



Marche Region

Rome, December 2019

**EVALUATION IN ITINERE AND EX POST OF THE RURAL
DEVELOPMENT PROGRAMME OF MARCHE REGION**

2014-2020

CIG 7551443FE2

Mid-term Evaluation Report Non-Technical Summary

INDEX

1	Introduction	3
2	The Strategy of the RDP Marche 2014-2020	4
3	Summary of main findings and recommendations	5

1 Introduction

The Intermediate Evaluation Report for the 2014-2018 period (herein after: IER) is concerned with the analysis of the use of resources and the verification of the effectiveness and efficiency of the RDP 2014-2020 of Marche Region. The document is organised according to the structure provided for in the Annual Evaluation Report, with respect to which it integrates the formulation of the answers to the evaluation questions provided by the Common Evaluation Questionnaire (herein after: CEQ) for rural development (Annex V to Regulation (EU) no. 808/2014).

In particular, this IER, concerning the state of implementation of the Programme as at 31 December 2018, in addition to marking a half-way stage useful for drawing the first evaluation conclusions, is certainly a crucial step to provide the first answers to the knowledge needs of the Managing Authority, the partnership and the European Commission - DG AGRI: the latter, finally, is also called upon to judge its completeness and relevance on the basis of the answers provided for the CEQ. In fact, the unfulfilled answer to all 30 evaluation questions of the CSF, or in any case the lack of adequate justification for the partiality or the impossibility of fully answering some questions, may also lead to the blocking of payments by the European Commission.

Specifically, the content of the AER, underlines how this aims at evaluating the first net impacts attributable to the investments made by the RDP. From this point of view, it takes into account the fact that some Measures are in such a state of implementation at the end of 2018 that the number of projects already completed, and for which the positive effects related to the projects carried out thanks to the Programme are already fully deployed, is in many cases null or negligible.

With reference to the first questions of the common questionnaire (from 1 to 18), concerning the implementation and financial results achieved for the Focus Area, it is possible, although not homogeneously for all issues, to some extent summarize what the RDP has already achieved as of 31 December 2018.

Questions 19 to 21, relating to transversal aspects of the Programme (synergies between interventions, the role of the Technical Assistance and Communication service, regional/national rural network interaction), were also answered in full to the CQV despite a certain partiality of the details provided due to the size of the survey, which refer to aspects of the process "in progress" and which are not directly related to the impacts of the Measures activated.

Finally, it should be noted that, with regard to questions 22 to 30, which concern the assessment of EU-wide targets, the measurement of the net effects of RDP investments on more general aspects of the macroeconomic and environmental sphere is currently difficult to carry out in a strictly quantitative way. Indeed, it has not always been possible to draw clear correlations between the variations in the indicators that have occurred in a given territory and the interventions financed by the Programme and concluded to date, since the latter are limited in percentage to the total of the interventions planned.

The ongoing evaluation is completed by a summary of the main results of the analyses carried out, by a final judgement and by the formulation of suggestions aimed at strengthening the programming and implementation of the Programme.

The Report was also prepared in accordance with the Evaluation Plan delivered in April 2019.

2 The Strategy of the RDP Marche 2014-2020

The Marche RDP will finance actions under all six rural development priorities, with a particular focus on the conservation, restoration and enhancement of ecosystems related to agriculture and forestry, strengthening the competitiveness of the agricultural and forestry sector, promoting social inclusion and economic development in rural areas, as well as participation in quality schemes, local markets, short supply chains and associations/organizations.

The strategic guidelines followed by the different Priorities are summarised below.

The knowledge transfer and innovation in the agricultural and forestry sector and in rural areas has the objective to strengthen the knowledge system on the most innovative themes of rural development policy and on training opportunities to foster innovation in businesses in the rural contexts where it is most needed, and to increase the training level of agricultural, forestry and rural operators so as to enable them to create networks and productive synergies on the ground.

The competitiveness of the agricultural sector and of rural development and sustainable forestry will be developed with the view of guaranteeing the permanence of businesses on the market through structural and organisational modernisation, the development of multifunctionality (e.g. environmental, social and tourist services; access to credit) and support for generational turnover, with particular attention to mountain areas where the rate of young farmers is particularly low.

The organisation of the food supply chain, including the processing and marketing of agricultural products, animal welfare and risk management in the agricultural sector will be pursued on the one hand by encouraging the aggregation of supply, through the supply chains and producer organisations and by enhancing the value of quality products linked to the territory, and on the other by preventing the risks associated with hydrogeological instability and supporting the restoration of production capacity.

In order to preserve, restore and enhance the ecosystems related to agriculture and forests, the programme intends to encourage the adoption of low-impact cultivation techniques, protect the agricultural surface with a high proportion of semi-natural vegetation (especially in mountain areas), protect biodiversity and encourage collective approaches and the hydrogeological protection of soils, while also encouraging the growth of the environmental value of forests and the utilization of the potential in terms of offering eco-system services.

Efficient use of environmental resources and climate adaptation are pursued through more rational use of water and greater energy efficiency in the agricultural and agri-food sector, by promoting energy production from forest and agricultural biomass and by promoting the economic use of forests through the application of sustainability criteria and forest management planning.

Social inclusion and local development in rural areas is promoted by maximising the involvement of local actors through the bottom-up approach, promoting new activities and improving access to ultra-broadband, digital services and essential population services.

The Rural Development Programme (RDP) for the Marche Region was formally adopted by the European Commission on 28 July 2015. Currently, the current RDP (ver. 6.0) provides for funding of almost €697 million (€300 million from the EU budget and €397 million from national co-financing), including the solidarity contribution following the earthquakes, of about €160 million. At 31/12/2018 the total expenditure of the Programme is 18% out of a total of committed resources equal to almost 50% of the financial envelope.

Below is a summary table of financial progress for individual priorities. The following chapter instead highlights the physical and implementation results achieved towards companies and in the territory through the activation of the planned interventions.

Resources (in €)/ Priorities	Committed Public Expenditure (a)	Incurred Public Expenditure (b)	Programmed Public Expenditure (c)	% Paid resources/ committed (b/a)	% Total Payments /Programmed Resources 2014-2020 (b/c)
2	111.000.000	25.000.000	211.000.000	22,5	11,8
3	31.000.000	9.000.000	94.000.000	29,0	9,6
4	107.000.000	71.000.000	224.000.000	66,4	31,7
5	18.000.000	7.000.000	43.000.000	38,9	16,3
6	71.000.000	9.000.000	111.000.000	12,7	8,1

3 Summary of main findings and recommendations

The main evaluative conclusions formulated on the basis of the preparation of the Intermediate Evaluation Report 2014-2018 are summarised below.

Priority 1 - Key words: Innovation and knowledge

The actions planned under this Priority pursue the following specific strategic objectives:

- to stimulate lifelong learning and vocational training of entrepreneurs and operators in rural areas in order to adapt their skills to the sustainable development of rural areas;
- to develop the basic knowledge of people working in the agricultural, forestry and food sectors, in particular on innovation and cooperation;
- strengthen relations between the research community and agricultural, forestry and food businesses in order to increase the level of productive and organisational innovation;
- to favour the access of agricultural enterprises to specialized services to support their choices with a view to sustainable development.

From the point of view of evaluation, although it is premature to express a complete judgement on the activation of socio-economic and environmental dynamics of development in the long term (stimulating continuous learning and sustainable development in rural areas), it is nevertheless possible to trace the coherence of the path started.

The implementation of the PEI strategy - cooperation - is well supported by the innovation broker action carried out by the ASSAM Regional Agency, which until now has allowed to collect a significant number of innovative proposals from the 22 selected OGs.

Training / information / exchange activities have also started and for 50 recipients, the courses are aimed at the end.

Priority 2 and 3 - Key words: competitiveness, development and supply chains

The development trajectories identified by RDP Marche to support the competitiveness of companies, their development and support the supply chains, pursue the following specific strategic objectives:

- to support the restructuring and modernisation of farms in the Marche region in order to improve their competitiveness by improving agricultural production and diversifying their activities;
- encourage and support the setting up of new business activities by young farmers;

- Support farmers' participation in quality schemes, local markets, short supply chains and other producer associations/organisations to improve competitiveness;
- to facilitate the access of agricultural enterprises to risk management schemes and related businesses.

These objectives have been supported by business investments and integrated interventions carried out by young people within the "Youth Package": in both cases, in fact, in addition to registering great interest on the part of the territory to the opportunities promoted, it would seem that these have favored the specialized companies, of transformation / supply chain supporting the push for the introduction of quality systems, the multidimensionality and thus favoring the most successful and characterising trends of the Marche region.

Priority 4 and 5 - Keyword: environment and sustainability

With regard to the aspects more strictly related to the environment (Conservation of high nature value agricultural habitats (HNV) and Improvement of water management), the results obtained by the RDP would seem to be rather limited.

The HNV areas, on the basis of the analysis carried out, are "protected" discreetly according to the number of areas of the RDP that contribute to the maintenance and expansion of the natural value of the areas of high and very high natural value (HNV) are 86,760, thus having 59.09% of the AS. Concerning the water resources' management, the interventions of the RDP seem to contribute to the reduction of the overall nitrogen load and to the reduction of the surplus of nitrogen and phosphorus in the AUC is quite high, but the overall effects projected on the regional UAA are rather low.

Listing the interventions in terms of efficiency, the evaluation activity has shown the following trends:

- Water use: investments in "dragging" from the 2007-2013 RDP affect 3,411 hectares, more than 20% of irrigated regional areas. Comparing the pre-intervention energy consumption (average of the three-year period 2015/2017) with the post-investment one can assume a water saving of about 25% thanks to the installation of meters;
- Energy use: the energy saving interventions subsidised as part of the dedicated 4.2.B operation are still underway. The effects of the RDP on the issue in question are therefore still limited: about 50 toe of energy saved each year, only 0.11% of the energy used by the food industry in the Marche region.
- Production of energy from renewable sources, it is necessary to underline that the measures that have direct effects on the subject (8.6 and 16.6) have not yet registered projects financed and, what started with some projects financed with measures 4.1;
- A.1 still appears to have little weight in total production; it would appear that the RDP measures do not seem to have a significant impact on the increase in Organic Substance in soils, as this increase is only 0.076% in seven years.

Priority 6 - Key words: Local development and LEADER

With regard to local development in rural areas, the analysis of the Local Development Programmes of the LAGs of the Marche region, shows a strategic orientation focused on the development of employment through the support of local production systems to the enhancement of the territory, to the improvement of the quality of life of local communities and their services. The LAGs themselves also express their willingness to face a series of new challenges in the near future relating to the adherence between needs and objectives, to the relevance of the planning with the changed context factors, first of all the earthquake, and to the connection between the technical structure of the LAGs, the partnership and the Region. However, also in this case, due to the state of progress of the Local

Healthcare Plans, it is not yet possible to fully evaluate their contribution in stimulating local development and the functioning of the GDP implementation tool, identified by the Marche RDP to strengthen local action.

Recommendations on competitiveness and business development

The RDP seems to have the greatest impact on the companies most sensitive to market dynamics, in particular on three clusters of companies that have been identified as: Group 2 (Specialised companies), Group 3 (Transformation companies and/or company supply chain), Group 4 (Multifunctional). These three groups cover 32% of the UAA and 61% of the regional GSP. The companies included in Group 2 and 3 are involved in the Operating Groups and are affected by the generational change. Group 3 companies are also involved in supply chain projects. On the multifunctional companies (Group 4) the RDP intervenes by improving the quality and the spectrum of services offered.

On Group 1 (Extensive), the most important in terms of UAA and GSP at regional level, RDP has little impact on the competitive component, while it could move the companies most sensitive to market dynamics towards clusters 2 (specialized) and 3 (transformation).

A last element, which will have to be examined in depth in the continuation of the evaluation activities, concerns Group 7 (at risk of mountain marginality) whose economic sustainability is at risk and with it the presence of a mountain animal husbandry practice that is strongly identical in the rural communities of the Marche region.

Recommendations on environment and territory

In order to improve the effectiveness of Measures 10 and 11, exclusively to the management of water resources, it is suggested to increase the AUC in the NVA through the instrument of agri-environmental agreements.

The expenditure for biomass plants is still reduced (6% of the total), while the SWOT analysis of the RDP identifies the biomass sector as the sector with the greatest potential for growth ("A greater energy exploitation of woody biomass with the activation of local short supply chains" among the opportunities). It would therefore be appropriate to provide, even in operations not directly aimed at the production of energy from renewable sources, a specific criterion of reward for plants powered by biomass waste business.