

RDP analysis: Measure 16 ‘Cooperation’

M16.2

Pilot projects

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

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

1. Regulation background

1.1 Measure 16 cooperation¹

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

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

M16 sub-Measures offer potential support for:

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

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

¹ Rural Development Reg. 1305/2013 Art.35

1.2 Sub-Measure 16.2³

Sub-Measure 16.2 (M16.2) provides support for **pilot projects and the development of new products, practices, processes and technologies in the agriculture, food and forestry sectors.**

Together with M16.1 – EIP Operational Groups, M16.2 is a driver for innovation in rural areas. It supports the development of products, farming practices and technologies being either **new inventions** or being **existing ones adapted** to a specific situation where they are in use.

Art. 35.2 (a) (EU) Reg. 1305/2013, setting the legal basis for M16.2 support, presents rather general terms, such as “pilot projects” and “development”. Such generic wording aims at enlarging the scope of M16.2 to a **great variety of experimental projects** and to a **broad variety of intervention fields** including the agri-food and forestry sectors.

Given the broad scope of M16.2, the Commission guidance document on M16 importantly notes that for projects in some way related to agriculture but whose outputs do not fall within the Annex I of the EU Treaty support can be paid only if **state aid clearance** is obtained or if the “De Minimis” rule is respected.

M16.2 is meant to support actions introducing **practical innovation** in the agriculture and forestry sectors. For this reason, M16.2 should not be used to support stand-alone research with the exception of the cases where stand-alone research accompanies other practical projects.

Demonstration activities can also be supported under M16.2 when these are necessary steps in the final part of the process of testing and/or validating a technology, process etc.

Finally, M16.2 supports **dissemination activities**. M16.2, in fact, aims at the creation of knowledge freely available to all and for this reason the grant provision is subject to the dissemination of the pilot project results.

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

³ EU Commission, November 2014, Guidance document: “Co-operation” Measure - Art. 35 of Reg.1305/2013

2. RDPs programming the sub-Measure

M16.2 is programmed in 78 RDPs across 21 Member States (MS).

Table 1 - List of RDPs programming M16.2

N	RDPs ⁴
1	Austria (AT)
2	Bulgaria (BG)
3	Cyprus (CY)
4	Czech Republic (CZ)
5	DE-Baden Wurttemberg
6	DE-Bayern
7	DE-Mecklenburg Vorpommern
8	DE-Nordrhein Westfalen
9	DE-Rheinland Pfalz
10	DE-Sachsen
11	Denmark (DK)
12	Estonia (EE)
13	ES-Aragon
14	ES-Asturias
15	ES-Castilla- Leon
16	ES-Castilla-Mancha
17	ES-Cataluna
18	ES-ES-National Programme
19	ES-Galicia
20	ES-I Baleares
21	ES-Madrid
22	ES-Navarra
23	ES-Pais Vasco
24	ES-Valencia
25	FI-Fi Mainland
26	FR-Alsace
27	FR-Aquitaine
28	FR-Auvergne
29	FR-Basse Normandie
30	FR-Bourgogne
31	FR-Centre
32	FR-Champagne Ardenne
33	FR-Corse
34	FR-Franche Comte
35	FR-Guadeloupe
36	FR-Guyane
37	FR-Haute Normandie



Map 1 - RDPs programming M16.2

For MS having regional RDPs, the map indicates the number of RDPs that programmed M16.2 out of the national total.

⁴ Belgium (BE); Germany (DE); Spain (ES); Finland (FI); Italy (IT); United Kingdom (UK).

N	RDPs⁵	N	RDPs
38	FR-Languedoc Roussillon	59	IT-Piemonte
39	FR-Limousin	60	IT-Puglia
40	FR-Lorraine	61	IT-Sardegna
41	FR-Martinique	62	IT-Sicilia
42	FR-Midi-Pyrenees	63	IT-Toscana
43	FR-Nord Pas De Calais	64	IT-Umbria
44	FR-Paca	65	IT-Valle D'Aosta
45	FR-Reunion	66	IT-Veneto
46	FR-Rhone-Alpes	67	Malta (MT)
47	Greece (GR)	68	The Netherlands (NL)
48	Croatia (HR)	69	PT-Acores
49	IT-Abruzzo	70	PT-Madeira
50	IT-Basilicata	71	Romania (RO)
51	IT-Calabria	72	Sweden (SE)
52	IT-Friuli Venezia Giulia	73	Slovenia (SI)
53	IT-IT-National Programme	74	Slovakia (SK)
54	IT-Lazio	75	UK-England
55	IT-Liguria	76	UK-Northern Ireland
56	IT-Lombardia	77	UK-Scotland
57	IT-Marche	78	UK-Wales
58	IT-Molise		

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

3. Scope of programmed RDP activities

Pilot projects In coherence with the wording of the Rural Development Regulation⁶, all RDPs require M16.2 to support the **development of pilot projects, new products, production techniques, processes, services and technologies**.

Pilot projects in many cases aim at testing the acceptability, economic viability, market potential and the technical optimisation of specific innovations. Where the activities do not concern the introduction of new products or practices, the pilot projects try to **respond to the specific need** of the territory by **adapting existing technologies and practices to local circumstances**.

As per M16.1 – EIP Operational Groups, M16.2 aims at **reducing the distance between researchers and practitioners in agriculture and forestry**. The sub-Measure aims at fostering **technology transfer and knowledge dissemination** among more connected stakeholders. M16.2 also supports **networking and dissemination activities** that strengthen the linkages among stakeholders working in the same sector or production chain. Actions aiming at increasing the cooperation between actors of different sectors are considered necessary specially to gather the knowledge to respond to local challenges.

Given the strong experimental leanings of M16.2 projects, some RDPs specify that projects with an **experimental nature** that fail to achieve their objectives are not subject to sanctions, provided the eligibility criteria were respected (e.g. DE-Sachsen, MT).

Themes Most of the RDPs do not specify in detail what activities are supported but do specify what sectors are interested by M16.2 projects⁷.

From the analysis of the Measures' description it is possible to identify four broad categories of action, which are explained in more detail below: agriculture; food; forestry and environment.

Agriculture 1. Actions in the **agriculture sector** aim to:

- improve competitiveness;
- introduce more efficient practices;
- introduce practices to enhance product quality through, for example, better handling and storage;
- develop new varieties; and
- develop new production systems.

Among the RDPs that support M16.2 projects for agriculture practices some focus the interventions on **animal breeding practices** and **animal biodiversity conservation** (e.g. ES-Navarra (livestock), FR-Auvergne, IT-National Programme).

RDPs: EE, ES-Aragon, ES-Asturias, ES-Castilla Leon, ES-Castilla Mancha, ES-Cataluna, ES-National Programme, ES-Galicia, ES-Madrid, ES-Navarra, ES-Pais Vasco, FR-

⁶ (EU) Reg. 1305/2013

⁷ This analysis is based on the interpretation of the RDP measures' description. The MAs might have taken the decision to provide a rather simple measure's description. The RDPs lists here provided must therefore not be considered comprehensive.

Alsace, FR-Auvergne, FR-Centre, FR-Franche Comte, FR-Guadeloupe, FR-Languedoc Roussillon, FR-Lorraine, FR-Martinique, FR-Reunion, IT-Calabria, IT-Liguria, IT-Marche, IT-National Programme, IT-Puglia, MT, PT-Acores, SE, SI, SK, UK-Scotland, UK-Wales.

Food and food chains

2. M16.2 actions in **food production and food chains** aim to:
- develop quality and safe food products;
 - support equipment sharing;
 - better integrate primary producers in agricultural and food chains in order to raise their competitiveness;
 - develop food products standards; and
 - develop certifications and inspection criteria.

RDPS: BG, CY, EE, ES-Aragon, ES-Asturias, ES-Castilla Leon, ES-Castilla Mancha, ES-Cataluna, ES-National Programme, ES-Madrid, FR-Alsace, FR-Centre, FR-Guadeloupe, FR-Lorraine, FR-Martinique, FR-Reunion, FR-Rhone Alps, IT-Calabria, IT-Lombardia, IT-Marche, PT-Acores, SE, SI, SK, UK-Scotland (food and drinks), UK-Wales.

Case 1: In FR-PACA, M16.2 aims to develop the culture of innovation and explore new market opportunities in the field of **Mediterranean food** and its nutritional assets.

Forestry

3. M16.2 actions in the **forestry sector** are about:
- improving the sector's competitiveness;
 - promoting and innovating the wood value chain;
 - increasing cooperation among the sector's operators; and
 - promoting more resource efficient practices.

RDPS: ES-Aragon, ES-Castilla Leon, ES-National Programme, ES-Madrid, ES-Galicia, ES-Navarra, FR-Alsace, FR-Auvergne, FR-Centre, FR-Guadeloupe, FR-Limousin, FR-Martinique, FR-Rhone Alps, IT-Calabria, IT-Lazio, IT-Marche, IT-Piemonte, IT-Puglia, PT-Acores, SI, SK, UK-Wales.

Case 2: IT-Piemonte focuses M16.2 support in the forestry sector and the **mountain economy** with a particular attention to promote **environmental protection and climate adaptation and mitigation**.

Environment and climate

4. M16.2 actions to improve the agriculture, food production and forestry sectors' **impact on environment and climate change**, can involve:
- experimental projects on the preservation and restoration of ecosystems, biodiversity and natural resources;
 - sustainable land and water management;
 - green economy, bio-economy and waste management;
 - support of organic agriculture;
 - environmental certifications;
 - pest management; and
 - carbon sequestration.

Furthermore, in at least two cases M16.2 supports projects promoting the use of **green and energy efficiency practices and technologies** as well as the use of **renewable energy** (e.g. ES-Asturias, IT-Lazio).

RDPs: DE-Baden Wurttemberg, BG, ES-Aragon, ES-Castilla Mancha, ES-Cataluna, ES-Madrid, ES-Navarra, ES-Valencia, FR-Alsace, FR-Guadeloupe, FR-Lorraine, FR-Martinique, IT-Abruzzo, IT-Calabria, IT-Lazio, IT-Marche, IT-Piemonte, IT-Puglia, SK.

**Trans-
National
Cooperation**

The following RDPs clearly specify that it is possible for M16.2 to support transnational cooperation projects: EE, FI, FR-Auvergne, GR, PT-Acores, SE, SK, UK-Wales.

4. Contribution to Focus Areas and linkages to other Measures

As with M16.1, **M16.2 is expected to contribute to all FAs and Priorities**. Given its focus on innovation and research it is mostly expected to contribute to **Priority 1 - Knowledge transfer & innovation**. Projects focusing on environment and climate change are expected to contribute to **P4 - Ecosystems management and P5 - Resource efficiency & climate**.

P2- Competitiveness is expected mostly to be supported by the projects intervening in the agriculture and forestry sectors as well as by those projects focused on improving businesses competitiveness in light of emerging challenges concerning the environment and climate change.

Projects working on the food production and the food and wood supply chains are expected to contribute to **P3 – Food chains & risk management**.

Several RDPs (e.g. ES-Aragon, FR-Auvergne, FR-Bourgogne, FR-Franche Comte, FR-Haute Normandie, FR-Midi Pyrenees, FR-Nord pas de Calais, IT-Abruzzo, IT-Lazio) establish linkages between M16.2 and several investment Measures:

- M04 - Investments in physical assets,
- M06- Farm & business development,
- M07- Basic services & village renewal, and
- M08 - Investments in forest areas

A high number of RDPs also use M16.2 in combination with M01 – Knowledge transfer and M02 – Advisory services (e.g. FR-Bourgogne, FR-Haute Normandie, FR-Midi Pyrenees, IT-Abruzzo, IT-Lazio, IT-Umbria, MT, UK-Wales).

Box 1: Combination of M16.1 and M16.2

In a very high number of cases⁸ M16.1 and M16.2 are combined together. In these cases, the OGs are the beneficiaries of M16.2 and, therefore, the creator and implementers of the pilot projects.

The combination happens mainly in two ways:

1. M16.1 and M16.2 are combined in the same specific operation⁹.
2. M16.1 and M16.2 are not combined in the same specific operation but OGs are among M16.2 eligible beneficiaries.

For a number of RDPs, M16.2 is combined with other M16 sub-Measures:

- In FR-Aragon, M16.1 is combined with M16.5 – Environment and climate change and M16.6 – Biomass provision, to strengthen cooperation between actors in the field of plant health and integrated pest management.
- In FR-Haute Normandie, M16.1 is combined with M16.2 and M16.4 – Short supply chains and local markets.

⁸ For a list of RDPs combining M16.1 and M16.2 see titles highlighted in orange colour in Table 3 in section 5.

⁹ In the RDPs the specific ways the Measures are expected to be used are articulated in the Measures' 'specific operations'. A Measure can have several specific operations and the same operation can use more than one Measure.

5. Eligibility criteria and selection process

Eligible costs

M16.2 eligible costs include:

- costs incurred to animate, facilitate and run the cooperation group including administrative costs;
- creation of feasibility studies and business plans for the projects;
- test and laboratory analysis;
- advisory services' consultation costs;
- project running costs;
- direct costs that cannot be covered by other Measures; and
- costs for promotional and dissemination activity.

Duration

Where specified, RDPs define that the cooperation action must last for a **maximum number of time, , ranging from two to seven years.**

Table 2 - Examples of maximum project duration

No of Years	Examples of RDPs
7	ES-Madrid, ES-Castilla Mancha, FR-Aquitaine, FR-Bourgogne, FR-Lorraine, FR-Reunion, IT-National Programme
6	FR-Corse
5	ES-National Programme, ES-Valencia, PT-Madeira
4	IT-Sicilia
3	ES-Aragon, FR-Champagne Ardenne, FR-Guadeloupe, FR-Nord pas de Calais, IT-Calabria, PT-Acores
2	CY, ES-Pais Vasco, FR-Auvergne, IT-Molise, IT-Sardegna, IT-Valle D'Aosta

Cooperating group

As noted in section 4, a high number of RDPs combine M16.2 with M16.1. In such cases, M16.2 beneficiaries are the **OGs established under M16.1**¹⁰.

Even more RDPs provide a list of stakeholders eligible for M16.2 support without specifying whether the OGs are among the potential beneficiaries and do. Among these the analysis identified:

- farmers and companies in the food processing sector;
- foresters and wood processors;
- researchers, research institutes, universities, advisors, innovation agents; and
- public entities and municipalities.

Additional categories less frequently mentioned in the RDPs were:

¹⁰ For more information on the composition of the OGs, see ENRD (2016) RDP analysis: Measure 16 Cooperation – M16.1 EIP Operational Groups.

- food quality assessment organizations and certification bodies (e.g. BG, CY);
- local actors, NGOs, community members or voluntary groups (e.g. CY, ES-Aragon UK-Wales);
- small operators¹¹ (ES-Castilla Mancha, ES-Navarra) ;
- farmers groups, producers' organisations, cooperatives or inter-professional organisations (e.g. ES-Baleares, FR-Champagne Ardenne, IT-Valle D'Aosta, FR-Champagne Ardenne, IT-Valle D'Aosta);
- renewable energy companies (e.g. ES-Navarra);
- development agencies (e.g. FR-Haute Normandie);
- agricultural equipment cooperatives (e.g. FR-Basse Normandie); and
- in France, Groupings of Economic and Ecological Interest (GIEE).

In other cases, the RDPs specify that **all legal entities in the agricultural, forestry and food sectors** are eligible (e.g. DE-Mecklenburg Vorpommern, DE-Baden Wuttemberg).

some RDPs provide a list of eligible beneficiaries but **do not mention any obligations for the cooperation group composition** (e.g. DE-Mecklenburg Vorpommern, EE, ES-Aragon, ES-Castilla Leon, FI, FR-Franche Comte, FR-Nord pas de Calais, FR-PACA, UK-Scotland, UK-Wales).

In a number of cases, instead, RDPs establish the **obligatory participation** of:

- **farmers or producers** (e.g. CY, CZ, DK, ES-Baleares, ES-Pais Vasco, FR-Auvergne, GR, IT-Basilicata, IT-Lazio, IT-Puglia); and
- less frequently, **research bodies** (e.g. CZ, FR-Auvergne, IT-Basilicata, IT-Lazio).

The cooperation groups selection is mostly based on the **relevance of the partnership composition** to the project and the **capacity of partners to act as multipliers** for the dissemination of the results.

In line with the regulations and the Commission guidance document on Art. 35 Reg. (EU) 1305-2013, most of the RDPs state that the cooperation groups must be made of **at least two members**.

Less frequently RDPs set a minimum number of three members per cooperation group (e.g. EE, SK) and in some cases of minimum five members (e.g. BG, FI).

Table 3 – M16.2 beneficiaries, shows:

- which RDPs established linkages between M16.1 and M16.2 (highlighted in orange);
- which RDPs specify that M16.2 projects are implemented by OGs created under M16.1 support (indicated under column 'OG'); and
- which RDPs require that M16.2 projects are implemented by a cooperation group whose creation is supported by M16.2 (indicated under column 'Other').

¹¹ Microenterprises definition according Article 11 (3) Delegated Regulation (UE) 807/2014

Table 3 - M16.2 beneficiaries

No	RDPs	OG	Other
1	AT		x
2	BG		x
3	CY	x	
4	CZ		x
5	DE-Baden Wurt.		x
6	DE-Bayern	x	
7	DE-Meck. Vorp.	x	
8	DE-Nordrh. Westf.	x	
9	DE-Rheinland Pfalz	x	
10	DE-Sachsen	x	
11	DK		x
12	EE		x
13	ES-Aragon		x
14	ES-Asturias		x
15	ES-Castilla- Leon		x
16	ES-Castilla-Mancha		x
17	ES-Cataluna	x	
18	ES-National P.	x	x
19	ES-Galicia		x
20	ES-I Baleares		x
21	ES-Madrid	x	
22	ES-Navarra		x
23	ES-Pais Vasco		x
24	ES-Valencia		x
25	FI-Fi Mainland		x
26	FR-Alsace		x
27	FR-Aquitaine	x	
28	FR-Auvergne		x
29	FR-Basse Nor.	x	
30	FR-Bourgogne		x
31	FR-Centre		x
32	FR-Champagne A.	x	
33	FR-Corse		x
34	FR-Franche Comte		x
35	FR-Guadeloupe	x	
36	FR-Guyane	x	
37	FR-Haute N.	x	
38	FR-Languedoc R.	x	
39	FR-Limousin	x	

No	RDPs	OG	Other
40	FR-Lorraine	x	
41	FR-Martinique		x
42	FR-Midi-Pyrenees		x
43	FR-Nord P. De Calais		x
44	FR-Paca		x
45	FR-Reunion		x
46	FR-Rhone-Alpes		x
47	GR	x	
48	HR	x	x
49	IT-Abruzzo		x
50	IT-Basilicata		x
51	IT-Calabria		x
52	IT-Friuli Venezia G.	x	
53	IT-National P.		x
54	IT-Lazio	x	x
55	IT-Liguria		x
56	IT-Lombardia		x
57	IT-Marche		x
58	IT-Molise		x
59	IT-Piemonte		x
60	IT-Puglia	x	
61	IT-Sardegna		
62	IT-Sicilia		x
63	IT-Toscana	x	
64	IT-Umbria		x
65	IT-Valle D'Aosta		
66	IT-Veneto	x	x
67	MT	x	
68	NL	x	
69	PT-Acores	x	x
70	PT-Madeira	x	
71	RO	x	
72	SE		x
73	SI	x	x
74	SK	x	x
75	UK-England		x
76	UK-Northern Ireland		x
77	UK-Scotland		x
78	UK-Wales	x	x

Projects selection criteria

The most common **projects selection criteria** identified are:

- the innovative character of the project;
- the expected impact, benefits and added value;
- the practical feasibility of the project;
- the extent to which the project targets concrete solutions;
- the environmental, social and economic impacts;
- the contribution to resource efficiency and contribution to climate protection;
- the utility of the expected results for the territory and extent to which knowledge transfer and dissemination activities are foreseen in the project; and
- the transferability of the achievements.

Where M16.2 is combined with M16.1 the selection process also takes into consideration the project's **contribution to the EIP objectives**.

Additional cases of selection criteria identified in the RDPs are:

- type and quality of shared equipment (e.g. BG);
- expected impacts in terms of networks and cooperation actions established among stakeholders (e.g. FR-Champagne Ardenne); and
- contribution to job creation especially among women and young people (e.g. FR-Martinique).

6. Financial aspects

M16.1 + M16.2 For those RDPs linking M16.1 and M16.2, before a M16.2 project is selected, the creation and selection of the OGs must happen. For these two different phases different financial conditions apply. When selecting the OGs, M16.1 financial conditions are used.

Max. budget The maximum budget allocated to each project may vary from €50 000 to €1 500 000.

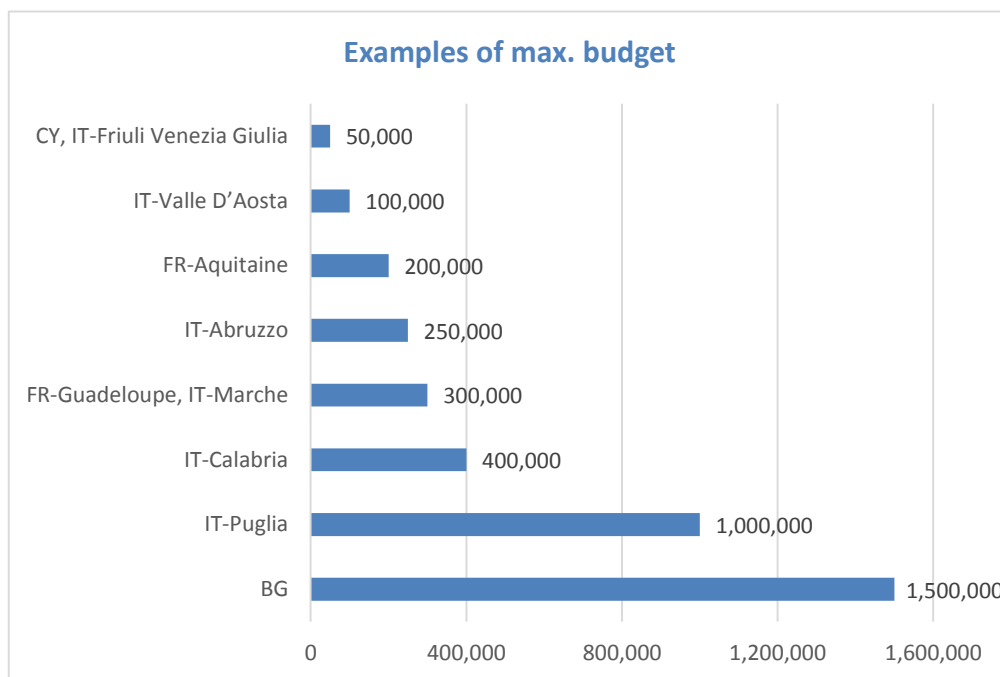


Figure 1 - Examples of maximum budget allocation

Some RDPs set **variable maximum budgets** per OG/project.

- AT differentiates among a first phase where the cooperation group is selected (under M16.2) and supported with a maximum budget of €5 000, and a second phase where the project is selected and supported with a maximum budget of €500 000.
- In FR-Alsace, the maximum budget allocation depends on the type of beneficiaries applying for support.
- In ES-Aragon, cost limitations only apply for investments: the maximum amount for irrigation investments is €200 000 and €100 000 for other kinds of investment.
- Budget allocation in GR depends on the size of the project: projects at national level and trans-national cooperation projects have access to a higher budget allocation than more local projects.

Support rates

M16.1 support rates vary from 80% to 100%.

Table 4 – Examples of support rates

Examples of RDPs	Support rate
FR-Guadeloupe, FR-Guyane, FR-Lorraine, FR-Reunion, IT-Abruzzo, IT-Basilicata, IT-Calabria, IT-National Programme, IT-Liguria, IT-Sicilia, IT-Valle D'Aosta, PT-Madeira	100%
FR-Champagne Ardenne	90%
FR-Aquitaine, FR-Basse Normandie, FR-Martinique, FR-Nord pas de Calais, FR-PACA	80%

Some RDPs do not set a unique support rate but **establish** specific conditions for variable support rates.

- In ES-National, the support rate varies from 55% to 100% of eligible costs depending on the type of costs and the thematic area of the project.
 - In IT-Marche and IT-Puglia, a support rate of 80% of eligible costs is used, but this can go up to 100% if the project is related to: biodiversity protection; the introduction of sustainable and organic agricultural practices; improving carbon sequestration and storage; and soil and water protection.
 - IT-Molise has a support rate of 100% of eligible costs except for investment costs which are funded at 60%.
 - ES-Castilla Mancha and IT-Liguria specify that for operations related to products not included in Annex I of the EU Treaty, the support rate is 50%.
 - In IT-Umbria, UK-Scotland and UK-Wales, the support rate depends on the size of the enterprise applying for support.
 - In IT-Umbria, ES-Asturias and UK-Wales, the support rate depends on the kind of beneficiary.
- Simplified Cost Options:**
- In FR-Centre Simplified Cost Options (SCOs) are applied using a 15% flat rate on direct staff costs.
 - In FR-Nord pas de Calais SCOs are applied using a 15% flat rate on indirect costs related to eligible staff expenditure.

Simplified Cost Options: