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V Thematic Evaluation report – Business creation

Executive Summary - English

JUNE 2021

Introduction

Objectives of the evaluation

The thematic report on business creation and networks examines the interventions financed by the European funds of Friuli Venezia Giulia aimed at supporting business creation and networks. The analysis is transversal to the various European funds (ERDF, ESF and EAFRD), however the theme of networks is analysed only in relation to the RDP EAFRD.

The thematic evaluation is aimed at assessing the results obtained by the interventions.

The analyses were carried out separately for each fund, although some cross-cutting issues were investigated:

- the perceived added value of the contribution received with respect to the creation of businesses and/or the implementation of consolidation projects;

- the performance of the companies created/supported by the three funds at a regional level;

- the effects of the COVID-19 pandemic on the companies created and/or on the consolidation projects started.

The methods

With regard to the methodology, desk analyses of the main programmatic documents, literature and monitoring data were carried out, integrated by various direct surveys, carried out in a fairly short period of time. Specifically, 5 online surveys were carried out: one directed to the beneficiaries of various RDP measures, three surveys to the beneficiaries of the lines 1.4.b, 2.1.a and 2.1.b of the ERDF and a survey of people who have received training and/or services from the ESF measure IMPRENDERO'. Overall, more than 2000 beneficiaries (businesses and individuals) were contacted between April and May 2021. Some qualitative interviews with relevant actors were carried out for some insights.

Authors

The report was prepared through the cooperation of several authors, as explained in the following: Marco Pompili (introduction, chapter 1, 2, 5 and 6), Vincenzo Angrisani (chapter 3), Luca Rossi (chapter 4), Andrea Ciffolilli (chapter support 4), Carlo Miccadei (support chapter 5).

RDP EARDF

The context

The added value of the agriculture, forestry and fishing sector was, in 2019, equal to 608 million euros, while the total value of production, of 1,276 million euros, is almost entirely attributable to plant and animal production (forestry, fishing and aquaculture contribute marginally). The main productions are related to wine products, meat and milk, supply chains that are particularly exposed to the closure of the HoReCa channel during the COVID-19 emergency.

Farm productivity shows a high variability related to the different structural and organizational characteristics of the company and the role taken by agriculture in the different territorial realities. The best performances are obtained by farms of larger economic size, while the volume of revenues obtained by farms with standard production of less than 50,000 euros does not exceed the national average.

As regards public aid, the average national aid paid has undergone a contraction of more than 11%, determined in part by the reduction of the Union resources (CAP) assigned to our country in the 2014-2020 programming period, which is combined with a possible effect of internal redistribution of resources.

The aid deriving from rural development measures, pillar II of the CAP, and from other aid from national and regional sources instead amounts to an average of about 6,000 euros, with an average decrease of about 9% compared to the previous three years which, however, in Friuli- Venezia Giulia had more impact.

RDP measures

For the purposes of this Report, the Evaluator has concentrated his investigation on some specific sub-measures and interventions and in particular:

- with regard to business creation (and diversification), sub-measure 1.1 Support for vocational training and skills acquisition, sub-measure 6.1 Business start-up for young farmers - Youth package, sub-measure 6.2 Start-up of enterprises for non-agricultural activities in rural areas and the sub-measure 6.4 (interventions 6.4.1 Support for investments in the creation and development of non-agricultural activities, type of intervention and Support for investments in the creation and development of renewable energy; 6.4 .2 Diversification in agritourism, educational and social activities and 6.4.3 Development of new products);

- as regards the creation of business networks, on the other hand, the intervention 8.6.1 Forest technologies for the transformation, mobilization and marketing of forest products, sub-measure 16.2 Creation of clusters or networks for the development of business innovation projects and supply chain, as well as the Supply Chain Projects.

Progress

From the point of view of progress, the Measures taken into consideration generally show good performance.

With regard to financial advancement, several Intervention Typologies (IT) present a more than satisfactory advancement: among these we can highlight 6.4.3 which paid all the amount committed, as well as 16.2.1 relating to FA 2A.

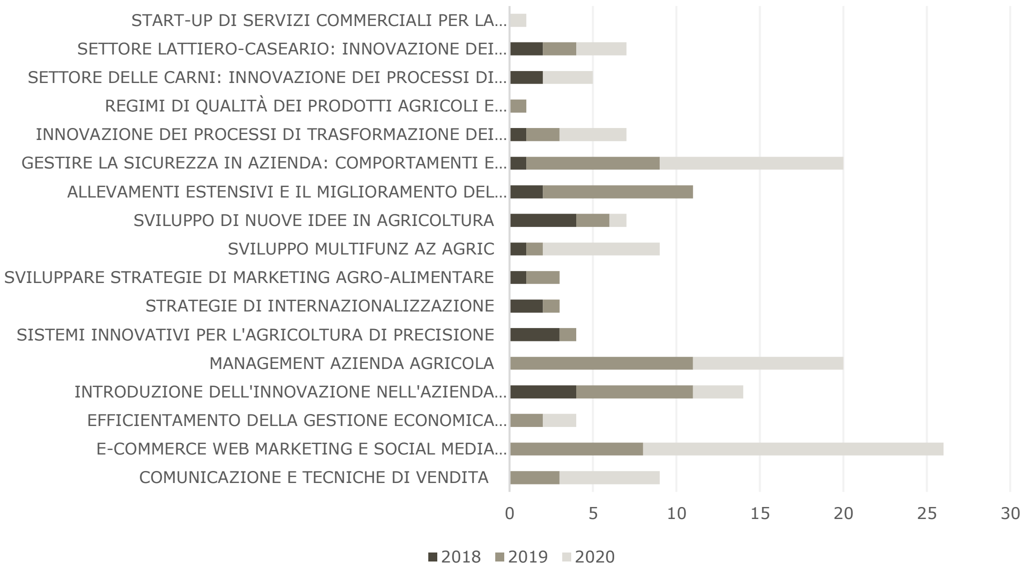
With respect to the targets of the Performance Framework, it can be observed that, in relation to the IT observed here, the relevant indicators, i.e. Farms with business development plan / investments for young farmers subsidized by the RDP and Number of investment operations for savings and efficiency energy and renewable energy production, present very positive values (77.3% and 84.1%).

Monitoring data

With regard to TI 1.1.1, it is interesting to observe the figures relating to the courses activated on the various FAs covered by this analysis. Overall, once the Program is fully operational, the number of courses per period seems to demonstrate a good distribution, even during the COVID-19 pandemic, thanks to the activation of distance learning. The success of courses such as communication and sales techniques, efficient water management in agriculture, developing marketing strategies, extensive breeding and improving animal welfare and managing safety in the company should be highlighted: all these courses have in fact seen a second edition.

The figure below illustrates the good synergy between traditional training and coaching.

Mix of learning tools per year



Source: Ismeri Europa on monitoring data

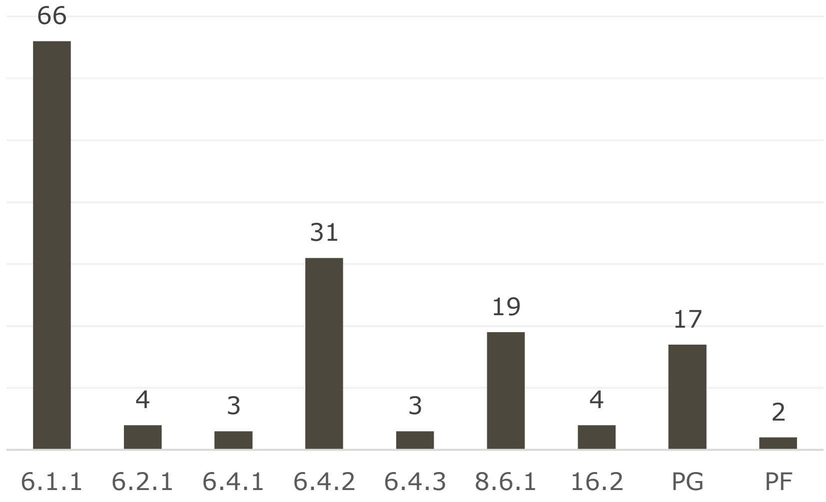
As regards the other Measures, overall, the support to the sector of fine crops is prevailing, despite the main objective of the Chain Project call was to encourage the start-up or strengthening of supply chains, in particular in the dairy and animal husbandry sector. This result could be linked, on the one hand, to the complexity of the procedures which led to a low adhesion to the call by farms operating in the dairy sector compared to the sector of fine crops and, on the other, to the low level of training of employees of the dairy sector compared to the sector of prized crops: a situation that did not allow to grasp the need, deriving from the globalization of the market, to organize themselves in the supply chain and to increase the quality of production.

Another element emerging from the monitoring data is that relating to the score of the projects admitted to funding, which would seem to highlight a perfectible quality of the proposals, as well as a low funding of organic production and sustainable products. In this sense, this would seem to highlight the major weaknesses of the agricultural and agri-food sector of the Region, namely the low propensity to collaborate, the low generational turnover, the low adherence to quality schemes, the lack of a commercial strategy and the low level training, in particular for technicians.

Survey on beneficiaries

As for the responses received, most of it comes from farmers related to intervention 6.1.1, followed by those of 6.4.2, 8.6.1 and the Youth Package. Due to the small number of respondents for the remaining types of intervention, it was decided to analyse the responses in an aggregate manner, providing detailed information for the beneficiaries of 6.1.1.

Answers per TI



Source: Ismeri Europa on survey

As regards the type of beneficiary farm, we observe that the largest number of respondents is the tenant of farms between IV and IX, while the participation of the largest companies is scarce.

With regard to young people, it can be observed that the type of farm they run is mainly VII.

The beneficiary farms operate mostly on an individual basis (78%), with only 3% operating through temporary groupings and consortia.

The business network seems to be the most widespread aggregation tool, especially for the types of farms belonging to categories I, VI, VII and VIII.

Most of the interventions are located in area D and disadvantaged, while the interventions financed in area A not disadvantaged relate to generational change.

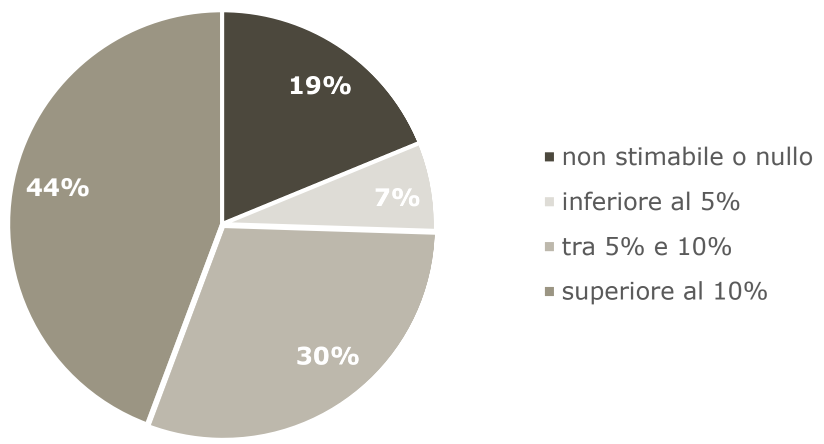
It is interesting to note that 41% of the respondents are young according to Reg. 1305/2013 (less than 41 years old) and that overall 76% of the respondents are young. Furthermore, 27% of the respondents declared to be in possession of a university degree, a result which mainly refers to interventions relating to generational change and 6.4.2. On the other hand, the data relating to tenants with middle license appears to be residual, mainly referring to 8.6.1.

As regards the sex of the conductor, a positive 37% of women is recorded: also in this case the data seems to refer substantially to interventions in favor of generational change, but it should be noted that women (and young people in general) predominantly declare to have a medium-high education (upper secondary or university degree).

The opinion expressed on the extent to which the contribution of the RDP FVG 2014-2020 was decisive for carrying out the intervention is significant: 54% of respondents, in fact, declared that the public support was completely relevant for the purposes of the investment that otherwise it would not have been carried out. This figure, if added to those who declared that the support was in any case decisive for the purpose of making the investment, perhaps anticipating the times (partly 45%), suggests the strategic importance of the RDP for the fabric of agricultural and rural entrepreneurship.

This relevance also seems to emerge from the answers provided regarding the effects generated by the intervention in terms of revenue growth.

Effects of the investment on revenues

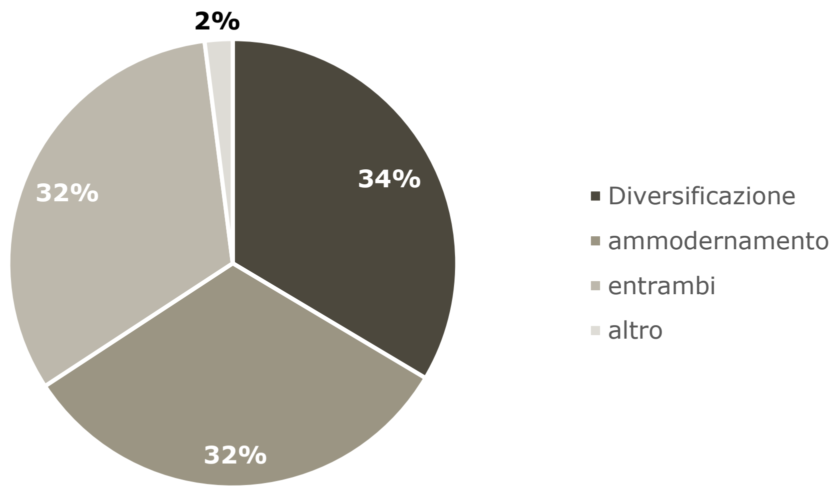


Source: Ismeri Europa on survey

These data seem to be corroborated by the ways in which the support has favoured the competitiveness of the beneficiary companies: in 98% of cases this is linked to the economic diversification of the activity and/or the modernization financed.

Young people, in particular, seem to be more inclined to business modernization, while as regards the diversification of business economic activities, they mainly resort to the retail sale of products.

Effects of the investment on farm activity



Source: Ismeri Europa on survey

As regards the issue of employment, however, the interventions supported through the RDP according to the interviewees have had or will only have positive effects on employment in 50% of cases.

On the subject of collaboration between farms, on the other hand, there is a figure that can be definitely improved: only 16% of the interviewees in fact declared that they have established a partnership with other farms for this purpose. With regard to the benefits resulting from the collaboration, the interviewees reported above all a greater production/operational capacity, as well as the introduction of management innovations. The effects related to the supply of materials and facilitated access to credit are not negligible.

Lastly, the Evaluator also wanted to investigate the effects of COVID-19 on farms benefiting from the RDP: as regards the effects of the COVID-19 pandemic on the intervention financed by the RDP, the interviewees focused their responses on the slowdown in time. implementation of the project (see also extensions to the calls), as well as the delayed start of the project and the suspension of activities. Encouraging, when read from the perspective of the efficiency of the Program structures to manage progress even in the presence of very strong impediments, the data relating to those who have reported late payments or those who have had nothing to report appear.

As for the effects that the COVID-19 pandemic on companies in general, the majority of respondents reported the reduction in turnover as the main effect, as a consequence of the reduction in productivity and the difficulty of procuring resources / raw materials.

Conclusions and recommendations

In the first place, the decisive importance of the RDP for the Friulian rural entrepreneurial fabric seems evident: in fact, according to what emerged from the surveys conducted, in a period of crisis such as the one still underway, the possibility of making fundamental investments for the competitiveness of companies. It should be emphasized, however, that in some cases the calls for proposals have appeared to be particularly burdensome or complex for the beneficiaries, also due to a not always highly developed fabric.

In this sense, it is recommended (R1), on the one hand, that the construction of tenders can take place through greater involvement of potential beneficiaries and greater promotional activity in the area in order to increase their understanding of the "rules" and, on the other, to introduce standard costs in a more substantial manner, as well as to evaluate good practices from other regional contexts, in order to simplify the procedures necessary for the verification of applications for support.

The attitude towards improving corporate performance, moreover, also passes through the training of beneficiaries: the choice of FVG to focus on a mix of classical training and coaching activities, as well as on a "training obligation" approach that has contributed in a significant way to the use of the Training Catalogue, it seems to have proved successful in this sense, as also emerges from the self-assessment questionnaires administered. In consideration of the not particularly satisfactory qualitative and / or innovative level of some project proposals received, it seems useful (R2) that this training is constantly updated on the basis of technical / technological / environmental trends and in some way also conveyed to the designers / consultants, in order to be able to significantly improve the impact of projects on the renewal of the offer and company performance.

Furthermore, to increase the project quality level, (R3) it could be possible to intervene with integrated actions, aimed at beneficiaries and technicians, of training, dissemination of results, strengthening of promotion and marketing strategies for regional products and collaboration with other production sectors. such as rural tourism.

Innovativeness as a driving force for business development now seems to be a principle fully accepted by the beneficiaries who aim to introduce not so much improvements to their products, but above all they believe that "winning" innovation is one that contemplates a mix of management and process solutions . This may be particularly relevant for the options related to the diversification of economic activity which, however, seems to have turned more towards classic activities such as agritourism tout court (accommodation and catering). Expanding the possibilities of diversification (R4) would lead to a greater offer of services in the area, potentially increasing the sustainability of the company over time, also due to the increasing volatility assumed by the agricultural market.

In this sense, it should be noted that where diversification involved the introduction of personal/social services, this was favoured by female beneficiaries. In consideration of this result and in the light of the evolution trends of the territories it seems useful to strengthen this type of diversification, as well as the consequent participation of women beneficiaries in the interventions (R5).

A further observable effect, although not necessarily direct of the financed interventions, is that relating to the incentive of the circular economy: the importance of the issue and the need to optimize farm performance also in terms of costs, would lead us to believe that this this aspect must be increasingly emphasized in the financing of interventions, for example through the provision of business plan models that concretely highlight this sustainability objective (R6).

With regard to the goal of creating a network, however, the RDP seems to have contributed to favouring it in already "strong" production sectors, such as fine crops and dairy products. It would seem appropriate to encourage the strengthening of other sectors/activities and a greater involvement of consultancy in cooperation, also in order to improve project quality. In this sense, in the selection of proposals, one could "play sideways" with the tool of business networks, widely spread throughout the territory, in order to amplify and maximize the effects of the interventions (R7).

It should be noted that the networking activity of companies through the RDP has discounted the complexity of the implementation tools and, therefore, needs a robust simplification in order to be more attractive and deploy more consolidated effects. In this sense, due to what has been observed regarding the innovative propensity of young people, it should be emphasized that encouraging the participation of this type of beneficiary, also through the use of financial instruments that facilitate access to credit for new companies, could guarantee the greater diffusion of collaborative practices (R8).

Finally, a mention must be made of the main effects of the COVID-19 pandemic on the beneficiaries: although the undeniable negative consequences deriving from the restrictions imposed during the different phases of the pandemic phenomenon on the regional and national territory, both at the project and at company level it is important to note that the beneficiaries still wanted to underline the decisive role of "shock absorber" of the RDP which, especially with regard to employment, seems to have contributed to guaranteeing in principle the maintenance of existing posts, above all thanks to the diversification of economic activities.

The field of analysis

The ERDF ROP 2014-2020 aims to promote new entrepreneurship through different measures under Axis I "Strengthening research, technological development and innovation" and Axis II "Promoting the competitiveness of small and medium-sized enterprises".

In Axis I, the **line of intervention 1.4.b** supported the entrepreneurial projects of **innovative start-ups with high technological content**[1]. Line 1.4.b financed the implementation of business plans aimed at the creation or consolidation of a financial entity of between 15 thousand and 200 thousand euros, characterised by a strong technological and innovative content and consistent with the areas of the Regional Intelligent Specialisation Strategy of Friuli Venezia Giulia.

Under Axis II, there were two lines:

a. **line 2.1.a "**supporting new business realities", which has financed projects for business creation and not specifically innovative. This line therefore granted direct aid to prospective entrepreneurs or to "new enterprises", registered for no more than 24 months with the CCIAA on the date of submission of the application.
b. **line 2.1.b**, specifically aimed at companies operating in the cultural and creative field. This line has been declined in two sub-areas of intervention: the award of grants for personalised pre-incubation programmes (2.1.b.1) and for personalised enterprise acceleration and consolidation programmes (2.1.b.2).

The following table summarises the picture of the initiatives being analysed.

Line	Projects submitted	Funded projects	ERDF assistance granted
Line of Intervention 1.4.b	61	39	EUR 2 526 140.2
Line of Intervention 2.1.a	390	176	EUR 10 660 628.0
Line of Intervention 2.1.b.1	56	46	EUR 3 015 940.6
Line of Intervention 2.1.b.2	12	12	EUR 418 332.9

Given this framework of interventions, the evaluation has set itself the objective of understanding the extent to which Friuli Venezia Giulia's 2014-2020 ERDF ROP has been effective and efficient in supporting the creation of new businesses, in order to provide useful indications for the definition of similar measures in the next European programming period 2021-27.

Evaluation questions

In the light of this objective, given the breadth and heterogeneity of the field of analysis, as well as the different knowledge needs expressed by the Region, the following general evaluation questions were identified:

- what are the technological profiles of the companies created?
- is the survival rate observed that differs from that observed in other contexts as a result of the implementation of similar initiatives or from the general market determined?
- what are the performance of the companies created?
- how did the COVID-19 health emergency impact on the operation and development of businesses created?
- how significant was the ERDF, from the point of view of companies?

In addition, two further specific questions were added, in relation to the different aims and state of implementation of the regional initiatives:

[1] Micro and small enterprises already registered or obliged to register, after their establishment, in the special section of the Companies Register of Chambers of Commerce.

- For line 1.4.b, what are the reasons for the low adherence of regional innovative start-ups to the incentives of the ROP? What are the causes that led to the 'fall-over' of a large number of initially funded projects, amounting to about one third of the total?
- For line 2.1.a, do "associations" emerge between performance and business characteristics? Are there any differences between non-ESF and integrated pathways? If so, what kind of differences arise?

The evaluation approach

The evaluation approach considered a mix of methods, integrating desk analysis and field analysis at companies:

- Review of economic literature on entrepreneurship and business start-up policies
- Desk analysis of the main documents aimed at reconstructing the intervention logic of the various activity lines analysed
- Analysis of the monitoring data for mapping the projects financed and the outputs
- Analysis of the adequacy of the timing, procedures and evaluation criteria, limited to Line 1.4.b;
- Analysis of the Special Section of the CCIAA Registry, in order to investigate the broader phenomenon of innovative start-ups in Friuli Venezia Giulia in comparison with the main national trends and other regional contexts;
- CAWI survey of enterprises of line 1.4.b and of regional companies registered in the Special Section "Innovative Start-ups" of the CCIAA Registry.
- CAWI survey of enterprises of line 2.1.a, aimed at collecting information on: the characteristics and motivations of the beneficiaries, the state of operation of the enterprises, the results achieved during the period of activity (turnover, employment), the socio-economic effects of the COVID-19 health emergency, the degree of satisfaction of enterprises with the regional initiative.
- CAWI survey of beneficiaries of line 2.1.b., aimed at understanding the added value of ERDF funding and the effectiveness of the relationships established between beneficiary companies and regional incubators.

The main results

Below we present the main evidences emerged by Axes.

Support for innovative start-ups of Axis I……

The results have shown that line 1.4.b of the ERDF ROP is in line with the expected theory of change. In fact, the economic literature on entrepreneurship and business creation emphasises the importance for public policies of knowing how to intercept companies with the greatest growth potential, i.e. those of an innovative nature, capable of generating technological progress, economic development and growth. In this direction, the regional initiative intervenes on the main barriers to entrepreneurship and innovation, including access to capital, cultural aspects, lack of skills and the degree of development of the ecosystem.

The analysis of the special section of the CCIAA Registry highlights the main characteristics of the phenomenon of innovative start-ups in Friuli Venezia Giulia, highlighting the relevance of a regional policy for their support. Friuli Venezia Giulia, compared to other Italian regions, is characterised by a higher mortality rate of innovative start-ups. It is also characterised, from a sectoral point of view, by the highest share of innovative start-ups from the manufacturing sector, as it underlines the scalability potential of the newly created enterprises. In fact, the analysis highlights, despite the general slowdown in the regional economy in 2019, a growth in turnover and employment for CCIAA "historical" companies compared to 2018.

The selected evaluation questions are answered below:

What are the technological profiles of the companies created?

From a technological point of view, most of the funded projects focus on the development and subsequent application of Advanced Manufacturing Systems (AMS) for the optimisation of production processes and related services. This includes Industry 4.0's own technologies: automation, industrial robotics, predictive and adaptive control of plants and production lines, as well as push digitisation of production systems. Other important areas intercepted by regional projects are the development of advanced materials and micro and nanoelectronics; a lower weight is related to photonics, nanotechnologies and biotechnology.

However, as pointed out in the report, the design of the procedures for assessing project applications and the lack of selectivity of the selection process (also in relation to subsequent shortfalls in the ranking list that led to the financing of all eligible projects) meant that a proportion of projects that were not particularly innovative in relation to the market or not particularly technologically deserving were also financed.

The observed survival rate of innovative start-ups differs from that observed in other contexts as a result of the implementation of similar initiatives or from the general market driven?

From the analysis of Chamber data, almost all companies benefiting from Line 1.4.b were active at the beginning of 2021 (with the exception of two companies which for various reasons ceased their activities).

The analysis of the "historical" of the special innovative start-ups section of the CCIAA Registry shows, however, that for Friuli Venezia Giulia, the share of companies that have ceased/inactive in the total number of companies transited through the register (currently registered or registered in the past) is higher than the average national figure (19% against 17% of Italy). It also points out that Friuli Venezia Giulia obtains a figure of 33 % of the "five-year corporate mortality rate" indicator in the 2016-2020 reference period, which is among the highest in Italy, which is only lower than that recorded by Molise. In practice, one in three companies born in 2016 closed or are subject to winding-up/bankruptcy proceedings at the end of 2020.

What are the performance of the funded companies?

In view of the small number of absolute replies obtained from the survey, the data on turnover and employment of the AIDA database were used to provide initial information on the performance of the companies benefiting from the Line 1.4.b. At the end of 2019, the last observation available, the aggregate turnover of the companies benefiting from the ROP was over EUR 7.5 million, remaining almost stable compared to the previous year (+ 0.7 %). More marked is the increase in employment, + 20 %, between 2018 and 2019, from a total of 60 to 72 employees.

With regard to this analysis, however, it should be highlighted how it is early to appreciate the possible effects of ROP regional support, as more than 70 % of the projects started during 2019 (and the remaining 30 % at the end of 2018). It should also be noted that the majority of companies financed by the regional measure are newly set up or are in the early stages of development (1-2 years of market operation). An analysis of the effects of the ROP on company performance can therefore be carried out only in the years following the conclusion of the projects supported by the Region.

How has COVID-19 impacted on the operation and development of funded businesses?

The survey returns information on the current financial status of companies. For 62 % of the beneficiaries of the regional support measure, the needs for financial resources are currently not covered or only partially covered.

For some companies, the current financial situation reflects the severe socio-economic consequences of COVID. For more than half of the companies that received ROP facilitations, the pandemic had a direct negative impact on business performance, in particular in terms of contraction in sales and slowdown in investment for development and growth. For the remaining share of companies, the health emergency had mostly negligible effects.

How significant was the ERDF, from the point of view of companies?

In the survey, 92 % of companies stated that they would in any case have set up the company or implemented the investment programme even without the ERDF ROP facilities, through the use of own resources. Of these, 42 % would have postponed the investment plan while 25 % would have reduced the project financially. The added value of the ROP is therefore not appreciable in these terms, although it should nevertheless be pointed out that more than two thirds of companies would have postponed the investments or invested less in the absence of the regional contribution.

What are the reasons for low adherence of regional innovative start-ups to ROP incentives? What are the causes that led to the 'fall-over' of a large number of initially funded projects, amounting to about one third of the total?

The participation of innovative start-ups in the benefits granted by the ROP is not limited to the dedicated intervention line 1.4.b.1 but extends to initiatives to support the new entrepreneurship promoted by Axis 2. In total there are 101 innovative companies that participated in the measures for the creation of the ROP, more than 40 % of the innovative start-ups currently registered in the special section of the CCIAA Registry. Line 1.4.b has thus suffered from competition from the other more generalist initiatives to support new entrepreneurship promoted by the Programme. In many cases, innovative start-ups have preferred to participate in Axis II calls for more advantageous regional funding and procedures for accessing the simplest facilities.

As regards the reasons for the withdrawal by beneficiaries of a relatively large number of projects (11), the few data collected from the survey do not allow for a detailed analysis. However, it is noted that out of the eleven companies, three are in liquidation in January 2021; nine companies were financed only as a result of the shortfalls in the ranking list and it is therefore possible that the time elapsed has compromised the business plan and therefore the convenience to invest, also in the light of the COVID health emergency that would have erupted from there within a few months; a company has renounced the project because it considered it more convenient to participate in Axis II Line 2.1.a.1.

...the initiatives for the business creation of Axis II

Axis II aims to promote entrepreneurship through non-repayable grants to aspiring entrepreneurs and new businesses, in order to foster the creation and/or growth of enterprises. The following, integrating the results of desk analysis and survey at companies, gives answers to the selected evaluation questions:

What are the technological profiles of the companies created?

For 2.1.a, companies that have participated in the survey on average perceive that they are innovative in relation to the reference market. However, as shown by the analysis of the characteristics of the enterprises, more than one third of the investments (37 %) concerned the emergence and development of new commercial activities (mainly retail) and activities related to the tourism sector (accommodation and catering services). An analysis of the projects also shows that in the remaining sectors that are most relevant in terms of investments (services and industry/crafts), the proposed solutions are not distinguished by degree of innovation or high technological content. The exception is for projects submitted by companies that are legally regarded as "innovative start-ups". In particular, the use of advanced ICT technologies (cloud, machine learning, big data, artificial intelligence) for the optimisation of products and production processes and, above all, for the improvement of the portfolio of services offered.

What are the performance of the companies created?

In relation to Action 2.1.a, all business activities of the sample, except two cases, are currently active, which reassures the soundness of the design ideas. The bulk of entrepreneurship is attributable to services and commerce, but industry and crafts also play a minor role. Very good was the participation of women, under 30s and graduates. Finally, in the majority of cases, entrepreneurial initiatives have grown or increased considerably (57 % of the total) compared to the start-up of the business. This again suggests that these initiatives were sound and that the selection of projects by the regional administration was likely to be correct.

The results of the survey on beneficiaries of Line of Action 2.1.b.1, which supported personalised pre-incubation and incubation programmes for the creation of new cultural and/or creative enterprises or for the development of existing societies, stress that this has not been effective in promoting the emergence of new entrepreneurial realities in the region. Of course, this is the result of the socio-economic crisis triggered by the COVID-19 pandemic, as highlighted later.

How has COVID-19 impacted on the operation and development of businesses created?

The activities funded by the Region actually took place in the middle of two crises, the first having been manifested by the slowdown of the regional economy in 2019, the second was caused by the Coronavirus pandemic. This has made business creation and development more difficult and, in some cases, forced companies to give up or postpone investment and expansion projects. Despite this difficult context, Line 2.1.a intercepted a significant demand and was able to produce the first positive effects, at least on the basis of the information collected by the beneficiaries. Businesses created or growing mainly target the regional and local market, not by short-sightedness or choice but have been somewhat limited in the expansion by the negative COVID environment which has limited travel, drastically reduced tourist flows and consumption. Despite this difficult framework, most of the facilitated enterprise have projects for expanding their activity in the future, and both own resources, bank lending and public financing are important for these actors as sources of finance.

The most negative effects were on 2.1.b, where the unsatisfactory results in terms of setting up new businesses are the result of the socio-economic crisis triggered by the COVID-19 pandemic (especially considering the timing of the second published call for tenders). This has had devastating negative effects on the cultural and creative sectors, the most affected by the measures to contain the health emergency.

How significant was the ERDF, from the point of view of companies?

It is not possible to state with certainty, in the absence of a counterfactual analysis, to what extent the regional support was decisive in the birth of the companies but, considering the opinion of the participants, it can be pointed out that a substantial part of them declares that, in the absence of ROP support, they would not have invested, or would have invested less or would have invested only afterwards. It can therefore be concluded that, from the point of view of the beneficiaries of the various Axis II initiatives, the ERDF ROP has had appreciable added value and was relevant to the implementation of business development plans.

For line 2.1a: do "associations" emerge between performance and business characteristics? Are there any differences between non-ESF and integrated pathways? If yes, what kind of differences arise?

The analysis carried out highlights only a few differences between the performance of the companies benefiting from 2.1.a as a result of the ESF training course “I will learn” and the other participants. These differences relate in particular to the current economic situation and the consequences of the COVID-19 pandemic. In addition to 2/3 of “Imprenderò” companies, they currently have a turnover of between 0 and 100 thousand Euros and a number of employees equal to or less than one; the other companies participating in Line 2.1.a perform better on average. Companies that have benefited from Imprenderò and then also participated in the regional call are less resilient to the socio-economic effects triggered by the COVID-19 health emergency. 71 % of them declare a negative impact on company performance (particularly in terms of contraction in sales and turnover) compared to 57 % of other participants in Line 2.1.a.

Recommendations

The analyses carried out have identified some points on which to take action in order to improve the effectiveness and efficiency of the regional measures to support the creation of a business, which are also clearly apparent from the results of the direct investigations, in any case against the background of an opinion expressed by the beneficiary undertaking on the overall positive performance of the Region. These aspects mainly concern:

1. a more effective approach to the scope of intervention and the way projects are financed
2. greater clarity and effectiveness of the evaluation/selection procedures and the reduction of the timing associated with the preparatory phases
3. the reduction of administrative burdens and bureaucratic burdens for beneficiaries for the submission and implementation of projects

The evaluation report, for each of the points indicated, contains a set of recommendations/indications, both strategic and operational.

The logic of IMPRENDERO'

IMPRENDERO', financed by the ESF to support business creation has two lines of intervention.

A **first line** (IMPRENDERO' Grande) is implemented by a beneficiary grouping several organisations and envisages various training activities: Entrepreneurial training (catalog), Managerial training (catalog), Individualized training (catalog), accompaniment and coaching and tutoring aimed at preparing the business plan, Consultancy and support for newly established companies (also for companies not created through IMPRENDERO').

A **second line** (IMPRENDERO 'Piccolo) is financed under the IP 8i and it was launched in 2017 - Decree 12405/2017; it consist of entrepreneurial training courses (training for unemployed, unemployed, inactive or employed) aimed at providing recipients with the cognitive tools to transform an entrepreneurial idea into a business plan. Training courses last about 80-120 hours and they are articulated in modules.

Level of implementation

The two lines differ in their logic and their purposes are substantially different. IMPRENDERO' grande is targeted at unemployed and students and it is a sort of "ecosystem" for the promotion of entrepreneurship. Thus, different areas and different training and support methods are envisaged. IMPRENDERO' piccolo, on the other hand, focuses on a single standard training course to bring people closer to entrepreneurship.

IMPRENDERO' grande had a low level of progress at the time of the analysis, while IMPRENDERO' piccolo was more advanced. In terms of recipients, the people reached in December 2020 are 1639, of which 1478 from the second line and only 182 from the first line.

Evaluation questions

The evaluation questions were as follows:

- Which kinds of people were reached by the interventions (not only in terms of personal characteristics, but also in motivational terms, etc.)?

- Which information channels were most relevant for knowing the interventions?

- What results have been obtained, also in terms of the percentage of businesses created?

- Had IMPRENDEREO' an added value in favouring the creation of enterprises?

- What is the survival rate and how are businesses performing?

- What effects had the Covid-19 on the performances of the created companies?

The methods:

Both quantitative and qualitative approaches were used for carrying out the evaluation:

...desk analysis

- desk analysis: the logic of IMPRENDERO' was assessed through an examination of the most relevant strategic and operative documents; the analysis of monitoring data (updated at the end of 2020) permitted to map the funded projects, the physical progress and the characteristics of participants. Finally an analysis of the relevant literature on entrepreneurship and policies for business creation was also conducted, in particular in relation to the topic of motivations and attitudes correlated to the new entrepreneurs;

...surveys and field analysis

- field activities: four semi-structured interviews were carried out with four implementing organisations of IMPRENDERO' (the consortium managing IMPRENDERO' grande and three training organisations implementing

IMPRENDERO' piccolo; a CAWI survey of all participants with mail (1452 out of 1639) was carried out (the answers obtained were 493).

Below we illustrate the main findings of the evaluation, presenting them in relation to the evaluation questions.

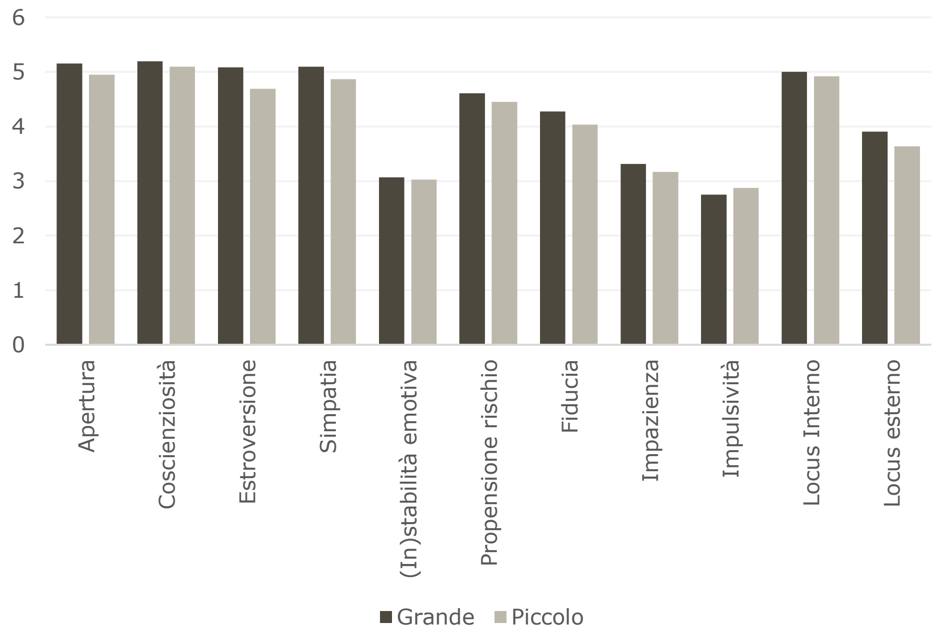
Characteristics of participants and their motivations

Which kinds of people were reached by the interventions (not only in terms of personal characteristics, but also in motivational terms, etc.)? Which information channels were most relevant for knowing the interventions?

The two lines have attracted different targets of people. IMPRENDERO’ grande reached mainly unemployed people with work experience and not very young, with a low level of human capital and mostly women. On the other hand, the IMPRENDERO’ piccolo reached a more varied target, with a high presence of employed among the recipients and younger. Thus it seems that IMPRENDERO’ grande was more attractive for people who approach the business creation as a "necessity", while IMPRENDERO’ piccolo was attractive also for people with a minor “urgent” need to work: the main reasons for participating which were indicated by the respondents clearly confirm this differentiation.

Even in presence if this distinction, the survey showed that the participants to both the lines of IMPRENDERO’ have on average personality traits, behavioural traits and emotional attitudes in line with those emerged in the literature as “typical” traits of potential entrepreneurs.

Average judges on several personality aspects (Big Five), on some behaviours and on locus of control (n=481)



Source: our elaborations on survey data

The results of IMPRENDERO’

What results have been obtained, also in terms of the percentage of businesses created? Had IMPRENDEREO’ an added value in favouring the creation of enterprises?

The level of implementation of IMPRENDERO’ “Grande” is still low and a clear and robust assessment of the effects of the interventions is not possible, also because the implementation model is complex and requires time to be fully realised.

Furthermore, the pandemic Covid-19 affected the implementation requiring several adjustments (for example a service for new entrepreneurs at distanced was created. Covid-19 affected also IMPRENDERO' piccolo, since all the courses had to be implemented online, even the laboratories modules. However, overall there were not particular criticalities in the implementations and an indirect indicator of this is also the high percentage of Business Plan (BP) prepared by the participants, though with different level of quality of the BPs. One weak point was underlined by the participants (most of all in relation to IMPRENDERO' piccolo), the possibility to personalize the courses and services.

Several types of results can be observed at the end of 2020, though they have not to be meant as impacts:

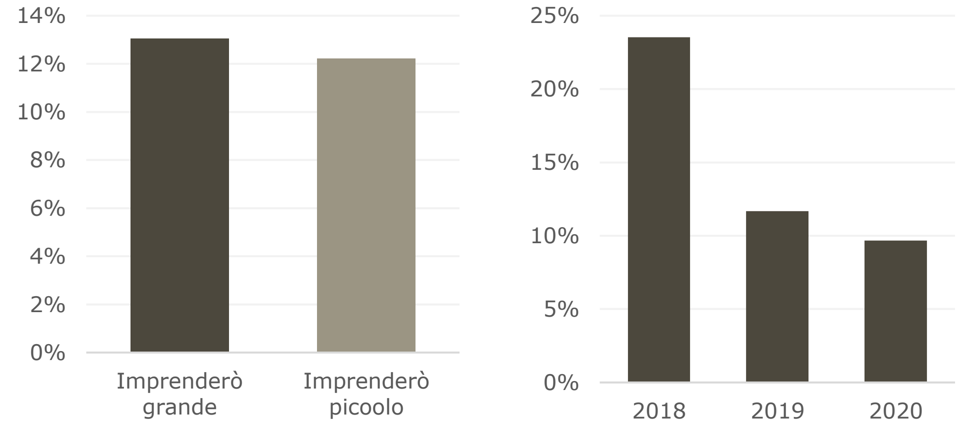
...perceived

- perceived results: the respondents stated that the results of the training were positive, especially in terms of improvement of their enterprise "culture", knowledge and technical competences; judgements were less positive with regard to elements helpful to the concrete creation of enterprises (networks, tools, etc.);

...rate of enterprise creation/self-emplyoment

- at the moment of analysis 12% of total participants decaled to have created a business (the percentage increases over time). The results is in line with the regional creation rate of independent employment and with data obtained in similar surveys. The perceived deadweight is limited: less than a quarter of respondents affirm that they would have created the business also in absence of the regional support. An interesting elements to be noticed is that the business creation rates are higher when participants had a clear idea of the potential business from the beginning of the training course; this aspect was confirmed by the interviewed implementing organisations;

Business creation rate (May 2021), by type of IMPRENDERO' (sx) and year of completion of activities (dx) (n=381)



Source: our elaborations on survey data

...the current motivations

- most of participants who did not created any own business at the moment of interview (74%) declare that they did not abandon their idea to become self-employed or to create an enterprise (in 20% of cases these people are concretely trying to do this).

The performance of the created business

What is the survival rate and how are businesses performing? What effects had the Covid-19 on the performances of the created companies?[2]

After one year 87% of total created enterprises are still active, a higher percentage of that found in national statistics on survival rates of enterprises.

[2] Answers for this evaluation questions relate only to IMPRENDERO' piccolo.

Most of enterprises created are individual enterprises and active in the service sector, specifically in the technical and professional services (this could explain the high concentration in the urban contexts of the created enterprises).

In the short-time, the created enterprises show a good dynamic in terms of growth of employee (on average +20%) and of turnover. This is a positive indication given the period of activity of the created enterprises, which had to face the consequences of Covid-19. More than 40% of them, indeed, were affected by the pandemic in terms of a reduction of turnover and above all in terms of delaying investments plans.

Recommendations

Overall, IMPRENDERO’ can be considered working according the expected logic and plans, however there are some possible improvements that can be introduced, especially if in the next programming period 2021-2027 similar interventions will be financed:

- the two lines should interact more between them (**R1**). They could represent for example two integrated steps towards the creation of an enterprises (each step with different services and training courses);
- IMPRENDERO’ should be integrated by other tools for financing the creation of firms (**R2**). This can be done especially favouring the support from the ERDF, but also within the ESF;
- a preliminary activity of orientation is necessary (**R3**). This could favour a better match between the characteristics and motivations of people and the appropriate services and activities to be dedicated to the person.