

CALABRIA REGIONAL CASE STUDY

1 INTRODUCTION TO THE REGION AND THE STRUCTURAL FUNDS

1.1 Outline of the Regional Economy

Calabria is the least developed region in Italy.

In 1999, regional per capita GDP in Calabria was lower than the average in the South, and around half the North-Center average. Considering EU member countries, in 1999 per capita GDP in Calabria was by 40% lower than the average per capita GDP in the EU, and by 20% lower than the average in Objective 1 regions.

Time series data over the last two decades show an increasing income divergence between Calabria and the country average.

Looking at the macro-balance of the regional economy, it is quite evident that the relative decline in the development of the regional economy can be attributed to the low rate of capital accumulation, supported by modest investments, and paralleled by quite high consumption rates. In fact, despite a consumption rate that in the last few years has been 75% of the consumption rate in the North-Center, per capita income and investments per labor unit have been respectively below 50% and around 55% of the corresponding values in the North-Center.

This gap between regional income and regional consumption can be explained by the magnitude of public transfers, which act as a substitute for the lack of income produced by the Region, contemporarily sustaining aggregate demand.

This mechanism enhances the economic dependence of the Region, which has to rely on external financial flows, following central political and institutional trends. In 1995 net imports amounted to one third of regional income, compared to 14,3% in the South, and to -7,8% in the North-Center.

The economic dependence of Calabria is rooted in its extremely poor productive base: it is sufficient to observe that the agricultural and industrial sectors contribute to less than 25% of regional income, having shown even a progressive decline in the last two decades.

Particularly worrying is the regressive trend of industrial activities: industry currently accounts for less than 10% of regional income, compared to 25% in the North-Center. At the same time the service sector is oversized, partly due to the weakness of the agricultural and industrial sectors, and partly due to the hypertrophic and bureaucratic presence of the public tertiary sector; it accounts for 76% of regional income, to be compared with 64% in the North-Center (the latter data include Rome and is therefore overvalued).

Since half a century the population in the Region has become stable at 2millions inhabitants, although in the last decade the population dynamics have considerably changed, essentially due to the reduction in the emigration rate, compensated by a parallel contraction in the natural balance caused by a decrease in the fertility rate. The intense emigration flows that characterized the post-war period have certainly contributed to slow down the development of the Region and the process of income divergence between Calabria and North-Central Regions, due to the well-known 'brain drain' effects. Suffice it to say that between 1951 and 1971 the net emigration flows amounted to over 1million residents.

Population density is extremely low, i.e. 138 inhabitants per squared km, being less than half the population density in the North, and considerably below the average population density in the South and in the whole country.

The regional population however continues to suffer from a persistent high unemployment: in 1999 the unemployment rate amounted to 28.3%, to be compared with 5.9% in the North-Center.

Always with regard to the unemployment rate, Calabria ranks number eight in decreasing order among Objective 1 regions.

Looking at the time trend, it's even more worrying to observe that this phenomenon tends to increase: between 1993 and 1998 unemployment increased by 42.000 units, equal to an increase of 28.4% to be compared with a 21.5% increase at the national level. Calabria by itself explains 8.4% of the national increase in unemployment that has occurred in the last 6 years, accounting for only 3.5% of the national population. Looking at the gender distribution of the employed and unemployed population, it is striking to observe how females are penalized in the labor market. The female unemployment rate in 1999 was twice the male unemployment rate, reaching 42%.

1.2 Current Structural Fund Activities in the Programme Area

Current Structural Funds (henceforth SF) activities in Objective 1 regions are supported by four structural funds:

- European Regional Development Fund (FESR)
- European Social Fund (FSE)
- European Fund of Agricultural Orientation and Guarantee (FEOGA)
- Fund for Structural Assistance to the Fisheries Sector (SFOP)

These four funds support the development strategy in Southern Europe, as defined in the *Quadro Comunitario di Sostegno* (QCS).

- The QCS for the Italian regions consists of 14 operative programmes, which include 7 Regional Operative Programmes (PORs)¹, among which the one for Calabria, and 7 national operative programmes (PONs):
 - Scientific Research, Technological Development, and High Education
 - Schooling towards Development
 - Security for the Development of the South
 - Transports
 - Fisheries
 - Technical Assistance

The PONs find a regional distribution according to regional needs.

In the Objective 1 Programme Area other Community Initiatives are currently implemented:

- INTERREG III, aimed to promote trans-national cooperation among EU member states towards a well-balanced development in the EU; for the period 2000-2006 INTERREG III has a budget of 4.875 Meuro, of which approximately 426 Meuro are allocated to Italy
- EQUAL, aimed to eliminate discriminations and disparities in the labor market, with financial resources for about 371Meuro for Italy
- LEADER +, with financial resources for about 267Meuro, aimed to improve social, economic and environmental conditions of rural areas
- URBAN II, aimed to promote the design and implementation of innovative models of development for the economic and social regeneration of troubled urban areas. The program aims as well to strengthen information and experience- sharing on sustainable urban development in the European Union.

1.3 Current Structural Fund Activities in the Region

Calabria currently benefits from SF assistance mainly through the POR (3.688 Meuro² overall including UE and public funds³), and through the regional implementation of the PON, under the 2000-2006 programming period.

¹ The 7 PORs apply to each one of the 6 Objective 1 regions, i.e. Basilicata, Calabria, Campania, Puglia, Sardinia, Sicilia, and to Molise, which is going through a temporary support regime

The POR aims to pursue a new development model, environmentally, socially and economically sustainable, focussed on the exploitation and strengthening of local resources.

The main distinctive feature of the new regional operative programme has been the involvement of all relevant local institutional, social and economic actors in the program's design, through five planning groups, getting to a common development strategy for the Region.

Integration and sustainable development, where the previous operative programme failed, have become the key objectives of current programming.

The POR identifies six priority areas of intervention, divided in sub-sectors:

1. Natural resources (1.052,052 Meuro⁴)
 - 1.1 Water, soil and civil protection
 - 1.2 Environment
 - 1.3 Energy
2. Cultural resources (116,150 Meuro)
 - 2.1 Cultural Heritage
3. Human resources (623,430 Meuro)
 - 3.1 Employment and human resources
 - 3.2 Education
 - 3.3 Research and innovation
4. Local development systems (1.307,310 Meuro)
 - 4.1 Industry, commerce, handicrafts and services
 - 4.2 Tourism
 - 4.3 Agriculture and rural development
 - 4.4 Fisheries
5. Urban areas (278,750 Meuro)
 - 5.1 Urban areas
 - 5.2 Individual and community assistance
6. Networks and service centres (39,883 Meuro)
 - 6.1 Security
 - 6.2 Transports
 - 6.3 Telecommunications
 - 6.4 Health infrastructures

Within each area of intervention a set of measures is foreseen (57 measures will be undertaken overall).

The 'natural resources' axis is financed mostly by FESR and partly by FEOGA. The axes 'cultural resources', 'urban areas', 'networks and service centres' are financed entirely by FESR. The axis 'human resources' is financed almost entirely by FSE, and marginally by FESR. The axis 'local development systems' is mainly financed almost equally by FESR and FEOGA, and minimally by SFPOP.

The financial resources of the POR Calabria must be integrated with the financial resources committed to the PONs for the implementation of local initiatives within the Region; the regional implementation of the PONs occurs under the Central Administrations. Overall SF resources committed to the PONs amount to 6.258 Meuro⁵.

² Net of 10% premium quota withdrawn at the Community (4%) and Central (6%) levels

³ Private sources of financing for the POR amount to 1.545,160 Meuro overall

⁴ This and the following amounts include only public funds

⁵ A regionalization of PONs resources is not yet available

Calabria will benefit as well from some Community Initiatives:

- INTERREG III, with the allocation of a regional quota out of the 426Meuro allocated to Italy;
- URBAN II: 14,7Meuro have been allocated to URBAN Crotona
- LEADER +; LEADER+ programmes have already been approved by the EU, and 2,865Meuro from the 2000-2001 budget have already been allocated through the IGRUE⁶ to Objective 1 regions in Italy for the creation of a network among rural areas
- EQUAL, with financial resources for regional projects out of an overall budget of 371Meuro for Italy.

1.3.1 Main strategy pursued by current Structural Funds Activities in the Region

Two main features characterise the current QCS strategy in Calabria:

- a) the willingness to break off with the past, through a concerted action between the QCS and national complementary and consistent policies, aimed to induce structural reforms,
- b) the emphasis on integration at the territorial level, which in Calabria finds its expression through the implementation of the PITs (Territorially Integrated Projects).

In order to induce a discontinuity with respect to the past, the current strategy aims to improve on some key variables, which set a bridge between the objectives specific to the current programming, and the general development objective of the Region. The improvement on these key variables represents a break off with respect to the traditional model of dependence-integration of the South.

The key 'break off' variables are the following:

- Exports' capacity
- Degree of economic independence
- Capacity to attract tourists' consumption
- Capital accumulation intensity
- Capacity to attract foreign investments
- Labour market participation rate
- Labour supply capacity
- Capacity to develop social services
- Capacity to export products with high/increasing productivity
- Innovative capacity
- Capacity to develop business support services
- Financing capacity
- Conditions to be within the law and for social cohesion

The integration at the territorial level indeed is pursued through the PITs, which consist of projects carried out at the sub-provincial level, based on a 'bottom up' programming principle. Programming in fact involves the main territorial, political and social actors of the development process at the local level. Another crucial principle of the PITs is integration, which requires financing of different activities towards a common strategic development goal, at the base of programming in the area. PITs therefore synthesise the idea of strategic development and the idea to integrate at the project and territorial levels.

⁶ General Institute for Financial Relations with the European Union

PITs are financed through the ordinary sources (such as funds for depressed areas, or funds available at the municipal, provincial and regional levels), and through SF within the POR Calabria and other Community Initiatives.

Currently the PITs in Calabria are mostly financed through the POR as follows:

- 417,8 Meuro through the FESR
- 209,5 Meuro through the FEOGA
- 120 Meuro through the FSE
- 52,4 Meuro through the SFOP,

using 21% of overall POR resources in the Region.

1.4 Previous Structural Fund Activities

Previous SF activities in Calabria, for the 1994-1999 programming period, were supported by QCS through the Operative Programmes of the FESR, FSE (POP, i.e. Plurifunds Operative Programmes), and FEOGA (POM, i.e. Monofund Operative Programme). The overall financial resources allocated to the programmes were 1.752,846Meuro, of which 1.297,228 allocated through the POP and 508,511 allocated through the POM.

The priority areas of intervention of the POP were:

1. Communications (154,102 Meuro)
2. Small and Medium Enterprises (243,152 Meuro)
3. Tourism (392,292 Meuro)
4. Infrastructures supporting economic activities (225,948 Meuro)
5. Human resources (224,573 Meuro)
6. Technical Assistance (4,609 Meuro)

In addition, Calabria benefited from the Multi-regional Operative Programmes, and from two Global Grants, aimed to support Small and Medium Enterprises in the area of Crotona and Gioia Tauro (respectively 72,366 and 63,180Meuro).

To these instruments one should add the Innovative Actions (co-financed through Art.10 of FERS) and the Community Initiative Programmes (such as Adapt, Employment etc.) implemented within the Region, among which Leader II (53,388 Meuro) and Urban are particularly relevant to the current programming period. Urban projects were implemented in Reggio Calabria (21,136Mecu), Catanzaro (12,547Mecu) and Cosenza (18,555 Mecu).

Before 1994 Calabria had received assistance essentially through the public funds from the 'Cassa per il Mezzogiorno' (since 1986 'Agenzia per la promozione dello sviluppo del Mezzogiorno'), created in the 1950s to support the economic development of depressed areas in the South and subsequently suppressed with the L. n. 488/92.

The ex-post evaluation of the 1994-1999 operative programmes essentially suggests that too little emphasis has been placed on local and territorial needs. The past programming period has been characterised by sectoral interventions, realised without involving in the programme design and implementation the relevant institutional and social actors. The 1994-1999 operative programs show the lack of a systemic approach, failing to achieve integration. Quite based on this experience the current operative programme has been planned and designed through institutional, economic and social partnerships involving local actors in order to address local needs, and to identify key environmental, social and economic issues.

1.5 Other Policy Initiatives in the Region and Programme Area

Under the new programming period 2000-2006 Government's funds in Italy can be used to provide incentives and financial help to the business sector in some territories, by way of exception to the European legislations which prohibits the allocation of national governments' funds to facilitate business enterprises.

Calabria is part of those depressed areas⁷ which can benefit from the integration of SF with national public funds, since it can receive Government's funds for the business sector, with a higher intensity of maximum public financial help. Furthermore Calabria can compete for funds under the L. n. 488/92 and other similar laws.

⁷ Depressed areas which can benefit from extraordinary national funds to the business sector are: a) depressed areas supported by SF (Areas in Objective 1, Objective 2 and Phasing Out Regions), where both EU and Italian institutions are allowed to supply funds, b) areas by way of exception of the Amsterdam treaty according to art. 87/3.a and 87/3.c, where it is possible to concede financial contributions by a higher percentage (except for the *de minimis* 2 regime)

2 REGIONAL PROGRESS TOWARDS SUSTAINABLE DEVELOPMENT

2.1 Regional Sustainable Development Goals

Sustainable development goals are pursued by the 2000-2006 POR essentially through the effective implementation of the new legislative, technical and administrative framework, and the renewal of the environmental regimes in the Region.

The distinctive feature of the new development strategy under the current programming period is given by the choice to integrate on a territorial basis at the local level: sustainable development goals are pursued through a territorially integrated approach.

The strategies to be implemented with regard to water management, waste disposal, soil degradation and pollution, aim to fill the gaps in the regional implementation of the national and EU legislation. More in detail:

- with regard to water management, following the adoption of national L. n. 36/94 (Legge Galli) and L. n. 152/99, regional investments aim to complete primary water schemes at the regional level, to implement the ATOs (Optimal Territorial Areas), and to strengthen the regional irrigation systems;
- with regard to waste disposal, regional investments are directed to fulfil EC requirements based on the 75/442/CEE, 91/689/CEE and 94/62/CEE directives;
- with regard to polluted sites, interventions will be selected according to DM 471/99 following a polluted sites census;
- with regard to soil protection, regional investments must be consistent with planning at the water basin level (L.183/89).

With regard to energy, the POR aims to support renewable energy sources, and to actions on the demand side to promote energy saving.

With regard to the natural environment, the POR aims to a more effective protection of the natural heritage, assigning priority to the areas under the network NATURA 2000.

The environmental sustainability of policies supporting productive activities, urban, networks and service centres development, is pursued through the integration of the environmental and sustainability dimension in the objectives specific to the other single measures. The sustainable development strategy aims to reduce negative externalities on the environment through impacts' mitigation, higher efficiency in the use of natural resources, the adoption of Environmental Management and Audit Schemes (EMAS), and the use of more efficient and 'environmental friendly' technologies. Regarding climate change, a more sustainable development strategy in the Region aims to achieve a more efficient use of non- renewable resources, especially through more sustainable transports.

2.2 Trends in the 'Four Capitals'

➤ Manufactured Capital

The key indicator of manufactured capital in the region is GDP.

Regional GDP in the last 25 years has increased, although at an increasingly lower pace; looking at the last decade, on average between 1990-1995 regional GVA has increased by 2% each year, between 1995-2000 by 1,6% and between 2000-2006 it is expected to grow by 1,8% per year, below the national and EU countries average.

Looking at per capita regional GDP, in 1998 it amounted to only 59% of average per capita income in EU countries, being considerably below average per capita income in Objective 1 regions. Relative to Italy, per capita GDP in Calabria was 47.6% of average per capita GDP in the North-Center, and 86% of per capita GDP in the South.

Based on this empirical evidence, orthodox economic theory suggests an extremely low process of income convergence between this poorest region in the South and Central-Northern regions.

A second crucial indicator of manufactured capital, which addresses the economic dependence of the Region, is net imports. Net imports are relatively high: in 1999 net imports amounted to 28,7% of GDP, a percentage which has been relatively stable in the last five years, to be compared to an average of 16,3% in the South, -1,2% in the Country, and 16,9% in Objective 1 regions.

Gross fixed regional investments in 1999 amounted to 21,7% of regional GDP, not far from the national value (19% of national GDP), showing a stable trend in the last few years.

An indicator of availability of economic infrastructures elaborated at the national level in 1995 and 1997 indicates that in both years Calabria was the poorest region in infrastructural terms.

The empirical evidence thus shows that the regional economy is growing at a very low pace, depending mainly on external resources, lacking infrastructures and without a significant push on investments that may boost the economy.

➤ **Human Capital**

The key human capital issues in Calabria are rooted in the labour market dynamics. The labor market shows a very low participation rate, a low capacity to create new jobs, a high segmentation by gender and age, and a persistent high unemployment.

In 1999 total unemployment by gender shows 21,1% male unemployment and 40,6% female unemployment, showing a considerable increase in female unemployment, which in 1997 was 33%.

Youth unemployment is alarming: in the last few years youth unemployment⁸ in Calabria has been well above the national average, above the average in the South, and slightly above the average in Objective 1 Regions. In 2001 youth unemployment in Calabria was 59,4% (74% among women), compared with 50,8% in the South, 28,2% on average in the Country, and 52,3% in Objective 1 Regions. Calabria currently shows the second highest youth unemployment rate in Italy, following Campania.

The unemployment trend has even shown an increase between 1995 and 1998 (by 23.000 units), with a slight decline only in the last couple of years, mainly concentrated among males. The number of people searching for a job in the last few years has increased, not only due to the higher unemployment, but even to a higher participation rate in the labour market. Irregular jobs in the last few years have shown as well a slightly increasing trend.

Rather than considering female and youth unemployment, given its already critical level the overall unemployment rate will be used as an evaluation criterion.

Education in Calabria represents another crucial variable: the average schooling level is quite low. In 1999 45,8% of the regional population had a primary school licence, and only 26,5 had a secondary school licence. The data shows a bias towards a higher concentration of females in the

⁸ People aged between 15-24 in search for employment over the labour force in the same age group *100

lowest school attainment classes. Overall the schooling trend in the last few years has shown a slight improvement in average education.

To summarise, the most crucial human capital issues refer to the need to reduce unemployment, creating new job opportunities in the formal sector, and enhancing the participation in the labour market of the youth and of females, even through better education opportunities.

The recent human capital trend doesn't show any major improvement.

➤ **Social Capital**

Social capital in the Region can be analysed through measures of social exclusion, such as crime rates, poverty and inequality indexes, and measures of the spatial and sectoral concentration of deprivation and disparities, indicating for instance the accessibility to basic services both in urban and rural areas.

Broadly speaking, the Region is poorly endowed with social capital.

A high number of people below the poverty line, high income and gender inequalities, even with regard to the access to basic needs, such as education, contribute to highlight the poor regional situation.

With regard to the crime rates however Calabria doesn't seem to perform so badly: the violent crimes index, after showing an increase in 1997 and 1998, in the two subsequent years tended to diminish, being always below its average level in Italy and in the South. In 2000 it recorded 8,8 violent crimes per 1000 inhabitants.

The micro crime index in urban areas, below the average in the South, has been decreasing since 1995.

An interesting indicator which measures the disparity of short term interest rates on cash-flow financing between the Region and the North-Center shows the highest disparity in Italy, recording in 2000 a +3,29% differential (increased since 1995), to be compared with a +1,87% differential for the South, and +1,96% differential for Objective 1 regions.

An indicator of accessibility to markets and groceries shows that Calabria occupies the last position among Italian regions: in 2000 32,5% of the regional population had a difficult access to groceries, compared to 21,9% in the South, and 21,8% in Objective 1 Regions. The lack of easy access to basic services may be partly due to a poorly efficient transport system and to the high dispersion of the population on the territory, testified by the low population density index. In 2000 users of public transports in Calabria were a very small percentage of the population: 7,4%, vs. 14,1% in the Country and 10,2% in Objective 1 regions. Both indicators show a stable trend over the last few years.

This partial picture, based on the available data, suggests that the social capital in the Region is quite poor, and that the unequal and limited accessibility to socio-economic and financial services do not provide a fertile ground for the development of social capital. The only positive trend is recorded in the reduction of the crime rates, both across the Region and in urban areas.

➤ **Natural Capital**

One of the key environmental issues in Calabria is municipal solid waste disposal.

The solid waste management is highly inefficient and poorly integrated.

In 2000 in Calabria only 0,7% of municipal solid waste underwent separate collection for recycling, showing the worst performance in Italy (averaging 13,1%), and performing below the average in

Objective 1 regions (1,9%). Furthermore, while separate waste collection over the country and even on average in Objective 1 regions has improved over the years, in Calabria the trend is opposite and negative, since the same indicator in 1996 recorded a 2,6% of solid waste separately collected.

Other crucial environmental issues regard the inefficient management of public utilities, mainly water and energy provision.

Available data show that an increasing number of families in the Region report discontinuities in water availability. Once again, with regard to water provision Calabria shows the worst performance in Italy: in 2000 47,8% of the families reported discontinuities in water availability, vs. 15% in Italy, and 29,7% in Objective 1 Regions. The trend is even negative, since the same indicator a few years earlier, in 1997, recorded a lower percentage of unsatisfied families, at around 32,3%.

With regard to gas provision, Calabria shows the lowest degree of users' satisfaction with the service of gas provision (91,4% of gas users declare to be satisfied, vs. 94,7% in Italy, and 95,4% in Objective 1 Regions); data do not show any improvement since the past.

Calabria still lacks any energy production from renewable sources, contrary to the positive trend recorded in most Italian regions, including Southern regions.

Another key environmental issue in the Region is the management of protected areas and of forests. With regard to protected areas, they cover a high percentage of the region, i.e. 13,10% of the regional surface, amounting to 197.586,44 ha. Protected areas include three national parks (National Park of Calabria, Aspromonte and Pollino), one regional park (Serre Park), and several natural public and regional reserves, including marine reserves. Most protected areas still lack adequate planning instruments.

Concerning in particular forest management, there has been an extremely low increase in forested areas, despite the high % of forest fires, which have been considerably increasing in the last few years. In 2000 Calabria, second only to Puglia, was among the regions showing the highest % of forest fires, i.e. 3,03%, compared to 2,33% in Objective 1 regions.

With regard to the coastal environment, in 2000 6,1% of coastal areas in the Region were found to be 'no bathing', settling above the Italian average, and showing a worsening trend since 1995, when 'no bathing' applied to 4,2% of coastal areas.

This short evidence on the most crucial environmental issues in Calabria, although extremely fragmented, suggests that the natural capital is highly threatened, mainly due to a poor management of natural resources, to the lack of an integrated approach towards sustainability and to the lack of an effective implementation of legislative and planning instruments: most trends in fact show a decline in the natural capital stock even in the more recent years, which have been characterised by a widespread and increasing environmental awareness.

2.3 Trade-offs in the Different Forms of Capital

The assessment of the trade-offs in the different forms of capital in Calabria stems from a qualitative judgement based on the little empirical evidence and on the policy documents available, and doesn't pretend to be exhaustive.

The trends in the capital stocks emerging from the evidence provided can be characterised as:

- Manufactured capital – increasing at a decreasing pace

- Human capital – stable or slightly increasing
- Social capital – stable or slightly increasing
- Natural capital – decreasing or potentially at risk

The following inter-relationships between the different capital stocks can be identified.

Trade-offs:

- An increase in manufactured capital is likely to carry out a negative impact on natural capital, through effects such as: waste and pollution directly generated by industrial activities, more intense use of fertilizers and pesticides in agriculture, increased mobility and transports' use, increase in tourist flows in the peak season. All these effects however could be smoothed by adequate policy interventions, aimed to fulfil environmental standards in the industrial and agricultural sector, to promote the use of more efficient technologies and transports, and to incentive eco-tourism.
- In a context of high inequalities and deprivation, an increase in manufactured capital may have a negative impact on social capital, enhancing income inequalities, if not supported by adequate redistribution policies.

Wins-wins:

- An increase in manufactured capital is likely to carry out the creation of new jobs and business, with a positive impact on human capital through the employment effect, and the reduction of the 'brain drain' phenomenon; similarly an increase in manufactured capital will have positive effects on human capital through the creation of new opportunities in education and traineeship
- An increase in manufactured capital will create wealth which, through effective redistribution mechanism, will have a positive impact on social capital, reducing crimes and phenomena of social exclusion, and facilitating a more equal access to social services
- An increase in natural capital may have positive effects on human capital, through the creation of new jobs in the field of natural resource use and environmental protection, as well as on manufactured capital, through wealth creation (for instance in the eco-tourism sector, or simply in the tourist sector due to the attractive potential of more environmentally sound coastal and rural areas).
- An increase in human capital may have positive effects on natural capital through increasing education and environmental awareness, modifying individual behaviour and the impact of natural resources' demand.

Giving the complexity of these interrelationships, the interpretation of trade-offs and potential synergies however should be careful.

2.4 Assessment of Trends and Trade-offs in the Context of Policy Goals

2.4.1 Trade-offs and Policy Goals

The analysis of the potential trade-offs suggests the need for adequate policy interventions aimed to control for the negative environmental and social impacts of an indiscriminate economic growth in the Region. Economic growth in the industrial, agricultural and service sectors should be pursued within the new legislative and administrative framework promoting the integrated management and a more efficient use of natural resources, and protecting the environment (with regard to water management, waste disposal, emissions' control, etc.).

Given the weak and non-uniform socio-economic structure of the Region, in the perspective of sustainable development wealth creation should be supported by some redistribution policies, accounting for potential market distortions.

2.4.2 **Policy-On and Policy-Off**

In the absence of policy interventions the trends analysed would turn out to be unsustainable.

The process of involvement of all the main institutional, business and social actors at the local level in the planning and design of the new regional operative programmes sets the ground for a more coherent and shared approach to sustainable development in the Region.

Despite the negative evidence on the evolution of natural capital, the past programming period has already started to achieve some positive results on the human and social capital, contributing to improve labour market conditions and educational opportunities and to reduce phenomena of social exclusion.

The integration of environmental considerations in the policy goals and the focus on local needs, both features of current policies, will hopefully lead to more sustainable trends in the four capitals' dimensions.

2.5 **Proposed Assessment Criteria**

Based on the main sustainable development issues highlighted in the empirical evidence illustrated and in the policy analysis proposed, we suggest to use the following criteria for the regional assessment of SF contribution to sustainable development in the Region.

- **Manufactured capital**
 - Increase in GDP (GDP per head)
 - Increase in investments generating secondary benefits at the local level

- **Human capital**
 - Creation of new jobs, particularly 'high skilled' jobs preventing 'brain drain'
 - Creation of new educational opportunities

- **Social capital**
 - Strengthening of social cohesion, particularly through the creation of voluntary associations and social networks
 - Improved and more equal accessibility to social and economic services

- **Natural capital**
 - Improved efficiency in the management and use of natural resources
 - More effective management of protected areas

- **Trade-offs**
 - Environmental externalities of economic growth
 - Unequal distribution of socio-economic development

- **Win-wins**
 - Job creation and more equal socio-economic opportunities following *economic and natural capital development*
 - Increasing environmental awareness and change in demand due to an *increase in human capital*

2.6 Selection of Measures and Projects for Assessment

Table 1 illustrates the measures and projects selected for the regional assessment of SF contribution to sustainable development in Calabria.

Table 1. List of selected projects and measures to assess SF contribution to regional sustainable development

<i>Current programming period</i>				
<i>Type of project or measure</i>	<i>Proponent/ Geographical Area</i>	<i>Project/ measure's definition</i>	<i>Total costs (Euro)</i>	<i>% of POR resources</i>
PIT (Territorial Integrated Project)	Area Grecanica	Calabria: new resources towards the sustainable development of 'our' land	17.554.038 *	0,48%
PIT	Area Locride	Towards the construction of a 'Locride System' for development	n.a.	
PIT	Area Gioia Tauro	The land of Gioia Tauro	25.825.728*	0,7%
PIT	Area Crotone	PIT Crotone	40.977.000*	1,1%
PIT	Area Sila	Habitat PIT Sila	34.555.037*	0,94%
PIT	Area Alto Ionio Cosentino	Sibari: a new identity to start a process of integrated local development	61.226.700	1,66%
PIT	Area Pollino	Territorial Integrated Project for the sustainable development of Pollino	24.791.000*	0,67%
PIT	Area Savuto	Savuto: integration and sustainability	15.833.000	0,43%
Measure of the POR (1.10)	Regional area	Ecological network	103.573.000*	2,8%
Measure of the POR (4.2)	Regional area	Promotion of local productive systems	237.652.000*	6,44%
Measure of the POR (4.4)	Regional area	Networks and local systems of tourism supply	305.354.000*	8,28%

Project to be financed under the PON Transports		Highway Salerno-R. Calabria	n.a.	
Project to be financed- Feasibility study carried out	Crotone Municipality	Implementation of an integrated system of parking and urban public transports with low environmental impacts	15.642.000	
Project to be financed- Feasibility study carried out	Cosenza Province-Basilicata	Recovery of the Railway 'Calabro-Lucana' serving the Pollino National Park	25.719.600	
Past Programming Period				
Type of project or measure	Proponent/ Geographical Area	Project/ measure's definition	Total costs (Euro)	% of POR resources
Project co-financed by FESR	Area Gioia Tauro	Port of Gioia Tauro	40.000.000*Ecu	
Urban 1994-1999	Reggio Calabria	Urban Reggio Calabria	9.188.000*	
Global Grant	Crotone Municipality	The Crotone Global Grant	72.366.000*	
Subprogram of the POR 1994-1999	Regional area	POR 1994-99- Subprogram 3- Qualification of tourism supply	56.800.000*	3,24%

*The amount includes only public expenditures

2.7 Assessment of projects and measures

2.7.1 Projects and measures under the current programming period

1. PIT Area Grecanica

The PIT Area Grecanica aims at promoting local development through the strengthening of the rich cultural heritage of the area and through the integrated development of micro-economic activities such as tourism, typical handcrafts, local food and agricultural productions, fishing. The overall budget accounts for 43% of financial resources from FESR, 15% from FSE, 36% from FEOGA, and 5% from SFOP, showing a major contribution from the development and agricultural funds.

➤ **Manufactured capital**

- *Increase in GDP (GDP per head):* the integrated development of micro-economic activities is expected to generate income and increase per capita GDP.
- *Increase in investments generating secondary benefits at the local level:* the project foresees several interventions to support, restore and re-evaluate the local villages, the coastal area and the existing public heritage at risk, certainly leading to secondary benefits with regard to tourism, local production activities, and job opportunities for the young generation.

➤ **Human capital**

- *Creation of new jobs, particularly 'high skilled' jobs preventing 'brain drain':* the project will have a positive effect on job creation and the prevention of out-migration, since through local development it aims at strengthening the ties of the new generation with its own land and territory.
- *Creation of new educational opportunities:* neutral effect.

➤ **Social capital**

- *Strengthening of social cohesion, particularly through the creation of voluntary associations and social networks:* positive effect.
- *Improved and more equal accessibility to social and economic services:* the project will have a positive effect on improved accessibility to social and economic services through the reorganisation of spatial services and of the economic activities along the coast in a logic of networking.

➤ **Natural capital**

- *Improved efficiency in the management and use of natural resources:* the project aims at promoting local development through the improvement of environmental quality and coastal protection.
- *More effective management of protected areas:* neutral effect.

➤ **Trade-offs**

- *Environmental externalities of economic growth:* the project aims to a more sustainable local development, and should be able to control for negative externalities on the environment.
- *Unequal distribution of socio-economic development:* by pursuing a bottom-up approach, the project aims to a more equal socio-economic development.

➤ **Win-wins**

- *Job creation and more equal socio-economic opportunities following economic and natural capital development:* positive effect through the development of micro-economic activities and the strengthening of the local natural and cultural heritage.
- *Increasing environmental awareness and change in demand due to an increase in human capital:* slightly positive effect, through the involvement of the young generation in an environmentally sound development process which is rooted in the local culture and public heritage of the area.

Overall Assessment

The project will provide a positive contribution to sustainable development in the Area Grecanica through integrated local development, accruing to all four forms of capital, although in a lesser measure to social capital. The project's design controls for potential trade-offs and generates positive externalities. The nature of financial sources testifies the major focus of the project on development and rural issues.

2. PIT Area Locride

The aim of this project is to mobilise resources for development, to increase social capital and to integrate all economic activities in a systemic logic within the Locride Area. Key issues towards integrated development in the area are tourism, the urban environment, the historical and artistic heritage, natural/ cultural and human resources.

➤ Manufactured capital

- *Increase in GDP (GDP per head)*: the project is expected to increase GDP through the promotion of tourism and the improvement in tourism supply, the re-qualification of the historical, archaeological, cultural and artistic heritage of the area, the promotion of entrepreneurial initiatives and the emergence of new enterprises from the underground economy.
- *Increase in investments generating secondary benefits at the local level*: investments in the conservation and re-qualification of the natural, cultural and historical heritage of the Locride Area will attract tourism and generate secondary benefits through its integration with other micro-economic activities.

➤ Human capital

- *Creation of new jobs, particularly 'high skilled' jobs preventing 'brain drain'*: the project is expected to create new jobs and reduce unemployment through the enhancement of local economic activities, particularly tourism supply
- *Creation of new educational opportunities*: the project intends to promote training activities according to market demand, targeted essentially to the employment of women and socially excluded individuals.

➤ Social capital

- *Strengthening of social cohesion, particularly through the creation of voluntary associations and social networks*: the project aims at improving social services through the development of the 'third sector'
- *Improved and more equal accessibility to social and economic services*: neutral effect

➤ Natural capital

- *Improved efficiency in the management and use of natural resources*: the project intends to improve environmental quality through the integration of natural capital in the development of the local economy, for instance through the promotion of the Agenda 21 at the local level
- *More effective management of protected areas*: neutral effects

➤ Trade-offs

- *Environmental externalities of economic growth*: the project aims to sustainable development, and to the integration of entrepreneurial activities with the environment: local integrated development should occur controlling for environmental costs
- *Unequal distribution of socio-economic development*: the integrated approach pursued by the project should contribute to a more equal local development

➤ Win-wins

- *Job creation and more equal socio-economic opportunities following economic and natural capital development*: the project will carry out positive effects through the development of local economic activities creating new jobs and other secondary benefits, particularly in the tourism sector

- *Increasing environmental awareness and change in demand due to an increase in human capital*: the project aims at improving the qualifications of economic actors, even through training activities, particularly with regard to environmental issues

Overall Assessment

The project's design suggests a positive contribution to sustainable development, showing an expected positive impact on all four forms of capital and on their potential synergies. Financial information on funding sources is not available.

3. PIT Area Gioia Tauro

The project pursues a systemic development approach, aiming to an integrated territorial system based on a network approach. The area in fact is characterised by the economic strength of the Gioia Tauro Harbour, and by the complete lack of other services or activities to support local development: in order to fill this gap the project aims at building a system of relations and networking on the territory. The overall budget accounts for about 59% of financial resources from FESR, 16% from FSE, 20% from FEOGA, and 5% from SFOP, showing a major contribution from the development fund.

➤ Manufactured capital

- *Increase in GDP (GDP per head)*: the appreciation of the capital endowment of the area is expected to generate income activities and increase per capita GDP
- *Increase in investments generating secondary benefits at the local level*: the project foresees several interventions to support, restore and re-evaluate the historical centres of the area, to better qualify human settlements along the coast, to protect and enhance the local cultural heritage, to strengthen the ties of the new generation with its own land through educational programmes, to support the integrated development of micro-economic activities, thus leading to secondary benefits with regard to tourism, local production activities, job and educational opportunities

➤ Human capital

- *Creation of new jobs, particularly 'high skilled' jobs preventing 'brain drain'*: the project is likely to generate job opportunities through the development of several micro-economic activities in a perspective of networking on the territory
- *Creation of new educational opportunities*: the project intends to develop innovative educational programmes to strengthen the ties of the young generation with its own land in a development perspective

➤ Social capital

- *Strengthening of social cohesion, particularly through the creation of voluntary associations and social networks*: the project focuses on the idea of social cohesion, enhancing partnerships within the Local Administration and the strengthening and creation of new associations among citizens, between public institutions and individuals.
- *Improved and more equal accessibility to social and economic services*: neutral effect

➤ Natural capital

- *Improved efficiency in the management and use of natural resources*: the project intends to improve environmental quality particularly along the coast
- *More effective management of protected areas*: neutral effect

➤ **Trade-offs**

- *Environmental externalities of economic growth*: the project doesn't specifically address environmental concerns with regard to the development of an integrated territorial system based on the economic strength of the Harbour, thus leaving room to potential trade-offs
- *Unequal distribution of socio-economic development*: through the enhancement of social cohesion the project aims to a more equal development

➤ **Win-wins**

- *Job creation and more equal socio-economic opportunities following economic and natural capital development*: positive effects can be expected following economic development
- *Increasing environmental awareness and change in demand due to an increase in human capita*: positive effects may occur through the implementation of innovative educational programmes, although environmental protection doesn't seem to be of a major concern.

Overall Assessment

The project's design suggests some improvements in all capitals, although showing little direct improvements on the environment. The project is mostly financed through the FESR, but it doesn't seem to pursue a consistent sustainable development path: in fact the project doesn't show much integration at the territorial level, since its development strategy is not based on the strengthening of the main existing capital endowment, represented by the Harbour. The project's contribution to sustainable development can be argued.

4. PIT Area Crotone

The main idea of the project is to create an archaeological- tourist district of Magna Grecia in the Area of Crotone, based on the promotion of a model of integrated tourism. The project aims at increasing local income, improving the quality of life and social welfare, preventing out-migration, increasing job opportunities, providing a distinctive identity to the Area of Crotone to make it more competitive. Major financial contributions come from the development (61.9%) and agricultural (27,9%) funds.

➤ **Manufactured capital**

- *Increase in GDP (GDP per head)*: one of the project's objectives is to increase GDP, through a diversification of production activities mainly in the field of protection and strengthening of the cultural heritage and tourism supply.
- *Increase in investments generating secondary benefits at the local level*: the project, through investments in the strengthening of the archaeological heritage of the area, intends to generate an interregional pole for tourism attraction between Taranto and Reggio Calabria, and a local attraction on the way between Sibari and Crotone, generating a whole series of secondary benefits related to tourism.

➤ **Human capital**

- *Creation of new jobs, particularly 'high skilled' jobs preventing 'brain drain'*: the project is expected to create new job opportunities thanks to the diversification of production activities, focused on tourism, aimed to prevent out-migration
- *Creation of new educational opportunities*: the project aims at improving the professional capacities of human resources, investing on training courses to develop professional skills for tourism management.

➤ **Social capital**

- *Strengthening of social cohesion, particularly through the creation of voluntary associations and social networks*: neutral effect
- *Improved and more equal accessibility to social and economic services*: the project will have positive effects on the improved accessibility to social and economic services thanks to investments in infrastructures, targeted as well to socially disadvantaged.

➤ **Natural capital**

- *Improved efficiency in the management and use of natural resources*: the project intends to invest in environmental protection even through the enhancement of a 'green tourism' supply model.
- *More effective management of protected areas*: the project aims to a more effective management of parks, which include natural and archaeological parks.

➤ **Trade-offs**

- *Environmental externalities of economic growth*: the project's idea is to develop a model of tourism supply focused on the strengthening of local cultural and natural resources, respecting the environment.
- *Unequal distribution of socio-economic development*: the project's development idea is targeted to reach all social categories, including those socially disadvantaged.

➤ **Win-wins**

- *Job creation and more equal socio-economic opportunities following economic and natural capital development*: positive effects through the project's incentives to entrepreneurial activities in the field of cultural heritage protection and green tourism supply.
- *Increasing environmental awareness and change in demand due to an increase in human capital*: likely positive effects through training courses for the management of green tourism

Overall Assessment

The project will provide a positive contribution to sustainable development essentially due to its strategic entrepreneurial focus, supported by financing through FESR and FEOGA. Too little attention however seems to be paid to the enhancement of social cohesion through partnerships.

5. PIT Area Sila

This project aims at building a local tourism system based on the appreciation and exploitation of local resources, mainly natural and cultural/ historical resources, pursuing territorial, economic and social integration. Financial resources for the project come mainly from FESR.

➤ **Manufactured capital**

- *Increase in GDP (GDP per head)*: the project will lead to an increase in GDP through the promotion of entrepreneurial initiatives in various sectors and, broadly, through the appreciation and exploitation of local resources
- *Increase in investments generating secondary benefits at the local level*: investments in environmental protection and improved environmental quality, in tourism marketing activities and in rural development will generate secondary benefits

➤ **Human capital**

- *Creation of new jobs, particularly 'high skilled' jobs preventing 'brain drain'*: the creation of new jobs is one of the most relevant secondary benefits generated by the project's activities
- *Creation of new educational opportunities*: neutral effect

➤ **Social capital**

- *Strengthening of social cohesion, particularly through the creation of voluntary associations and social networks*: the project intends to promote local partnership and networks among business enterprises, and between private individuals and social institutions
- *Improved and more equal accessibility to social and economic services*: the project aims to the creation of centres providing real services to local business and private enterprises, facilitating co-operation for development

➤ **Natural capital**

- *Improved efficiency in the management and use of natural resources*: the project specifically aims at improving environmental quality and the natural heritage in the Area (particularly with regard to protected areas) through an increased integration between the environment and the local communities in a sustainable development perspective
- *More effective management of protected areas*: positive effects

➤ **Trade-offs**

- *Environmental externalities of economic growth*: the project promotes the idea of sustainable development, and foresees an economic growth based on the protection and appreciation of the environment
- *Unequal distribution of socio-economic development*: the project aims in particular at developing rural fragile areas, pursuing a more equal and balanced development

➤ **Win-wins**

- *Job creation and more equal socio-economic opportunities following economic and natural capital development*: positive effect through the development of new production activities
- *Increasing environmental awareness and change in demand due to an increase in human capital*: the improved local perception of the natural, cultural and historical capital endowment of the area, leading to more sustainable models of development, is likely to generate higher environmental awareness and change behaviour

Overall Assessment

The project reveals to be a consistent and well-integrated development project covering extensively all four forms of capital and aiming to sustainable development. The project is supported mainly through the development fund.

6. PIT Area Alto Ionio Cosentino

The project exemplifies the idea of integrated development, centered on Sibari as the symbol of territorial marketing in the area. The main project's objectives consist of: a) the protection and strengthening of local cultural, archaeological and natural resources, in a sustainable development perspective, b) the re-qualification of urban settlements, c) the support to the youth entrepreneurship, to equal opportunities and labor market participation, to the development of social capital, d) the support to economic development and employment creation. The project shows a relatively balanced financial contribution from different funds: 46,1% of resources coming from FESR, 30,4% from FEOGA, 17,7% from FSE, and the remaining 5,8% from SFOP.

➤ **Manufactured capital**

- *Increase in GDP (GDP per head)*: GDP increase is expected through the development of economic activities such as typical handcrafts, agricultural food and manufactured products, natural and cultural tourism, fishing, social economy.

- *Increase in investments generating secondary benefits at the local level*: most economic activities enhanced by the project, particularly in the tourism sector, require investments that are likely to generate secondary benefits.

➤ **Human capital**

- *Creation of new jobs, particularly 'high skilled' jobs preventing 'brain drain'*: the project will contribute to strengthen in particular the position of women in the labour market.

- *Creation of new educational opportunities*: slightly positive effect through the adaptation of the professional and educational training.

➤ **Social capital**

- *Strengthening of social cohesion, particularly through the creation of voluntary associations and social networks*: the project will provide a strong contribution to the strengthening of social cohesion particularly in urban areas.

- *Improved and more equal accessibility to social and economic services*: particularly in urban areas basic social needs will be guaranteed.

➤ **Natural capital**

- *Improved efficiency in the management and use of natural resources*: likely positive effects through the creation of an ecological network.

- *More effective management of protected areas*: neutral effect.

➤ **Trade-offs**

- *Environmental externalities of economic growth*: environmental protection is one objective of the project, and negative environmental externalities should be taken care of.

- *Unequal distribution of socio-economic development*: urban areas, and the youth result to be the main target of the project's design.

➤ **Win-wins**

- *Job creation and more equal socio-economic opportunities following economic and natural capital development*: likely positive effect

- *Increasing environmental awareness and change in demand due to an increase in human capital*: neutral effect

Overall Assessment

The project provides a positive contribution to the four capitals, being mainly focused on the revitalisation of urban areas and on the promotion of entrepreneurial activities, particularly among the youth and women. Environmental sustainability is not of a major concern, although the project underlines the need for environmental protection.

7. PIT Area Pollino

The project's idea is based on the principle of sustainable development, which implies the need to shift from a sectoral to a territorial logic. The main project's objective is to build a system of relations between urban, rural and natural areas which aims to a 'system economy', focused on the strategic

role of natural areas and historical centres. Financial resources for the project come almost entirely from FESR.

➤ **Manufactured capital**

- *Increase in GDP (GDP per head)*: the project is expected to increase GDP through the increased competitiveness and productivity of those existing business activities particularly sensitive to innovative processes related to the use of natural and cultural resources, and through the promotion of new business in the same field
- *Increase in investments generating secondary benefits at the local level*: the project will generate positive effects particularly through its support to new business enterprises in the area of technological innovation, environmental compatibility, and professional training: all fields leading to secondary benefits

➤ **Human capital**

- *Creation of new jobs, particularly 'high skilled' jobs preventing 'brain drain'*: given its support to entrepreneurial activities the project is likely to create new jobs and new professional opportunities, for instance in the field of green and cultural tourism
- *Creation of new educational opportunities*: the project will support professional training activities to support local development

➤ **Social capital**

- *Strengthening of social cohesion, particularly through the creation of voluntary associations and social networks*: social cohesion may occur through the project's involvement of all the administrators of the municipalities in the area in the definition of policies for the management and use of the territory
- *Improved and more equal accessibility to social and economic services*: the creation of a system of relations between urban, rural and natural areas will improve the accessibility to social and economic services across the area

➤ **Natural capital**

- *Improved efficiency in the management and use of natural resources*: the sustainable use of natural resources is one of the main objectives of the project
- *More effective management of protected areas*: natural parks and their effective management represent a crucial resource to develop the project's strategy

➤ **Trade-offs**

- *Environmental externalities of economic growth*: aiming to sustainable development, the project should control for negative externalities on the environment
- *Unequal distribution of socio-economic development*: the project aims to a more equal distribution of development between urban and rural areas

➤ **Win-wins**

- *Job creation and more equal socio-economic opportunities following economic and natural capital development*: positive effects
- *Increasing environmental awareness and change in demand due to an increase in human capital*: likely positive effects through training for the new professions in the cultural and natural resources' fields

Overall Assessment

The project is a well-integrated project aimed to sustainable development, providing a positive contribution to all four capitals. Its major focus however is on manufactured, natural and human capital, supported almost entirely through the FESR.

8. PIT Area Savuto

The project aims at building a sustainable development framework around the fragmented economic and productive scenario of Savuto. Main objectives of the project are: a) to support the development of small- medium enterprises, particularly regarding local handcrafts, the boost of youth and female entrepreneurship, the use of new technologies, b) the development of the tourism sector, c) the protection and appreciation of the environmental, historical/cultural heritage of the area.

The project shows a relatively balanced financial contribution from different funds: 53,96% of resources coming from FESR, 15,01% from FSE, 24,48% from FEOGA, and the remaining 6,55% from SFOP.

➤ **Manufactured capital**

- *Increase in GDP (GDP per head)*: the project is expected to increase GDP through the development of entrepreneurial activities and through increased tourism supply.
- *Increase in investments generating secondary benefits at the local level*: interventions in support of the natural and historical/cultural heritage of the area in particular will generate secondary benefits, for instance by attracting tourism.

➤ **Human capital**

- *Creation of new jobs, particularly 'high skilled' jobs preventing 'brain drain'*: new jobs will be created particularly in the tourism sector; in the 'health tourism' field female employment will be created.
- *Creation of new educational opportunities*: professional training courses will be promoted in the business sector (even through national and international stages), and in the tourism sector.

➤ **Social capital**

- *Strengthening of social cohesion, particularly through the creation of voluntary associations and social networks*: neutral effect.
- *Improved and more equal accessibility to social and economic services*: the project will support 'health tourism' providing facilities to help the elderly and people needing social and health care to enjoy their home-staying in the area.

➤ **Natural capital**

- *Improved efficiency in the management and use of natural resources*: the project will support environmental protection and promote 'green tourism'
- *More effective management of protected areas*: neutral effect

➤ **Trade-offs**

- *Environmental externalities of economic growth*: economic growth is enhanced in respect for the environment and through the promotion of environmental protection
- *Unequal distribution of socio-economic development*: by creating opportunities for socially disadvantaged groups, such as people needing social and health care, the project pursues a more equal development

➤ **Win-wins**

- *Job creation and more equal socio-economic opportunities following economic and natural capital development: positive effects*
- *Increasing environmental awareness and change in demand due to an increase in human capital: neutral effect*

Overall Assessment

The project provides a positive contribution to sustainable development, with a major focus on its manufactured, human and social capital component. Environmental sustainability objectives are not of a major concern, and the project perhaps lacks a significant contribution to social cohesion.

9. POR 2000-2006- Measure 1.10: Ecological Network

This measure supports the realization of the regional ecological network built around naturally and culturally valuable sites across the Region; the program aims to protect and appreciate natural and environmental resources, and to promote local development initiatives based on the strengthening and appreciation of the natural capital. The overall cost of the measure amounts to 103,573 Meuro, supported entirely by FESR.

➤ Manufactured capital

- *Increase in GDP (GDP per head):* GDP increase is expected through the support to economic activities based on the appreciation of local natural and cultural resources in the tourism sector, in the production and marketing of typical products, in the promotion of local handcrafts.
- *Increase in investments generating secondary benefits at the local level:* a positive effect is expected through the investments in all development activities aimed at appreciating the local environment. 120 interventions to create services complementary to tourism, 400 km of new paths, 300.000 m2 of equipped recreational areas, 10 interventions in urban areas are expected.

➤ Human capital

- *Creation of new jobs, particularly 'high skilled' jobs preventing 'brain drain':* a positive effect is expected, particularly through the creation of new jobs for women and the youth. The measure foresees the creation of 120 new enterprises in the tourism sector.
- *Creation of new educational opportunities:* neutral effect

➤ Social capital

- *Strengthening of social cohesion, particularly through the creation of voluntary associations and social networks:* neutral effect
- *Improved and more equal accessibility to social and economic services:* a positive contribution can be achieved thanks to the creation of complementary services to tourism infrastructures, and to the creation of recreational and equipped areas, as well as new paths, to enjoy the natural heritage.

➤ Natural capital

- *Improved efficiency in the management and use of natural resources:* positive effect through the promotion of several initiatives to protect and appreciate the natural environment: 500 ha of land should be protected, 100 ha of polluted sites should be recovered, 60.000 m2 of land in the cities should be re-qualified, 10 interventions for the creation of green urban areas should be realised.
- *More effective management of protected areas:* positive effect

➤ Trade-offs

- *Environmental externalities of economic growth:* no environmental externalities should occur

- *Unequal distribution of socio-economic development*: the measure explicitly promotes sustainable development, i.e. a more equal development

➤ **Win-wins**

- *Job creation and more equal socio-economic opportunities following economic and natural capital development*: positive effect

- *Increasing environmental awareness and change in demand due to an increase in human capital*: a positive effect can be expected thanks to the creation of new job opportunities rooted in the protection and appreciation of the environment, and aimed to a more sustainable development based on the natural and cultural heritage of the Region.

Overall Assessment

The measure provides a positive contribution to all four capitals' dimensions, and implies a good level of integration particularly between natural capital and human capital objectives. The development of manufactured capital at a small-scale level follows. Perhaps weaker is the measure's contribution to social capital.

10. POR 2000-2006-Measure 4.2: Promotion of local productive systems

The measure aims at promoting cooperation among existing enterprises, at enhancing their internationalisation, at developing integrated projects of inter-regional and trans-national productive cooperation, at facilitating the location of external enterprises in the existing productive system. The overall cost of the measure amounts to 237,652 Meuro, financed entirely by the FESR.

➤ **Manufactured capital**

- *Increase in GDP (GDP per head)*: positive effects can be expected thanks to the creation of productive infrastructures, to aid and consultancy to the Small and Medium Enterprises

- *Increase in investments generating secondary benefits at the local level*: again positive effects can be expected. The measure foresees aids to 80 Small and Medium Enterprises

➤ **Human capital**

- *Creation of new jobs, particularly 'high skilled' jobs preventing 'brain drain'*: the measure foresees projects' selection criteria based on the creation of new jobs, particularly for women and the youth, and the maintenance of existing jobs

- *Creation of new educational opportunities*: neutral effect

➤ **Social capital**

- *Strengthening of social cohesion, particularly through the creation of voluntary associations and social networks*: neutral effect

- *Improved and more equal accessibility to social and economic services*: a slightly positive effect can be expected due to the creation of infrastructures

➤ **Natural capital**

- *Improved efficiency in the management and use of natural resources*: neutral effect

- *More effective management of protected areas*: neutral effect

➤ **Trade-offs**

- *Environmental externalities of economic growth*: the measure foresees projects' selection criteria in favour of projects aimed to environmental sustainability. Environmental externalities should be mitigated.
- *Unequal distribution of socio-economic development*: the measure aims at job creation particularly for the weakest categories, and supports environmental sustainability: both elements of a more balanced development

➤ **Win-wins**

- *Job creation and more equal socio-economic opportunities following economic and natural capital development*: positive effect
- *Increasing environmental awareness and change in demand due to an increase in human capital*: neutral effect

Overall Assessment

The measure provides a positive contribution essentially to manufactured and human capital. Environmental sustainability is explicitly addressed by the measure, and potential trade-offs appear to be mitigated, but the natural and social capital dimension of development are not fully integrated, impairing sustainable development.

11. POR 2000-2006- Measure 4.4: Networks and Local Systems of Tourism Supply

The measure supports the creation and strengthening of the networks and local systems of tourism supply through several integrated interventions, aimed to the qualification of the existing supply, to the creation of new supply structures, to the promotion of services to integrate tourism products in the local cultural and natural heritage, to the development of new tourism packages rooted in the appreciation of the local environmental capital endowment, to the realisation of information services to improve the quality of tourism supply, to the creation of sporting and recreational infrastructures. The overall cost of the measure amounts to 305,354 Meuro, entirely covered by FESR.

➤ **Manufactured capital**

- *Increase in GDP (GDP per head)*: positive effect due to the increase and qualitative improvement in tourism supply
- *Increase in investments generating secondary benefits at the local level*: positive effect through the creation of new tourism supply and sporting/ recreational infrastructures

➤ **Human capital**

- *Creation of new jobs, particularly 'high skilled' jobs preventing 'brain drain'*: the measure foresees the creation of new jobs particularly for women
- *Creation of new educational opportunities*: the achievement of the measure's objectives requires training and formative actions to improve the professional quality of the tourism supply operators: appropriate initiatives will be undertaken

➤ **Social capital**

- *Strengthening of social cohesion, particularly through the creation of voluntary associations and social networks*: neutral effect
- *Improved and more equal accessibility to social and economic services*: positive effect through infra-structural investments

➤ **Natural capital**

- *Improved efficiency in the management and use of natural resources*: positive effects can be expected due to the strong synergy between the regional natural capital endowment and tourism: eco-tourism, and tourism support services enhancing the natural heritage of the region will in fact be promoted

- *More effective management of protected areas*: a positive effect can be expected due to the relevance of protected areas to promote tourism and to enhance tourism quality.

➤ **Trade-offs**

- *Environmental externalities of economic growth*: tourism development is designed to occur in respect for the environment

- *Unequal distribution of socio-economic development*: networking and tourism supply development will help to promote a more equal socio-economic development

➤ **Win-wins**

- *Job creation and more equal socio-economic opportunities following economic and natural capital development*: positive effect

- *Increasing environmental awareness and change in demand due to an increase in human capita*: more professional qualifications of tourist operators, which include a higher environmental awareness, will help to model tourism demand, and lead to higher respect for the local natural and cultural capital endowment

Overall Assessment

The measure appears to integrate all four capitals dimensions, providing a positive contribution to sustainable development in the Region. The strong synergy between the improvement in the quality of tourism supply and the strengthening of natural capital drives the major results expected from the implementation of the measure.

12. Modernization of the highway Salerno- Reggio Calabria

The modernization project has been developed in response to the high road accidents and the poor quality of the service, always closed to congestion, along the highway, with the objective to diversify the original route in the mountainous areas to maintain speed levels between 110 and 140 Km/hour. Modernization works will impact on: a) residential settlements, b) natural areas, c) hydrological systems.

➤ **Manufactured capital**

- *Increase in GDP (GDP per head)*: in the builder's yard phase the project in Calabria is expected to generate from 7680 to 7999 billions £ between 1998 and 2007, equal to an average yearly GDP increase of 784 billions £ in the region, i.e. a 1,9% yearly average increase. In the operational phase the project overall is expected to generate from 586 to 643,3 billions £ (around 500 billions £ from the development of business due to a better infra-structural endowment, and around 253,8 billions £ due to an increase in tourism demand). In Calabria for the year 2008 a 400 billions £ increase in GDP is expected.

- *Increase in investments generating secondary benefits at the local level*: modernization works, and works aimed to transform the infrastructures in highway, will generate secondary benefits by increasing: a) tourism consumption, thanks to an easier accessibility to tourist locations, b) enterprises' income, thanks to an easier accessibility and to new plants' and clients' location opportunities, c) consumption of ordinary and extraordinary maintenance services for the infrastructures realised by the project

➤ **Human capital**

- *Creation of new jobs, particularly 'high skilled' jobs preventing 'brain drain'*: the project will create new jobs. In Calabria estimates suggest an increase of 142.813/ 148.666 labour units in the builder's yard phase, equal to an average annual increase of 14.574, i.e. a 2,5% annual increase. With regard to the operational phase for the year 2008 in Calabria indeed it is estimated an increase of 5.931 labour units. Catanzaro and Reggio Calabria will get the highest benefits.

- *Creation of new educational opportunities*: neutral effect

➤ **Social capital**

- *Strengthening of social cohesion, particularly through the creation of voluntary associations and social networks*: neutral effect

- *Improved and more equal accessibility to social and economic services*: positive effect

➤ **Natural capital**

- *Improved efficiency in the management and use of natural resources*: the modernization of some stretches of the highway has been exonerated from EIA since deemed necessary for traffic congestion and security reasons; furthermore the several impact studies carried out often result incomplete particularly for what regards the hydrogeological, the environment-territory and the geological sector analyses. The project can be expected to have negative impacts on the natural capital endowment.

- *More effective management of protected areas*: works for the modernization of the highway in Calabria will go across protected areas, such as the Pollino National Park, the Aspromonte National Park, and the Sila Natural parks: the project is likely to carry out some negative impacts on these protected areas

➤ **Trade-offs**

- *Environmental externalities of economic growth*: negative externalities can be expected

- *Unequal distribution of socio-economic development*: specific areas, such as Catanzaro and Reggio Calabria, will benefit from the project particularly regarding human and social capital; natural and protected areas indeed will be negatively affected. Costs and benefits will not be equally distributed across the region.

➤ **Win-wins**

- *Job creation and more equal socio-economic opportunities following economic and natural capital development*: positive effects will occur through job creation.

- *Increasing environmental awareness and change in demand due to an increase in human capital*: neutral effect

Overall Assessment

The project will provide a positive contribution to manufactured capital and through job creation to human capital; social capital will be only partly enhanced, and natural capital will be affected. The overall sustainability dimension of the project can be argued.

13. Realization of an integrated system of parkings and local public transports at low impact in the Crotona Municipality

The project intends to realise an integrated system of parkings and local public transports at low impact in Crotona through: a) the development of transport services, b) the rationalisation and improvement of public transports, c) the use of innovative technologies, d) the re-organisation of sub-urban services, e) the modal integration.

The overall estimated cost of the project amounts to 15,642Meuro.

➤ **Manufactured capital**

- *Increase in GDP (GDP per head):* the project will generate income directly through transport and inter-modal parking tariffs
- *Increase in investments generating secondary benefits at the local level:* a more efficient transport system in the municipality will certainly generate local secondary benefits, ranging from citizens' time saving to air quality improvement

➤ **Human capital**

- *Creation of new jobs, particularly 'high skilled' jobs preventing 'brain drain':* neutral effect
- *Creation of new educational opportunities:* neutral effect

➤ **Social capital**

- *Strengthening of social cohesion, particularly through the creation of voluntary associations and social networks:* neutral effect
- *Improved and more equal accessibility to social and economic services:* positive effect thanks to the improved viability in the city, and to the opportunity to use an inter-modal transport system of easy access

➤ **Natural capital**

- *Improved efficiency in the management and use of natural resources:* positive effect thanks to the higher efficiency of the transport system proposed, due to: a) the use of less polluting technologies, b) the use of an inter-modal transport system, c) the improvement in the public transport services, which provides incentives not to use highly inefficient private transports thus causing less congestion
- *More effective management of protected areas:* neutral effect

➤ **Trade-offs**

- *Environmental externalities of economic growth:* the project aims at reducing environmental externalities of traffic in the city
- *Unequal distribution of socio-economic development:* by providing a more efficient public transport system, the project sets the ground for a more 'equal' process of development in the city

➤ **Win-wins**

- *Job creation and more equal socio-economic opportunities following economic and natural capital development:* neutral or slightly positive effect
- *Increasing environmental awareness and change in demand due to an increase in human capital:* neutral effect

Overall Assessment

The project will provide a positive contribution essentially to natural capital, contributing indirectly to manufactured and social capital. Human capital development is not one of the objectives of this project. By providing a more efficient transport system in Crotona the project however will set the ground for other sustainable development initiatives in the city area.

14. Recovery of the Railway 'Calabro-Lucana' serving the Pollino National Park

The project aims at recovering the Railway 'Calabro-Lucana' serving the Pollino National Park to capture an estimated demand of around 80.000 users per year. The estimated potential demand includes the Park's tourists, school visitors to the Park, the local (Cosenza Province) and coastal population. The railway path is populated by several sites of cultural and naturalistic interest which may attract further demand. The overall estimated cost of the project is 25,720Meuro.

➤ Manufactured capital

- *Increase in GDP (GDP per head)*: the project will generate income by capturing tourist and local demand
- *Increase in investments generating secondary benefits at the local level*: positive effect related to the benefits accruing to the local population from the direct use of the railway and from the economic opportunities generated by increased tourism from the coast to the Park

➤ Human capital

- *Creation of new jobs, particularly 'high skilled' jobs preventing 'brain drain'*: slightly positive direct effect: excluding the construction works, when operational the railway will require around 8 workers for its daily functioning. Furthermore increased tourism may generate local economic opportunities creating employment
- *Creation of new educational opportunities*: positive effect related to the potential demand of school visitors to the Park

➤ Social capital

- *Strengthening of social cohesion, particularly through the creation of voluntary associations and social networks*: neutral effect
- *Improved and more equal accessibility to social and economic services*: positive effect due to easier mobility between coastal areas and the Pollino Park

➤ Natural capital

- *Improved efficiency in the management and use of natural resources*: positive effect due to the use of a low impact transport system between the coast and the Park
- *More effective management of protected areas*: positive effect

➤ Trade-offs

- *Environmental externalities of economic growth*: no trade-offs should occur
- *Unequal distribution of socio-economic development*: no trade-offs should occur

➤ Win-wins

- *Job creation and more equal socio-economic opportunities following economic and natural capital development*: positive effect
- *Increasing environmental awareness and change in demand due to an increase in human capital*: positive effect

Overall Assessment

The project will provide a positive contribution to sustainable development by contributing to all four capitals' dimensions. The synergy between tourism, environment and environmental education drives the sustainable development idea of the project.

2.7.2 Projects and measures under the past programming period

15. Port of Gioia Tauro

The project has been implemented in 1995-1996 to boost economic activity in the Port of Gioia Tauro. The port in fact was built during the mid-1970s to serve a major steel-making center nearby. Due to the subsequent crisis in the steel industry, Gioia Tauro has remained largely unused as a commercial port due to the inability of the local economy to provide enough traffic. The growth in maritime transport and the use of large seagoing transshipment vessels is opening up major opportunities for Gioia Tauro as a container port. The SF contribution to the project, coming mainly from FESR, has been directed to the creation of new jobs in the port area, in order to boost economic development in the region. SF accounted for 33.3% of the overall estimated costs (40 out of 120 MEcu). Additional national funds (43MEcu) have been provided to support basic infrastructures.

➤ **Manufactured capital**

- *Increase in GDP (GDP per head):* positive effect through the increased use of the port as a container port, boosting development in the region, and through job creation
- *Increase in investments generating secondary benefits at the local level:* the project has been complemented by infrastructural investments, generating secondary benefits particularly with regard to increased transport efficiency, and direct and indirect job creation.

➤ **Human capital**

- *Creation of new jobs, particularly 'high skilled' jobs preventing 'brain drain':* creation of 1.500 direct and indirect jobs in the port area
- *Creation of new educational opportunities:* neutral effect

➤ **Social capital**

- *Strengthening of social cohesion, particularly through the creation of voluntary associations and social networks:* the increased activity of the port may generate some problems of social exclusion, enhancing micro-crimes; the project's design doesn't seem to address this issue
- *Improved and more equal accessibility to social and economic services:* positive effects following infrastructural development

➤ **Natural capital**

- *Improved efficiency in the management and use of natural resources:* dubious effect related to the nature of infra-structural development; a negative impact is likely to be carried out by increased mobility
- *More effective management of protected areas:* neutral effect

➤ **Trade-offs**

- *Environmental externalities of economic growth:* the project's design does not provide enough elements to evaluate the environmental impact of the project; increase in transports and infrastructural development is likely to cause some environmental externalities
- *Unequal distribution of socio-economic development:* at the local level the more intense use of the port should promote a more equal development process, by enhancing access to basic socio-economic services

➤ **Win-wins**

- *Job creation and more equal socio-economic opportunities following economic and natural capital development:* positive effect
- *Increasing environmental awareness and change in demand due to an increase in human capital:* neutral effect

Overall Assessment

The project seems to have provided a positive contribution mainly to manufactured and human capital. Social and natural capital may have been negatively affected by the increased port activity. The main focus of the project, testified by its financing sources, has been on economic and infrastructural development.

16. Urban Reggio-Calabria 1994-1999

The Urban project for the city of Reggio Calabria has developed along three main programs aimed to: 1.the creation of a territorial balance, 2.economic development, 3. social integration. Expected results include: the local improvement of the quality of life, the strengthening of the barrels' identity, the enhancement of local production activities, particularly of the tourist vocation of the area, and the creation of new jobs and of new opportunities for development. The total cost of the program amounted to 21,136 MECU, of which the SF contribution amounted to 9,188 MECU, coming mainly from FESR (8,588 MECU) and from FSE (0,6 MECU).

➤ **Manufactured capital**

- *Increase in GDP (GDP per head)*: the following measures: 'start-up of new economic activities' and 'infrastructures and the environment' were designed to take respectively 23,5% and 50,3% of total project's investments. Increase in GDP is expected particularly through the creation of new economic activities and of new poles for tourism attraction, which will generate new job opportunities.
- *Increase in investments generating secondary benefits at the local level*: investments in infrastructures and the environment are aimed to generate local secondary benefits.

➤ **Human capital**

- *Creation of new jobs, particularly 'high skilled' jobs preventing 'brain drain'*: the project's design foresees the direct creation of about 325 new jobs, and the indirect creation of about 500 new jobs.
- *Creation of new educational opportunities*: under the measure 'educational training/ promotion of local employment' the FSE is expected to support training activities to promote the social integration of people at risk of social and labour market exclusion

➤ **Social capital**

- *Strengthening of social cohesion, particularly through the creation of voluntary associations and social networks*: a positive effect is expected thanks to social activities and educational interventions in favour of the youngest at risk, and of people with handicaps, realised through the mobilisation of social forces and networking among voluntary associations. Furthermore the project's design foresees the creation of a permanent educational centre teaching non-violence and respect for citizens' wrights.
- *Improved and more equal accessibility to social and economic services*: among other services, the project's design foresees the creation of a 24 hours special service to support seriously handicapped people, thanks to the creation of a radio based networking system; the creation of a nursery for kids from 3 to 12 years old from disadvantaged families; a public emergency service for minors at risk; a service to support the re-integration in the labour market of people in drugs.

➤ **Natural capital**

- *Improved efficiency in the management and use of natural resources*: the project's design foresees interventions for the environmental recovery of some areas of the city, even by the sea

- *More effective management of protected areas*: a city park ('Parco degli agrumi') will be created on a piece of land that will be drained, and surrounded by green recovered areas.

➤ **Trade-offs**

- *Environmental externalities of economic growth*: local development is enhanced in respect for the environment

- *Unequal distribution of socio-economic development*: urban development is targeted to integrate socially and economically disadvantaged groups

➤ **Win-wins**

- *Job creation and more equal socio-economic opportunities following economic and natural capital development*: positive effect

- *Increasing environmental awareness and change in demand due to an increase in human capital*: neutral or slightly positive effect, through the enhancement of local tourism supply within an environmentally sound framework

Overall Assessment

The project's design shows a positive contribution to all four capital dimensions, with a special emphasis on human and social capital, through the activities supported by FSE.

17. The Crotone Global Grant

The EC Grant was directed to support Small and Medium Enterprises in particularly depressed areas in the Province of Crotone. The province is going through a serious productive and occupational crisis, partly due to pre-existing conditions and partly due to the industrial restructuring process occurring in the province after the break-down of the big enterprises in the chemical sector. In addition the area lags behind in infra-structural terms. The objective of the Global grant was to contribute to boost economic development in the area, and to create new jobs to re-employ workers from the chemical pole. The Crotone Global Grant amounted to 72,366Meuro

➤ **Manufactured capital**

- *Increase in GDP (GDP per head)*: the programme is expected to generate income through the development of new business enterprises in the following areas: a) in the traditional manufacturing sector, low capital-intensive, b) in the exploitation of local resources, or in the production of goods for local markets, c) in small scale innovative activities, d) in secondary productive or service activities generated by previous investments, such as logistic, transports, maintenance

- *Increase in investments generating secondary benefits at the local level*: the programme's design foresees investments generating secondary benefits, such as investments in local production activities, or logistic activities, transports and maintenance services supporting the manufacturing sector

➤ **Human capital**

- *Creation of new jobs, particularly 'high skilled' jobs preventing 'brain drain'*: the programme foresees the creation of 540 new jobs

- *Creation of new educational opportunities*: neutral effect

➤ **Social capital**

- *Strengthening of social cohesion, particularly through the creation of voluntary associations and social networks*: neutral effect

- *Improved and more equal accessibility to social and economic services*: the programme foresees the realization of infrastructures supporting the provision of industrial/commercial services and public utilities, and the development of handcrafts activities.

➤ **Natural capital**

- *Improved efficiency in the management and use of natural resources*: the programme doesn't address the environmental dimension of the re-industrialisation process, although the relatively small scale nature of the interventions proposed may not result to be detrimental to the environment
⇒ dubious effect
- *More effective management of protected areas*: neutral effect

➤ **Trade-offs**

- *Environmental externalities of economic growth*: dubious effect
- *Unequal distribution of socio-economic development*: the programme is targeted to disadvantaged groups and areas, and should promote a more equal development in the province

➤ **Win-wins**

- *Job creation and more equal socio-economic opportunities following economic and natural capital development*: positive effect
- *Increasing environmental awareness and change in demand due to an increase in human capital*: neutral effect

Overall Assessment

The program's design shows a positive contribution to manufactured and human capital; social capital may benefit from the improved access to social and economic services. Natural capital however will not directly benefit from the program: its sustainability dimension is mainly of a socio-economic nature.

18. POR 1994-99- Subprogram 3- Qualification of tourism supply

The main objective of the subprogram was to improve tourism supply by creating a new image of the Region. The activities foreseen include: a) the qualitative improvement of tourism infrastructures, even through their more equal territorial distribution, b) the creation of sport infrastructures to be used in all seasons, c) the recovery of archeological and cultural sites to boost tourism, d) the strengthening of thermal bathing structures. The overall cost of the program ended up to be around 56,8 Meuro, mostly coming from the 'productive infrastructures' measure.

➤ **Manufactured capital**

- *Increase in GDP (GDP per head)*: positive effect through the re-qualification of supply and the creation of new infrastructures, aimed at capturing a more equally distributed intra-annual and intra-regional demand. The program intended to extend tourism supply by creating 7.000 more 'beds'.
- *Increase in investments generating secondary benefits at the local level*: the investments in tourism and sport infrastructures will generate secondary benefits for the local population, not only through economic development, but even through the increased supply of recreational opportunities

➤ **Human capital**

- *Creation of new jobs, particularly 'high skilled' jobs preventing 'brain drain'*: the program's design foresees the creation of 700 new jobs.
- *Creation of new educational opportunities*: neutral effect

➤ **Social capital**

- *Strengthening of social cohesion, particularly through the creation of voluntary associations and social networks:* neutral effect
- *Improved and more equal accessibility to social and economic services:* indirect positive effect through the creation of 5 sport centres, 1 congress centre, 1 youth hostel

➤ **Natural capital**

- *Improved efficiency in the management and use of natural resources:* neutral effect
- *More effective management of protected areas:* neutral effect

➤ **Trade-offs**

- *Environmental externalities of economic growth:* neutral
- *Unequal distribution of socio-economic development:* no trade off, due to the promotion of a more equal distribution of tourism supply in the Region

➤ **Win-wins**

- *Job creation and more equal socio-economic opportunities following economic and natural capital development:* positive effect
- *Increasing environmental awareness and change in demand due to an increase in human capital:* neutral effect

Overall Assessment

The program's design shows a positive contribution to sustainable development mainly through the enhancement of manufactured and human capital; even social capital may partly benefit from the program. The program however doesn't explicitly address the environmental dimension of socio-economic development, which is particularly relevant in the tourism sector, where potential synergies could be exploited. Therefore the program shows a lack of integration towards sustainability, addressing mainly sector- specific issues.

**TABLE 2: Impact Assessment Framework
(Selected Measures and Projects)**

	Key Trends in SD				Trade-Offs		Win-wins	
	M	H	S	N	T1	T2	W1	W2
1.	✓	✓-○	✓	✓-○	✗	✗	✓	✓
2.	✓	✓	✓-○	✓-○	✗	✗	✓	✓
3.	✓	✓	✓-○	✓-○	✓	✗	✓	✓
4.	✓	✓	○-✓	✓	✗	✗	✓	✓
5.	✓	✓-○	✓	✓	✗	✗	✓	✓
6.	✓	✓	✓	✓-○	✗	✗	✓	○
7.	✓	✓	✓	✓	✗	✗	✓	✓
8.	✓	✓	○-✓	✓-○	✗	✗	✓	○
9.	✓	✓-○	○-✓	✓	✗	✗	✓	✓
10.	✓	✓-○	○-✓	○	✗	✗	✓	○
11.	✓	✓	○-✓	✓	✗	✗	✓	✓
12.	✓	✓-○	○-✓	✓	✓	✓	✓	○
13.	✓	○	○-✓	✓	✗	✗	○-✓	○
14.	✓	✓	○-✓	✓	✗	✗	✓	✓
15.	✓	✓-○	✓	?	?	✗	✓	○
16.	✓	✓	✓	✓	✗	✗	✓	✓
17.	✓	✓-○	○-✓	?	?	✗	✓	○
18.	✓	✓-○	○-✓	○	○	✗	✓	○

The impact is defined as being one of the following:
positive (✓), negative (✗), neutral (○), unknown (?)

3. PROGRAMME MANAGEMENT ASSESSMENT

The Managing Authority, organ to which belongs the direction of the Regional Programme, is demanded to the Planning, Economic development and UE policies Managing Director.

It coordinates the three Directors managing the four specific funds: FESR, FSE, FEOGA-SFOP.

In the implementation all the Regional Department are involved: these departments propose, in the subjects of their competence, action and projects to be realized in the frame of the Programme. For each measure and integrated project a manager has been appointed with the responsibility for the overall project pipeline.

The Programme Complement states that the actions financed by Structural Funds have to be coherent both with SD and environmental goals disposed by Community prescriptions.

Aiming to the integration of the environmental matter in all the sectors in which the Funds operate, a Regional Environmental Authority has been instituted.

The Environmental Authority will be operating to ensure the general objectives stated in the UE resolutions and documents:

- to focus and integrate environmental aims and SD criteria in order to affirm and validate the correct application of UE rules
- to involve the institutional and non institutional actors interested in the implementation of the plans and programmes with the goal to obtain the maximum consensus

From the operative point of view, the responsibilities of the Environmental Authority will be:

- to improve quantity and quality of the environmental information
- to draft the Annual Execution Report of the Programme in connection with the pursuing of SD goals
- to define methods, tools and techniques to implement the Strategic Environmental Evaluation
- to apply the Strategic Environmental Evaluation in all the phases of the Regional Programme
- to develop information and sensitisation actions throughout the draft of documents, on one side for the local authorities concerning the actions taking place in their jurisdictions and on the other side for the final beneficiaries about how to present the projects
- to promote institutional and non institutional participation

The complete operative involvement of the Environmental Authority will be granted by its own participation in the planning and implementation phases.

In particularly the contribution to the implementation, evaluation and selection of the projects will concern:

- the periodical evaluation of the environmental impact of each Programme development priority
- the specification of negative impacts to which an action or a modification of the goals and priorities of the Programme could follow
- the monitoring of the environmental indicators
- the evaluation of the Programme and of its contribution to the realization of QCS objectives
- the consultancy provided to the Programme Monitoring Committee with a particular concern to SD goals
- the elaboration of additional orientation for the proponents
- the formulation of criteria in matter of projects admissibility and selection
- the proposition of a rewarding system to provide incentives to SD projects

Meanwhile the Environmental Authority cooperates to the draft of the environmental evaluation for all the Integrated Projects in the phases of selection and monitoring process.

The Environmental Authority and the Managing Authority individualise the following actors to face, during the whole planning and implementation path, with:

1) agencies and structures directly involved in the implementation of the programme as:

- Measure managers
- Integrated Projects managers
- Regional Evaluation Unit (NVVIP)
- Programme Monitoring Committee

2) institutions able to give a technical and scientific support:

- national environmental authority
- universities and research institutions

3) institutions with a specific role in the elaboration of normative tools:

- European Commission
- Ministries
- Regions and local authorities

4) external monitoring and evaluation agencies and final beneficiaries

5) other stakeholders in order to pursue partnership and concerted actions during the overall programming period, for example:

- trade-union associations
- category associations
- NGO
- Firms
- Consumers and citizens

The Managing Authority role of coordination and control get more relevance with the decentralisation and delegation of some functions and interventions to the sub-regional authorities.

For this aim, a Regional Evaluation Unit (NVVIP) has been created with the responsibility to grant, through the connection with the national unit, the technical support during the planning, ex-ante evaluation, selection, implementation and validation process.

The NVVIP provides the necessary support to the analysis of the investments opportunity and feasibility and to the evaluation of programmes and projects, taking into particular consideration the environmental and SD criteria.

As far as the functions are concerned, it is possible to distinguish between an horizontal and a vertical function. The horizontal one embraces all the planning activities and aims to integrate the public investments in all the branches with unique and transparent project selection procedures. On the other side the vertical function is orientated to the garrison of specific objectives relevant for the Programme. In this case the NVVIP aims to defined targets (for example “the breaking variables”) to be reached by the individualization of decisive actions.

The NVVIP assumes a critical role in the support to the Planning and Balance Department during the evaluation process of sectorial and intersectorial Integrated Projects.

The choice made by the Region is to give an interpretation of Integrated Projects as an opportunity to

involve, in the whole planning procedure, the local institutional actors, first of all local municipalities

This kind of process follows three phases:

- 1) the elaboration of the strategic idea: the local bodies are asked to highlight the directions on which to draft the actions and priorities
- 2) the specific definition of the actions
- 3) tenders for the selections of projects

Under the organizational profile, the elaboration, evaluation, approval and financing process is based on a mechanism divided into a local and a regional level.

The Region has decided, after an activity of animation and negotiation with local stakeholders, the territorial contest within which to operate through the Integrated Projects; it has demanded to the local authorities the elaboration of the area planning and it has reserved for itself the evaluation function (with the NVVIP support) both of the general frame and of the operational details.

In other words, the Region has opted for leaving to the evaluation phase the function of defining coherence criteria, priorities and limits. The risk is that the limited central organizational resources, facing the expenditure timeliness and local pressures (but also the sectorial ones coming from the region itself), would be forced to restrict the negotiation effort and to widen the selection criteria.

In order to enhance the functionality of the Planning, Economic Development and UE Policies Sector, the Region has also introduced the Operational Managing Structure(SOG) made of 10 sectoral Programme Managers, 5 territorial Project Managers and 6 transversal experts.

They should strictly collaborate with the Regional Departments and sub-regional authorities, providing the necessary technical assistance to the Measure Managers, particularly for:

- arrangement and definition of tenders
- projects' selection to be examined later by the Regional Evaluation Unit
- contracts and conventions with the personnel responsible for the implementation
- control during the projects realization
- possible changes in the intervention planning

Finally, the Region has instituted the Programme Monitoring Committee, which is a mixed structure including representatives from: Central Government, Local Authority, Managing Authority, Regional Environmental Authority, European Commission and socio-economic stakeholders.

4. CONCLUSIONS

The more recent process of development in Calabria has been characterised by a few main distinctive elements:

- ✓ the increasing need to communicate with outside the Region, exemplified by the funding and implementation of the Salerno-Reggio Calabria highway;
- ✓ the increasing emphasis on the protection and appreciation of the natural environment;
- ✓ the creation of the Port of Gioia Tauro, followed by the attempt to boost socio-economic development around the Port activity.

The current programming has been focused on the issue of integration towards sustainable development: this idea finds its realisation through the PITS, which seem to be quite effective in integrating the four capitals' dimensions towards sustainable development at the territorial level: their approach however is extremely local, rooted in a strictly micro socio-economic context.

Under the current programming natural capital has gained more relevance, and environmental sustainability objectives enter all projects and measures.

The previous programming was in fact characterised by a stronger emphasis on manufactured and human capital, and by a minor relevance of social and natural capital; the projects analysed from the past programming period often reveal environmental externalities, and less capacity to exploit win-win development strategies.

In particular projects and measures from the past programming period reveal less capacity to integrate different objectives towards development, i.e. to integrate the four capitals' dimensions according to our analytical framework.

The assessment of SF contribution to sustainable development in Calabria shows the tendency towards a more open, less dependent regional economy, aimed at appreciating its rich cultural and natural heritage to boost endogenous growth and development, by creating new jobs for the weakest social categories and for the disadvantaged, by preventing out-migration and improving social services.

Annex 1 – Basic indicators used for the regional assessment

- **Manufactured capital** (Time series: 1975-2000- Source ISTAT; 1975-2006 -Source Eurostat)
 - GDP/GVA per capita
 - Gross Fixed Investments
 - Net imports
 - Indicator of availability of economic infrastructures

- **Human capital** (Time series: 1993-2000 –Source ISTAT)
 - Unemployment rate (male/female/youth)
 - Participation rate
 - School attainment (male/female)

- **Social capital** (Time series: 1995-2000- Source ISTAT)
 - Micro/violent crime index
 - Indicators of easy access to basic services
 - Short term interest rates on cash-flow

- **Natural capital** (Time series: 1995-2000- Source ISTAT; Report on the State of the Environment, Ministry of the Environment, Various Issues)
 - % Forested areas
 - Number of forests' fires
 - % Protected areas
 - % Population satisfied with water/gas provision
 - MSW collected
 - % MSW by type of disposal
 - % Coastal sites not complying with Bathing Water Directive