

PROVIDE Project

Summary of intermediate results

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1. Objectives of the project

The objective of the PROVIDE project is to provide a conceptual basis, scientific evidence, improved incentive and policy options, as well as tools to support the "smart" provision of public goods (PGs) by the EU agriculture and forestry systems (AFS), in the light of trade-offs and conflicts associated to different future scenarios. PROVIDE considers a wide range of public goods and bads in relation to a wide set of agriculture and forestry systems and governance mechanisms. The project uses a transdisciplinary approach to address this issue in a multi-scale framework, working both at the EU level and at case study level in 13 EU countries. The expected results by the end of the project will be: a renewed ("un-packed") conceptualization of the notion of public goods; an inventory of public good (and bad) provision in Europe, operational means for valuation and evaluation, a selection of evaluated governance mechanisms, and, finally, a toolbox consisting of an operational framework to support the smart provision of public goods. Moreover, the project will establish a consolidated and long-lasting community of knowledge and practice.

2 Activities performed in the project

The project has started with unpacking what stakeholders understand by 'public goods'. This has been followed by an inventory and spatial mapping of public goods from EU agriculture and forestry systems and an identification of the economic rationales and governance options for incentivising the provision of such goods. The activities conducted so far allowed to identify public goods provision 'hotspots' around which valuation exercises have been carried out, yielding values for public goods and also building a data base for the analysis of value determinants in several regions and for different ecosystems.

In addition, innovative policy tools and mechanisms have been tentatively identified, together with their targets in terms of public goods provision, design, valuation criteria and context scenarios. The outcomes of these activities feed into the development of a framework and a corresponding toolbox to support the smart provision of public goods, consistent with the current needs of productivity, the bio-economy strategy and the needs of rural development. The toolbox development closely takes end-user needs and requirements into consideration.

All these processes have been co-developed with stakeholders in the Stakeholder and Experts Network of the project, which has involved a network of about 200 people in touch or participating in 26 local and 2 EU-level workshop. Additionally, via social media channels (e.g. FB, LinkedIn) a network of over 1,000 people has been built around the PROVIDE activities. This has facilitated co-construction and co-development of both the framework and research process. This is a key asset to

support the toolbox development and the incremental development of it beyond the lifetime of the project, maximizing the impact of PROVIDE.

3 Intermediate results

❖ INNOVATIVE CO-CONSTRUCTION OF KNOWLEDGE – COLLABORATIVE RESEARCH

The initial unpacking of the public good concept by stakeholders revealed the diversity of perceptions of public goods related to the very different local specificities, the evolution of global issues (e.g. climate change) and the changing nature of the perceived agenda (e.g. world food needs and resources constraints), among others. This conceptualization served as the basis for identifying objectives of governance and policy-making regarding the provision of public goods.

This co-construction approach to the research process has been integrated throughout the project, including the definition of ‘hotspots’ for valuation, the design and evaluation of governance mechanisms and the on-going development of the toolbox.

❖ CONNECTION BETWEEN CONDITIONS, PRACTICES AND PUBLIC GOODS PRODUCTION: INVENTORY AND MAPPING

The mapping of public goods, carried out at the EU level and in 13 case study regions (CSR) throughout Europe, shows a high diversity in provision, both in terms of specific public goods provided and the overall level of provision. Local mapping revealed a high diversity of information available on public good provision. Some types of public goods benefit from the availability of very good datasets or data bases, while others suffer from little knowledge regarding the related phenomena. The analysis results (of inventory and mapping) together with stakeholders allowed for the identification of about 20 hotspots. Those hotspots represent types of discrepancy between public good demand and supply. and can be summarized in 5 main typologies:

- a) intensive agricultural areas with major trade-offs between resources and intensification processes;
- b) areas at risk of abandonment;
- c) areas with strong connection with users from urban areas;
- d) low intensity-low income areas;
- e) forestry areas with trade-offs between certain more immaterial? public goods and timber production.

❖ IMPROVED VALUATION OF PUBLIC GOODS

The case study valuation exercises comprise 13 empirical demand-side studies and 15 empirical supply-side studies. Of these studies, eight demand-side and seven supply-side studies have been based on questionnaire survey methods, with around 3,300 responses from farmers, forest owners and private households. The results confirm a positive willingness to pay by citizen for public goods produced by EU agriculture and forestry. The amount that citizens are willing to pay for public goods provision differs significantly, depending on the public good, but also across areas and groups,

showing the importance of segmentation of different demand components (e.g. users and non-users). The results also show that the current amount of financial contribution devoted by the CAP to public good provision is generally considered as acceptable by EU households (with more than 60% of citizens agreeing with the current expenditure devoted to that aim). The supply side valuation shows high heterogeneity of supply costs, further amplified by the acceptability of different mechanisms. From a methodology perspective, a broad variety of valuation methods has been used, from stated preference methods (choice experiments and contingent valuation), multi-criteria analysis (e.g. AHP), revealed preference methods (e.g. hedonic pricing), to cost/benefits accounting (avoided costs, depollution costs, etc.) and deliberative methods. The use of different methods is relevant to elicit advantages and disadvantages of them for the valuation of public goods provided by AFS.

❖ **DESIGN/EVALUATION OF GOVERNANCE MECHANISMS FOR DELIVERY OF PUBLIC GOODS**

The initial activities on the governance mechanisms led to shortlists of mechanisms, which have most potential to address the different PG issues in the CSRs, explicitly taking into account demand and supply-side related valuation result and context scenarios. The outcome shows a variety of relevant instruments, with a focus on payments for ecosystem services. In general, it becomes obvious that in most CSRs the basis of a promising governance system answering to demand and supply-side mismatches is – rather classically – assumed to be a combination of fostered regulation and targeted financial incentives. These consist mostly of improved agri-environmental schemes (AES) and/or payments for ecosystem services (PES).

Along with efforts of awareness-rising and of sharing knowledge, data and information, in nearly all cases participatory or collaborative governance approaches, which involve regional stakeholders, decision-makers and land managers in the governance processes are seen as suitable to improve decision-making. Further, it is recognised that a mix of instruments is needed and both private and public roles are relevant. Coordinating these different components in consistent mixes is one of the most challenging issues of research and practice.

The stakeholder-related activities led to the development of governance evaluation criteria, which clearly elaborates on criteria and indicators of good governance described in the literature. Built on case study-specific experiences of governance failure, these criteria specifically address acceptance and effectiveness of mechanisms and comprise the overall governance framework, mechanism design, mechanism characteristics, monitoring feasibility as well as performance of the mechanisms as regards PG provision.

❖ **EVOLVING FRAMEWORK AND TOOLBOX**

This activity aims at the development of a PROVIDE policy support and knowledge transfer tool, which enables the design, implementation and monitoring of policy and governance mechanisms as well as provides targeted information about good practice examples for an efficient, synergic provision of PGs through the toolbox. To achieve



this objective, an initial investigation of existing tools and potential functionalities as well as stakeholders and end-users information and knowledge demands and needs has been carried out. This conceptual development phase consisted of a review of the existing support tools and a series of workshops with European (1 WS) and regional level stakeholders (13 WS).

As a result, a range of preliminary needs have been identified at the regional level, including (i) the relevant community of practice; (ii) type of information and content; (iii) quantitative data and information needs; (iv) generic knowledge needs (e.g., best practice examples, research results, databases, access to wider networks); (v) role of the problem and decision-context; (vi) the collection and exchange of information as well as (vii) questions of bottom-up and/or top-down information/decision directions.

At European level the following needs and demands have been identified: (i) ex-ante impact assessment information; (ii) need of information support at various levels (EU, MS, region); (iii) integration of different types of information in one tool; (iv) recognition of the whole policy cycle (policy design; implementation; monitoring); (v) the use of good practice examples and scientific knowledge; (vi) recognition of available tools and avoiding redundancy; (vii) cooperation with EU-level stakeholder networks (e.g. EIP, focus groups, EUFRAS).

CONTACTS

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