



Ex-Post Evaluation - INTERREG III 2000-2006

PROGRAMME: INTERREG III A Italia-Slovenia

**VALO-PT – Development and enhancement of typical products in
the cross-border area**

Project Good Practice Study

Project Study: VALO – PT: “Development and enhancement of typical products in the cross-border area”

1. General Information

Keywords:

Local agricultural crops, typical agricultural products, rural development, agricultural tourism, local brands, connecting people, environmental management

Regions:

- Obalno-kraška statistical region (Slovenia)
- Goriška statistical region (Slovenia)
- Province of Gorizia (Italy)
- Province of Trieste (Italy)

Programme strand: INTERREG III Strand A Italy-Slovenia

Priority and measure: The project was approved under Programme Priority 2: Economic cooperation and Measure 2.3 Cross-border cooperation in the primary sector.

Duration of the project: September 2005–December 2007

Funding: The project had a total budget of €644,787.24 of which 95% was funded by INTERREG to a grant rate of 100% on the Italian side (total budget €327,000.00) and to 90% on the Slovene side (total budget €317,787.24). The remaining 10% of the Slovene part was funded by the Nova Gorica Institute of Agriculture and Forestry, part of the Chamber of Agriculture and Forestry of Slovenia (Slovenia) and a public body.

Lead Partners:

- Province of Gorizia (Provincia di Gorizia, Italy);
- Nova Gorica Institute of Agriculture and Forestry, Chamber of Agriculture and Forestry of Slovenia (Kmetijsko gozdarski zavod Nova Gorica - Kmetijsko gozdarska zbornica Slovenije, Slovenia), referred to hereafter as KGZ Nova Gorica.
- Both partners are large public entities: Gorizia Province an administrative division of the Friuli-Venezia Giulia Region, and KGZ Nova Gorica a regional body of Chamber of Agriculture and Forestry of Slovenia, and agricultural advisory service.

2. Project Aim

The project aimed at improving the livelihood of farmers and making small farms more competitive by connecting them up with each other throughout the cross-border region. It sought to develop a strategy for sustainable and environmentally-friendly economic development, which principally targeted rural areas along the border. It would create new opportunities for generating extra income by elaborating and promoting a recognised brand for local, high-quality products. This brand would create added-value and enable farmers to charge higher prices for their products.

Small farms are not competitive and run the risk of long-term failure because of a lack of economies of scale. While independence for a farm can be beneficial in terms of management and quality control, it is detrimental when it comes to marketing and sales. Small farms are more likely to succeed by being part of an organized network that knows how to brand regional crops and products, can provide opportunities to share knowledge,

exchange experience in agriculture, develop marketing and advertising campaigns, and identify complementary market activities.

3. Project Description

The economic potential for agricultural growth on both sides of the Italian/Slovene border is relatively similar, despite the different national and regional policies currently in place. The partners sought to exploit similarities and differences as a means for protecting common regional identity, by focusing on traditional crops, products and landscaping. The project was strategically important because of its potential to offer a sustainable development strategy for farms in the cross-border region. Although agriculture on the Italian side has traditionally been more market-oriented there was still a recognised need to promote local speciality foods ('gastronomic products') and to develop supplementary activities, particularly tourism, in the primary sector.

The project would improve the identity and visibility of the entire project area. Products would be grouped according to type in the following sectors: meat, dairy, fruits, olives, vegetables, vineyards and wine production, herbs and gastronomy (preparation of typical local food/dishes). The project partnership sought to engage with 25 local sub-partners, including producers, throughout its activities. Joint branding and educational activities would spread knowledge about the region's market economy and EU standards in the farming sector would be transferred from the Italian to Slovene side of the border.

The project objectives were:

1. to improve economic opportunities in primary sector by stimulating services and initiatives for development of high-quality agricultural, fish and forest fruit products, in particular environmentally-friendly and typical local ones, including processed goods (e.g. typical dishes, cheese, salami, jams),
2. to protect the unique local fauna and agricultural plants through their sustainable use
3. to support collective structures for harvesting, promotion and sales of products.

4. Political and Strategic Context

There has always been a healthy exchange of experience between farmers on both sides of the border, with Slovene farmers looking to the latest trends in practices, technology and crop types in Italy and recognising that they were essentially competing with Italian farmers when it came to price and quality. Slovenian accession to the EU made cooperation logistically and technically easier. In the Italian-Slovene border region, small-scale farming and viticulture operate as family businesses. Research by an agricultural advisory service carried out over several years in the region revealed the need for a joint analysis and targeted policy to promote local agricultural products, especially high-quality, organic, traditional crop types and their related food products.

KGZ Nova Gorica had previously implemented several projects in the field of sustainable agriculture, such as "Introduction of Ecological Farming" (2000-2001) and the "Learning Centre for Milk Processing in Farms" (2000-2001), funded by the Small Project Fund of the INTERREG IIIA Italy-Slovenia Programme. However, previous projects had not addressed issues of branding and marketing. The partners had a good overview of the needs of agricultural sector, having pioneered new approaches to farming, agriculture and food processing throughout the EU accession process. On the back of this

experience it had recognised an opportunity for knowledge transfer from the Italian side of the border.

5. Project Implementation

Regular meetings were held on average at least once a month. Occasionally coordination meetings were organised with some external (i.e. non-partner) institutions, such as regional development agencies, schools and other educational organisations, agricultural co-ops and consortiums. It was the first time these different public institutions, expert services, organizations and local communities cooperated on such a large scale within the whole Italian-Slovenian border area on key issues concerning agricultural products. The project was implemented in two regions in Slovenia (Obalno-Kraška and Goriška) and in the provinces of Gorizia and Trieste in Italy.

The project actions were organized in 7 phases:

1. A project strategy and action plan, including register for selecting local agricultural crops and products, were designed.
2. Methods and technologies for producing/processing selected products were defined.
3. Trainings, lectures and workshops on technology, marketing and customer information organized for target groups in Italy and Slovenia were organised.
4. Publications on typical local products and on the joint territorial 'Kras-Carso' branding were put together. A book about typical local products in the cross-border area was produced. Booklets and posters from individual areas were created for the marketing of products. A joint webpage and marketing strategy was developed and launched.
5. Partner and expert meetings were held in specific fields to secure an intensive exchange of experience and promote project results to the wider expert community.
6. Info-points were set up and equipped at well-known and popular tourist spots, which provided simple displays, with booklets and posters of typical local products.
7. An exhibition of was organised to promote typical local products from both sides of the border, advertise the new brand, and highlight key cultural and economic consideration. The exhibition provided an arena for experts and the general public to discuss the importance and economic potential of local products.

The direct target groups were farmers producing or processing agricultural crops and products, vendors, and chefs who could each in their own way help guarantee better quality products are made available and in turn potentially increase their own income. Indirect target groups were inhabitants of the border area who could help increase the visibility and reputation of local products through consumption and word-of-mouth.

General actions (branding, dissemination etc) were conducted simultaneously on both sides of the border. Specific activities, such as designing methods and defining technology, were implemented separately, but with joint coordination/supervision. Training activities were implemented separately, due to linguistic and administrative barriers, as well as to avoid payment issues. However, there was a regular exchange of experts and lecturers. Training facilities were provided either by the partners or external organisations who, in so doing, demonstrated their support for the project.

6. Project Results

The project achieved the following:

- 8 joint marketing strategies were formulated
- 7 typical local product technologies were designed in Slovenia and 5 in Italy

- 75 educational activities were carried out in Slovenia and 27 in Italy
- 3.000 books, 160.000 booklets, 40.000 brochures, 22.000 posters were produced and disseminated.

As a result, 50,000 stakeholders in Slovenia and 80,000 in Italy were informed through the project activities.

It is difficult to quantify the impact on sales and consumption. The partners have observed that typical local products are highly valued and appreciated not only in the immediate project area, but wider region. Farmers easily sell their stock and have introduced additional activities at their farms, such as wine-tastings and agricultural tourism. A few local catering businesses have started to market their dishes as regional specialities and/or locally grown. The project has thus provided an economic boost in the primary and services sector.

Some new jobs were created, especially in viticulture, olive growing and dairy sector. A qualitative assessment made by the project Lead Partner showed that many existing jobs were maintained and strengthened. This is important for farming because it is seen as a relatively unattractive sector to work in, with small farms threatened by competition and economies of scale. Geographically, the new jobs were evenly spread across the project area, and the various food/drink sectors.

The register of typical local products and defined production methods and technologies has generally improved product quality and allowed for higher prices to be charged. The use of this register is expected to protect the unique local fauna and agricultural plants, though higher demand for typical local products has stimulated the growing of typical local types and the breeding of animals.

Moreover, numerous spin-off cooperation schemes have been established. However, they are mostly informal and operate on an *ad hoc*, day-to-day basis. Many are concerned with investigating market opportunities and the potential for linking up with larger customers and creating registered brands. More formalised cooperation might enable strategic, long-term projects to be carried out. However, the informal network seems to be working sufficiently well and is a useful resource for finding new partners.

7. Conclusions

The success of the project was largely due to the fact that both project partners already had a very good overview of rural development issues in their region. The state agricultural advisory service, KGZ Nova Gorica had detailed insight into the ambitions of rural communities, and knew the key players in rural development. The Province of Gorizia, on the other hand, had good links with the numerous rural communities and was knowledgeable about agricultural initiatives. Together they could bring together a network of key rural development players to integrate knowledge about farming traditions, EU legal requirements and market conditions.

Moreover, most of the project partners had previously cooperated on a bilateral level or smaller scale. The large network has had a strong synergy effect with the wider partnership expanding across the border and between different levels of stakeholders. Local and regional authorities, associations, institutes, committees, universities and development agencies have shared strategies, plans and project ideas.

The project showed the importance of communication and building trust. Intensive communication and networking during workshops had a definite socio-cultural effect, building bridges between farmers and experts and allowing for a mutual willingness to incorporate respective traditions and local knowledge into the joint methodologies and strategies. Transparency was also valuable, achieved through data sharing, exchange of experience, field visits, joint branding and sharing of the marketing techniques.