and their capital share in the company must be larger than 50%. However, in the case of family business, only the requirement of the capital share holds. The taking-over young or female farmer(s) must be “*direct farmer*” (Art 2083 Civil Code) or “*professional agricultural entrepreneur*”⁹ (Legislative Decree, 2004).

The overtaking agricultural enterprise must be active in farming by no more than 6 months at the time of the application and must carry out agricultural activities only. Moreover, it must have already taken over the farm by no more than 6 months or will have to take the farm over in the following three months after the approval. Further, the farm operational headquarter must be in Italy.

The program is addressed also to a young farmer or a woman (organised in an individual company or in an agricultural associated company) that can take over the farm from a relative due to succession. The farm that is taken over must be regularly registered at the Chamber of Commerce, must have the VAT number, and must have carried out agricultural activities for at least two years before the taking-over. The single farmer’s enterprise or the farmers’ corporation which takes over the farm cannot be members of other corporations participating in the same program. In addition, in the case of farmers’ associated companies, the corporation statute must ensure that for at least 10 years (or until the pay-off of the mortgage) is not possible to transfer corporation shares such that the age requirement no longer complies.

The measure “Più Impresa – development” has the same requirements of the measure “Più Impresa – taking over”. However, this measure is addressed to farms already established and active by at least two years, which want to make investments to develop in the production, processing or marketing phase.

Both “Più Impresa – taking over” and “Più Impresa – development” require that the applicant farmer (either the taking over or the farm already established since at least two years) presents a project for the development of the farm. In fact, the funding is not given just for the taking over or for any type of farm development, but a well-structured project must be presented. The project can concern the production, the processing, and/or the marketing phase and it must be presented together with the business plan.

The aid scheme consists of an interest-free mortgage and a non-repayable loan. The interest-free mortgage cannot be larger than 60% of the allowed expenditure and it must be returned within 10 years (except for mortgages addressed to investments in the production stage where the limit is extended to 15 years), while the non-repayable loan cannot be larger than 35% out of the allowed expenditure. The applicant must show to have enough financial resources to afford the expenditures that are not covered with the non-repayable loan nor with the mortgage. The allowed expenditure per farm and per project is 1,500,000 euros (VAT excluded), with a limit of 500,000 euros in the case of the expenditure in the agricultural stage. The limit of 500,000 euros can be increased by 20% if the farm is in a disadvantaged area, for investments

⁹ The “professional agricultural entrepreneur” is a farmer who allocates to farming at least 50% of his working time and whose income must come at least 50% from farming.

related to animal welfare beyond cross-compliance requirements¹⁰, for investments for the storage of agricultural products carried out by a group of farmers. These subsidies are compatible with other subsidies from other programmes within the subsidies limit set by EU regulations.

The project presented by the applicant farmer must pursue at least one of the following objectives: 1. Increasing farm profitability either by reducing the costs or increasing productivity; 2. Improving the natural environment or animal welfare, beyond the cross-compliance requirements; 3. Investing in infrastructures to modernize the farm.

The type of expenditures allowable to receive the interest-free mortgages and the non-repayable loan concerns investments related to the improvement of soil conditions, investments in infrastructures (including agritourism and buildings that help to diversify the farmer’s income and this expenditure cannot be larger than 200,000 euros), charges for the built permits, investments in equipment and machinery, costs related to the planning and costs to evaluate the feasibility of the project (for example a market analysis). In addition, the buying of land can be financed by no more than 10% of the total value of the project. No aid is given for investments to comply with the EU regulation nor for investments related to renewable energy plants.

The activities developed by the project must be carried out for at least the whole duration of the mortgage and, anyway, not less than five years from the setting up of the project.

d. Implementation

Since 2007 the agency in charge of implementing the program is ISMEA, as it retains the role of the National Land Organization and is responsible for young entrepreneurship in agriculture within the National Rural Development Network.

ISMEA prepares the text of the call of the programme “*Più Impresa*” and submits it to the MIPAAF and to the MEF for their approval. The text of the call reports information related to the requirements to apply to the programme, the documents requested, the way to apply, the procedure to distribute the loan, and the budget limit. If the MIPAAF and the MEF do not have any observation within the following 30 days, ISMEA can publish the call on its website.

In order to apply for the call, the farmer has to submit to ISMEA all the documents required. The application must contain the name, the size and the location of the farm, a detailed description of the project proposed, the list of expenditures related to the project implementation and a business plan.

The list of expenditures must come with the suppliers’ quotes. The preparation of the documents and the submission to ISMEA can take different ways. The applicant farmer can either interact directly with ISMEA and prepare and present all the documents by himself or he can get support from a farmers’ association or from a self-employed agronomist. In the latter, that is the most often used option, the farmers’ association or the consultant submit the documentation to ISMEA.

¹⁰ Cross-compliance identifies a set of requirements each farmer must comply with in order to get any type of subsidy from the EU CAP. The requirements concern measures to protect public, animal, and plant health (e.g., the hormone-ban directive, the regulation of plant protection products), to guarantee animal welfare and to protect the environment (e.g., the Nitrates Directive 91/676/EEC), to maintain the natural resources related to agriculture in good conditions.

ISMEA trains employees of different farmers’ associations on supporting farmers to prepare the documents to apply for the calls of all the different programmes. The farmers’ associations and the self-employed agronomists trained by ISMEA play a crucial role because they address farmers not only in preparing all the documents required but also in developing an innovative and sustainable project for their farm (Annex 1: Interviews 2; 7).

Indeed, the main barrier to getting the funding of the “Più Impresa” programme is the development of a well-structure project complemented of a business plan which shows the economic viability of the project in the medium run. Well-structured projects get more easily the ISMEA funding (Annex 1: Interview 2). In addition, if the project proposal is well-structured, the probability of the long-term survival of the activities proposed in the project is higher and this aspect is important for the goal of the programme. ISMEA wants to provide funds to agricultural activities that are economically sustainable in the medium-long run, also when the funding is over. It might have happened, in the past, that some applicant farmers got the loan and then they had to withdraw from it because they realise their project was not viable in the medium term, e.g., they were not able to comply with the programmed business plan. These problems typically emerged in the monitoring phase. In order to decrease the rate of this failure, ISMEA not only trains agricultural associations in the writing of the project proposal but also wants to know directly the applicant farmers to address them in writing a good project (Interview 2).

ISMEA evaluates all the projects in chronological order of submission. Each time a project gets a positive evaluation from ISMEA, it is financed. The procedure continues until the funds for the programme are all allocated.

One criticality of the programme is given by the fact that there is a lack of a multi-year programme planning that introduces uncertainty about its next time launching. When the government allocates the financial resources to the programme, it is launched, and when all the resources are allocated, the programme is suspended. Usually, all the resources are allocated in a short period of time (Annex 1: Interview 9). Once the programme is closed (i.e. when all the resources have been allocated), its next launching will depend on national governmental decisions and cannot be known in advance. This uncertainty makes it a bit hard to prepare a well-structured project in advance (Annex 1: Interview 9).

In addition, the project requires the submission of quotes for each expenditure which must be less than three-months-old at the time of the project submission, and this also needs some programming of the activities which is not always possible without that multiannual financial framework (Annex 1: Interview 9).

ISMEA evaluates the applications by checking whether the requirements set in the Ministerial Decree and reported in the call are fulfilled and whether the project is affordable with the expenditure presented and is viable in the medium run. To assess if the requirements are fulfilled, ISMEA can use additional information from the Chambers of Commerce, public offices, and professional boards. This evaluation must be carried out within six months from the date of receiving the application.

Another challenge of the programme is that many different types of investments are allowed. On the one hand, this ensures the financing of very heterogenous projects, on the other hand, it increases the number of documents required to apply for the loan and it raises some difficulties in the evaluation of the project proposal. However, it has been decided to allow this complexity,

as it can give more flexibility in proposing heterogeneous and innovative investments (Annex 1: Interview 2).

Once the evaluation process is ended, ISMEA decides whether the project gets the loan. ISMEA communicates to the participants the decision of acceptance or rejection which, in the case of accepted projects, comes with the communication on the allowed financeable expenditures for the project, the timeline to realize the project as well as the amount and the duration of the interest-free mortgage and of the non-repayable loan.

By six months after the communication, the recipient farmers must provide ISMEA with all the information and documents to stipulate the contract to get the loan. The interest-free mortgage comes with a warranty whose value is equal to the value of the mortgage. The durable goods that are realised with the money that comes from the loan can be provided as a warranty. This is possible because the supply of the loan follows a payment by instalment procedure based on the Project Progress Report (PPR) (the so-called *Stato Avanzamento Lavori* - SAL - in Italian). Once the farmer affords the first PPR, he/she has to submit the invoices of the expenditures afforded so far to ISMEA, which acts as the paying agency. Once ISMEA receives the invoices, it provides the corresponding share of the loan to the farmer. It is important to notice that the invoices submitted to ISMEA in order to get the loan are not required to be already paid for the first PPR. So, the farmer can use the money received by ISMEA at the first PPR to pay the invoices relative to the first PPR. However, once the farmer presents the invoices for the second PPR, he/she must have paid the invoices of the first PPR. This procedure applies for all PPR up to the last one (which corresponds to 100% of the financed expenditure). This PPR procedure ensures that the warranty can be represented by the durable goods that are realised with the loan. For example, when the farmer receives the money for the first PPR, he/she can provide as a warranty the durable goods already realised at the first PPR. The total PPRs cannot be more than five. The project must be realised within the timing of the loan.

This procedure of getting the loan by PPR is an interesting procedure because it avoids that the farmer, at the beginning of the project, has to provide a warranty for the whole loan. Indeed, the loan is supplied step by step (following the PPR procedure).

At each PPR, before the supply of the loan related to that PPR, two inspectors of ISMEA go on the farm to check if the expenditures declared are the ones afforded for the project. One inspector has the technical expertise, while the other has the economic expertise. The most important check is at the end of the project. This check allows also to underline the weaknesses of the programme and a potential consequential update. Besides the inspection at each PPR, ISMEA can inspect the project realisation on the farm any time.

Overall, the implementation approach of the measure can be seen as a mixture of both top-down and bottom-up initiatives. In fact, if the primary legislation comes from the Ministerial level (MIPAAF and MEF), with a typical top-down approach, the subsequent implementation measures and amendments over time, to better target young agricultural entrepreneurs' needs, has mainly been driven by a continuous dialogue and confrontation with farmers' associations representing farmers' instances in relation to this measure and advocating on their behalf (Annex 1: Interview 2; 3). For instance, the need of extending the “Più Impresa” measure to young farmers who are already running their own farms has been brought to the attention of the implementing agency and of the Ministry by farmers' associations (Annex 1: Interview 3).

No specific spillover effect on other programmes has been explicitly recalled (Annex 1: Interview 2). However, it should be noted that this kind of measure, gives a very important

chance to farmers that otherwise might not have the same possibilities to enter the market (Annex 1: Interview 9) or develop new projects for their farms, thus, it represents a means through which different spillover can start benefiting the single farm (Annex 1: Interview 7; 9).

e. Monitoring and Evaluation

The monitoring and evaluation phase is examined from a twofold perspective. The first one refers to the monitoring and evaluation of the single projects implementation by the beneficiaries, while the second one refers to the evaluation and monitoring of the measure as a whole.

The monitoring of the funded projects is carried out by ISMEA officers in a systematic way, by checking the projects development in the recipient farms at the end of each step and along with the project progress reports. Once the farmers declare that a step (PPR) has come to an end, the monitoring is carried out mainly by in-situ visits by ISMEA officers as well as by document screening and through direct contact with both the recipients, the farmers' associations involved, and their consultants. During each visit, two aspects are considered: the technical one and the financial-accounting one. While the first one is aimed at assessing the implementation of the investments, the second one is instead aimed at checking the accounting regularities. Specific protocols have been elaborated by ISMEA to this kind of monitoring, based on a set of different indicators.

If some irregularities are detected during the visits, ISMEA can even declare the loss of the loan and communicate it to the farmer. Following the communication and within 30 days, the recipient farmer can provide ISMEA with further documents to show that, eventually, there are no more irregularities. Within the following 60 days, ISMEA makes the final decision. If the irregularities are confirmed, then the already received loan must be returned by the recipient farmer together with the interests. Periodical visits and direct contact are a way to prevent such criticalities.

During these phases, an important red flag is represented by the regular payment of the mortgage sums. However, the fact that beneficiaries stop paying the mortgage means that the situation is troublesome, and sometimes it can be too late to act. Therefore, ISMEA has to stop the disbursement of the loan. Even for this reason, ISMEA wanted to establish a direct contact and relation with the farmers to monitor the efficacy of the program (Annex 1: Interview 2).

The most important monitoring though happens during the last progress report (i.e., the last PPR), where a much more complex assessment is carried out, to check whether the investment has been fully realised and whether it remains efficient and functional in relation to the objectives that were set (Annex 1: Interview 2). A final balance report is produced that is very important for the evaluation of the measure as it makes emerge the criticalities raised and, in the past, it was also used to come to the decision to change the eligibility of some expenses (Annex 1: Interview 2).

To better support the farmers, some administrative simplifications have been adopted, but according to some interviewees' evaluation, the main weakness of the program is represented by a general cultural approach toward financial support (Annex 1: Interview 2; 3). A deeper analysis of the project as a whole and of the single steps of implementation is still strongly needed, in terms of sustainability. The elaboration of the business plan should become the most important step where the potential economic impact of each investment is measured. Instead of

simply looking at receiving the funds to build the farms and to buy the machinery, young farmers should be accompanied in understanding how to implement their business in relation to those investments.

As regards the monitoring and evaluation of the measure, it is based on the number of farmers who apply as well as on the number of recipient farmers who stay in the policy program for the whole duration. These two different types of data represent a means to evaluate the efficacy of the program. Based on these indicators, an annual report is handed by ISMEA to the Ministry. The assessment of the main objectives of the measure on the medium-long term instead, is more difficult, due to the length of the amortization schedules (10-15 years). Indeed, only few projects have ended their amortization period, while the bulk is still ongoing (Annex 1: Interview 2).

According to the available data provided by ISMEA to the Italian Court of Auditors, in 2017, nine initiatives, which were received between 2016 (five) and 2017 (four), were instructed and, six out of these were admitted to the financing, for a total investment of 2,993,597 euros. Three out of the admitted initiatives were revoked due to renunciation from the applicant. Of the remaining three beneficiaries, two appear to have concluded the Investment Plan and one is still making investments. As of July 2020, 657,395 euros were spent in subsidies (Italian Court of Auditors, 2021).

In 2018, ten initiatives were instructed, received between 2017 (seven) and 2018 (three). Six out of these were admitted to the financing (four not admitted) for a total amount total of 3,091,172 euros. Within the six admitted initiatives, one was waived by the applicant and five came to stipulation. For these, as of July 2020, facilities had been disbursed for a total of 2,154,760 euros. In 2019, 31 initiatives, were received between 2018 (three) and 2019 (no. 28) and, 17 out of these were allowed facilitations. Specifically, 14 out of the admitted initiatives are related to the funds of “*Resto al Sud*”, for total funding granted of 8,991,967 euros (35% non-repayable fund and 60% loan) (Italian Court of Auditors, 2021). The main reason behind the rejection of the projects is related to their weakness in terms of the economic sustainability of the business plan (annex 1: Interview 2).

Up to 2021, there were 11 stipulated initiatives and for the remaining three, the legal investigation was still ongoing at the time of the report. For these initiatives, funds for a total of 506,720 euros were disbursed, referring to four of the ten companies that had already signed the relevant contracts; three of the admitted initiatives were related to the ordinary measure, of which, one was subject to renunciation by the applicant and for the other two at the time of the preliminary response no funding had been disbursed. Thus, in the surveyed years, facilities were disbursed (until July 2020) totalling 3,318,875 euros. Thus, against 50 total applications received, 29 applications were admitted (68% of the total applications) (Italian Court of Auditors, 2021).

The program will be launched again in autumn 2022 with a budget of 30 million euros and a modified setting, which ISMEA is currently working on, also based on the evaluation of the past editions of the measure.

Conclusion and recommendations

The measure “*Più Impresa*” is a very interesting example of a national policy aimed at supporting generational renewal in agriculture, by incentivizing both the establishment of new activities and investments in the existing ones. Overall, the interviews with different stakeholders have helped underline the main factors of success and the criticalities of the measure.

As regards the agenda-setting stage, general attention to the problems of young agricultural entrepreneurs has been found, though it does not always correspond to concrete actions undertaken. However, this facilitates a lot the work of the implementing agencies and of the advocacy of associations as the policy maker seems to be very prone to sustain young farmers (Annex 1: Interview 2; 4). This is also confirmed and strengthened by the focus of the future programming period of the CAP (2023-2027) where “Attract and sustain young farmers and new farmers and facilitate sustainable business development in rural areas”, will represent a strategic objective of the CAP itself (European Commission, 2022; Annex 1: Interview 1; 4).

On the opposite, very scarce attention has emerged as regards the problems of FF in general, although it represents the main type of farming in the country (Annex 1: Interview 5; 6; 8). In the policy debate, there is not a specific focus on the needs of FF and on the tools to support it. This lack of specific attention can also be the consequence of the lack of a clear definition of FF which makes it difficult for the policy makers to focus on its specific peculiarities (Annex 1: Interview 4).

Some associations have underlined the lack of focus on the needs of small agricultural enterprises at the national level, while higher attention seems to emerge at the EU level (Annex 1: Interview 6). Some positive signals seem to come, in this respect, from the legislative process, where a law proposal on the so-called “peasant agricultural activities” is now under discussion in the Italian Parliament (Law Proposal n. 2443 of 2021).

As regards policy formulation, the existence of the measure “*Più Impresa*” has been judged very positively by both the farmers and their organisations (Annex 1: Interview 3; 5; 7; 9); specifically one farmer has clearly stated that without the measure he would not have access to the capital needed to start his activity (Annex 1: Interview 7).

Many actors are involved in the formulation stage, as ISMEA has constantly analysed and discussed the formulation and the results of this program in a participatory way, within the technical committee that includes representatives from the main national farmers’ associations. However, some smaller associations have complained about the fact that the selection procedure of these most representative farmers’ associations, realized through official statistics, excludes the involvement in the policy process of associations that do not provide a certain amount of services to farmers, but just advocacy (Annex 1: Interview 6).

Another interesting aspect of the policy formulation is that it is also based on the SWOT analysis implemented by the NRDN which is supported by the fact that ISMEA is responsible for the generational renewal support within the NRDN. This SWOT analysis gives the possibility to have more direct contact with the regional authorities and to better underline eventual local requirements. In fact, as ISMEA is a national agency, it can lack a more subsidiary approach to the measure.

According to some stakeholders, the actual formulation of the program, which is targeted at both young farmers and women without any age limit, is not the proper instrument as it puts together potential beneficiaries with very different needs, thus not allowing a better targeting of the measure (Annex 1: Interview 1; 6). Indeed, this wide number of potential beneficiaries could represent also one of the reasons why, in 2021, the funds allocated to this policy program ran out, an indicator that could also be a signal of the high interest in the program from farmers and the need for it (Annex 1: Interview 1; 8).

The policy adoption has been judged very positively according to the beneficiaries' point of view, as it represents a very good opportunity for the start-up of the farm, especially for the economic conditions of the mortgage. Also, the reintroduction of the non-repayable grant has been an important step in the delivery of the measure. On the other hand, its administrative and bureaucratic aspects are very complex, and the support from farmers' association is judged to be fundamental to address them (Annex 1: Interview 7).

As regards the establishment of the different authorities dealing with the measure, over the years, there has been a change in the management of the measure (from INVITALIA to ISMEA), and also of the ministry in charge of issuing the primary legislation (from MEF to MIPAAF). These changes have been reflected in a measure that has constantly framed the focus on the specificities of the agricultural sector. This aspect could represent of course a positive element that could help better targeted interventions. However, caution should be placed in not considering farmers as any other entrepreneurs (Annex 1: Interview 2).

The implementation stage is framed by both top-down and bottom-up initiatives: even though the primary legislation comes from the Ministries, the continuous dialogue with farmers' associations has led to eventually changing some aspects of the measure which were critical for its uptake, like the requirement for the companies led by FF or the introduction of the measure “*Più impresa- Development*” (Annex 1: Interview 2; 3).

However, the main problem concerning the policy implementation is that the measure does not represent a structural policy of the Ministries, but it is linked to the financial resources given by the Budget Laws. This lack of a multiannual financial framework creates uncertainty regarding the program's upcoming introduction which, in turn, makes it difficult for farmers to program their activities (Annex 1: Interview 7)¹¹, although it would be important to apply as soon as the tender is published because the resources are allocated quickly (Annex 1: Interview 5; 7; 9).

The mechanism of financing which is based on partial payments could be considered a positive element of the measure. In fact, not only the durable goods that are realised with the money that comes from the loan can be provided as a warranty, but also the invoices submitted to ISMEA to get the loan are not required to be already paid in advance. So, the farmer can use the money received by ISMEA to pay the invoices relative to the first PPR. The partial payments can be judged negatively in some way, mostly in political terms, as a measure is usually considered to be more attractive if it provides immediately the beneficiaries with the whole funding. However, some technical aspects have been considered by the managers of the measure that

¹¹ For example, the tender also calls to produce quotations for every expense, and those quotes must be no older than three months at the time the project is submitted, and this also needs some programming of the activities which is not always possible without that multiannual financial framework.

have made them lean towards keeping the partial payments approach. In fact, within other measures where the loan is totally disbursed immediately (upon signing the contract), and the loan guarantee should be provided right after that, it often happened that some farmers had to renounce because they could not provide immediately such high guarantees (Annex 1: Interview 2). These kinds of problems do not occur with the kind of implementation approach proposed by “*Più Impresa*”.

The monitoring and evaluation stages are based on well-established documents and procedures and cover both the technical and financial aspects of the projects. However, the most important red flag for the monitoring is represented by the regular payment of the mortgage sums, but if this occurs, it means that the situation is already too troublesome, and it can be too late to help the farmer overcome the financial problems (Annex 1: Interview 2). Even to help mitigate this risk, ISMEA has wanted to establish direct contact with the farmers to monitor the progress of the project (Annex 1: Interview 2).

One of the main difficulties of the measure is represented by the fact that, in general, farmers are not used to prepare business plan and thus, often, the project they present to apply to the measure fails to have a reliable approach that should be based on a longer-term sustainability (Annex 1: Interview 1; 2; 3; 4).

Also, some stakeholders have called for the need for more simplification. However, it is also recognized that simplifying is not an easy task. For example, the allowed investments listed in the tender are useful to help eliminate further documents in the preliminary investigation stage. In fact, sometimes the simplification does not help the understanding of what the subject wants to achieve, and then documents, clarifications and additions must be asked, and this creates also delays in the inquiry stage (Annex 1: Interview 2). It is thus very complex to simplify because the measure can finance a lot of very different interventions and it requires a lot of details in its planning.

Overall, the policy development among stages is coordinated by ISMEA which represents the link between the top-down approach given by the Ministerial level and the bottom-up approach of the participatory policy evaluation and amendments design. Thus, it represents the channel through which decisions in one program stage influence the other ones. Of course, the final synthesis of the requests presented by farmers and their associations is taken at governmental level, and this may eventually not reflect the desires of the stakeholders (Annex 1: Interview 2; 4).

Over the years, the constant and direct contact with the stakeholders has allowed maintaining the focus of the measure “*Più Impresa*” on FF, even if over the years it was explicitly lost. A clear example of this differentiation of policies to FF is the simplified compliance of family-owned companies to the requirement of having the majority in the shared capital by a young farmer (i.e., without the numerical requirement).

Thus, the “*Più Impresa*” measure does not explicitly refer to the family business, but it does in fact meet the needs and characteristics of the family business. Also, even if the measure does no more explicitly refer to FF, in practice it has often benefited young farmers who take over businesses run by a relative (Annex 1: Interview 2).

The main technical challenges refer to the difficulties in spending some kind of funds (like the Cohesion funds that are one source of the fundings of the measure) that are challenging to manage in terms of monitoring and tracking of the spending, and also, in managing the complex

trade-offs between the search for simplification of the measure and the need to capture all the possible investments that can be done to pursue innovative projects (Annex 1: Interview 2).

Even though the “Più Impresa” measure does not conflict with other existing policies, such as the CAP first-settlement payments (Second Pillar) and direct payments (First Pillar) for young farmers, higher integration between these measures should be pursued in order to improve their effectiveness, for instance, in terms of cumulability of these aid schemes (Italian Court of Auditors, 2021; Annex 1: Interview 1) which is only foreseen from the “*Più Impresa*” measure, but not for CAP measures. However, this integration is hardly imaginable, especially for Second Pillar measures, where tender management, administrative requirements and budget spending are completely different from the measure analysed here (Annex 1: Interview 1; 2).

Lessons learned from the analysis of the policy cycle of the measure refer to the importance of the participatory approach in the definition of some formulation and implementation aspects, which have helped better targeting the measure. However, a longer-term planning could be desirable as this could allow better programming the farmers’ application and business plans.

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Annex 1 - Interviews

Interview number	Role	Date	Mode
1	Official of ISMEA-Ministry of Agriculture	18/07/22	Online
2	High-level Official of ISMEA	11/08/22	Online
3	Farmers’ Association for Young Farmers	02/09/22	Online
4	Former Policy Maker of the Ministry of Agriculture	08/09/22	Online
5	Farmers’ association for Family Farming	09/09/22	Telephone
6	Representative of Farmers Association “ <i>Associazione Rurale Italiana</i> ” affiliated to the movement “ <i>Via Campesina</i> ”	06/09/22	Online
7	Young Beneficiary Farmer	09/09/22	Telephone
8	International non-profit association of social promotion focused on food and small size agriculture	13/09/22	Online
9	Farmers’ Association representative & Private service provider front-line worker	13/09/22	Telephone



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The views expressed in this product are those of the author(s) and do not necessarily reflect the views or policies of FAO and UNIMED.



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