



# Evaluation study of the implementation of the European Innovation Partnership for Agricultural Productivity and Sustainability

Executive summary

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# **Evaluation study of the implementation of the European Innovation Partnership for Agricultural Productivity and Sustainability**

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## EXECUTIVE SUMMARY

### Background and scope

This executive summary presents the **evaluation study of the European Innovation Partnership for Agricultural Productivity and Sustainability (EIP)** that was conducted in 2016 for Directorate-General for Agriculture and Rural Development (DG AGRI) of the European Commission (EC) by Coffey International Development (Coffey) in partnership with AND International, Edater, SQW and SPEED.

The **objective** of this evaluation study was to examine the relevance, effectiveness, efficiency, coherence and EU added value of the two main aspects of the EIP, namely the EIP as implemented by Member States and regions in particular through the Rural Development Programmes (RDPs); and the support for the EIP provided by the EIP network.

The **EIP** was launched in 2012 and aims to foster a competitive and sustainable agricultural and forestry sector that "achieves more from less". It takes into account the complex nature of innovation, which depends not only on the solidity of a creative idea, but also on crucial, interrelated factors such as the willingness of the sector to take it up, the cost-effectiveness of practical application, knowledge and perceptions, etc. In this way, a real innovation can be defined as "**an idea put into practice with success**".

The EIP brings together innovation actors (farmers, advisors, researchers, businesses, NGOs, etc.) and helps to build bridges between research and practice. To speed up the process of developing and applying novel approaches, the EIP uses an overarching concept based on the "**interactive innovation model**": actors with complementary knowledge (practical, entrepreneurial, scientific, etc.) work together in projects to develop solutions / opportunities, make them ready to implement in practice and disseminate the outcomes broadly.

The EIP has a Member State component and an EU level component, both supported under pillar II of the Common Agricultural Policy (CAP). The Member State component funds innovation actors (farmers, advisors, researchers, businesses, NGOs, etc.) within the Rural Development Programmes (RDPs) in the form of **Operational Groups (OGs)**. OGs are targeted innovation projects that tackle specific practical issues and opportunities according to the needs of the agricultural and forestry sector. The composition of an OG is tailored to the objectives of the specific project and will vary from project to project. They can be made up of - for instance - farmers, farmers' organisations, advisors, researchers, NGOs, businesses or anyone else who is well placed to help realise the project's goals.

The EU component consists of the **EIP network**, which aims to connect OGs, facilitate the exchange of knowledge, expertise and good practices and to establish a dialogue between the farming and the research community. The network is run by the European Commission (DG AGRI) with the help of the Service Point. The Service Point team facilitates the networking activities, organises a help desk function, EIP website and database, events and the production and dissemination of publications.

EU **research and innovation policy (through Horizon 2020)** plays a key role in the EIP by providing funding for actions according to the interactive innovation model (so-called demand driven "multi-actor projects") and its focus to connect actors beyond Member States' borders. This is particularly important because actions under the RDPs implemented by Member States and regions are normally applied within the boundaries of the programming area. **Other policies** can offer additional opportunities for cooperation and implementation of the interactive innovation model.

### Approach and limitations

The rationale and objectives of this evaluation study are **primarily formative**, i.e. to describe, analyse and assess the implementation of the EIP (in particular through Operational Groups set up under RDPs, and through the EIP network). The purpose is to identify strengths and weaknesses, opportunities and threats, and thereby generate evidence to inform a possible adjustment of the policy.

The **research sought to answer** a set of five evaluation questions spread across four themes. These themes were internal coherence and relevance; effectiveness and efficiency; EU added value of the EIP network, effectiveness and efficiency of the EU level and national networks; and external coherence with other policies. To do this we collected evidence via a range of participatory methods. These included desk research on RDPs and other relevant documentation, a series of key informant interviews and an online survey of relevant actors across the EU, to broaden the evidence base on certain issues (especially the work of the EIP network). Most importantly, we conducted a series of in-depth case studies covering eleven Member States and 20 RDPs.

The evaluation study has also had to deal with several limitations. The fact that the evaluation was commissioned at a time when most RDPs were only just beginning to become operational meant that only a first series of OGs had been set up by the time the evaluation team conducted, and that final project results were not yet available. We therefore had to base the evaluation primarily on the approved RDPs, on underlying national legislation, on calls that had been (and, in some cases, still are to be) launched and on the likely effectiveness and efficiency of the activities that are expected to follow.

The evaluation thus relied to a significant extent on how the EIP has been programmed in the RDPs and on what key stakeholders expect and / or see happening. Nonetheless, this approach shows how the Member States and regions have understood the EIP concept of interactive innovation, and the enabling environment for OGs they have been building.

### **Key conclusions**

The evidence collected and the analysis of the early implementation of the EIP have clearly shown that its premise on the development and dissemination of innovative farming practices which address both productivity and sustainability is seen as valid and important. Although the EIP approach was voluntary for Member States and regions in Rural Development legislation, its uptake has been impressive, in particular for a newly introduced measure. The **EIP is being implemented in 26 Member States, in 96 out of a possible 111 RDPs**, which testifies to the perceived need for its distinctive approach to innovation.

The EIP approach seeks to move to an innovation ecosystem in which farmers (alongside other essential actors) are active participants in the co-creation of innovative solutions, rather than passive recipients of theoretical or difficult-to-apply knowledge. It leads to a focus on projects which facilitate **co-ownership of innovative solutions** and / or in which **farmers take a leading or the lead role in a project**. The bottom-up approach should guarantee that needs of farmers and forest managers are tackled and that emerging innovative opportunities may find funding that previously was unavailable. While there are many initiatives focused on innovation at European and Member State / regional levels, the evaluation has found that the **EIP's bottom-up and farmer-led approach is truly distinctive and highly appreciated by stakeholders**.

The EIP's **intervention logic** shows how funding for the establishment and operation of, and support for, OGs (at Member State / regional level) and networking activities (at European level) should lead, in the first instance, to innovative solutions to the practical challenges facing farmers and foresters, and the dissemination of these solutions among relevant stakeholders so they can be implemented in practice and stimulate follow-up action. Later on, more systemic results are expected in part through the realisation of planned complementarities with the Horizon 2020 programme (H2020), the interconnection of OGs across borders and with other initiatives seeking to promote innovation in the agriculture and forestry sectors.

The evaluation approach considered the early stage of implementation (OGs have only been selected in seven of the 20 regions we visited for in-depth case studies) and therefore did not seek to assess the effects of the EIP beyond output level. Instead, we examined the theory underpinning the EIP (as depicted in the intervention logic) based on the evidence available so far, and found that it **broadly holds true**.

The evidence leads us to several **broader conclusions**. First, the EIP addresses needs that have been described not only in RDP documentation but by a wide array of

stakeholders. That the vast majority of RDPs have programmed for the EIP and devoted substantial resources to it is unusual for a new measure, and demonstrates that the Member States and regions are willing to prioritise and address these needs. Individual OGs, while highly diverse, are for the most part dealing with relevant issues from a practical perspective, and bringing together the desired innovation actors. Assuming that a substantial proportion of the envisaged 3,205 OGs are formed, it is highly likely that they will lead to a **large number of innovative solutions** to practical agricultural and forestry problems.

***Theme 1: internal coherence and relevance for the EIP-related elements in the RDPs***

The evaluation found that in the way it has been designed and implemented so far, the **EIP is both internally coherent and relevant** to the needs of farmers and forest managers. More specifically, the EIP concept clearly fits the needs assessments and strategic priorities of the RDPs, which place a major focus on innovation in the agriculture and forestry sectors.

Innovation actors, most importantly farmers and forest managers, emphasised a lacking vehicle for projects linking research and practice, which was consistent across countries / regions despite big differences in the agricultural context and innovation infrastructure. **The flexibility of the EIP allows it to tackle this and to be shaped to widely disparate circumstances.** While there were some concerns and uncertainties, these related to the early stage of implementation.

***Theme 2: effectiveness and efficiency of the EIP implementation through RDPs***

The evaluation has found that EIP funding will be effective at attracting relevant applicants. Agricultural businesses are more likely to become involved in the innovation process under the EIP as compared with other funding streams for innovation in the agricultural sector. Even if there are doubts as to whether OGs are likely to be fully *farmer-led*, the selection criteria put in place by most RDPs should be enough to ensure **the interests of primary producers will be at the heart of project plans.** Our analysis is that emphasis should be given to **not watering down EIP's distinctive and practical 'bottom-up' approach.**

The evaluation observed a variety of approaches towards the support provided to applicants, although **it is too early to judge how effective support is likely to be.** In some RDPs, the Managing Authority will play an active role and provide direct support to prospective OGs, while in others technical and administrative support would be provided through other bodies. The evaluation found evidence that particular choices made by some RDPs in their implementation of EIP are likely to add to the administrative burden faced by applicants. **Although innovation actors consider the application process** as organised by Member States and regions to be **lengthy**, it has not prevented them from applying. The possibility to provide **lump-sum support for preparation of OG project plans coupled with a relatively simple application seems to encourage innovation** actors to work together to take the necessary steps to invest time in putting together an eligible project proposal.

However, the evaluation did find some evidence that smaller businesses, including some primary producers, may be deterred from applying for funding as a result of **the lack of advance funding and the administrative burden associated with EIP.**

***Theme 3: EU added value of the EIP network, effectiveness and efficiency of the EU level and national networks***

The **pan-European approach** of EIP and the **ability to share lessons and form partnerships across countries and regions** are seen as **distinctive and potentially powerful aspects** of the initiative. The EIP network and the linking of OGs to EU multi-actor projects and thematic networks under Horizon 2020 are seen as having a critical role in this, with the potential to provide substantial extra EU added value beyond the mere

push of member States towards more innovation under RDPs. **Those engaging with the EIP and the EIP network so far have had positive experiences.**

The evaluation also found that, **where the EIP networks and national / regional Rural Networks have been active** at regional/national level, they have **promoted awareness and uptake of the EIP**. They will also be involved in **publicising and disseminating the results** of OGs, increasing the chances of success. However, a **lack of clear EIP-related activity plans** raises concerns about how many NRNs / RRNs will do this in practical terms. Also, efforts for dissemination and translation related to OGs projects and materials produced by EIP network activities (Focus Groups, workshops, seminars) are still at a too low level.

Similarly, at EU level the EIP network is **facilitating the exchange of expertise and good practices** and **involving multipliers** who will be crucial for the later application and / or follow-up of OG results.

#### ***Theme 4: External coherence of the EIP with other policies***

The evaluation found that there is a **solid basis for external coherence** between the EIP and other policies. Synergies with Horizon 2020, and potential synergies with environmental and regional policies, are manifest in the legal and programming documents reviewed and in the priorities established by Managing Authorities in the Member States and regions. However, at this stage there is a **widespread lack of awareness of the joint opportunities and synergies** between the EIP and related EU funding and initiatives. This is in part related to the fact that stakeholders are currently prioritising the set-up and opportunities offered by rural development funding at local level at this early stage of development of the initiative.

The EIP's **higher-level objectives** entail more systemic changes related to knowledge flows depending the funding of a critical mass of successful projects, with the results widely disseminated and applied as expected. The improvement of interconnections in the national and regional Agricultural Knowledge and Innovation Systems (AKIS) thanks to EIP networking will play a distinctive role for those knowledge flows. Envisaged complementarities with Horizon 2020, of which several practical examples already exist, as well as other initiatives, will also be important.

The above conclusions make the case that the **EIP has got off to a good start**. However, the EIP does signify a major change in how agricultural innovation and knowledge management is organised both at EU level and in most Member States. Unsurprisingly, this raises some **challenges which need to be addressed** to optimise its delivery and future success.

Although several thousand farms will participate in OGs, this is only a small proportion of all farms in the EU. Therefore, the dissemination of OG results and their wider application on farms that are not partners in an OG is vital. OGs will not be able to accomplish this task on their own, but at the same time the AKIS are often fragmented and not currently equipped to disseminate the large volume of additional project outputs which EIP OGs as well as and H2020 multi-actor projects will generate. In many of the Member States and regions, **structures to enable connections and the dissemination of innovation** between the regional, national and EU levels are **not adequately developed**.

The EIP aspires to involve farmers and forest managers in OGs as full partners or as project leaders, although in a few countries this is not being made a requirement for OGs. For many farmers or forest managers, it will be the first time that they apply for competitive RDP funding. If the perceptions of the **application process** or of the **cash flow implications (due to the lack of advanced payments)** of accessing RDP funding for this type of project is too onerous, the fear is that many farmers with good ideas for projects may choose not to take them forward.

Some of these issues could be overcome by **ensuring that innovation brokers support** farmers and forest managers who take the lead in OG projects with their applications, but in some Member States and regions this type of role is not currently foreseen. Moreover,



feedback from stakeholders has also identified **concerns and uncertainties about the perceived administrative burden**, which could restrict the willingness or capacity of some farmers and forest managers to take the lead in OG projects.

The **cross-border element** also merits brief discussion. Given that the EIP is mainly funded through RDPs, it is primarily aimed at addressing Member State / regional needs. However, it is also intended to support the exchange of innovative practice between farms in different regions and countries, which can enhance the measure's benefits and provide substantial additional EU added value. This is seen as a worthy objective in the majority of Member States and regions where we conducted fieldwork. However, this aspect of the EIP has not been fully grasped in some countries and regions where we conducted case studies. This may impact on the overall effectiveness of the EIP, particularly regarding the systemic changes desirable in the medium-to-long term.

Finally, the EIP is being introduced into a research, development, innovation and entrepreneurial landscape in agriculture which is already complex, multi-faceted and operating on multiple levels. For the EIP to fully realise its potential, it needs to **fit well within the wider innovation ecosystem**. Practical connections are already being made with the H2020 in this regard. More widely, in most Member States and regions the EIP is being launched with still limited concrete links to other national and regional agricultural funding programmes. This is to be expected at this early stage, when it is important to launch the measure and ensure that it achieves its core outputs, but later on it will be important to take full advantage of potential synergies and complementarities.

## Recommendations

While the conclusions presented above are broadly positive, the evidence also pointed to **ways in which the effectiveness of EIP could be improved**. The recommendations fall into four key areas for the short-to-medium term and one supplementary longer term issue. All of these include components that should be dealt with at EU level as well as aspects requiring action by the Member States / regions. In the short-to-medium-term the focus for development of the EIP should be on:

- 1. Improving multiplication to maximise effectiveness, follow-up action and synergies:** at national or regional levels, increasing input from practice, dissemination and intensifying networking activities and structures for the messages and learning emerging from Operational Groups, Thematic Networks, Multi-Actor projects and Focus Groups, so that this learning reaches as many farmers, forest managers, advisors, businesses, researchers and other relevant stakeholders as possible. Possible ways to do this include:
  - **Improving the EIP website (EU level):** investing in scaling up the EIP website as the volume of information available via EIP increases will be essential.
  - **Including multipliers in OGs (RDP level):** Managing Authorities should incentivise all OGs to include multipliers who could help with their broad practical knowledge and experience and at the same time spread the word on the work being done to speed up innovation, thanks to their connections to other farmers, foresters and other stakeholders.
  - **Building the mechanisms for multipliers to play a dissemination role (EU and RDP levels):** there is a need for mechanisms to ensure that farm advisory services (public and private), educators, consultants, co-operatives, agri-businesses and others can help promote dissemination of final results, both when a project concludes and afterwards.
  - **Improve linkages between OGs and Thematic Networks (EU level):** as more OGs are created, the role of EU level H2020 Thematic Networks (TNs) in facilitating effective exchange between OGs working on similar topics and promoting the findings from OGs to additional Member States should be reinforced.

- **Improve linkages between OGs (RDP level):** consideration should also be given to whether the RDP could usefully incentivise, promote and support mechanisms similar to TNs (as in H2020) and EIP FGs at RDP level in countries which have more than one OG focused on similar innovations.
  - **Ensuring translation of practice abstracts (EU and RDP levels):** Clarity is needed about how translation of practice abstracts and EIP network material into national/regional languages will be facilitated. This could be supported by a general obligation in the RD regulation to translate all practice abstracts from OGs into English and further organised through the management (and the related funding) of translation tasks within the national / regional AKIS.
2. **Simplifying and improving administrative systems and rules:** at national or regional level, ease implementation of the EIP by reducing the administrative burden both for applicants and administrators, and to provide appropriate support and facilitation for actors at all stages of the OG lifecycle. Making the measure easy to engage with will allow farmers, foresters, SMEs and industry actors to use the EIP to focus on driving innovation and building new networks. This should also include revisions to EU rules to make it easier for OGs to involve these actors. Possible ways to do this include:
- **Application process (RDP level):** this needs to ensure that applicants can focus on developing an effective project as quickly and simply as possible. Also, smart application forms should include a practice abstract to provide information on the selected OGs from the start of their work.
  - **Third party brokering and facilitation (RDP level):** many farmers lack the skills and knowledge to lead an EIP project or will have concerns about the administrative burden of developing or leading a project, meaning that support would improve participation as well as application and project quality.
  - **Advance payments (EU level):** While for a capital investment project in RDPs, a bank will normally help farmers to cover any immediate shortfall in funding until the grant is reimbursed, normally through an overdraft, this is not normally the case for innovation projects, creating cash flow concerns and risks for individual farmers. The rules for RDPs should therefore be changed to allow for advance payments, similar to other RDP measures and to research projects.
3. **Promoting the understanding of the EIP's EU added value.** Possible ways to do this include:
- **Improving clarity about the distinctive features and EU added value** of the EIP at all levels, so that stakeholders, who are very enthusiastic about the EIP so far, can clearly articulate the case for prioritising it in the medium to long term. Speeding up bottom-up innovation development and dissemination within the Member States and regions, as well as facilitating exchange of innovative practice between farms in different regions and countries, will support the Innovation Union and increased economic success.
  - **Dissemination across Member States (EU level):** building on the role of TNs or developing additional ways to support effective dissemination of project results across borders will help to clarify the extra added value of the EIP network to stakeholders.
  - **Multi region/state OGs (EU level):** ensuring that legislation and administrative systems not only allow but **incentivise OGs to operate across the borders of more than one RDP** would bring additional clear EU added value.
4. **Building existing national and regional agricultural knowledge and innovation structures into an EU wide AKIS structure:** improving the integration of the EIP within national/regional AKIS, supported by better coordination of networking

structures at EU level. Build "Farm Innovation Systems", systematically linked into an EU wide AKIS, and support innovation-focused farmer-to-farmer (or groups of farmers) exchange programmes. Possible ways to do this include:

- **Build coherent national or regional AKIS(RDP level):** the EIP creates an opportunity for more work on developing sound and coherent national and regional AKIS **that profit from and link to the (EU-level) EIP network and EU-wide AKIS.**
- **Improve integration of existing advisory and networking structures (EU level):** the EIP is instrumental to support an EU wide AKIS by improving knowledge flows in the fragmented national and regional agricultural knowledge and innovation systems (AKISs). It would be key to also build an **integrated EU wide AKIS** at EU level **which interlinks these.**
- **Links to Knowledge Exchange (RDP level):** the EAFRD Regulation already includes measures which support the acquisition of skills and knowledge exchange. There is a clear need to **better use knowledge exchange measures to facilitate the uptake of innovation.** For instance, farm exchanges are currently possible under Article 14 EAFRD, but seldom used, and have no focus on innovation. Consideration should be given to incentivising **innovation-focused farmer-to-farmer exchange programmes** between Member States / regions. By connecting them to EIP activities they would better serve the purpose of fuelling/speeding up innovation.

The final, longer term recommendation is:

**5. Links to other funding:** as the EIP grows and the projects it supports conclude, there is a need to consider how the groups of actors, who in many cases will have been brought together for the first time by the EIP, can continue to work together to facilitate interactive innovation. Links to and awareness of potential 'follow up' funding will help OGs to develop their work further and / or to come up with new ideas for further collaboration. It is important for the desired results of the EIP on the longer term and making the more systemic changes described in Article 55 of the EAFRD Regulation. Possible ways to do this include:

- **Demonstrating common needs and links to innovation support under H2020 (EU level):** with the launch of more OGs across the different countries and regions in Europe, overlapping and common needs from practice which are tackled through several OGs will become more visible. The H2020 funding for multi-actor projects linked to the EIP is therefore key. Addressing such problems at EU-wide scale will help reduce costs and duplication. Opportunities for linking with H2020 initiatives should be made more visible through the EU-level EIP networking activities.
- **Links to other elements and funding mechanisms in the CAP and RDP (RDP level):** links to both Pillar 1 and 2 are implicit in the objectives of the EIP, but where these links are made in RDPs they have demonstrated the possibility of the EIP supporting the delivery of other aspects of the CAP (for instance, OGs working on Ecological Focus Area practices or preparing for future agri-environmental measures).
- **Links to other EU funding opportunities (EU level)** European Structural and Investment Funds, Inter-regional Programmes (Interreg), Life+ programmes and some parts of Horizon 2020 (Societal Challenge 5, EIT KICs) all have potential links to the EIP which should be further explored and communicated about over time.

