

Part III.8 Supplementary Information Sheet for the notification of an evaluation plan

Member States must use this sheet for the notification of an evaluation plan pursuant to Article 1(2)(a) of Regulation (EU) No 651/2014 and in the case of a notified aid scheme subject to an evaluation as provided in the relevant Commission guidelines.

Please refer to the Commission Staff Working Document 'Common methodology for State aid evaluation' for guidance on the drafting of an evaluation plan².

1. Identification of the aid scheme to be evaluated

(1) Title of the aid scheme:

Supply chain and district contracts. **Increase of the financial envelope under aid scheme SA.57975 (2020/N)**

(2) The evaluation plan concerns:

- a) a scheme subject to evaluation pursuant to Article 1(2)(a) of Regulation (EU) No 651/2014?
- b) a scheme notified to the Commission pursuant to Article 108(3) TFEU?

(3) Reference of the scheme (to be completed by the Commission):

.....

(4) Please list any existing ex-ante evaluations or impact assessments for the aid scheme and ex-post evaluations or studies conducted in the past on predecessors of the aid scheme or on similar schemes. For each of these studies, please provide the following information: (a) a brief description of the objectives, methodology used, results and conclusions; (b) the specific methodological difficulties encountered by evaluations and studies, such as the availability of relevant data for the evaluation of the current evaluation plan. If appropriate, please identify relevant areas or topics not covered by previous evaluation plans that should be the subject of the current evaluation. Please provide the summaries of such evaluations and studies in annex and, when available, the internet links to the documents concerned:

The scheme is for the first time under assessment. Similarly, no assessments are available on similar instruments that follow the same sectoral policy approach. Also in

1 Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (OJ L 187, 26.6.2014, p. 1).

2 SWD (2014) 179 final of 28.5.2014.

view of these aspects, this assessment is of particular interest and relevance to the administration.

2. Objectives of the aid scheme to be evaluated³

2.1. Please provide a description of the aid scheme specifying the needs and problems the scheme intends to address and the intended categories of beneficiaries, for example size, sectors, location, indicative number:

(a) Description of the aid scheme

Aid scheme SA.57975 (2020/N) grants aid for the implementation of inter-branch programmes of national importance, provided for in supply chain and district contracts concluded between the parties to a sectoral or district agreement and the Ministry. The aim is to promote the reorganisation of relations between the various actors in the sector or sectors operating in the area, to stimulate the creation of better market relations and to ensure positive effects on primary agricultural production. The aid scheme notified as an increase in the financial envelope of the aid scheme SA.57975 (2020/N) pursues the same objective.

The actors in the supply chain are companies directly involved in the production, harvesting, processing and marketing of agricultural, agri-food and agro-energy products, and businesses supplying goods and services.

The aid scheme incentivises private investment through grants and loans and improves access to finance through the agri-food supply chain contracts instrument in Italy.

The supply chain contract is a contract between the Ministry and the beneficiaries who have signed a sectoral agreement, with the aim of implementing an integrated programme of an interprofessional nature and of national importance which, starting from agricultural production, develops in the various segments of the sector in a multi-regional territorial area.

The supply chain agreement is signed by the various actors in the agri-food and/or agro-energy supply chain, operating in a multi-regional territorial area. The supply chain agreement shall identify the proposing entity, the objectives, actions, including the programme, the timetable for implementation, the results and mutual obligations of the beneficiaries.

The programme must be structured into different types of interventions in relation to the activities carried out by the beneficiaries, so as to cover the entire chain and demonstrate the integration between the different actors in terms of improving the degree of organisational, commercial and income distribution relationship. Sectoral contracts with

³ Beyond providing a general description of the objectives and eligibility rules of the scheme, the aim of this section is to assess how the eligibility and exclusion rules of the scheme may be used to identify the effect of aid. In some cases, the precise eligibility rules may not be known in advance. In those cases the best available expectations should be provided.

a total amount of eligible investments of between EUR 4 million and EUR 50 million are eligible for aid.

In any event, programmes providing for the following activities and activities are not eligible for aid in accordance with the provisions of COM 765 final: (I) activities and assets related to fossil fuels, including downstream use; (II) activities and assets under the EU Emissions Trading System (ETS) that generate expected greenhouse gas emissions that are not below the relevant benchmarks; (III) activities and assets related to waste landfills, incinerators and mechanical biological treatment plants.

(b) The needs and problems that the scheme aims to address

The Italian agri-food sector contributes EUR 64 billion of added value to the national economy (2022 data) – of which EUR 37.4 billion is related to the primary sector (agriculture, forestry and fisheries) and the remaining EUR 26.7 billion to the food industry – and is currently undergoing a delicate reorganisation phase.

In fact, while the food industry has shown a relative growth trend over the last five years, the primary sector has experienced a number of unfavourable years, also due to known climate change, but also to a process of structural change characterised by:

- a steady reduction in both the number of agricultural holdings registered in the Chambers of Commerce: there are around 720.000 in 2022, with a trend of significant reduction over the last decade (-11.8 % compared to 2012 and -2.6 % compared to 2019);
- an average UAA (utilised agricultural area) per holding of 10.7 hectares, well below the EU average (17.1 hectares) and far away from those of Europe's largest partners;
- a competitive structure of the agri-food chain characterised by a large disparity between the players present in the various stages: at an extreme, there are 59 million consumers, around one million farms, while much fewer businesses are involved in industrial production and those in the distribution, wholesale and retail stage, within a structure that deviates significantly from perfect competition. This structure shows the weakness of farmers in terms of bargaining power vis-à-vis both input and service providers and buyers of their products.

As a result, primary companies – with an average size above previous years and more young people are interested in directing their size growth towards structured systems characterised by technological innovation and environmental sustainability.

In this context, the aim of the measure in question is, through supply chain agreements, to promote growth processes promoted by primary farms based on integrated investment programmes in technological and sustainable innovation.

The notified scheme therefore meets the following requirements:

- (a) improve the overall performance and sustainability of the agricultural holding, in particular by reducing production costs or improving and reconverting production;

(b) improving the natural environment or hygiene and animal welfare conditions, going beyond existing Union standards;

(c) establish and improve infrastructure related to the development, adaptation and modernisation of agriculture, including access to agricultural land, land consolidation and land consolidation, energy and water supply and saving;

(D) ensure compliance with existing EU rules through specific conditions.

(c) The categories of beneficiaries: size, sectors, location and indicative number

The notifiable beneficiaries of the aid are:

- a) undertakings as defined by the legislation in force, including in the form of a consortium, cooperative societies and their consortia, as well as undertakings organised in networks of undertakings operating in the agricultural and agri-food sector;
- b) agricultural producer organisations and associations of agricultural producer organisations recognised under the legislation in force;
- c) companies formed between persons engaged in agricultural activities and commercial and/or industrial and/or distribution undertakings, provided that at least 51 % of the share capital is owned by farmers, agricultural cooperatives and their consortia or producer organisations recognised under the legislation in force. The capital of such companies may also be owned, to an extent not exceeding 10 %, by large enterprises, agricultural or commercial enterprises;

The sectors of primary production, processing and marketing of agricultural products, participation in quality schemes and promotion of the agricultural sector are concerned.

The beneficiary undertakings may be located throughout Italy (without prejudice to the reserve of a share of resources for undertakings located in the Mezzogiorno regions pursuant to Article 2 (6-bis) of Decree-Law No 77/2021).

The beneficiaries may be both SMEs as defined in point 33 (56) and large enterprises within the meaning of point 33 (36) of the European Union Guidelines for State aid in the agricultural and forestry sectors and in rural areas (2022/C 485/01) (hereinafter ‘the Guidelines’).

Undertakings considered to be in difficulty as defined in point 33 (63) of the Guidelines and those which may have received and not repaid aid declared incompatible with the internal market will be excluded from the scheme until such aid is repaid or deposited in a blocked account (in both cases with interest due).

It is estimated that around 130 sectoral contracts will be concluded, for a total number of beneficiaries of more than 1.500 entities, composed of small, medium-sized and large enterprises.

2.2. Please indicate the objectives of the scheme and the expected impact, in terms of both the intended beneficiaries and the objective of common interest.

The aid scheme, by supporting private investments in the agri-food sector in Italy, aims to strengthen the relationship between actors belonging to the agri-food sectors, improving their sustainability and efficiency, including through increased investment in research and innovation, the adoption of digital technologies, the use of methods and technologies that reduce resource consumption and the use of pollutants.

As foreseen by the *Council Implementing Decision COM (2023) 765 final* of 24 November 2023 of the European Commission, the objective of the measure is to provide support to undertakings, groups of undertakings or associations of agricultural producers, as well as research and knowledge-dissemination organisations, in the agri-food sector, by improving production processes by including a combination of activities among the following:

- improve the environmental sustainability of production processes with investments in tangible and intangible assets to substantially increase the efficiency in energy, water and resources consumption of the targeted production processes;
- investments in knowledge, training, research and innovation, technology transfer and development projects, which may also support the reorganisation of relations between the various actors in the supply chain, to enhance the sustainability of production processes;
- investments in the digitalisation of enterprises, including e-commerce and emerging technologies;
- installation of photovoltaic and solar panels

The commitment made to address climate and environmental challenges, as well as to seize the opportunities offered by the digital revolution, is reflected in the significant allocation of NRRPs programme resources under this instrument, allocated to policy fields associated with a climate/digital contribution (tagging).

Specifically, they are intended for:

- EUR 1 560.0 million for measures to support environmentally friendly production processes and resource efficiency in SMEs (intervention field 047);
- 100,0 MIL/EUR to promote the adoption and development of solar technologies for clean and sustainable energy production (intervention field 029);
- 100,0 MIL/EUR to promote the uptake and use of digital technologies within SMEs (intervention field 010);
- 200,0 MIL/EUR for the promotion of research, innovation and business-to-business cooperation to address the challenges related to the low-carbon economy, resilience and adaptation to climate change (policy field 022).

In addition to the commitments mentioned above, the measure aims to improve the processes of the agricultural and agri-food sectors, by reducing waste production and energy consumption throughout the entire lifecycle of the agri-food chain, by introducing advanced systems for improving production and management processes to reduce food waste and new precision farming technologies to reduce the use of pesticides and antimicrobials, new precision farming technologies and improved livestock farming facilities to improve livestock welfare through all these investments,

improving overall energy efficiency and the production and use of renewable energy in the Italian agri-food sector.

In addition, the measure will have a positive impact by improving agricultural processes, not only at the level of cultivation, but also on the logistics systems supporting them, providing concrete support for the creation of a resilient system of collaboration in the agri-food sectors and proposing sustainable growth models of the sectors, increasing biodiversity protection in the different sectors included in agri-food chains.

2.3. Please indicate possible negative effects, on the aid beneficiaries or on the wider economy, that might be directly or indirectly associated with the aid scheme⁴.

There are no negative effects on the beneficiaries of the aid.

The NRRP measure managed in the manner indicated by the CID allows beneficiaries to obtain greater benefits in terms of investigation, compliance with the timetable, monitoring and access to the aid by the beneficiaries.

The aid is also an essential stimulus for the creation of a resilient system of cooperation in the agri-food sectors, which can facilitate and encourage the establishment of positive links and links between all actors in the agri-food chain, enabling the creation of a network of relations and exchanges which, without aid, would not be implemented. The measure aims, inter alia, to combat the fragmentation of the entire Italian agri-food chain⁵, in favour of a more sustainable, environmentally friendly, modern supply chain.

In addition to the above, we would point out that the measure is intended for the entire national territory (since it does not target specific territorial/regional areas) and that the programmes eligible for funding must cover a multi-regional territorial area.

The financial envelope made available through the reprogramming of the NRRP is precisely intended to increase the range of potential recipients of resources, also with a view to minimising the risk of alterations in the markets concerned, including agricultural products.

2.4. Please indicate: (a) the annual budget under the scheme, (b) the expected duration of the scheme⁶, (c) the aid instrument and (d) the eligible costs.

⁴ Examples of negative effects are regional and sectorial biases or crowding out of private investments induced by the aid scheme.

⁵ ISMEA report on the Italian agri-food sector.

⁶ Aid schemes defined in Article 1(2)(a) of Regulation (EU) No 651/2014 are excluded from the scope of the Regulation six months after their entry into force. After having assessed the evaluation plan, the

- a) The total financial envelope, entirely from the NRRP, amounts to EUR 1.960 million, net of management costs, and is allocated as follows:
 - (i) EUR 1.830 million for the financing of the programmes submitted pursuant to Notice No 182458 of 22 April 2022, as amended and accepted for evaluation by Ministerial Decree No 633056 of 15 November 2023;
 - (ii) EUR 80 million for the financing of programmes submitted pursuant to Notice No 300946 of 6 July 2022, as amended. — not covered by this notification;
 - (iii) a share of EUR 50 million for the financing of programmes submitted pursuant to Notice No 221150 of 26 April 2023, as amended and accepted for assessment by Ministerial Decree No 516172 of 28 September 2023, not covered by this notification.
- b) duration of the scheme: up to 31 December 2027; this scheme does not change the original duration of the HS. 57975;
- c) aid instrument: the measure operates through grants and loans;
- d) eligible costs: the eligible costs and maximum aid intensities for the implementation of the supply chain contracts are set out in the form annexed to this document, which contains the following tables:

Table 1A – Aid for investments in tangible assets and intangible assets on agricultural holdings linked to primary agricultural production

Table 2A – Aid for investments in the processing of agricultural products and marketing of agricultural products

Table 3A – Aid for the participation of producers of agricultural products in quality schemes and for promotion measures in favour of agricultural products

2.5. Please provide a summary of the eligibility criteria and the methods for selecting the aid beneficiaries. In particular, describe: (a) the methods of selecting beneficiaries (such as scoring), (b) the indicative budget available for each group of beneficiaries, (c) the risk of budget exhaustion for certain groups of beneficiaries, (d) the scoring rules, if foreseen by the scheme, (e) the maximum aid intensities and (f) the criteria to be taken into account by the granting authority when assessing the applications.

- a) Methods of selecting beneficiaries: the procedure operates on the basis of existing ranking lists: the resources will be allocated to the funding of programmes which are in a useful position as a result of a shortfall in the ranking of previous notices issued by the Ministry. In detail, the entities whose programmes appear on the list referred to in Ministerial Decree No 633056 of 15 November 2023 will be invited to submit their *opt-in* expressions of interest to be eligible for funding from the resources referred to in the Ministerial Decree notified. The implementing body (identified in the CID in ISMEA) will

Commission may decide to extend the application of the Regulation to such schemes for a longer period. Member States are invited to precisely indicate the intended duration of the scheme.

check whether all the NRRP conditionalities provided for in Measure M2C1-I3.4 of the NRRP are fulfilled and complied with, which is a necessary condition for eligibility for funding.

- b) Indicative budget available for each group of beneficiaries: EUR 1.830 million for the financing of programmes submitted pursuant to Notice No 182458 of 22 April 2022, as amended and accepted for evaluation by Ministerial Decree No 633056 of 15 November 2023;
- c) Risk of budget exhaustion for certain groups of beneficiaries: the financial envelope – entirely from NRRP funds – was allocated to support programmes eligible for funding under Ministerial Decree 633056/2023, but not financed because the resources of the National Plan Complementary to the NRRP were not sufficient to cover all the projects on the list.

We would also point out that the Ministerial Decree notified provides that, in relation to the progress of the measure – which consists of the three lines ‘V – Agri-food’, ‘The invitation to tender for fisheries and aquaculture’ and ‘The call for forests and wood-growing’ – the allocation of resources may, where appropriate, be amended and/or supplemented during the implementation of the measure with subsequent Ministry measures, including through remodulation between the various sectors of intervention.

- d) Scoring rules: as stated above, the procedure provides for the selection of existing ranking lists, on the basis of a prior expression of interest drawn up by the applicants, works on the basis of existing ranking lists. Therefore, the implementing body, following the order of the lists, will check that the requirements are met.
- e) The maximum aid intensities, as described in the attached Schedule, are as follows:

Table 1A – Aid for investments in tangible assets and intangible assets on agricultural holdings linked to primary agricultural production, 50 %, plus possible additional increase of 20 %;

Table 2A – Aid for investments in the processing of agricultural products and marketing of agricultural products, 50 %;

Table 3A – A) ‘Aid for the participation of producers of agricultural products in quality schemes’, up to 100 % of eligible expenditure; (B) ‘Aid for promotion measures in favour of agricultural products’, up to 100 % of eligible expenditure.

The details of the aid intensities are set out in the attached sheet (‘Eligible expenditure’).

In any event, it should be pointed out that the supply chain contract must cover a multi-regional territorial area. The multi-regional nature of the supply chain contract shall be ensured when the interventions are spread over the territory of two or more regions or autonomous provinces. The total amount of eligible

costs attributable to a single region may not exceed 85 % of the total eligible costs of the supply chain contract.

- f) The criteria to be taken into account by the granting authority when assessing the applications: as stated in point (a) above, the programmes which will benefit from the aid are those which, according to the order of the ranking list referred to in Ministerial Decree No 633056 of 15 November 2023, will have expressed interest in accessing the financing referred to in the Ministerial Decree notified. On the basis of the order of the ranking list, ISMEA will verify that all NRRP conditionalities are complied with within the programmes and will send the results of the investigation to the Committee set up at ISMEA, which will assess the eligibility for funding of the programmes.

2.6. Please mention specific constraints or risks that might affect the implementation of the scheme, its expected impact and the achievement of its objectives.

There are therefore no particular risks that could jeopardise the implementation of the scheme, the achievement of the intended objectives or expected impacts.

3. Evaluation questions

3.1. Please indicate the specific questions that the evaluation should address by providing quantitative evidence of the impact of aid. Please distinguish between (a) questions related to the direct impact of the aid on the beneficiaries, (b) questions related to the indirect impacts and (c) questions related to the proportionality and appropriateness of the aid. Please explain how the evaluation questions relate to the objectives of the scheme.

The aim of the action is to promote the consolidation and competitiveness of agri-food sectors by promoting efficient integration between the various stakeholders and supporting innovation, digitalisation and sustainability processes. In view of these factors, the analysis of the impacts of the aid scheme may relate to several areas of result, which are attributable to additional direct and indirect effects.

The additional direct effects relate to two prevalent and interconnected macro-areas:

- Improving competitive positioning
- Increasing the sustainability of production processes and production

With regard to competitive positioning effects, growth in international markets, profitability performance, the propensity to invest in research and innovation, the integration of economic actors within the supply chain, including through the adoption of digital technologies, will be investigated. Taking into account the comparison with non-beneficiary sectors (counterfactual approach), the evaluation will have to answer the following evaluation questions:

- (5) To what extent has the intervention led to an improvement in the competitive positioning of the beneficiary agri-food sectors? To what extent has this effect resulted in an improvement in the economic and financial performance of companies belonging to the subsidised supply chains?

The second macro area of direct effects refers to resource efficiency (consumption of energy, water and other production inputs) and the sustainability of processes and production (ability to reduce greenhouse gas emissions, food waste and the use of pesticides and antimicrobials). In detail, the evaluation will have to answer the following evaluation questions:

- (6) Has the intervention led to an improvement in the sustainability performance of businesses belonging to the beneficiary agri-food sectors (which would not have been determined in the absence of the intervention)? Has this improvement concerned both resource efficiency and the reduction of emissions, waste and pollutants?

The additional indirect effects of the intervention (so-called *second round*) relate to the possible improvement of the financial soundness and access to the financial sources of the beneficiary companies, as well as increased resilience to climate change. In the same way, further indirect additional effects of the intervention may be investigated in terms of stimulating the adoption of more sustainable behaviour by companies with relationships with the actors in the supply chain, irrespective of their participation in the supply chain agreements. In detail, the analysis should answer the following evaluation questions:

- (7) Do the target companies show an improvement in the financial soundness that would not have been determined in the absence of the contribution?
- (8) Do the beneficiary agri-food chains show better resilience to climate change? Likewise, can it be argued that the sustainability improvement pathways undertaken by the beneficiary undertakings have encouraged the adoption of similar behaviour by non-beneficiary undertakings operating within the same sector?

The assessment may also analyse the proportionality and appropriateness aspects of the aid scheme both in terms of the volume of resources allocated in relation to actual market needs and in terms of aid intensity.

4. Result indicators

- 4.1. Please use the following table to describe what indicators will be developed to measure the outcomes of the scheme, as well as the relevant control variables, including the sources of data, and how each outcome indicator corresponds to the evaluation**

questions. Please in particular indicate: (a) the relevant evaluation question, (b) the indicator, (c) the data source, (d) the frequency of data collection (e.g. annual, monthly, etc.), (e) the level at which the data are collected (e.g. at company, establishment, regional level, etc.), (f) the population to which the data source relates (e.g. aid beneficiaries, non-beneficiaries, all enterprises, etc.).

Evaluation question	Indicator	Source	Frequency	Level	Population
Direct effects					
To what extent has the intervention led to an improvement in the competitive positioning of the beneficiary agri-food sectors? To what extent has this effect resulted in an improvement in economic and financial performance?	Percentage change in tangible and intangible fixed assets	Undertakings' financial statements	Yearly	Single undertaking	Beneficiaries/ Non-beneficiaries
	Percentage change in turnover				
Percentage change in creditworthiness (composite indicators: ROI, ROE, ROA)					
Number of employees					
Vertical integration (index number, value added to turnover ratio)					
	Share of export (percentage value in relation to total turnover)	Questionnaire	one-off	Single undertaking	Beneficiaries/ Non-beneficiaries
	Percentage of enterprises that have forms of collaboration with other businesses in the supply chain/research organisations				
	Percentage of enterprises that have introduced process, product, organisational/management innovations				
	Change in expenditure in R & S & I (% change in expenditure)				
	Percentage of enterprises that have introduced digital technologies related to horizontal and vertical integration				

Evaluation question	Indicator	Source	Frequency	Level	Population
Has the intervention led to an improvement in the sustainability performance of businesses belonging to the beneficiary agri-food sectors (which would not have been determined in the absence of the intervention)? Has this improvement concerned both resource efficiency and the reduction of emissions, waste and pollutants?	<p>% Change in energy consumption in kWh</p> <p>Change in the share of self-generated energy from renewable sources</p> <p>Percentage change in greenhouse gas emissions</p> <p>Percentage of enterprises that have taken action on the circular economy and reduction of waste</p> <p>Percentage of companies that implemented interventions to reduce the use of pesticides and antimicrobials</p>	Questionnaire	one-off	Single undertaking	Beneficiaries/ Non-beneficiaries
Indirect effects					
Do the target companies show an improvement in the financial soundness that would not have been determined in the absence of the contribution?	<p>Average rate of interest on debt</p> <p><i>Total Bank Debt/Equity</i></p> <p><i>Short Term Bank Debt/Long Term Bank Debt</i></p>	Undertakings' financial statements	Yearly	Single undertaking	Beneficiaries/ Non-beneficiaries
Do the beneficiary agri-food chains show better resilience to climate change?	<p>Percentage of enterprises with process and/or product environmental certification (EMAS, Ecolabel, etc.)</p> <p>Percentage of enterprises that carried out energy audits</p> <p>Percentage of companies that have carried out <i>Life Cycle Assessment (LCA)</i> assessments of products and/or processes</p>	Questionnaire	one-off	Single undertaking	Beneficiaries/ Non-beneficiaries

Please explain why the chosen indicators are the most relevant for measuring the expected impact of the scheme.

The above indicators can provide a representation of the causal effects (direct and indirect) that may result from the implementation of the aid scheme. In particular, the indicators were

selected considering the specific characteristics of the intervention, including the timing of the potential conclusion of the preferential projects and the availability of information from external sources. The assessment may be extended, depending on the availability and adequacy of the information, in order to investigate the indirect impacts of the scheme and to deepen the proportionality profile of the intervention.

Given that some quantities are not available from official business statistics, it was decided to use an ad hoc survey to collect qualitative and quantitative information in relation to certain areas of interest, including digitalisation, sustainability and innovation.

For the purpose of evaluating the scheme, the following databases will be used:

- (9) Databases of limited liability companies containing information on the profit and loss account and balance sheet of capital companies (e.g. Cerved, Bureau van Dijk, Orbis);
 - Database of the entity managing the measure, undertaking per undertaking, relating to the beneficiaries;
 - Databases from the sample survey for beneficiary companies and a control group.

5. Envisaged methods of conducting the evaluation

5.1. In light of the evaluation questions, please describe the envisaged methods to be used in the evaluation to identify the causal impact of the aid on the beneficiaries and to assess other indirect impacts. In particular, please explain the reasons for choosing those methods and for rejecting other methods (for example, reasons related to the design of the scheme)⁷.

From a methodological point of view, a theory-based approach is envisaged in *order* to define the *framework* for evaluation analyses, including counterfactual analyses, as well as the identification of the critical nodes in the chain of cause and effect links triggered by the intervention, which may be further investigated by the evaluator.

In addition to the reconstruction of the Change Theory describing the rational nature of the measure, the plan provides for the use of two counterfactual techniques for the identification of the additional effects determined (with a causal link) by the scheme. The first is *Matching Difference-in-Differences* (M-DID), which is the result of a combination of two methodologies, the combination of which ensures greater efficiency and precision of estimates: statistical *matching* (Blundell & Dias, 2000; Angrist & Pischke, 2008; King & Nielsen, 2016) and *Difference-in-Differences* (DID). As part of the potential outcome approach applied to observational data, the Difference-in-Differences technique (Ashenfelter and Card, 1985)

⁷ See SWD (2014) 179 final of 28.5.2014

makes it possible to remove the unobserved permanent differences, assuming that without the contribution processed and not treated the same trend would have followed the same trend. The technique is based on a comparison of the change in the output variable over time between the enterprises subject to the contribution and those that did not receive it, by attributing the ‘difference in differences’ to policy effects. The assumption of parallel trend on which the validity of the approach is based is, however, particularly restrictive in the present case, where it is plausible to assume the presence of transient shocks that make the differences between beneficiaries and controls varying over time. In this context, the combination of *matching techniques* also removes observed pre-intervention differences (*selection bias*), thereby relaxing the assumption of parallel trends.

The second methodological approach refers to the *Regression Discontinuity Design* (RDD) technique that exploits the existence of a threshold around which beneficiaries and non-beneficiaries have similar observable and unobservable characteristics (Angrist & Pischke, 2008). Typically, this discontinuity threshold may be the ranking list of access to the intervention, with particular reference to the threshold of scores which discriminates against persons eligible for assistance from those excluded. Comparing the results of units just below and just above the threshold ensures their similarity and ensures a high robustness of the findings in terms of the internal validity of the estimates. However, the possibility of implementing this technique must be verified by the evaluator when carrying out the service: the actual presence of a ‘threshold’ will depend on the degree of implementation of the scheme in question. If the total slippage of the existing ranking list were to be verified, the possibility of applying that methodology would be no longer possible, in the absence of the element of discontinuity underlying the estimate. In any event, if this methodology can be applied, the robustness of the findings can be ensured by cross-checking the evidence from the use of the M-DID approach.

In view of the above methodological framework, it is worth pointing out that the timescales foreseen for the submission of the final evaluation report do not allow this approach to be applied in order to identify causally the effects of the intervention, since no projects will be completed at the time when the estimates are carried out. In particular, taking into account the planned timetable for implementation under the NRRP (target to conclude legally binding contracts corresponding to at least 50 % of the resources by the end of 2025 and the remaining part by the end of 2026) and the operating mechanism for the operation of the operation which provides that projects must be concluded within 4 years of the date of signature of the contracts, the projects will not be concluded in the final months of 2026 (the period in which the evaluator will establish the data available for the estimates)⁸.

Therefore, in the light of these considerations and taking into account the requirements set out in the timing of the evaluation activities, an alternative approach is proposed to maximise the usefulness of some preliminary and ‘forward-looking’ indications, without prejudice to the desirability of setting in this plan the most robust methodology that can be used in future evaluation plans for the scheme.

Given that projects will be in full implementation during the evaluation phase, the proposed methodology foresees the implementation of an approach which, in addition to reconstructing

⁸ It is conceivable that some individual beneficiaries’ investment plans could be concluded within the period indicated, however, this would be extremely limited and relates to projects that are systematically different from the most common profile under the measure.

the logic of the intervention, can draw some preliminary indications on the basis of extensive field investigations. In detail, four lines of activity are planned:

- Rebuilding the logic of intervention based on the Theory of Change;
- Progress analysis based on monitoring and implementation data;
- Sample survey of beneficiary undertakings and an appropriate control group;
- At least 6 case studies describing the characteristics and prospects of as many approved supply chain contracts.

With reference to the first point, a theory-based approach will *be* used to analyse the context of the agri-food sector and to reconstruct the theory of change underlying the scheme. This approach will provide the *framework* for the analysis as well as identify some relevant aspects that may be further explored in the course of field investigations.

With reference to the third point, a sample survey will be carried out using CAWI (*Computer Assisted Web Interviewing*) techniques aimed at both the beneficiary undertakings and an appropriate control group in order to identify a set of information which may provide useful information on the state of progress of the projects, the appropriateness and proportionality of the intervention, the presence of any negative effects, as well as providing preliminary indications of effectiveness. Compared to the latter, analyses will be able to test the expected greater propensity of beneficiary companies to **carry out policy-driven investments and behaviours** (increase in employment, development plans on foreign markets, adoption of digital technologies, innovations, initiatives to improve the environmental footprint, etc.).

In this context, the control group may be identified from the balance sheet data of the companies (Cerved databases, Orbis, etc.)⁹. In particular, preliminary indications on the effectiveness and appropriateness of the measure may be obtained by comparing the responses of the sample of responding beneficiary companies with those of the control group. **In order to make the results more reliable, the control group may be defined by using statistical *matching* methods that reduce the starting differences between the two groups analysed, by selecting from among non-beneficiaries the subset of entities that is as close as possible (in terms of observable characteristics) to the group of non-beneficiaries.**

Given that the variables derived from the survey will be purely qualitative (dicotomics and orders), the results are expected to be interpreted by means of logistic regression models or order logistics. It is also envisaged to look into the heterogeneity of the main findings, with

⁹ In the course of the investigation, the possibility of using the subset of undertakings which, although present in the ranking list referred to in Ministerial Decree No 633056 of 15 November 2023, will not benefit from the intervention, due to the exhaustion of resources or because they do not participate in the expression of interest procedure.

particular reference to the different aid intensities and/or the different size and territorial characteristics of the beneficiary undertakings.

The purpose of the case studies is to analyse, with a high level of depth, the history of projects, the state of play and future prospects, with particular reference to the ability to achieve the results initially expected, including from a sectoral perspective.

5.2. Please describe precisely the identification strategy for the evaluation of the causal impact of the aid and the assumptions on which the strategy relies. Please describe in detail the composition and the significance of the control group.

As regards the Matching-Difference-in-Difference-in-Differences estimation *technique*, the strategy for identifying the causal effect is based on two steps:

1. After identifying the group of beneficiaries (referred to above), the control group is identified using the *matching technique*. This operation is able to select the economic operators closest by features (i.e. budgetary indicators, geographical location, sectoral scope and size class) to the treaty group, in order to take into account the differences observed in the pre-implementation phase of the policy. In detail, it associates each subsidised undertaking with one or more non-subsidised undertakings, either on the basis of a set of covariates (e.g. exact *matching or matching techniques*) or using the *propensity score matching*, thus checking for observable characteristics;
2. The second step is developed through the application of the *Difference-in-Differences* estimation technique in order to identify the possible presence (and, consequently, magnitude) of the additional effect resulting from the treatment. The identified strategy, taking advantage of the longitudinal aspect of the data, makes it possible to ‘control’ all distortive effects (*confounders*) attributable to unobservable variables that are constant over time, thereby reducing the possibility of obtaining biased and unrobust estimates. This procedure is expected to result in a post-intervention variation for persons belonging to the group of treaties on average larger than any variation found for the control group.

With regard to the Regression *Discontinuity Design* (RDD) technique, this methodology is particularly appropriate in cases where the assignment of a treatment is exclusively based on an observable pre-intervention variable by the evaluator and the likelihood of participation changes differently depending on this variable. This methodology is particularly robust both because of its high internal validity, i.e. it is similar to a randomised ‘locally’ experiment at the discontinuity point and because it also allows for an easily interpretable and communicable assessment of the impact of the policy.

In the case of the scheme in question, the discontinuity threshold would be set in the event of exhaustion of resources before the full funding of the entities that have made the expression of interest; the same threshold would apply in the event that some of the companies on the ranking list did not advance their participation in the expression of interest. This method of financing makes it possible to exploit the discontinuity generated by the depletion of resources by

comparing the last (funded) beneficiary companies, in chronological order, with the group of non-beneficiary companies immediately following.

In summary, with reference to the first control group (M-DID), it will be identified among the companies that did not request access to the intervention from external statistical sources, while in the case of RDD the comparison group is derived within the policy on the basis of the discontinuity threshold found.

With regard to the ‘alternative’ solution outlined in the previous paragraph, based on the extensive use of the evidence available from field surveys, as anticipated, the control group will be identified from the database of financial statements deposited by companies and defined by statistical *matching* methodologies¹⁰.

5.3. Please explain how the envisaged methods address potential selection bias. Can it be claimed with sufficient certainty that observed differences in the outcomes for the aid beneficiaries are due to the aid?

The Matching-DiD technique allows for more detailed and robust matching, making it suitable to minimise the risk of *selection bias* in the control sample (Blundell & Dias, 2000; Angrist & Pischke, 2008; King & Nielsen, 2016). Despite the implementation of this strategy, the risk of bias in selection with regard to determinants of *time variant* may in principle not be avoided. In addition, the DID assessor minimises bias effects by removing all differences (observable and non-observable) that remain constant for the entire observation period. Further robustness tests such as placebo tests, alternative control samples and comparison of trends in target variables may also be carried out.

In the case of the use of the RDD methodology, the risk of bias in the selection is minimised. The existence of a demarcation threshold capable of distinguishing the beneficiaries of the aid from non-beneficiaries makes it possible to compare the two groups. The existence of a break in demarcation limits makes it possible to identify the impact of the scheme’s interventions, as the distortive effects of selection can be properly controlled. This estimation procedure is therefore free from problems due to the selection of the control sample, since the undertakings immediately above the threshold are, on average, entirely similar to undertakings immediately below the threshold both in terms of observable characteristics and possible unobservable *confounders* affecting the effect of public intervention.

5.4. If relevant, please explain how the envisaged methods intend to address specific challenges related to complex schemes, for example schemes that are implemented in a differentiated manner at regional level and schemes that use several aid instruments:

The scheme does not give rise to any specific problems relating to implementation of the evaluation. The intervention policy characterises the entire aid scheme, which has no geographical limitations for its implementation and is indeed made up of interregional projects. As regards the preferential form, characterised by a mix of grant and subsidised financing,

¹⁰ *Matching* methodologies, assuming the *propensity score matching*, may be used both before the sample survey, to define the sample to be invited to the survey and at the next stage to minimise self-selection bias when comparing results, including through the use of logistic regression models.

dummy variables may be included in the assessment of the econometric estimates, capable of intercepting any specific effects attributable to the type of aid.

6. Data Collection

6.1. Please provide information on the mechanisms and sources for collecting and processing data about the aid beneficiaries and about the envisaged counterfactual situation¹¹. Please provide a description of all the relevant information that relates to the selection phase: data collected on aid applicants, data submitted by applicants and selection outcomes. Please also explain any potential issues as regards data availability.

In order to apply the assessment methodologies referred to above, there is a need to draw on different types of information, such as:

- *Biographical and 'structure' data relating to beneficiaries:* tax number, size (micro, small, medium, large), name, legal form, Ateco code 2007, location of the place of operation, etc.;
- *Implementation data for subsidised projects:* costs representative of the investments, the amount of aid payments, dates relating to the start and closure of the project, types of investments, etc.;
- *Data on project assessments, which gave them access to the scheme:* evaluation elements, conditions and scores;
- *Qualitative and quantitative data from the ad hoc survey:* share of exports, forms of collaboration with other industry/research organisations, introduction of process, product, organisational/management innovations, introduction of digital technologies related to horizontal and vertical integration, change in R & S expenditure, change in energy consumption in kWh, interventions on the circular economy and reduction of waste, change in the share of self-generated energy from renewable sources, change in greenhouse gas emissions, change in the use of pesticides and antimicrobials;
- *Balance sheet data of beneficiary and non-beneficiary enterprises:* all main economic financial indicators that can be derived from budgetary data.

An additional material source of information refers to case studies that have been described in the preceding paragraphs.

¹¹ Please note that the evaluation might require sourcing of both historical data and data that will become progressively available during the deployment of the aid scheme. Please identify the sources for both types of information. Both types of data should preferably be collected from the same source so as to guarantee consistency over time.

6.2. Please provide information on the frequency of the data collection relevant for the evaluation. Are observations available on a sufficiently disaggregated level, that is to say at the level of individual undertakings?

The primary administrative sources available to the Ministry of Agriculture, Food Sovereignty and Forestry are available both at the level of the agreement and individual undertakings and have the frequency of regular updates typical of monitoring/implementation databases.

Information on companies' financial statements will be available at company level and annually. Finally, the data that will be obtained from the sample survey will be collected at company level at a single time of collection.

6.3. Please indicate whether access to the data needed to conduct the evaluation might be hindered by laws and regulations governing the confidentiality of data, and how those issues would be addressed. Please mention other possible challenges related to data collection and how they would be overcome.

Data will be collected and processed in compliance with data management legislation (GDPR). More generally, there are no particular factors that could hinder the availability of the data necessary for evaluation.

6.4. Please indicate whether surveys of aid beneficiaries or of other undertakings are foreseen and whether you intend to use complementary sources of information.

As mentioned in the previous paragraphs, both a sample survey and the conduct of case studies are planned in order to strengthen the information available from monitoring and budget data.

7. Proposed timetable of the evaluation

7.1. Please indicate the proposed timeline of the evaluation, including milestones for data collection, interim reports and participation by the parties concerned. If relevant, please provide an annex detailing the proposed timeline.

Evaluation activities timetable	
Document collection of intervention and monitoring data	January 2026 – March 2026
Interim report: description of the intervention logic and state of play of projects based on monitoring data	March 2026
Rebuilding the theory of change	March 2026 – May 2026
Field surveys: conduct of the sample survey and conduct of case studies	may 2026 – September 2026

Collection and analysis of the balance sheet data of the subsidised companies and of the control sample, financial years 2020 to 2024 (to be considered whether the 2025 budget data could be recovered for all companies selected for estimates)	September 2026 – November 2026
Analysis and writing of evidence found	November 2026 – January 2027
Draft Final Report – Delivery of the draft assessment report for the scheme. The report will be presented and discussed at an event with key stakeholders.	31 January 2027
Final Report – submission of the final report to the European Commission	31 March 2027

In view of the timing of the implementation of the aid scheme (i and the NRRPs), the evaluation exercise will start in January 2026 in order to prepare an interim report by March 2026. This report will describe the logic of the intervention and the state of play of the scheme based on monitoring data. We would point out, as mentioned above, that during this period, information may be available on signed projects representing the degree of effectiveness in achieving the NRRP milestone (fourth quarter of 2025), which provides for the conclusion of a number of supply chain contracts corresponding to at least 50 % of the resources available.

With effect from March 2026, taking into account the methodological limitations described in the preceding paragraphs, the preparatory work will start to prepare the final report. This report will include the reconstruction of the theory of change, an updated analysis of the degree of progress of the measure, the collection and analysis of budgetary data, the implementation of field surveys and the six case studies. As described in the document, the report will contain preliminary indications on the effectiveness as well as initial evidence on the proportionality and appropriateness of the scheme, collection and analysis of budgetary data, preparation of estimates and findings, comparison with key stakeholders on the basis of the draft final report, drafting and submission of the final document.

7.2. Please indicate the date by which the final evaluation report will be submitted to the Commission.

In accordance with the timelines provided for in the applicable legislation and in particular the Guidelines for State aid in the agricultural and forestry sectors and in rural areas in force, the final evaluation report will be submitted by March 2027.

7.3. Please mention factors that might affect the envisaged timeline.

There are no particular criticisms that could affect the planned timetable, without prejudice to any subsequent amendments to the RRP could have an impact on the timetable described above.

8. The body conducting the evaluation

8.1. Please provide specific information on the body conducting the evaluation or, if not yet selected, on the timeline, procedure and criteria for its selection.

The Ministry of Agriculture, Food Sovereignty and Forestry (hereinafter also the Ministry), as the authority holding the measure in question, will identify a functionally independent body responsible for carrying out the assessment activities provided for in this evaluation plan.

The identification of the entity responsible for the evaluation will be carried out in accordance with European and national public procurement law and in line with the principles of objectivity, severity, impartiality and transparency of the impact assessment of the scheme, as laid down in paragraph 3.7 of the *Commission staff working document ‘Common methodology for State aid evaluation’*¹².

For the purpose of identifying the evaluating body, it is expected that the selection procedure will be launched indicatively in autumn 2025, so that the independent evaluation service can be launched by January 2026.

8.2. Please provide information on the independence of the body conducting the evaluation and on how possible conflicts of interest will be excluded during the selection process.

Compliance with European and national public procurement law ensures that there is no conflict of interest in the conduct of the selection procedure, so as to avoid any distortion of competition, to ensure equal treatment between all economic operators, to avoid the risk of any interference which could undermine the independence of the selected body and which may affect, in whole or in part, the results of the assessment activities required.

The selected body must therefore be functionally independent of the Ministry, the administration responsible for the scheme in question.

8.3. Please indicate the relevant experience and skills of the body conducting the evaluation or how those skills will be ensured during the selection process.

The body that will be in charge of the assessment shall have:

- proven experience in public policy evaluation activities, including in the field of cohesion policy, with particular reference to State aid schemes, documented by a list of services provided over the last five years in these areas;
- proven experience in economic-statistical analysis and applied research, demonstrated by a list of services provided in the field over the previous five years;
- appropriate data management and processing capabilities;
- encourage the presence in the working team of at least one expert on the main issues related to agri-food supply chains.

More generally, the identified body will have to ensure the organisation of a qualified

¹² Brussels, 28.5.2014 SWD (2014) 179 final.

evaluation *team* with proven experience in public policy evaluations and with specific economic, statistical/econometric and legal State aid expertise. The skills and experience criteria, along with a breakdown of the responsibilities of *team* members will be specified over the course of the procurement procedure in order to ensure quality, timeliness and coordination in the evaluation activities.

8.4. Please indicate what arrangements the granting authority will make to manage and monitor the conduct of the evaluation.

These provisions will form part of the contract which will govern the relationship between the contracting authority and the company providing the service.

8.5. Please provide information, even if only of an indicative nature, on the necessary human and financial resources that will be made available for carrying out the evaluation.

For the independent body to carry out the evaluation, a working group consisting of at least 4 professional staff, for a total amount indicatively between EUR 150.000 and EUR 200,000 is foreseen.

In addition, additional resources will be dedicated to designing, managing and accompanying the entire evaluation process, through the use of structures within the public administration or in-house entities.

9. Publicity of the evaluation

9.1. Please provide information on the way the evaluation will be made public, that is to say, through the publication of the evaluation plan and the final evaluation report on a website.

The results of the evaluation will be made public on the Ministry's website (NRRP section – State aid). The Ministry reserves the right of access to confidentiality of the beneficiaries and the control group.

9.2. Please indicate how the involvement of stakeholders will be ensured. Please indicate whether it is planned to organise public consultations or events related to the evaluation.

The organisation of evaluation activities shall be structured in such a way as to enable stakeholders to be involved both during the evaluation and in sharing the final results achieved, such as the presentation of the final draft report.

Business and banking operators, business associations, universities and research, as well as chambers of commerce and authorities, bodies or agencies granting aid to businesses and any other interested party will therefore be involved in ad hoc discussions and events.

9.3. Please specify how the granting authority or other bodies intend to use the evaluation results, for example for the design of successors of the scheme or for similar schemes.

The evaluation results will constitute a solid *background* for assessing *ex ante* future aid schemes at national and regional levels. The Ministry will use this to highlight potential improvements and extensions to be taken into account in the development of similar aid measures or the continuation of the same scheme. This will be ensured through the sharing of findings and the preparation of discussions and dissemination events (seminars, workshops, etc.) involving key stakeholders.

Following the assessment, the Italian State may consider whether it would be useful to proceed with such contributions also in the upcoming programming periods of European funds, also in the light of the European climate neutrality objectives set for 2050.

9.4. Please indicate whether and under which conditions data collected for or used for the evaluation will be made accessible for further studies and analysis.

The data collected will remain available to the Ministry and will be made available for further studies, subject to research agreements in compliance with privacy and statistical confidentiality legislation.

9.5. Please indicate whether the evaluation plan contains confidential information that should not be disclosed by the Commission:

Should particular data need to be redacted, the Ministry will inform the Commission without delay.

10. Other information

10.1. Please indicate here any other information you consider relevant for the assessment of the evaluation plan:

Please find the bibliography of the works mentioned in the text:

- Angrist J. D., J. S. Pischke (2008), mostly less econometrics: an empiricher's companion, Princeton University Press
- Ashenfelter, O., and D. Card (1985): "Using the Longitudinal Structure of Earnings to Estimate the Effect of Training Programs," *The Review of Economic Statistics*, 67 (4), 648 – 660
- Blundell R., M. C. Dias (2000), Evaluation methods for non-experimental data, *Fiscal Studies*, Vol. 21, iss. 4, P. 427-468
- Cerulli G. (2015), *Econometric Evaluation of Socio-Economic Programs*, Springer

- Heckman J., H. Ichimura, P. E. Todd (1997), Matching As An Econometric Evaluation Estimator: Evidence from Evaluating a Job Training Programme, The Review of Economic Studies, Vol. 64, iss. 4
- King G., R. Nielsen (2016), Why propensity scores should not be used for matching, Working Paper
- Smith A. J., P. E. Todd (2005), Does matching overcome LaLond's critique of nonexperimental Estimators? Journal of Econometrics, Vol. 125, iss. 1-2, P. 305-353

10.2. Please list all documents attached to the notification and provide paper copies or direct internet links to the documents concerned:

- Legal basis (Ministerial Decree);
- Illustrative statements of eligible expenditure.