

Marche Region Action Plan

1. Background

Over the last decade, the economy of the Marche regional territory has undergone a series of deep changes: starting from the strong global reorganization process following the financial crisis of 2009.

The adaptation of the regional production structure to the changed framework of relations required time and intensity of action often longer and more incisive than those observed in other Italian regions.

The seismic events (2016) that have affected important parts of the region have contributed to delaying the restoration of orderly operating conditions in the regional economic system and its labor market.

Moreover, on the one hand, the region has undergone a marked process of reorganization of the financial industry and of the local credit and financial system with serious consequences on businesses and on their ability to access credit.

On the other hand, the region has registered the exit from the competitive scene of some major players due to the concentration processes which, with increasing intensity, are affecting markets and sectors open to global competition.

In addition to all the factors displayed above, there is the greater difficulty of supporting innovation in a production system that is limited on the overall scale and made up of medium-sized companies.

To this picture of continuous and incisive changes in the competitive scenario, the regional industry has responded with great determination and effectiveness. During the last decade, the entry rates of new businesses in the Marche region were higher than national ones, while the adoption of technology in processes has maintained expansion rates no lower than those of the regions with the best performances.

In this context, policy action in support of innovation has played a significant role in contrasting the exogenous events that have weakened and delayed the reaction capacity of the regional production system.

Entrepreneurs have reacted to the increased competition by innovating both on the organizational front and on the more strictly technological one.

In January 2020 the COVID pandemic has heavily hit Italy: one of the most affected countries in Europe in terms of infections and human lives lost. As a consequence, Italian citizens experienced a lockdown period started in March 2020 (first country in Europe) and lasted until June 2020 and keeping important social, travelling and working restrictions until the end of 2021 and first quarter of 2022. The blocking of internal social and productive activities had heavy economic repercussions: as Italy saw a GDP loss of 8.8% in 2020.

The Marche Regional Authority has recently implemented an important set of policies and initiatives to support the regional entrepreneurial ecosystem and the development of innovative start-ups particularly hit by the consequences of the COVID pandemic.

2. Key findings from gap analysis

In 2016 in the Marche region there were 11,443 non-profit enterprises, with a ratio of 74.4 institutions every 10 thousand inhabitants: a rate much higher than the national average which stands at 56.7%.

However, if we consider innovative start-ups with a social vocation: there are 253 innovative start-ups in Italy out of 12.055 (0.47%). While in the Marche Region, only 6 companies are registered in the special business register of social innovative start-ups.

Nevertheless, the low performance of the emerging innovation ecosystems in the Marche Region (as detected by the EU REGIONAL INNOVATION SCOREBOARD-2021) mustn't be read as lack of innovation force, activities, structures and actors, but rather as a consequence of:

- low interconnections among the different types and level of innovation stakeholders;
- not adequate institutional support to guarantee linkages among stakeholders at local and regional level;
- lack of engagement and financial dialogue with the other Adriatic-Ionian macroregional innovation and entrepreneurial ecosystems;
- and, in a wider view, missing the participation to transnational innovation.

Generally, Innovative start-ups and high-tech companies need an entrepreneurial ecosystem qualified in supporting their development. The entrepreneurial ecosystem of the Marche region still shows elements of delay compared to the regions of northern Italy and this reduces the development possibilities of these companies that are not adequately supported in the post-activation phase.

For the reasons above, the Marche Regional Authority has decided since 2021 a significant change of direction:

- through the approval of the **Regional law 29 April 2021, n. 6 concerning “Development of the regional innovative start-up community”** promoting support for the access of innovative start-ups to the financial instruments and the implementation, enhancement and networking of public or private incubation and acceleration facilities including support for the participation of start-ups to international events and events aimed at promoting partnerships between established companies and start-ups;
- through the approval of the **Regional Law No. 62/2022 "Innovative strengthening of supply chains and the regional ecosystem of innovation in the Marche"** promoting strong synergies between companies in the various production chains and their relationships with the research system;
- recognizing the necessity of collaboration at interregional level starting from **networking with the bordering regions**: Abruzzo and Umbria, which have all been heavily hurt by the 2016 earthquake in Central Italy;
- support to cooperation among the three regions - in particular among their seven Universities - has been reinforced by the recent approval (July 2022) of a proposal for the **“Strengthening of research structures and creation of R&D innovation ecosystems”**: submitted under the **National Recovery and Resilience Plan (NRRP) , Mission 4, Component 2 Investment 1.5, funded from the European Union – Next Generation EU**.

In this framework, the Policy Action of S3 21-27 in support of the innovative development of the production system takes on a central role with the planning of dedicated measure for startups support.

3. List of actions improving addressed policy

The Marche Regional Authority applied the *“Framework of the startups development phases”* developed by the iEER project as a tool to set up programs and actions: with the overall aim of innovating the regional strategy on entrepreneurship and specifically the regional approach in favor of innovative and young startups.

The Marche Region used resources available through the ROP-ESF 2014-2020 to finance a set of initiatives and policies meant to ensure the long-term promotion of a regional strategy to support young entrepreneurship and to foster the coordination of the regional public and private stakeholders' ecosystem. Besides, we can underline that they highly contributed to innovate the administrative procedures of the ROP-ESF in this field.

In Brief:

- The “**IMPRESA IN AULA**” project put in place to foster **Entrepreneurial Mindset and Competences** in the region: in response to the need for *attracting talents and ideas through entrepreneurial guidance and education and building of a Web Community*. Thanks to the experience learned from Spanish Aula Emprende, dedicated initiatives and tools have been conceived for nurturing the new generation of entrepreneurs and increasing the prevalence and the quality of entrepreneurial learning, mentoring and skills building.
- The “**Networking for you-NET4U**” call for proposals was launched in response to the need for a better **cooperation and coordination among the different stakeholders** working to support young entrepreneurs at regional level. Through a calibrated and efficiency-oriented *governance* the Regional Authority performed a coordination role of the private and public subjects active within the regional entrepreneurial ecosystem.
- Finally, Marche Region improved and strengthened the existing set of **financial incentives** issued since 2016 through the use of ROP-ESF and aimed at **fostering entrepreneurship through the creation of new businesses and innovative start-ups in the region**.

Below each of the three initiatives and policies listed above is described in details.

3.1. The “IMPRESA IN AULA” project

The “Impresa in Aula” project is an initiative supported by the Regional ESF Funds (ROP ESF 2014/20) with the final purpose to promote the entrepreneurial mindset among university students, according to the scheme developed by iEER (Aula Emprende Pilot Action). Its goals are to introduce an innovative training method among academic teachers, professors and researchers, to improve and reinforce their cooperation in the field of entrepreneurial education, to create a network of entrepreneurial students. In brief:

- N. 24 professors and tutors were involved in training sessions on “Design Thinking and Team Building” one semester
- Innovative didactic approaches and methods were piloted in the four Universities during an academic semester
- N. 162 students coming from different scientific areas were involved in one semester: from humanistic to robotic, from linguistics to financial mathematics.

A regional competition among n. 32 teams of students was held in June 2019 with the goal of selecting the five most interesting and innovative business ideas.

At the end of the regional project, Universities have replicated the Impresa in Aula methodology, **during the COVID period so far with their own budget**. They have worked together on the training of trainers (applied this innovative approach) and on the promotion of entrepreneurship, in synergy with the Contamination Labs. **A cooperation agreement among all the regional universities was signed in July 2022**.

3.2. The “Net4U – Networking for You” call for proposals

The Net4U is a call for proposals launched in July 2021 by Marche Region (ROP ESF 2014/20) and aimed at fostering key skills and capabilities of young entrepreneurs.

The project proposals include a variously combined set of actions as information, training, guidance, consultancy and tutoring to the target group: **unemployed young people (18-35 years old) with a high level of education** who want to keep in contact with the entrepreneurial regional ecosystem, with the aim of upgrading their professional profile, transforming their business idea into a start-up and starting an entrepreneurial activity.

Applications for funding on the Net4U call were open exclusively to partnership necessarily composed of all the following four types of subjects:

- 1) Certified incubator with headquarters in the region, with the role of leader;
- 2) Universities/research institutions;
- 3) Training agencies;
- 4) Innovative start-ups, including creative hubs.

The following four Pilot Projects were funded through the Net4U call for proposals (currently ongoing):

LIFE SCIENCE MANUFACTURING TO EXCELLENCE: in the sector of sport-tech and wellness.

START UP CLUB MARCHE: in the field of green and blue growth.

ESTRO (Sustainable Economy, Technology, Resilience and Opportunities): in the cultural, creative and social sector

DIGITALENTS: in the field of Digital Transition

All these projects promote specific networking events for young entrepreneurs at national and international level, training sessions, thematic workshops, study visits, round tables and meetings with start-uppers, managers and professionals, and offer a support for the participation to business plan competitions. The conceptual framework is the **EntreComp, Entrepreneurship Competence Framework**.

3.3. Financial incentives for fostering entrepreneurship

During the last five years Marche Region made use of the resources available through the ROP ESF 2014/20 to implement a set of financial incentives aimed at fostering the creation of new businesses and innovative start-ups.

From 2016 onwards, 818 new companies and start-ups have been selected and funded by the regional ESF. Overall, grants of approximately € 15.5 million were disbursed, with an average of almost € 19.000.00 of incentives per company. The funded start-ups have declared their intention to involve a total of 1.785 people in their activities: from founders to shareholders, professionals, technicians and workers.

94% of companies subsidized in 2017 (156 units), are currently still active after at least 3 years of disbursement of the contribution. While just 6% of the companies, who received financial support, have in the meantime ceased operations or are in a state of suspension.

From this implementation period, the intervention has represented a successful policy, allowing the unemployed to embark on a path of self-employment with positive effects on direct and indirect employment related to the creation of new companies.

Among the main strengths, it is worth highlighting:

- the stability of new businesses within three years of their establishment: mostly of the new businesses remain on the market even in the medium-long term (in 94% of cases they are still active after 3 years), so they are not “Hit and run”, but of lasting enterprises;
- direct and indirect employment created;

- in procedural terms, the possibility of using simplified procedures for both businesses and the regional administration.

In light of the results achieved, the Marche Regional Authority has planned to re-propose the intervention in the 2021/2027 programming period, possibly introducing some innovative aspects:

- Further prioritize and foster the reaching of disadvantaged target groups such as young people and women;
- Inclusion of economic support in an integrated path including training and mentoring, as well as the use of co-working spaces;
- Use of mixed forms of facilitation capable of "rewarding" initiatives with a good level of reliability and sustainability in the medium to long term (e.g. combination of the non-repayable economic incentive with the use of microcredit).