

RDP analysis: Measure 16 ‘Cooperation’

M16.6

Biomass provision

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 Reg. 1305/2013 Art.35

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

1.2 Sub-Measure 16.6³

Sub-Measure 16.6 (M16.6) provides for:

*“...horizontal and vertical co-operation among supply chain actors in the sustainable provision of biomass for use in food and energy production and industrial processes...”*⁴

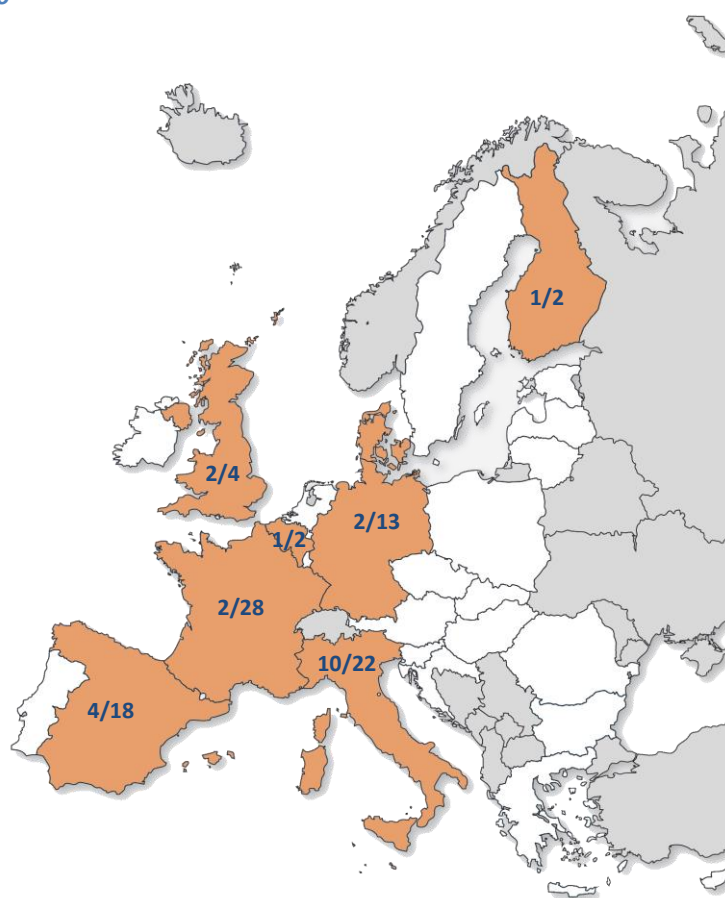
The sub-Measure does not intend to directly foster the production of biomass, but aims at supporting farmers to cooperate in order to organize and structure the biomass supply chain. The sub-Measure supports the ‘provision’ of bio-mass and not its ‘production’.

2. RDPs programming the sub-Measure

M16.6 is programmed in 24 RDPs across 9 MSs.

Table 1 - List of RDPs programming M16.6

N	RDPs ⁵
1	BE-Flanders
2	Denmark (DK)
3	DE-Mecklenburg-Vorpommern
4	DE-Thuringen
5	ES-Aragon
6	ES-National
7	ES-Murcia
8	ES-Pais Vasco
9	FI- Mainland
10	FR-Auvergne
11	FR-Guyane
12	IT-Abruzzo
13	IT-Campania
14	IT-Marche
15	IT-Piemonte
16	IT-Sicilia
17	IT-Toscana
18	IT-Umbria
19	IT-Valle D'Aosta
20	IT-Veneto
21	IT-Puglia
22	Malta (MT)
23	UK-England
24	UK-Wales



Map 1 - RDPs programming M16.6

For MS having regional RDPs, the map indicates the number of RDPs that programmed M16.6 out of the national total.

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

⁴ Reg. 1305/2013 Art.35(2)(h)

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

3. Scope of the RDP planned activities

Impact

Cooperation under M16.6 is expected to **strengthen the distribution and use of biomass** – and indirectly also its production – **by supporting horizontal and vertical cooperation between the supply chain actors**. The actors involved are biomass producers, distributors and final users.

Cooperation takes place by the creation of a cooperation group that is expected to develop and implement joint projects for:

- support to production of sustainable biomass,
- use of biomass in the food and energy sector,
- creation of clusters and networks in the biomass field,
- development and innovation of products, services and technologies.

Competitiveness

In many RDPs, M16.6 projects are expected to improve the **competitiveness of the biomass sector, the agricultural and the forestry holding** as well as the competitiveness of **enterprises involved in the production of energy** from renewable sources (e.g. IT-Toscana, IT-Puglia, ES-Aragon, ES-Pais Vasco, DE-Mecklenbourg-Vorpommern, IT-Marche). A greater use of biomass in the food sector in specific is expected to **increase the added value of agro-food products**.

Weak sector

Several RDPs programmed this sub-Measure because an analysis of the territory found out that their **biomass sector is either not developed enough or relatively small and young** (e.g. UK-Wales, ES-Murcia, IT-Valle D'Aosta, IT-Sicilia). Cooperation actions in specific might tackle structural problems such as the **fragmentation of the forest holdings** (e.g. IT-Valle D'Aosta).

By strengthening the biomass supply chain the food production and energy sectors have access to use **potential local resources that are under-used** such as forest products, short rotation coppice, agricultural surplus products and residues from the wood industry (e.g. FR-Auvergne, IT-Marche).

Sustainability

The majority of the RDPs clearly mentions that projects implemented must act in respect of the **sustainability principle** (e.g. FI, FR-Auvergne, BE-Flanders, DE-Thuringen, IT-Marche, IT-Puglia, ES-National, ES-Pais Vasco). This will concern in specific the **production of sustainable biomass and the sustainable management of forests**.

Innovation

Beneficiaries in many case are asked to implement M16.10 in such a way to bring **innovation in the biomass supply chain**. Innovation is suggested under the shape of: **new sustainable products, services and technologies, new logistics solutions, new clusters and networks, new processes and practices for producing, distributing and using biomass** (e.g. DK, ES_Aragon, ES-Pais Vasco, FI, DE-Mecklenbourg-Vorpommern). In some cases, this will be achieved with the involvement of the **Operation Groups**⁶ and by supporting **pilot projects**⁷ (e.g. DE-Mecklenbourg-Vorpommern, DK, IT-Marche, UK-Wales).

⁶ See section 5

⁷ Information available do not clarify whether pilot projects are going to be supported directly by M16.6 or whether there will be the involvement of M16.2.

Transnational cooperation

FI and UK-Wales allow for 16.3 supported projects to engage in cross-border cooperation with other MSs/regions in EU.

4. Contribution to Focus Areas and linkages to other Measures

M10.6 is mostly expected to contribute to **Focus Area 5C on 'renewable sources and wastes management'**. At the same time M16.6 provide support for the introduction of innovation and will invest on the whole supply chain. For this reason, M16.6 is also expected to contribute to:

- **FA 3A** on integration and quality development in the agri-food chain integration and quality, and
- **FA 2A** on farm's performance, restructuring and modernization.

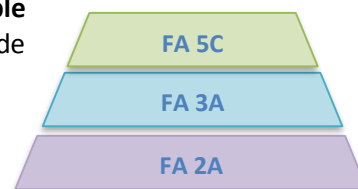


Figure 1 - M16.6 contribution to FAs and Priorities

5. Linkages to other Measures

Where specified the RDPs establish links with a number of Measures that will support the cooperation Measure with funding for investments. Very often RDPs mention that M16.6, like most of the other M16 sub-Measures, will support only investments that cannot be covered by other Measures. For this reason, for **investments in physical assets, in farm and business development, in village services and in forest areas, respectively support from M04, M06, M07 and M08 will be involved.**

A number of RDPs also specified that by involving advisors and training operators M16.6 will also be applied together with **M01** (e.g. Valle D'Aosta, IT-Campania, FR-Auvergne, IT-Abruzzo, IT-Marche).

Less frequently M16.6 will fund cooperation actions coordinated or supported by Operational Groups and therefore implemented in coordination with **M16.1** (e.g. DK, ES-Aragon, FR-Guyane, UK-Wales).

In a couple of RDPs M16.6 will be implemented in coordination with a set of Measures:

- M16.1 and 16.5 in ES-Aragon,
- M16.1 and M16.2 in DK.

Case 1: 16.1, 16.5, 16.6 in ES-Aragon

16.1, 16.5 and 16.6 will be implemented with the objective to solve specific problems, to energize knowledge transfer and boost innovation in the agriculture, forestry and agro-food sectors.

In specific the set of sub-Measures will support cooperation actions aiming to:

- Technological improvement in agriculture and forestry holdings,
- Improvements in irrigation,
- Increase the added value of agro-food products,
- Create groups and networks related to plant health and integrated pest management issues.

6. Eligibility criteria and selection process

Eligible costs

Eligible costs are identified as:

- Studies and feasibility studies,
- Creation of business plans and creation of operational plans,
- Animation costs, costs related to running the cooperation;
- Direct costs linked to the implementation of the business plan – implementation of the projects.

Duration

RDPs do not provide many information on the time duration of the projects. Where specified, RDPs define that the cooperation action must last for a maximum number of years going from 2 to 7.

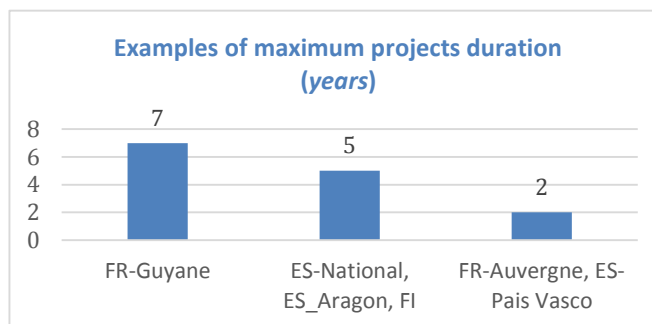


Figure 2 - Examples of maximum project duration

Cooperation group

Most of the RDPs define the beneficiaries as:

- Raw material producers (farmers, foresters and related organisations),
- Biomass processors and processing industries dealing with biomass transformation into energy,
- Legal entities or persons working in the agricultural, forestry or food chain sectors.

Many RDPs specify that funding under M16.6 will be limited to raw material producers applying **sustainable practices** (e.g. FI, FR-Auvergne, BE-Flanders, DE-Thuringen, IT-Marche, IT-Puglia, ES-National, ES-Pais Vasco).

Additional categories of partners accepted in the cooperation group are:

- **Sectorial organisations**, networks and associations (e.g. FR-Auvergne, BE-Flanders, FR-Guyane, DE-Mecklenbourg-Vorpommern);
- **Public institutions** (e.g. FI, BE-Flanders, FR-Guyane, IT-Campania, IT-Sicilia, IT-Valle D'Aosta, MT, UK-Wales, ES-Murcia);
- **Research institutes** (e.g. FI, DE-Mecklenbourg-Vorpommern, FR-Guyane, FR-Auvergne, ES-Murcia);
- **Advisory services, training operators and educational bodies** (e.g. IT-Campania, IT-Umbria, FR-Auvergne, IT-Valle D'Aosta, MT).

Case 2: M16.6 involvement of sectorial groupings in FR-Auvergne

In FR-Auvergne M16.6 cooperation groups must comprise at least 2 entities:

- **Individual stakeholders**: farmers; forest owners; enterprises of the agriculture, food and forestry sectors; research institutions; and education institutes; development agencies and consulting associations; public institutions; consular institutions; local authorities, joint associations; or any other person

- **Associations and sectorial ‘groupings’ such as the EEIG.**

Groupings of economic and environmental interest⁸ (EEIG), are groups of farmers officially recognised by the state and are a result of the collective commitment to modify and consolidate economic, environmental and social farming practices applied in France.

Case 3: M16.6 planned at national level in Spain

In Spain M16.6 is planned at regional level in several RDPs⁹ and it is planned in the Spanish National Programme.

The National Programme supports M16.6 cooperation groups and projects that involve beneficiaries acting in more than one RDP. More in specific M16.6 beneficiaries must include **agricultural enterprises**, and **agro-food SME that run activities across regions in Spain**.

Finally, some RDPs (e.g. IT-Puglia, IT-Toscana, IT-Marche, ES-Pais Vasco) establish in the selection criteria that the cooperation group must:

- **Identify a leader** with coordinating role and taking responsibility on the project implementation, and
- **Develop internal procedures** ensuring transparency in the management and decision-making processes.

No of group members

In respect with the EU guidance document, RDPs state that cooperation groups need to be composed of at least two entities.

All RDPs set selection criteria linked to the composition of the cooperation group and in some cases they specify that the most numerous groups will score hired during the section procedures (e.g. FR-Guyane, IT-Marche).

In at least two cases, RDPs set no criteria on the obligatory participation of specific entities (e.g. FI, IT-Marche).

Further criteria

Further criteria identified are:

- Projects must have an **innovation element**¹⁰;
- Cooperation groups applying for support must submit an **operational plan**, specifically identified in several Italian regions (e.g. IT Umbria, IT-Valle D’Aosta, IT-Abruzzo);
- Energy plant should be located **not farther than 50 km** from suppliers, specifically identified in IT-Marche;
- Projects must work on **traceability of biomass supply**, specifically identified in IT-Piemonte and FR-Auvergne;
- Location of the cooperation group and projects in **Natura 2000 areas, protected and mountainous areas**, specifically identified in IT-Umbria.

⁸ In French: Groupements d’Intérêt Economique et Environnemental, farm machinery cooperatives

⁹ See section 2

¹⁰ See section 3

7. Financial aspects

Support rates

According to the data collected, support rates will vary from around 60% to 100%.

Table 2 - Examples of support rates

Examples of RDPs	Support rate
ES-National, DE-Mecklenbourg-Vorpommern, IT-Abruzzo, IT-Puglia, IT-Sicilia	100%
IT-Marche	80%
FR-Auvergne	63%

Some RDPs didn't set a unique support rate but establish specific conditions:

- ES-Pais Vasco will decide the **funding rate on the base of the score** assigned to the project applying for funding;
- In FI the subsidy level will depend on the **project content and type** - in case of inter-territorial, national level, TNC and project linked to M16.1 funding rate can go up to 100% of eligible costs;
- UK-England will distinguish among **support for the agriculture sector** funded for the 100% of eligible costs, and **support for the forestry sector** funded for the 50% of eligible costs;
- Similarly, UK-Wales will distinguish among **support for the agriculture sector** funded for the 100% of eligible costs, and **support for other sectors** funded for the 50% of eligible costs.

Case 4: Funding rates in IT-Umbria

In IT-Umbria the cooperation group is required to create an **activity plan**. The costs of this activity will be covered for the 100%.

Support rates for the expenses related to the animation of the cooperation group and for the cooperation activities **will change along the years**:

- During the first year from the creation of the cooperation group 80% of the costs will be covered,
- During the second year the 60%,
- During the third year the 40%.

Simplified cost options

Only one RDP setting the possibility for the use of Simplified Cost Options was identified, being UK-Wales.