



MARCHE REGION
EVALUATION SERVICE FOR THE RURAL DEVELOPMENT
PROGRAMME OF THE MARCHE REGION FOR THE PERIOD 2014-
2020
CIG 7551443FE2
INTERMEDIATE EVALUATION REPORT UPDATE 2021
NON-TECHNICAL SYNTHESIS

Rome, October 2021

INDEX

1	Introduction	3
2	Progress of the Programme	4
3	Common evaluation questions: main conclusions and recommendations	11
4	Methodological approach used for in-depth studies	20
5	Characteristics of sample survey participants.....	22
6	Analysis of questionnaire responses	23
7	Assessment of the contribution of the RDP to the needs of the areas affected by the seismic events.....	25
7.1	Results of the direct survey addressed to farmers in the crater area	28
8	The evaluation of the trajectories of agricultural enterprises in the Marche region.....	Error!
	Bookmark not defined.	
8.1	The methodological approach	29
8.2	Outcomes of the analysis of company trajectories	31

1 Introduction

The **Intermediate Evaluation Report Update (IER)** analyses the main results of the Programme and verifies the progress made in achieving the RDP objectives as at 31/12/2020 and the second SEA monitoring report.

In accordance with the physical and financial implementation of the Programme, the answers to the evaluation questions posed by the QVC are updated on the basis of the description in the Evaluation Plan, which also includes the elements of analysis for the verification of the conditions for evaluation.

It also provides useful indications for the design and implementation of the continuation of the RDP in the 2021-2022 biennium and for the 2023-2027 programming cycle.

In the light of the progress of the RDP, the report pays particular attention to the following aspects:

- ▶ **Updating of the evaluation questions** from what was returned in the 2019 ICR, maintaining the structure of the questions: with the RM it was agreed to focus on the questions related to the 18 FA, considering that the answers to the other CFRs, in particular those related to the Union's objectives, could be updated at a more advanced stage of implementation, probably during the ex post evaluation. However, it is guaranteed that the result and impact indicators will be quantified where the effects of the interventions carried out on macroeconomic and environmental variables are measurable. The analysis of these indicators is set out in the replies to the related FAs;
- ▶ On the occasion of the report in question, **the survey on farm trajectories** is continued. For this purpose, a **sample survey** has been carried out to investigate both the effects produced by the RDP interventions and the development trajectories of the agricultural enterprises supported by the Programme. Consistently with the adopted methodology, the universe has been composed of the agricultural firms that are beneficiaries of the RDP measures addressed to them;
- ▶ For the organization of the **sample surveys** in question, it was therefore intended to combine the surveys aimed at answering the evaluation questions on the effects of the actions activated with respect to the specific objectives (Focus Area) and those aimed at updating the analysis of business trajectories started in 2019. The survey focused on a sample of projects concluded as of 31/12/2019 of the following sub-measures/types of intervention: 3.1.A, 4.1.A, PG (6.1.1 and 4.1.A), 4.2.A, 4.2.B, 6.4.A.1, 6.4.A.3, 6.4.A.4, A, 8.3.A.1, 10.1.A, 10.1.C, 10.1.D, 11.1, 11.2, 12.1, 13.1, 14.1. These are therefore both structural measures and area/head measures, also distinguishing between complex or individual projects;
- ▶ Among the specific areas of analysis, the IA focused on **extensive animal husbandry**, with attention to the support to the integrated strategy through Measures 10.1C, 11, 13, 14. It must be underlined that the low number of answers to the questionnaire addressed to a sample of beneficiaries of TI 10.1C - despite numerous reminders by the Evaluator and the RM - did not allow the use of primary data for the development of this analysis.
- ▶ A further phenomenon examined is the **RDP support to marginal and/or more fragile areas** (e.g. mountain areas, areas affected by seismic events) both through direct sample survey and cartographic analysis;
- ▶ The analysis of the **effects on farms of the COVID-19 health emergency**, which began in the early months of 2020 and is still ongoing, was carried out by the Evaluator by means of questionnaires administered to the farms. In particular, the perception of the effects produced by the most significant periods of the pandemic ("lockdown", limitation of movements, etc.) on investments, on business development strategies and on any new business needs that emerged was investigated;
- ▶ Finally, the study presented in the AER 2020 was resumed, aimed at defining the estimation methodology for **the indicator "total loads and surplus of nitrogen and phosphorus"**, with the objective of obtaining the valorization of the indicator in question;

- ▶ With reference to the monitoring of the additional impact indicators provided for by the SEA Environmental Report, the Assessor, on the basis of the activities carried out for the drafting of the Assessment Report contained in the RAA 2020, quantified the values at 31/12/2020 for some of the **additional indicators provided for by the strategic environmental monitoring**.

2 Progress of the Programme

The following is an analytical illustration of the information relating to the physical and financial outputs related to the implementation of the Programme at 31/12/2020.

For the analysis of financial progress the IA adopted 3 main indices:

- commitment capacity, which relates committed resources to planned resources,
- spending capacity, which relates the resources cleared to those planned,
- capacity of use, which instead relates the committed resources to the liquidated ones and can provide important indications regarding the speed with which the committed resources are liquidated.

At an overall level, the RDP of the Marche Region records rather satisfactory commitment and expenditure capacity values, in fact, the committed resources out of the programmed ones amount to 83%, while the liquidated ones stop at 42%.

The **best performances are registered by Priority 2** - Enhance farm profitability and agricultural competitiveness and **Priority 4** - Preserve, restore and enhance ecosystems dependent on agriculture and forestry, which show a commitment capacity of 97 and 86% respectively, while the expenditure capacity registers a lower value in the first case (27%) and a rather satisfactory value in the second (73%). The P4 commits 32.8% of the financial endowment of the RDP, the highest value among all the priorities, thus showing the central role of the safeguard and enhancement of the ecosystems connected to agriculture and forestry within the strategy of the Marche Region.

As far as Priority 3 is concerned, it is important to specify that it is FA 3A that mainly contributes to the achievement of the values related to financial progress since FA 3B consists only of M5 for which very limited commitments and payments are recorded and all attributable to carryovers.

Priority 5 - Promoting resource efficiency and the transition to a low-emission and climate-resilient economy shows a rather slow progress, in fact the values related to commitment and expenditure capacity are 47 and 24%. The FA 5A is the only one that does not record either commitments or payments compared to the financial allocation for the new programming, while 5B shows the most encouraging values, despite being the FA with the lowest financial allocation.

Priority 6 shows a rather limited progress in expenditure, especially in relation to the spending capacity which is stagnant at 24%, while the commitment capacity stands at 84%, a value which however takes into account all the resources dedicated to 19.2 as committed. Among the FAs related to this priority, 6C shows a good level of commitment (90%) and expenditure (54%) while 6A registers still modest levels with 21% of committed resources and only 11% of liquidated resources.

Priority 2 - Enhancing farm profitability and competitiveness of agriculture

Table 1- Priority 2 - Enhancing farm profitability and competitiveness of agriculture in all its forms

FA	Measure	Programmed (€)	Committed (€)	of which NP (€)	of which drags (€)	Commitment chapter	Resources cleared (€) (advance+SAL + balance)	of which NP (€)	of which drags (€)	Cap. of expenditure	Cap. of use
2A	1	9.200.000,00	4.732.168	4.196.808	535.360	51%	1.708.493	1.346.419,02	362.073,63	19%	36%
	2	5.000.000,00	50.000	-	50.000	1%	2.453	-	2.452,80	0,05%	5%
	4	124.025.000,00	140.129.902	137.240.858	2.889.044	113%	39.458.933	36.786.861,44	2.672.071,91	32%	28%
	6	29.000.000,00	22.150.351	21.737.151	413.200	76%	3.717.691	3.421.049,04	296.641,59	13%	17%
	16	20.200.000,00	17.854.858	17.545.628	309.230	88%	1.206.567	1.010.815,21	195.751,90	6%	7%
	21	6.500.000,00	4.319.481	4.319.481	-	66%	-	-	-	-	-
	Total	193.925.000,00	189.236.759	185.039.925	4.196.834	98%	46.094.137	42.565.144,71	3.528.991,83	24%	24%
2B	6	21.000.000,00	19.266.800	19.180.000	86.800	92%	11.771.670	11.684.870,00	86.800,00	56%	61%
Grand total		214.925.000,00	208.503.559	204.219.925	4.283.634	97%	57.865.807	54.250.014,71	3.615.791,83	27%	28%

Source: VI processing from SIAR database and Region's monitoring file

Priority 3 - Promoting food chain organisation and risk management

Table 2- Priority 3 - Promoting food chain organisation, animal welfare and risk management in agriculture

FA	Measure	Programmed (€)	Committed (€)	of which NP (€)	of which drags (€)	Commitment chapter	Resources cleared (€) (advance+SAL + balance)	of which NP (€)	of which drags (€)	Cap. of expenditure	Cap. of use
3A	3	19.285.927,64	15.035.522	13.335.522	1.700.000	78%	6.140.422	4.662.369,54	1.478.052,80	32%	41%
	4	20.600.000,00	19.856.029	19.698.574	157.455	96%	6.835.861	6.678.406,10	157.455,14	33%	34%
	9	1.578.000,00	1.578.000	1.578.000	-	100%	-	-	-	-	-
	14	28.000.000,00	17.224.345	17.209.345	15.000	62%	15.369.135	15.360.975,23	8.160,00	55%	89%
	16	3.961.777,99	867.244	867.244	-	22%	-	-	-	-	-
	Total	73.425.705,63	54.561.140	52.688.685	1.872.455	74%	28.345.419	26.701.750,87	1.643.667,94	39%	52%
3B	5	12.850.222,01	500.000	-	500.000	4%	50.222	-	50.221,63	0,4%	10%
Grand total		86.275.927,64	55.061.140	52.688.685	2.372.455	64%	28.395.640	26.701.750,87	1.693.889,57	33%	52%

Source: VI processing from SIAR database and Region's monitoring file

Priority 4 - Preserve, restore and enhance ecosystems related to agriculture and forestry

Table 3- Priority 4 - Preserve, restore and enhance ecosystems dependent on agriculture and forestry

F A	Measure	Programmed (€)	Committed (€)	of which Np (€)	of which trans (€)	Commitment chapter	Resources cleared (€) (advance+SA L + balance)	of which Np (€)	of which trans (€)	Cap. of expenditure	Cap. of use
4	1	2.000.000,00	1.440.000	1.440.000	-	72%	1.020.461	1.020.461,14	-	51%	71%
	4	5.000.000,00	1.544.635	1.544.635	-	31%	29.915	29.914,71	-	1%	2%
	7	1.700.000,00	7.997	-	7.997	0,5%	7.997		7.996,66	0,5%	100%
	8	6.900.000,00	4.719.493	4.682.113	37.380	68%	1.154.288	1.116.909,15	37.379,34	17%	24%
	10	24.300.000,00	13.425.263	12.950.687	474.576	55%	9.083.433	8.662.890,90	420.542,09	37%	68%
	11	111.000.000,00	102.090.840	93.090.840	9.000.000	92%	88.980.652	81.005.820,03	7.974.832,12	80%	87%
	12	1.500.000,00	747.216	661.409	85.807	50%	580.078	494.198,71	85.879,26	39%	78%
	13	66.500.000,00	66.448.462	65.198.462	1.250.000	100%	61.512.308	60.328.272,60	1.184.035,81	92%	93%
	15	500.000,00	222.000	222.000	-	44%	209.528	209.528,04	-	42%	94%
	16	4.901.502,78	1.293.950	1.293.950	-	26%	382.147	382.146,73	-	8%	30%

FA	Measure	Programmed (€)	Committed (€)	of which Np (€)	of which trans (€)	Commitment chapter	Resources cleared (€) (advance+SAL + balance)	of which NP (€)	of which trans (€)	Cap. of expenditure	Cap. of use
	Total	224.301.502,78	191.939.856	181.084.096	10.855.760	86%	162.960.807	153.250.142,01	9.710.665,28	73%	85%

Source: IE output from SIAR database and Region monitoring file

Priority 5 - Stimulating resource efficiency and the shift towards a low-carbon economy

Table 4- Priority 5 - Promoting resource efficiency and the shift towards a low-carbon and climate resilient economy

FA	Measure	Programmed (€)	Committed (€)	of which Np (€)	of which trans (€)	Commitment chapter	Resources cleared (€) (advance+SAL + balance)	of which NP (€)	of which trans (€)	Cap. of expenditure	Cap. of use
5A	4	12.000.000,00	1.953.500	-	1.953.500	16%	1.953.500	-	1.953.500,42	16%	100%
5B	4	3.400.000,00	3.097.234	3.097.234	-	91%	1.128.825	1.128.824,90	-	33%	36%
5C	8	4.100.000,00	835.912	771.620	64.292	20%	274.946	210.654,18	64.291,60	7%	33%
	16	1.500.000,00	-	-	-	-	-	-	-	-	-
	Total	5.600.000,00	835.912	771.620	64.292	15%	274.946	210.654,18	64.291,60	5%	33%
5E	8	27.000.000,00	15.655.195	10.995.151	4.660.044	58%	8.197.874	4.814.528,97	3.383.345,41	30%	52%
	16	2.600.000,00	2.274.022	2.274.022	-	87%	549.527	549.526,60	-	21%	24%

FA	Measure	Programmed (€)	Committed (€)	of which Np (€)	of which trans (€)	Commitment chapter	Resources cleared (€) (advance+SAL + balance)	of which NP (€)	of which trans (€)	Cap. of expenditure	Cap. of use
	Total	29.600.000,00	17.929.217	13.269.173	4.660.044	61%	8.747.401	5.364.055,57	3.383.345,41	30%	49%
	Grand total	51.450.222,01	23.815.862	17.138.026	6.677.836	46%	12.104.672	6.703.534,65	5.401.137,43	24%	51%

Source: IE output from SIAR database and Region monitoring file

Priority 6 - Promoting social inclusion, poverty reduction and economic development in rural areas

Table 5- Priority 6 - Promoting social inclusion, poverty reduction and economic development in rural areas

FA	Measure	Programmed (€)	Committed (€)	of which NP (€)	of which trans (€)	Commitment chapter	Resources cleared (€) (advance+SAL + balance)	of which NP (€)	of which trans (€)	Cap. of expenditure	Cap. of use
6A	1	150.000,00	110.100	110.100	-	73%	61.646	61.645,91	-	41%	56%
	6	4.100.000,00	-	-	-	-	-	-	-	-	-
	7	6.300.000,00	2.057.481	1.297.878	759.603	33%	1.117.137	465.966,19	651.170,55	18%	54%
	Total	10.550.000,00	2.167.581	1.407.978	759.603	21%	1.178.783	527.612,10	651.170,55	11%	54%
6B	19	75.560.000,00	69.227.031	64.877.031	4.350.000	92%	12.774.255	8.427.770,69	4.346.484,00	17%	18%
6C	7	22.000.000,00	19.839.405	19.507.004	332.401	90%	11.932.616	11.600.215,64	332.400,60	54%	60%
Grand total		108.110.000,00	91.234.017	85.792.013	5.442.003	84%	25.885.654	20.555.598,43	5.330.055,15	24%	28%

Source: IE output from SIAR database and Region monitoring file

3 Common Assessment Questions: main conclusions and recommendations

Below is a summary table - in the form of a logbook - of the main conclusions and recommendations that emerged from the evaluation analysis for each Priority / FA.

QVC-FA	CONCLUSIONS	RECOMMENDATIONS
QVC 1 1A - Stimulating innovation, cooperation and development of the knowledge base in rural areas	The contribution to stimulate the diffusion of knowledge through information actions, inter-company exchanges / visits of training and information actions is relevant and has contents directly related to the capacity to innovate and the development of knowledge. Measure 1 shows a good level of implementation. Measure 2 has the potential to support interventions with innovative content.	The rapid implementation of Measure 2 is recommended.
	The number of members of the operational groups seems adequate to support a strategy of identification of innovative ideas in the agricultural sector, the forestry sector appears to be penalized.	It is recommended that the activities of the Operational Groups, characterised by projects that are still in progress as at 31.12.2020, be implemented rapidly so that they can produce strategic projects with a significant impact.
	The structures and procedures facilitating the interaction between innovation, cooperation and knowledge development are adequate and directly related to the expected development process, although a full assessment needs to be more advanced.	
	The concept of innovation, understood in a transversal way, is part of an approach that sees innovation as the transmission of knowledge and pushes in particular towards the need to create a bridge between business and research. This is a Knowledge Policy increasingly based on the development of Knowledge and Innovation Systems in Agriculture. In this area, consultancy represents a bridge between the world of research and that of production and requires specific and modern analyses that are indispensable for the implementation of successful policies. The aim is therefore to provide training that is committed to the transfer of know-how and knowledge that is increasingly focused on solving the problems of agricultural businesses and rural areas.	What emerges is the need to: <ul style="list-style-type: none"> ■ Accelerate the implementation of pilot projects for the construction of knowledge networks (SM16.2); ■ In order to respond to the training needs of operators in the regional agricultural sector, who are often unaware of the importance of improving/updating their skills, and with reference to the quality of training, it is suggested to organize more professional training sessions and to improve the match between demand and supply, making the available courses more visible and giving greater importance to those that are not compulsory. ■ With regard to training, it would be advisable to update the main training

QVC-FA	CONCLUSIONS	RECOMMENDATIONS
		<p>needs, for example by surveying those concerned, and at the same time to provide coaching and mentoring to complement and differentiate the range of tools on offer to strengthen skills.</p>
<p>QVC 2 1B - Strengthening the links between agriculture, food production and forestry with research and innovation</p>	<p>At the moment, it is not yet possible to make substantial evaluations regarding the establishment of long-term collaborations. The effects of co-operation projects on the capacity to innovate will be assessed in depth through a future evaluation survey and as soon as measure 16.1 and 16.2 are completed.</p> <p>MS 16.1 involved the participation of about 315 actors, including research facilities and many individual and associated private actors.</p> <p>As far as MS 16.2 is concerned, the total number of partners involved was 39: the Lead Partners of the Chain Projects and the AAAs represent for the most part cooperative companies.</p> <p>In general, measure 16 appears to be sufficiently implemented and is adequate to support a cooperative strategy and identification of innovative ideas in the various productive sectors.</p>	<p>In general, a rapid acceleration of the reporting phase (M16) is recommended.</p>
	<p>Concerning the effectiveness of the cooperation measure in promoting innovation in rural areas, most cooperation projects focused on introducing innovation through investments in low environmental impact techniques (35%) and ensuring food quality and safety (26%). In addition, for the majority of GOs funded (77) the quality of the projects accepted was good, with a fair degree of innovation.</p>	
<p>QVC 3 1C - Promoting lifelong learning and vocational training in the agricultural and forestry sectors</p>	<p>The contribution to stimulate the dissemination of knowledge through training actions had a significant advancement from 2018 to 2020, there was an increase in the number of courses provided and the number of training participants. There are 1,545. people involved in training activities useful for the finalization of lifelong learning and improving knowledge and entrepreneurial skills. At the moment, therefore, it seems necessary to wait for the finalization of all the courses being delivered in order to express a complete evaluation.</p>	
	<p>The various operations foreseen, including those aimed at complex projects (PIF, AAA, GDP), have been implemented with numerous calls for proposals and at the moment the resources paid out vary between 30% and 56% of the contribution granted.</p>	
	<p>The courses offered were mainly related to aspects of business management and</p>	<p>In order to encourage greater matching of training supply</p>

QVC-FA	CONCLUSIONS	RECOMMENDATIONS
	<p>development, and in most cases were compulsory courses, the needs of which can be considered satisfied by the current training offer.</p> <p>Training, in fact, is not yet seen as an opportunity to increase personal skills in order to make the company more competitive and more sustainable.</p>	<p>and demand, the RM could consider:</p> <p>Raise awareness of the importance of continuous training as an opportunity for professional growth through information campaigns, also in collaboration with trade associations;</p> <ul style="list-style-type: none"> • give more recognition in terms of scores in the selection criteria in the calls for proposals of the various measures of the RDP Marche for those who have undertaken training courses on topics related to those covered by the calls for proposals. to give more visibility to the training offer by creating a special space on the regional portal where the courses already carried out are reported with the contacts of the training providers and, if necessary, to insert those that are in the planning stage to facilitate the formation of classes more quickly.
<p>QVC 4 2A - Improving the economic performance of all farms and encouraging the restructuring and modernisation of agricultural holdings, in particular to increase the proportion of market and market orientation and diversification of activities</p>	<p>The investments financed are consistent with the objectives of modernisation and diversification of the regional agricultural sector, responding to the growing need for innovation and business development which accompany the present trend towards an increase in the average physical and economic size of farms.</p> <p>Investments were mainly directed towards farms of larger physical size (UAA), operating in areas with greater development problems or disadvantaged areas, largely run by young people and women.</p> <p>The potential positive effects on the effectiveness of the interventions financed by the high share of priority investments in the total amount of aid allowed, which, in several sectors concerned, reaches very high percentages, over 90%, are highlighted.</p> <p>The financial, physical and procedural progress shows the achievement of good results for the macro-phase of design, proposal, evaluation and financing of specific interventions, but still</p>	<p>It is suggested to strengthen, through investment support, the dissemination of innovations both to accompany and qualify the increase in the physical and economic size of companies in place, and to respond to new needs relating to products and marketing channels emerged also as a result of the COVID-19 health emergency.</p> <p>There is a need to significantly reduce the actual timeframe for the start-up, implementation and completion of the numerous funded interventions, in order to ensure the full use of programmed resources.</p>

QVC-FA	CONCLUSIONS	RECOMMENDATIONS
	<p>insufficient to ensure their implementation and completion. The overcoming of the implementation difficulties deriving first from the seismic emergency and then from the health emergency will allow the full manifestation of the high intervention potential available.</p> <p>The indications provided by the agricultural entrepreneurs and the data acquired through the sample surveys, although partial, indicate (with reference to the period 2016-2019, therefore in the pre-health emergency period) the positive effects of investments on business revenues. This also led to an increase in labour productivity (Indicator R2) especially in farms with lower initial turnover levels.</p> <p>Contrary to what can be verified in the dynamics affecting all regional farms, in almost all the beneficiaries surveyed, the increase in revenues attributable to investments is not accompanied by a reduction in the levels of employment of labour, but rather by their maintenance or often increase. This also translates into a positive change in labour productivity (Indicator R2) in firms where the increase in revenues exceeds that of labour employment, as is most easily observed in firms with lower levels of initial turnover (pre-investment revenues).</p>	<p>It is suggested to accompany with information and training support actions the business paths of modernization and innovation started with the investments supported by the RDP, monitoring the results.</p>
<p>QVC 5 2B - To encourage the entry of suitably qualified farmers into the agricultural sector and in particular, generational change</p>	<p>Measures 4 and 6 prove to be drivers for Priority 2 both in terms of their ability to achieve specific objectives and in terms of their contribution to Programme performance.</p>	<p>It is suggested to deepen the results achieved by the young beneficiaries and the added value generated in terms of business development by the integrated action of the measures activated by the newly settled.</p> <p>In line with future development prospects, it could be significant to analyse the trade volumes - including diversification - of businesses led by young people.</p>
	<p>In line with what emerged in the qualitative analysis of the projects, the main investments made by the young people concerned the macro-area of competitiveness and the market, preferring the introduction and/or modernization of the supply chain and production - already mostly certified organic and adhering to quality systems.</p>	
	<p>77% of those surveyed consider the effects achieved in terms of market stability, competitiveness and the introduction of innovations in the company to be positive.</p>	
<p>QVC 6 3A - Improving the competitiveness of primary producers by</p>	<p>The Measures that contribute to FA 3A have activated a consistent number of interventions that can be financed, achieving a good commitment capacity of the programmed financial resources. The limited capacity of expenditure and conclusion of interventions is a consequence, particularly in</p>	<p>Identify and adopt support actions aimed at accelerating the completion phases of funded operations.</p>

QVC-FA	CONCLUSIONS	RECOMMENDATIONS
<p>better integrating them into the supply chain agri-foodstuffs through quality schemes, the creation of added value for agricultural products, the promotion of products in local markets, short supply chains, producer associations and organisations, and the interprofessional organizations</p>	<p>the case of investments, of operations approved in recent years that are in progress.</p>	
	<p>There is still a low level of realization and conclusion of the interventions relative to Operation 3.1.A for the support of entry into quality systems, even though there is a high number of applications financed. The actions of information and promotion of quality production and investments in processing and marketing companies, thanks to the support of the RDP appear to be functional to increasing the competitiveness of the sector, also in the "food" sectors (e.g. meat) and not only in wine, traditionally important in the region.</p>	<p>Increase publicity for entry into quality systems, in the food sector.</p>
	<p>In Measure 4.2, in front of a still limited progress in terms of realized operations, the potentialities related to the numerous financed investments are highlighted, especially in the wine, cereals and meat sectors. In the first two sectors the totality of the investments is of priority type.</p>	
	<p>The Measure 14 has favoured the introduction of specific animal welfare practices in a significant number of farms, reaching the relative programmed objective. In a consistent number of farms (in particular cattle farms), the adherence to the Measure has corresponded to the start or to the reinforcement (of processes of overall reorganization of the breeding system (free or semi-extensive stabling), which is also economically valuable.</p> <p>The potential impact of Measure 14 on the regional context appears to be consistent in the bovine sector, since 19% of the farms and 43% of the regional LUs have been involved, while the overall impact in the pig sector is marginal in quantitative terms.</p>	<p>To accompany the restructuring processes of the breeding system; to support the economic valorisation (in the markets) of the products obtained from breeding systems based on animal welfare, also through information activities and promotion of quality systems (of process) on these aspects (see opportunities deriving from the current evolution of the National Quality System for Animal Welfare (SQNBA).</p> <p>Strengthen the programme's capacity to intervene in the NAB pig sector.</p>
<p>QVC 7 3B - Supporting corporate risk prevention and management</p>	<p>The state of progress of the measure does not allow sufficient information to be available for an in-depth and reasoned evaluation analysis, for which it will be necessary to wait for a more advanced stage of implementation.</p>	<p>In view of the Marche Region's 'unique' experimentation of AAAs in the area of hydrogeological risk, it is suggested that their effectiveness be further investigated starting from the implementation phase.</p>
<p>QVC 8 4A - Conservation, restoration and enhancement of biodiversity, including in</p>	<p>The area of the RDP that has a positive effect on biodiversity is 167,812 hectares or 36% of the Regional Agricultural Area.</p>	
	<p>From the distribution of SOI it emerges that there is a greater concentration of SOI in Natura 2000 areas (71%) compared to the regional average (35%).</p>	

QVC-FA	CONCLUSIONS	RECOMMENDATIONS
<p>Natura 2000 areas and in areas facing natural or other specific constraints, in high-value farming nature and the landscape of Europe</p>	<p>The value of the FBI index as of 2017 is 90.96 98.70 substantially in line with the value assumed by the indicator in 2000 with a decrease since 2000 of 9.04%.</p>	<p>It is recommended, for the continuation of the evaluation activity, to verify the availability of the elementary data of the MITO project and, if necessary, to ask for their supply.</p>
	<p>On the basis of the analysis carried out, the RDP surfaces that contribute to the maintenance of high and very high natural value areas (HNV) are 103,004 ha, that is 70% of the SA. This shows a good ability of the RDP to affect the maintenance and extension of the natural value of these areas.</p>	
	<p>The Region has succeeded in assuring an income support to breeders adequate to maintain zootechnical activities also in marginal areas thanks to the high concentration of the measure dedicated to the sustainable management of pastures (10.1.C) in mountain areas and to its integration with other measures.</p>	
	<p>Having encouraged the transition to organic management also of the breeding part of the farms has determined a high level of extensification of the zootechnical activity thanks to the good participation of the farms benefiting from measure 11 to the commitments related to two specific interventions "Forage with organic bovines" and "Forage with organic sheep and goats".</p>	
<p>QVC 9 4B - Improved water resource management, including fertiliser and pesticide management</p>	<p>The area of the RDP that has a positive effect on water quality is 91,468 hectares or 19.6% of the Regional Agricultural Area.</p>	
	<p>The SOI falling in NVZs is less widespread (12.4%) than the regional SOI (18.6%), thus showing a lower concentration of commitments in areas where there is a greater need for intervention.</p>	<p>It is suggested to increase SOI in the NVZ through priority criteria to be included in area measures.</p>
	<p>Loads, and nitrogen surplus, have been significantly reduced since the adoption of the RDP interventions.</p>	
<p>QVC 10 4C - Prevention of soil erosion and improved soil management</p>	<p>The area of the RDP that has a positive effect on soil quality is 91,467 hectares 19.6% of the regional agricultural area.</p>	
	<p>The distribution of SOI in the areas at risk of non-tolerable erosion (>11.2 t/ha year) shows a good concentration of measures equal to 25.5% compared to a regional average of 18.6%.</p>	

QVC-FA	CONCLUSIONS	RECOMMENDATIONS
	<p>the RDP measures reduce erosion in committed areas by about 50%, from 40,43 t/ha/year to 19,97 t/ha/year. Overall in the regional UAA erosion as a function of RDP commitments is reduced by 8,24 % and the value of t/ha/year goes from 5,70 to 5,23.</p>	
	<p>The RDP measures determine an increase of the Organic Substance in soils, in seven years, equal to 0.25%. The increase of CO in absolute value is 0.079 mega tons (I12) in seven years, which represents 0.38% of the stock of organic carbon in the soils of the region.</p>	<p>In order to improve the impact of the policy on the increase of organic matter in soils, it is suggested to introduce operations specifically addressing this issue in future programming.</p>
<p>QVC 11 5A - Making more efficient use of water in agriculture</p>	<p>Delays in the start-up of the operation 4.3.B, dedicated to infrastructural investments for water saving, related to the complementarity relationship with the NRDP</p>	<p>Speed up the processing of aid applications and the subsequent stages as much as possible.</p>
	<p>Interesting results in terms of water savings have been achieved with the projects dragged by the measure 125 of the RDP 2007/2013: almost two million euros of investment and 3,341 hectares involved.</p>	
	<p>The contribution granted within the operation 4.1.A for interventions dedicated to water saving represents only 6% of the total paid by the Measure, reflecting an economic stimulus to water saving still structurally limited.</p>	<p>Encourage within the Structural Measures the interventions aimed at water saving, where the issuing of new calls for proposals is still foreseen.</p>
	<p>The few interventions on irrigation systems concluded for the operation 4.1.A determine an increase, even if very limited, of the irrigated surfaces and of the total water consumption, but at the same time a reduction of more than 20% of the irrigation consumption per unit of product (Community indicator R12).</p>	<p>Stimulate investment in high-efficiency irrigation systems on already irrigated land, where new calls for proposals are still to be issued.</p>
	<p>The effects of operation 10.1.A on water saving are negligible as a result of fairly "light" commitments in this respect (irrigation on the basis of rainfall data).</p>	<p>In the long term, tighten up the obligations linked to the use of systems for calculating evapotranspiration and the actual irrigation needs of crops (so-called "irrigation advice systems").</p>
<p>QVC 12 5B - Making more efficient use of energy in agriculture and the food industry</p>	<p>The interventions on energy saving under the operation 4.2.B dedicated to this are completed only to a reduced extent: 5 projects concluded at 31.12.2020.</p>	
	<p>The effects of the RDP on the subject are consequently still limited: almost 50 toe of energy saved each year, only 0.1% of the energy used by the food industry in the Marche region.</p>	
<p>QVC 13 5C - Encourage the supply and use of renewable</p>	<p>The measures with direct effects on the theme (8.6 and 16.6) have only two projects closed by 2020, concerning the purchase of equipment and machinery for processing forestry products.</p>	<p>Accelerate as much as possible the preliminary and implementation process of the dedicated sub-measures,</p>

QVC-FA	CONCLUSIONS	RECOMMENDATIONS
<p>energy sources, by-products, waste and residues and other non-food raw materials for the bio-economy</p>	<p>Investment for RES energy production, apart from drags, is limited to some projects subsidised under measures (4.1.A, 6.4.A1 and 6.4.A3) with only indirect effects on AF as they are mainly driven by economic purposes.</p>	<p>in order to increase the overall number of projects for the production of energy from RES, in particular those using woody biomass.</p>
	<p>Due to the combined effect of the two previous considerations: still negligible incidence (0.05%) of energy produced from renewable sources with the RDP compared to the total production of renewable energy from the regional agricultural and forestry sectors.</p>	<p>In the direction of the strengthening of the wood-energy chain, considered a priority in the planning phase, to provide, even in operations not directly aimed at the production of energy from renewable sources, a specific criterion of premium for plants powered by biomass farm waste.</p>
	<p>Expenditure on biomass plants is still low (12% of the total) and only two projects have been concluded under sub-measure 8.6; however, the SWOT analysis of the RDP identifies the biomass sector as the one with the greatest potential for growth ("Greater energy exploitation of woody biomass with the activation of local short supply chains" among the opportunities).</p>	<p>In the direction of the strengthening of the wood-energy chain, considered a priority in the planning phase, to provide, even in operations not directly aimed at the production of energy from renewable sources, a specific criterion of premium for plants powered by biomass farm waste.</p>
<p>QVC 14 5D - Reducing greenhouse gas and ammonia emissions from agriculture</p>	<p>The area under commitment (SOI) that contributes to the reduction of GHG emission is 86,959 hectares or 18.6% of the regional agricultural area. 98% of the SOI is associated with organic farming and only 2% with integrated farming, operation 10.1.B has not yet received any payment.</p>	
	<p>Overall, the actions of the RDP Marche Region that contribute to the reduction of greenhouse gas emissions from agriculture generate a reduction in the annual nitrogen contribution, compared to conventional agriculture, of approximately 2,000 tons, equal to an emission reduction of 9,836 tCO_{2eq}-year. In particular, organic farming contributes 99% while the remaining 1% of the total is obtained thanks to integrated production for water protection.</p>	
	<p>Compared to the total CO emissions_{2eq} from the agriculture sector of the Marche Region, which amounted to 546,178 MgCO in 2015_{2eq}, the RDP determined a reduction of carbon dioxide emissions of 1.8%. If we consider only the 100100 sector (which considers emissions from mineral fertilizers only), the incidence of the RDP rises to 5.3%.</p>	
	<p>As far as the carbon removals in the agricultural soils determined by the RDP are concerned, the values in CO_{2eq} are much higher than those obtained with the reduction of mineral fertilizers and are equal to 293.212 MgCO_{2eq}.</p>	

QVC-FA	CONCLUSIONS	RECOMMENDATIONS
	The effects of the interventions show a reduction of 438 t/year in ammonia emissions from mineral/synthetic fertilizers.	
QVC 15 5E - Promoting conservation and carbon sequestration in agriculture and forestry	Overall, the forest areas that contribute to carbon sequestration or conservation are equal to 3,315 hectares and represent 1.08% of the total regional forest area.	
	Considering the afforested areas related to the current programming period and those from the previous programming period, it is estimated that they could determine a total of 23,061 tCO _{2eq} /year. This value accounts for 0.27% of the total regional emissions and, if compared with the CO ₂ absorption of the regional forestry sector accounted for in the NIR, it represents 2.3%.	
	On the basis of the average increase in Organic Matter in agricultural soils, it is possible to estimate a reduction in emissions of 293,212 tCO _{2eq}	
QVC 16 6A - Encourage diversification, creation and development of small businesses and employment	The only measure showing progress is M7, with an expenditure of 18% of the budget for the implementation of 24 operations. The subsidized interventions have contributed to improve the usability of some rural areas with a consequent benefit for the liveability of those areas and for the economic activities related to tourism.	It is suggested to verify the regular implementation of the planned interventions, with particular attention to the presence of any hindering factors.
	The RDP supports the start-up of new non-agricultural activities and the diversification of the economy of rural areas (M6.2). These activities, which can create optimal conditions for the balanced development of rural territories, have not been started yet because at 31.12.2020 the RDP has not yet proceeded to commit the dedicated resources.	
	Networking between local enterprises has also not been able to rely on RDP funds to date, as M16 has not been activated within this FA.	
	The strategic objective of FA 6A: "Supporting business start-ups in rural areas in sectors other than agriculture" is not yet achieved.	
QVC 17 6B - Stimulating local development in rural areas	<p>An analysis of the LSPs of the LAGs in the Marche reveals a strategic orientation focused on the development of employment through support for local enterprises and production systems and the enhancement of the territory with a view to preservation and reception. An equally important role is assigned to improving the quality of life of local communities and their services.</p> <p>Although at present, due to the state of progress, it is not possible to evaluate the overall contribution of the LSPs in stimulating local development, it can be reasonably expected that its effects will tend to be distributed in a proportional manner over the thematic areas listed above, in line with the plans of the various LAGs.</p> <p>The information collected from the LAGs themselves reveal a series of challenges to be faced in the near future and related to the adherence between needs and objectives, the</p>	<p>To create frequent opportunities for comparison and exchange between the LAGs, further strengthening the dialogue between the LAGs themselves and with the Region, so as to effectively address the various critical issues in the various stages of implementation.</p> <p>Some LAGs, for various reasons, are lagging behind their spending targets, so it would be advisable to speed up the LAGs' preparation times so as not to affect the</p>

QVC-FA	CONCLUSIONS	RECOMMENDATIONS
	relevance of the planning with the changed context factors (e.g. earthquake and COVID-19) and the connection between the technical structure of the LAGs and the partnership. In this framework, the role of the MA will be important to mediate between the various instances relating to local development in the Marche region, in order to promote an effective multi-level governance. A further aspect worthy of attention concerns the criticalities indicated by the LAGs in relation to the bureaucratic and administrative burden that partially limits the ability to generate added value in the territory.	effectiveness of the planned interventions.
QVC 18 6C - Promoting the accessibility, use and quality of information and communication technology communication (ICT) in rural areas	<p>The progress in terms of expenditure of M7.3, the only one involved in this FA, reaches 54.2% of the programmed resources.</p> <p>The result indicator R25/T24 is 3.92 corresponding to 23.1% of the expected target in 2023.</p>	<p>It is suggested to monitor the regular implementation of the interventions and to verify the ability of the RDP to fully use the resources programmed for the M.7.3 and not yet committed, also in relation to the objectives defined for the territory subject of intervention.</p>

4 Methodological approach used for in-depth studies

With reference to the methodological approach, the type of analysis identified has required an in-depth study of the programming and implementation documentation and monitoring data from the regional monitoring systems - SIAR and AGEA - as well as the comparison with the regional representatives of the MA staff.

The following is a description of some "transversal" survey methods/tools functional to the evaluation of different Focus Areas:

► **Direct sample survey aimed at analysing the effects of the RDP on the objectives underlying the Focus area and the analysis of the company trajectories**

The sample survey was addressed to a sample of agricultural companies benefiting from RDP resources whose projects were concluded - or rather "paid off" - at 31/12/2019 to examine the results achieved and/or expected and to verify the so-called "Company Trajectories". It was carried out through the administration of a structured questionnaire - CAWI and CATI techniques - in the period March-May 2021. The survey contributed to enriching the answers to the QVCs of the Report (chap. 11), where there were usable answers.

► **Georeferencing of interventions**

The general method of data processing and analysis was based on the integration ("crossing") in GIS (*Geographic Information System*) of information from the BD and BD SIAR provided by the Region containing the exact indication of the municipality where the farm is located.

This methodology has been applied with reference to **the geo-referenced analysis of the interventions activated in areas C3 - D and in the crater municipalities**: through thematic cartographies, the progress, as of 31/12/2020, of the structural measures in terms of beneficiaries

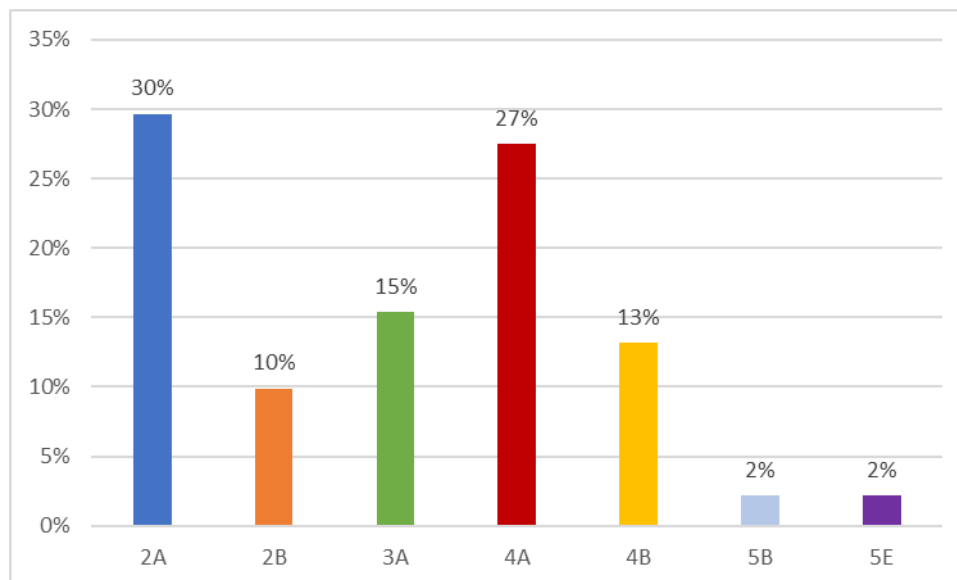
and total expenditure in the marginal areas (areas C3 and D) and in the area of the seismic crater identified - following the seismic events that affected the region in August and October 2016 and January 2017 - with the L.229 of 15/12/2016 has been described and their territorial distribution reported.

5 Characteristics of sample survey participants

The final numbers of the survey carried out by the evaluator in the year 2021 (March-May 2021), record the **direct participation of 91 beneficiaries**¹: being about 94% of the optimal sample size (equal to 97 units), it can be said that this number of final participants does not affect the representativeness of the initial universe of beneficiaries.

As can be seen from the graphs and the table below, the majority of respondents to the sample survey are agricultural businesses that are beneficiaries of operations located within FA 2A (n. 27, corresponding to 30% of the total number of respondents), followed by those that participated in the interventions referred to in FA 4A (n. 25, 27% of respondents) and beneficiaries of sub-measures referred to in FA 3A and 4B (respectively 15% and 13% where there are a total of 10 responses for interventions 11.1 and 11.2). Going into more detail at the level of operations, 22% of the respondents are beneficiaries of operation 4.1A (n.20), followed by intervention type 13.1 (13%) and operation 6.1.A (10%). A, 4.2.A, 4.2.B, 6.4.A, 6.1.A, 8.3.A, 8.1.A and 10.1.A for which between 1.1% and 2.2% of the total per intervention responded.

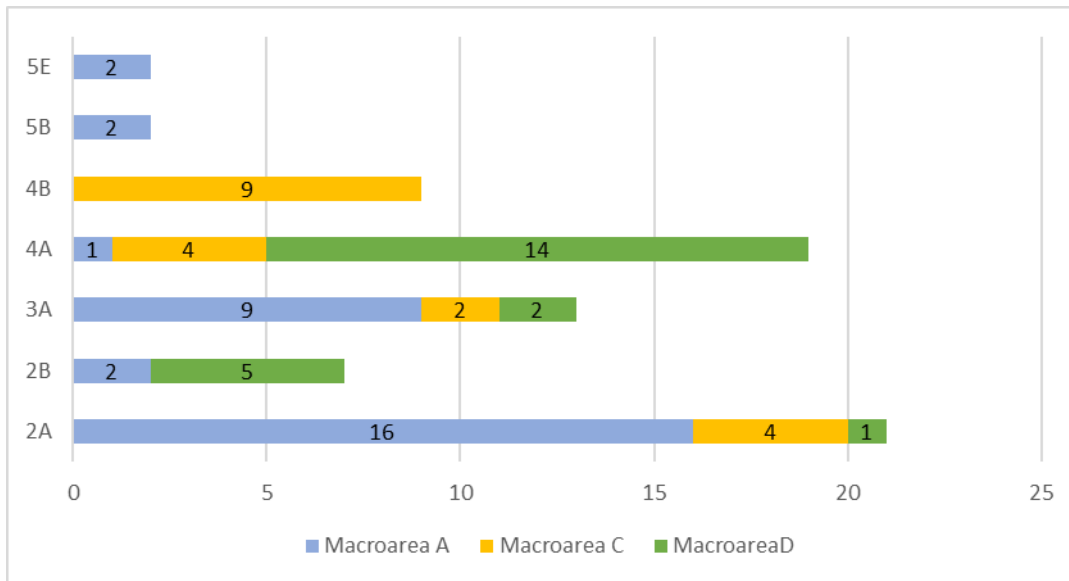
Graph 1- Participants in the sample survey by Focus Area in percentage value



In extreme synthesis, **64 men** and **22 women** participated in the survey - of which 7 in FA 2B alone - (take into account that 5 beneficiaries did not enter the information) with an average age of 50.6 years and 41% having a high school diploma and 16.5% a university degree. Most of the **farms are in the hills** (about 74% out of 90 valid responses) and are located in **Macro Area A - Urban Poles** (32 farms, of which 16 in FA 2A and 9 in FA 3A), followed by Macro Area D - Rural areas with overall development problems (22 farms, of which 14 in FA 4A), and finally Macro Area C - Intermediate rural areas (19 farms, of which 9 in FA 4B).

¹ In order to carry out the sample survey, the evaluator considered it appropriate to involve and contact, in addition to the owners of the beneficiary farms, also the agronomists who offered their collaboration, especially in favour of their own assistants, for the compilation of the questionnaire.

Graph 2- Distribution of participants in the sample survey by Focus Area and Macro Area in absolute value

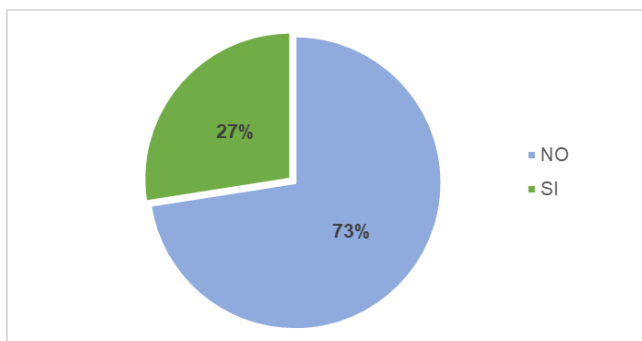


Approximately **24% of** the companies that provided information on economic size - a total of 89 out of 91 - express a **DP ranging from 25,000 euros to less than 50,000 euros**, followed by the class "from 15,000 euros to less than 25,000 euros" and that for small companies (less than 8,00 euros), both with 13.2%, and finally there are the large companies (equal to or greater than 500,000 euros) with 12%.

With regard to the **Technical-Economic Orientation**, the group of **holdings specialising in other arable crops - open field vegetable gardens, tobacco or different combined arable crops** - appears to be prevalent, with a total of about 34% (31 holdings), followed by holdings with arable crops horticulture and combined permanent crops (23 holdings, of which 8 in FA 4A), specialised wineries (13 holdings, of which 7 in FA 2A) and holdings specialised in cereals and protein and oil crops (10 holdings, of which 5 in FA 4A).

It should also be noted that **25** of the 91 companies participating in the sample survey fall within **the Crater Area**, in which the direct consequences of the earthquake that struck the region between 2016 and 2017 are recorded and where the state of emergency (Law no. 229 of 15 December 2016) is in force - until 31 December 2020.

Graph 3- Companies participating in the sample survey in the earthquake area - percentage value



6 Analysis of questionnaire responses

► Company development strategies

In the area of '**Competitiveness and market**', most of the measures carried out concern actions dedicated to adhesion to quality systems, demonstrating the interest of farms in this subject. With regard to measures to **protect the environment and the climate**, measures have been implemented for the "Improvement of water regulation systems (drainage ditches, drains, etc.) and water storage". The actions for the improvement of water management are mainly among the actions "in progress" followed by the initiatives of recourse to "Training and consultancy services" and the whole "package" of interventions concerning a better use of the soil and the management of livestock. Among the interventions carried out for the macro-theme related to the **"link with the territory"** it is interesting to notice how the will of "Adhesion to local networks of enterprises for the development and the coordinated offer of territorial products and services" acquires a certain weight.

► **Results of the participation in the RDP and achievements of the interventions co-financed by the RDP**

In general, with respect to the direct question "The types of RDP interventions/measures of which the company is a beneficiary, have allowed to face the main criticalities of company development", 69 participants answered positively (out of 88 valid answers). In 41 cases they declared that the main results were recorded in the competitive and market development of the company and, in 46 cases, that the average increase in turnover increased by about 38% thanks to the RDP interventions.

The innovations introduced have mainly concerned those of a "technical-organizational type within the productive processes of cultivation and breeding" and those concerning the "increase of the environmental sustainability of the farm". The technical innovations are mainly related to the "introduction of the transformation and/or innovations of transformation processes already present" and to the managerial innovations. Environmental innovations are more present together with options related to the diversification of products and trade channels.

► **The company and the health emergency**

Due to the COVID-19 health emergency, all the farms participating in the survey were faced with a certain revolution in the production, management and commercial routine of the farm dictated by the contingency of the pandemic, with different levels of problems.

The **main problems** were registered - answers "limited and significant changes" - for the aspects related to **"Modalities and marketing channels"** and for **"Employment/recovery of production factors, including family and extra-family labour"**. In the light of this experience, the farm managers were asked to **indicate the prospects of re-launching and what further developments they imagine for their company**: in the first place there is the will to **rethink the distribution methods and channels** - Secondly there is **the will to create/reinforce networks on the territory and finally to modify quantity and characteristics of the production**, just for the changes occurred in the demand.

7 Assessment of the contribution of the RDP to the needs of the areas affected by the seismic events

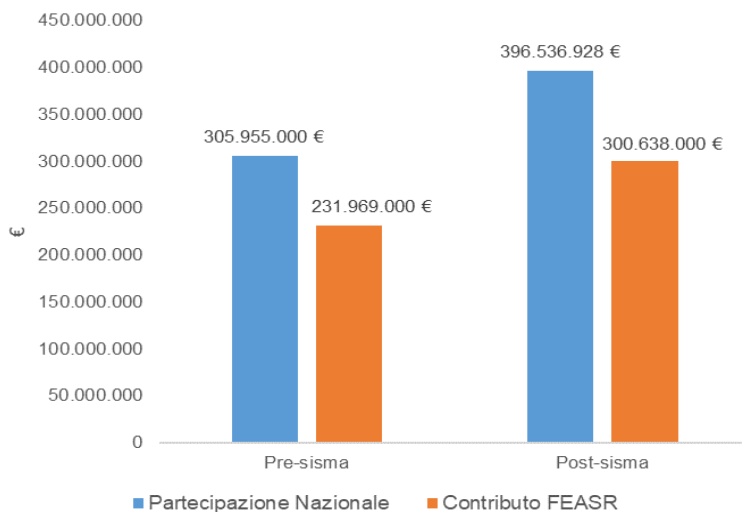
In the areas affected by the earthquake, the aim was to strengthen **support for business competitiveness and broaden the range of opportunities** to take into account both the specific needs arising from the earthquake and the more difficult socio-economic conditions in which companies operate.

With this in mind, the RDP of the Marche Region has been amended in order to address the damage caused by the 2016-17 earthquake and go to the aid of affected farms, responding to the immediate and long-term needs for the maintenance and recovery of production activity.

Following the decision of the European Commission, the resources of the RDP Marche have been reallocated between the different measures in order to cope with the increase (of almost 30%) of the financial endowment, which now totals 697.21 million €, of which **159.25 million €** are dedicated to the consequences of the earthquake.

As provided for in the agreement reached by the State-Regions Conference of 22 June 2017 (Presidency of the Council of Ministers, 2017), the regions affected by the seismic events (Marche, Umbria, Abruzzo and Lazio) absorb a share of the resources allocated to rural development by the State and the other regions (6% from the national RDP and 3% from the regional RDPs in the period 2018-20), benefiting from the so-called solidarity transfer through which they have been integrated into the RDP version 3.0 approved by the EU Commission with Execution Decision C (2017) 7524 final of 8/11/2017 .

Graph 1- National share and EAFRD share before and after the earthquake Marche Region



Source: RRN - "The RDP as a support tool for the resilience of farms affected by the 2016 earthquake" (December 2020)

The Marche seismic crater covers 42.3% of the regional territory with 85 municipalities in the provinces of Ascoli Piceno, Fermo, Macerata and marginally Ancona and about 350,000 residents. Within the area there are 9,500 farms (36% of the regional total) and the UAA is about 170,000,000 hectares. In the following table, the asterisked calls (measure 6.1.a - establishment of young people; measure 16.8 - forest management plans; measure 4.2.a - tangible and intangible investments in the agro-food sector; measure 4.2.b - reduction of energy consumption) provide that the recipients are located within the "crater" of the earthquake: the overall picture of the financial progress is also reported. The table represents the financial progress for the SISMA funds of the 2014-2020 Marche RDP, by Focus Area and Submeasure.

Table 6- Financial progress by Operation, SISMA funds of the 2014-2020 RDP in Marche - calls closed at 31.12.2020

FA	Operation	Total budget (public expenditure)	Amount of calls closed SISMA only	Amount committed in SISMA ranking list (e1) (net of waivers/waivers)	Percentage of SISMA committed resources over total budget (%)	Percentage of SISMA committed resources on SISMA calls for tenders amount (%)
		(A)	(B)	(C)	(C/A)	(C/B)
2A	1.1.A - Training for persons engaged in the agricultural, food and forestry sectors	3.800.000	700.000	-	-	-
	1.2.A - Information actions relating to the economic improvement of agricultural and forestry holdings	5.400.000	1.200.000	-	-	-
	A - Tangible and intangible investments	99.025.000	50.883.000	39.895.482	40%	78%
	4.3.A - Rural and forest roads	25.000.000	19.882.139	15.251.728	61%	77%
	A - Support for investments in agricultural holdings for the development of non-agricultural activities	29.000.000	7.400.000	2.309.535	8%	31%
	16.1.A -Support for the creation and functioning of operational groups of the IEP - FA 2A	15.700.000	4.760.161	3.293.983	21%	69%
	A - Support for pilot projects and for the development of new products, practices, processes and technologies	4.000.000	1.250.000	-	-	-
2B	6.1.A -Start-up aid for the setting-up of young farmers	21.000.000	7.700.000	6.800.000	32%	88%
3A	3.1.A - Incentive support for the costs of participation in quality schemes	1.710.928	550.000	-	-	-
	3.2.A -Information and promotion measures for quality products	17.575.000	6.967.876	5.194.369	30%	75%
	A - Tangible and intangible investments made by agri-food enterprises	20.600.000	6.750.000	3.667.247	18%	54%
	A -Animal welfare payments	28.000.000	18.375.852	18.375.852	66%	100%
	16.4.A -Support for short supply chains and local markets	3.961.778	3.400.000	-	-	-

P4	11.1.A -Payments for conversion to organic production methods	33.500.000	9.718.491	9.718.491	29%	100%
	11.2.A -Payments for the maintenance of organic production methods	77.500.000	25.226.339	25.226.339	33%	100%
	13.1.A -Compensatory payments in mountain areas	66.500.000	21.420.372	21.420.373	32%	100%
5B	4.2.B -Tangible and intangible investments for the reduction of energy consumption	3.400.000	2.650.000	72.566	2%	3%
5C	A - Establishment of aggregations between forest biomass producers	1.500.000	900.000	-	-	-
5E	16.8.A - Support for the elaboration of forest management plans or equivalent instruments	2.600.000	600.000	274.789	11%	46%
6B	19.2.A - Interventions aimed at achieving the objectives of the thematic areas (LAGs)	60.455.902	12.449.500	12.449.500	21%	100%
	19.3.A -Preparation and implementation of LAGs' cooperation activities	4.293.598	500.000	-	-	-
	19.4.A - Operational management and animation actions for the full implementation of the LSPs	10.510.500	2.050.500	2.050.500	20%	100%
Total		535.032.706	205.634.230	166.000.754	31%	81%

Source: elaborations on regional monitoring files

7.1 The results of the direct survey addressed to farmers in the crater area

A portion of the farms in the crater area was involved and intercepted by the sample survey (n. 25) carried out by the Evaluator in order to analyze and describe the "cross-section" of the farms benefiting from the RDP that are located within the area of the earthquake crater. The owners of the farms affected by the 2016 seismic events were asked an additional question compared to the questionnaire prepared for other enterprises. The text of the question *"In the light of the seismic events of 2016, what do you think could be the additional development levers for the territory and the farms on which to focus in the new programming?"* intended to stimulate the owners of this particular portion of companies, to frame the areas of development potentially eligible for incentives by the interventions of the next RDP. The response options - maximum 3 - referred both to the sphere of territorial development (for example "rural tourism" and "short supply chains and local markets") and entrepreneurial ("competitiveness, modernization and business innovation", "integrated planning" etc.).

On the whole, the answers do not differ from those given by the other companies operating outside this area. The only two elements that can be detected are related to the actions carried out in the area "environment and climate" and to the strategies to be implemented following the lessons learned after the pandemic. In fact, with regard to the agricultural practices typically included among those that can be implemented with the measures related to Priorities 4 and 5, the farms of the crater area have mainly focused on the introduction of conservative agricultural practices, leaving for the future the improvement of water regulation and management systems.

As far as the strategies to be adopted post COVID-19 are concerned, the answers are slightly different, although the main difficulties have been detected by both groups of companies on the channels and modalities of commercialization. In fact, the companies in the area of the crater feel they have to redesign the "managerial" assets of the company rather than those related to trade in the strict sense. Probably this element is connected to the size of these companies: in fact, they seem to be family-run companies with 2/3 fixed-term employees, mainly part-time, which, also thanks to the RDP, are innovating and expanding their activity.

Finally, in surveying the answers to the key question of this study, the owners of the companies in the crater area identify the future **levers of development of the territory and of the agricultural entrepreneurship** in the support to **investments for competitiveness, company modernization and innovation** together with all the initiatives aimed at relaunching local development, tourism and hospitality at 360°. Also important were the advantages acknowledged for participation "in a chain" with other economic and institutional subjects in the territory (15% of responses).

Therefore, **this group of farmers has identified in the organization, rather than in the production processes in the strict sense - including primary production - the business area on which to focus strategically for the future.** During the emergence from COVID-19, the changes in market demand were not particularly impactful, but rather the need for modernization, revision of the management routine in the farm and a new commercial relationship with the outside world - creation of networks, design and creation of supply chains, relaunching of rural tourism and non-agricultural activities, etc. - became compelling.

What emerged would seem to be in line with the objectives at the base of the re-modulation of the RDP resources on some strategic measures following the seismic events: in the affected territories, the Programme would have allowed the entrepreneurial and productive fabric already present to remain active by realizing useful interventions to qualify/re-qualify the production and/or transformation processes and to maintain stable the diversification and trade activities. For these reasons, in the future it will be possible to pursue objectives of relaunching the territory at 360 degrees starting from the local quality productions - and therefore from the objectives at the base of Measure 3 - to the tourist and infrastructural development. The same applies to the younger companies present in the territory or newly established (among the 25 companies that responded to the questionnaire, 12 were established between 2013 and 2017): according to the analysis of the

answers, the business development strategies, already implemented or feasible in the future, are very similar to those of companies already present in the territory. From these beneficiaries is more felt the need to focus again on competitiveness and modernization of farms as a lever of territorial development for the future.

8 Assessing the trajectories of agricultural holdings in the Marche region

8.1 The methodological approach

The object of the evaluation is to observe the change in behaviour induced by the RDP, within a fluid social context, characterised by the interaction between farmers, processing enterprises, institutions and all other subjects living in the territories (residents, tourists, enterprises linked upstream and downstream with the farm).

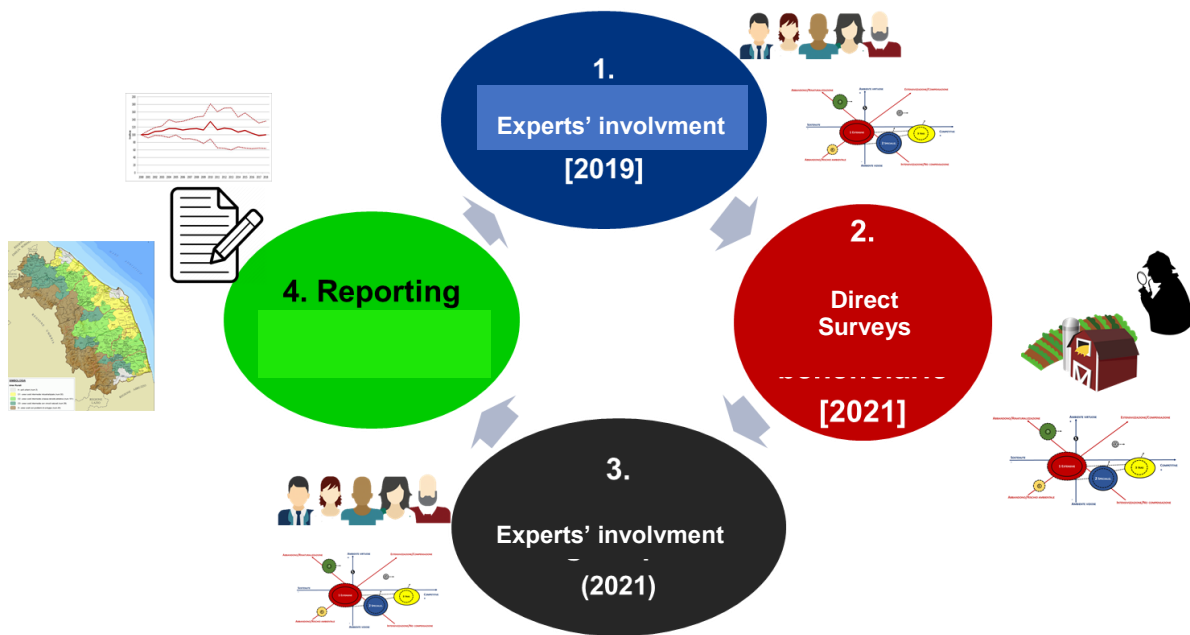
The RDP provides a "menu" of Measures that allows the farmer to consolidate or stimulate his business development strategy according to the reading he gives to the dynamics of the context. The farm is the centre of gravity of the CAP that finds in the RDP the tools to affect the needs considered priority by the stakeholders (political decision makers and representatives) of the regional agricultural and agro-food system.

The methodological approach proposed starts from the assumption that the farm is the main and most relevant target of the RDP: the farm is the means through which it is possible on the one hand to recompose the framework of the interventions financed (on the different FAs) and on the other to grasp the influence of the RDP on the objectives of Pillar II, with the exception of a few types of operations of priority 6 that are addressed to other types of beneficiaries.

The methodology that was chosen to be used involved the reconstruction of typological profiles of Marche Region farms through a panel of experts.

As depicted in the diagram below, the approach is circular and foresees the involvement of regional experts at several stages, at the beginning and at the end of the process. It is also important to highlight that the process related to the use of this innovative methodology with respect to business trajectories is based on consensus and sharing. Therefore, the involvement of experts for the construction of a cluster scenario that is shared and relevant with the objectives of the evaluation is essential. In the future, but already in the initial and intermediate phases, this participatory approach facilitated an exchange able to create a consensus with respect to the (future and not only) choices to be taken.

Figure 1- The evaluation process of business trajectory analysis



More specifically, the methodology chosen for this analysis involved the **reconstruction of typological profiles of the Marche Region's farms, mainly through the following steps and the use of different survey tools:**

1. **comparison with a panel of experts for the identification of business clusters** (2019) starting from a classification proposed by the Evaluator and based on the analysis of the main regional context data;
2. **sample survey** (2021) carried out by means of a questionnaire addressed to the same sample of agricultural companies benefiting from the RDP as in Chapter 5.1. This analysis - aimed at verifying the typological characteristics of the beneficiary farms and their development prospects with respect to macro-indicators of competitiveness and environmental footprint - included specific sections of the questionnaire (Annexes - Chapter 15) such as:
 - ▶ Section 1 - Information on the holding and the holder;
 - ▶ Section 2 - Characteristics of the agricultural holding, such as production orientation (based on the technical-economic orientation - OTE), economic size of the holding, farm labour force, farm area, etc;
 - ▶ Section 3 - Company development strategy: aimed at verifying which are the main improvement actions carried out, in progress or planned by the company with respect to competitiveness, environment and link with the territory;
3. **Reconciliation of the beneficiaries who participated in the survey within the identified clusters**, starting from the information provided with respect to company characteristics and the development paths undertaken;
4. **analysis of the answers to the questions of the questionnaire by type of cluster**, also operating a verification of possible **interdependencies** between some of the variables considered (e.g. qualifications and economic dimension), in some cases also with respect to the clusters (e.g. clusters and quality productions), verifying the levels of dependence, through the chi square test;

5. A **new structured meeting with the Panel of experts** (July 2021) to share the first results emerged and a reflection on the contribution of the RDP in defining the trajectories of the clusters that include the beneficiaries of the Programme.

8.2 Outcomes of company trajectory analysis

► Identification of business clusters and their characteristics

A description of the clusters identified by the panel is provided below. For each cluster, after the descriptive label, the weight of UAA and FWP with respect to the regional figure is indicated in brackets².

Group 1: Extensive holdings (UAA: 40% - FWP: 33%)

These are farms that cultivate medium-large surfaces with low crop diversification and cereal, protein crops and forage crops. The work intensity is low with the use of family labour and the use of contractors. The average PLV varies between 20,000 and 60,000 euros (without considering CAP aid). The net income varies between 0-7,000 euros. Average UAA between 30 and 80 ha. The average PLV including the premiums of the I Pillar of the CAP between 27.000-67.000 euro. In the cluster there are organic farms. The weight of the cluster on the regional UAA is 40%. In terms of PLV it is equal to 33% of the regional PLV.

Group 2: Specialised holdings (UAA: 18%- FWP: 25%)

Companies with specialized productive address on crops such as: vegetable garden-floriculture nursery - fruit-growing viticulture-olive-growing-silviculture and zootechnics. The work intensity is medium-high with the use of casual labour (in a relevant way) and also the use of subcontracting. The average PLV ranges from 50-100 thousand euro (without CAP). Net income between 15-30 thousand euros (without CAP). Average UAA between 10-20 ha. The average PLV (with CAP premiums) between 51-103 thousand euros. There are also organic farms and other production regulations. The weight of the group on the regional UAA is 18%. The weight of the group on the regional PLV is 25%:

Group 3: Processing and/or supply chain companies (UAA: 12%- GMP: 32%)

They are companies that process agricultural products (cellar, cheese factory, slaughterhouse, various workshops) and/or sell directly (aggregating more actors of the regional supply chains). The labour intensity is high with the use of casual labour (to a significant extent) and marginal recourse to subcontracting. The average PLV varies between 75,000 and 225,000 euros (without CAP), the net income 15-30k (without CAP), the average UAA between 5-15 ha. The average PLV (with CAP) between 78 thousand and 228 thousand euros. In this group there are farms that make organic products and with other quality marks. The weight of the group on the regional UAA is 12%, the weight of the group on the regional PLV is .32%.

Group 4: Multifunctional (UAA: 2% - FWP: 4%)

These are farms that carry out agricultural activities with a strong multifunctional imprint (agritourism/farming/maintenance). The work intensity is high with the prevalent use of family and casual labour. The average PLV varies between 60-180 thousand euro (without CAP), the net income between 15-45 thousand (without CAP), the average UAA between 5 and 15 ha. The average PLV (with CAP) oscillates between 63-189 thousand Euros. In this group there are farms with organic productions and other quality marks, the weight of the group on the regional UAA is 2%, in terms of PLV :4%.

Group 5: "start-ups" (UAA: 1%- GFP: 0.5%)

² The data is indicative, and has been constructed with the support of experts. However, it provides a fairly approximate indication of the reality of the companies contained in each cluster.

The group includes start-ups that, unlike other new businesses under 40, are not run by young people who have taken over from their relatives (family takeover). These young farmers introduce new business models that are very "particular": from snails, to small fruits, to unusual animals, they also show a good sensitivity to the exploitation of waste. The intensity of work is high and refers only to the conductor, they use extra-farm economic resources and are characterized by high communication skills and attention to the market. The average PLV varies between 15-40 thousand euros (without CAP), the net income between 15-45 thousand euros (without CAP), the average size is small with a UAA between 0.5-5 ha. The average PLV (with CAP) is between 15-41 thousand euro. The weight of the group on the regional UAA is less than 1%, the weight of the group on the regional PLV is 0.5%.

Group 6: "land capital conservation" (UAA: 10%- FDP: 2%)

Companies in which management choices are delegated to third parties. There is a scarce propensity to structural investments and innovation. The temporal horizon of entrepreneurial choices is short term, characterized by a scarce attention to environmental issues. In the long term, the smaller farms may be sold to others. They tend to be cereal farms, at risk of cross compliance. The work intensity is average with exclusive use of subcontracting. The average PLV varies between 3.5 and 15 thousand euros (without CAP), the net income between 1.5 and 6 thousand euros. The average UAA varies between 5 and 20 ha, the average PLV (with CAP) between 5-21 thousand euro. The weight of the group on the regional UAA is 10%, the weight on the regional PLV is 2%.

Group 7: at risk of mountainous marginalisation (UAA: 15% - PLV: 3%)

These farms are located in mountainous areas in municipalities at risk of depopulation, they have a medium-high surface area, they are directly managed and make little use of casual labour and contractors. They are mostly zootechnical and forage farms, with production orientations strongly influenced by wildlife (wild boar, fallow deer, roe deer, wolves). The average PLV ranges between 5 and 10 thousand euros (without CAP), the net income between 1.5 and 6 thousand euros, the average UAA between 20 and 30 ha, the average PLV (with CAP) between 9 and 16 thousand euros. The weight of the group on the regional UAA is 15%, the weight on the regional PLV is 3%.

Group 8: hobby/self-consumption (UAA: 2% - FDP: 0%)

These are "holdings" with areas conducted for hobby use by households for self-consumption only; they cannot be classified as enterprises. The average UAA varies between 0 and 2.5 ha, the weight of the group on the regional UAA is 2%, the weight of the group on the regional PLV is irrelevant. The RDP does not intervene on these farms.

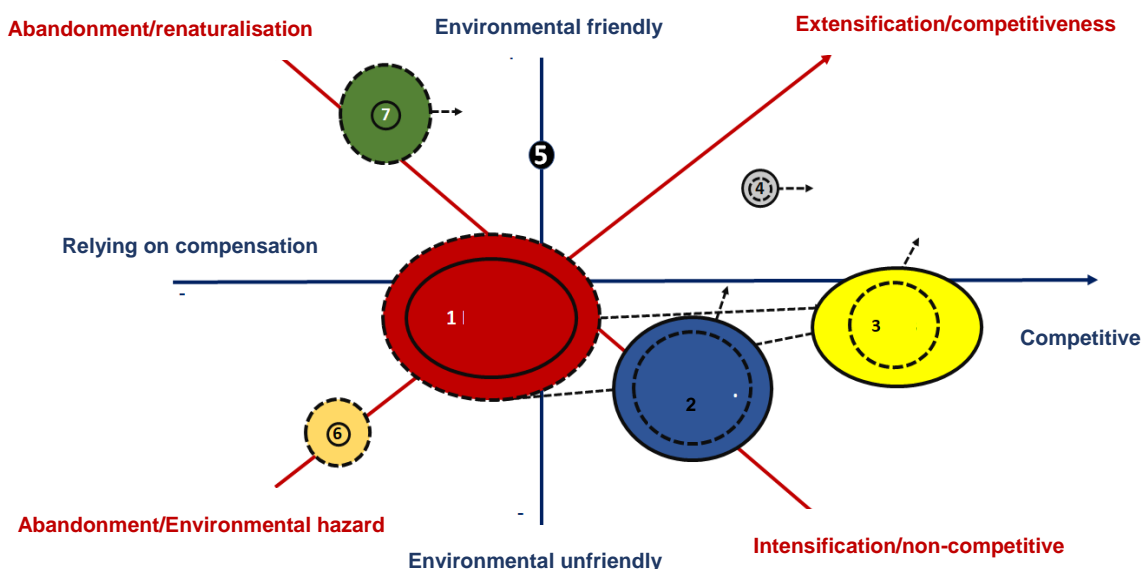
The outcome of the involvement of the experts (carried out using a *group concept mapping* technique) ended with the representation within the space of the trajectories (competitiveness, ecological footprint). In this phase we tried to provide some initial indications on the orientations of the Marche Region's farms with respect to the two main variables, competitiveness and environment, and therefore how the farms could be oriented in relation to the opportunities offered by the RDP Measures. From this analysis some first reflections on the effects that can be expected in the near future can be drawn.

To this end, the panel of experts was asked to place the typological clusters of farms in the Marche region within a space that describes the different attitudes of farms, with the exception of the less relevant clusters in terms of PLV and UAA not intercepted by the RDP. Each axis is described in a dichotomous way by two terms that are the opposite of each other: thus competitiveness is represented by the dichotomy market/support and environment by virtuous ecological footprint/vicious ecological footprint. Each cluster (circle) is sized with respect to its weight in terms of UAA (dashed line) and PLV (solid line).

Each quadrant is summarized by a trajectory (red line) that represents the possible combinations of competitiveness and environment:

1. the first quadrant describes the attitude of the most market-oriented companies, which pursue a trajectory of increasing business competitiveness through extensification processes or environmental compensation (reuse of waste for energy production, use of renewable sources, minimum or zero tillage, precision agriculture, etc., or for supply chain policies that focus on quality);
2. the second quadrant describes the attitude of those who, always market-oriented, pursue trajectories based on intensification processes (concentration and/or supply chain policies on quantity) that generate pressure on the environment with little compensation;
3. in the third quadrant there are the farms that can survive thanks to the aids and can slide along a trajectory of abandonment of the activity that risks to create environmental pressure (for the function of garrison of the territory in environmental or for an alternative use of the land);
4. in the fourth, farms supported by public aid that may be slipping down a trajectory of abandonment but in a context where the renaturalisation of land (forests) can have a positive function for the environment.

Figure 2- The space of trajectories between competitiveness and environmental footprint



1) extensive farms 2) specialised farms 3) processing and/or supply chain farms 4) multifunctional farms 5) start-ups 6) capital preservation farms 7) farms at risk of mountain marginalisation

► Summary of key findings from analyses conducted in 2021

As explained above, the direct survey targeted at a sample of beneficiaries was conducted in 2021 to identify, among other things, useful elements to identify the contribution of the RDP in determining the business trajectories of beneficiaries broken down by cluster.

The following table shows the distribution of the companies included in the sample by *cluster*. The penultimate column indicates the weight of the *cluster* within the regional context, while the last column indicates the difference between the weight assumed in the sample and that of the regional context. In grey are highlighted the clusters whose number does not allow, at the moment, to make inferences that can be extended to the reference population of the regional beneficiaries and to the regional context, in yellow the clusters that are not represented. The only cluster that is not represented in the sample is the one that includes hobby farms, that will be anyway difficult to

intercept because one of the main characteristics of this cluster consists in the fact that the RDP does not intervene on these farms. The so-called start-up farms and those preserving the land capital are represented only in a minor way, while the specialized farms such as the transformation ones are well represented in the sample. Considering that this is an analysis that will be the object of further investigations, it is expected that these differences with the regional context can be reduced.

Table 7- Composition of the 2020 sample by cluster

Cluster membership	Companies in the sample	Weight in sample	Weight in the regional context	Delta sample/region
Extensive farms	9	10%	40%	-30%
Mountain farms at risk of marginalisation	9	10%	15%	-5%
Start up companies	2	2%	1%	1%
Processing and/or supply chain companies	29	33%	12%	21%
Capital conservation farms	1	1%	10%	-9%
Specialized companies	29	33%	18%	15%
Multifunctional companies	9	10%	2%	8%
Hobby/self-consumption	-	-	2%	-
Total	88	100%	100%	0

Following the survey carried out and the analysis of the results of the questionnaires, the IA, as scheduled, organized the second meeting with the experts in order to share and discuss the primary data collected. The meeting was necessary to present the main elements found in the survey and to follow up on the first meeting where the clusters and their trajectories were defined.

This second meeting was structured in two main phases: first, the IA presented the results that emerged and then initiated a participatory phase in which the experts were asked to update the company trajectories. For each cluster a form was submitted to the experts in order to express an opinion on the two dimensions within which each cluster can move, competitiveness and ecological footprint.

A summary of what emerged from the discussion with the panel of experts, also on the basis of the results of the sample survey, is given below.

- ▶ **Mountain farms at risk of marginalisation** have intended and are using the RDP to improve environmental performance rather than to increase competitiveness within the agricultural sector as originally assumed. The trajectory originally designed for this cluster foresaw a greater push towards the second quadrant especially considering the needs of mountain farms to improve their economic performance but in reality, for now and with this sample, a different phenomenon is occurring.
- ▶ The **start-up cluster**, which was not initially assigned a trajectory, would seem to be moving in a balanced way towards greater competitiveness and environmental virtuosity. However, it should be noted that the representativeness of the cluster within the sample is too limited to draw general conclusions, but given that this survey will be repeated over the years with an incremental sample, it is hoped that an acceptable number will be reached so that conclusions can be extended to all companies in the regional context.
- ▶ The update with respect to the trajectory of **multifunctional farms** is more than positive because it increases the intensity of the arrow and especially the ability of the cluster to move within the second quadrant increasing competitiveness and decreasing the ecological footprint. The ability to integrate income with extra-agricultural activities allows the farms within this cluster to decrease the ecological impact because, in principle, they do not need

the production levels that a purely agricultural farm must aim at in order to sustain itself over time. This aspect is essential to understand the position of the cluster within the quadrants.

- ▶ **Extensive farms** have improved their trajectory especially with respect to the environment, while their ability to become more competitive seems to have decreased. This is in line with what emerged from the answers to the sections dedicated to business development strategies with respect to competitiveness and the environment, because extensive farms seemed much more willing to get involved and improve with respect to their ecological footprint, while the aspects related to competitiveness were rather neglected. The main elements that emerged with respect to this last theme are the willingness of some of these farms to integrate activities such as processing and direct sales, thus raising the possibility that some of them may become processing and/or supply chain farms in the future.
- ▶ **Specialised companies** as well as **processing and/or supply chain companies** have undergone similar changes, both of which have improved their ability to increase their competitiveness at the expense, however, of a deterioration with respect to the potential to decrease their ecological footprint. In this way, the companies belonging to these two groups, which were already positioned in the fourth quadrant, seem not to be able to move to the second quadrant, which ensures a lower environmental impact at equal levels of competitiveness. Following the first meeting, it was concluded that these two clusters could improve significantly with respect to the environment axis, but after the sharing of results and discussion with the experts, it was concluded that the focus of these companies is instead mainly related to an increase in competitiveness and for this reason the trajectories of both have been lowered a lot.
- ▶ The **land capital conservation farms**, which initially did not have their own trajectory, present a rather negative scenario. Despite not being adequately represented within the sample, it was concluded that these farms can only worsen their situation both in environmental and economic terms.

Figure 3 Cluster positioning with respect to the "environment/competitiveness" guidelines

