

## Integrated supply-chain projects and multifunctional local development: The creation of a Perfume Valley in Tuscany

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**Abstract:** *Marginal rural areas are undergoing major pressures from the effects of globalisation, especially when no alternative has been found to conventional extensive agriculture and a lack of investments and vision squeezes the income of farmers.*

*The objective of the paper is to show how Integrated Supply Chain Projects (PIF), Italian rural policy tools funded in the framework of EU's Rural Development Policy, can integrate supply chain innovation and territorial integrated strategies, fostering a multifunctional development of marginal rural areas towards a newly discovered identity.*

*The case study is the PIF "Flora Aromatica Santa Luce" funded by the Tuscany Regional Administration RDP in 2016. The project, still ongoing, aims at creating a new supply chain of organic aromatic plants in the Santa Luce Valley (PI). The integration is based, on the one side, on the creation and valorisation of the new supply-chain product, represented by an organic cosmetic line made with lavender essential oil and, on the other side, on the territorial development of the Valley, in an economic, social, environmental and touristic perspective.*

*The Canvas model was used in order to identify a business model for the new supply chain and the territorial development of the area, while, at the methodological level, a Participatory Action Research (PAR) approach was followed.*

*Results show how PIF can enhance innovation and stable commercial relationships within the supply-chain, support processes of vertical and horizontal coordination and stimulate extended territorial strategies supporting integration processes between agriculture, processing and other economic activities following a territorial multifunctional development logic.*

**Keywords:** *Local Agri-food Systems, Territorial strategies, Rural development policy, Integrated supply chain project, Aromatic plants, Participatory Action Research*