

**Cre:Hub**  
**Policies for Cultural Creative Industries: the hub for  
innovative regional development**

**ACTION PLAN: FRIULI VENEZIA GIULIA AUTONOMOUS  
REGION**

## 1. GENERAL INFORMATION

<b>Project</b>	<i>Project Title:</i> Policies for cultural CREative industries: the HUB for innovative regional development <i>Project Acronym:</i> CRE : HUB
<b>Partner Organisation</b>	Friuli Venezia Giulia Autonomous Region
<b>Country</b>	Italy
<b>NUTS 2 Region</b>	Friuli – Venezia Giulia
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## 2. INTRODUCTION

### 2.1 CRE:HUB Project

The CRE:HUB project – “policies for cultural CREative industries: the HUB for innovative regional development” started on 1<sup>st</sup> April 2016 and will end on 1 October 2020. CRE:HUB brings together eight regions that consider Cultural and Creative Industries (CCIs) a strategic sector of development and want to create new enterprises and to support the existing ones working in this field.

The project is developed in two phases:

- a) 1<sup>st</sup> phase (April 2016 - September 2018)
- b) 2<sup>nd</sup> phase (October 2018 - September 2020)

The various territorial analyses carried out in the 1st phase analysis stressed that CRE:HUB project regions share typical characteristics for CCIs: the sector is dominated by micro and small-size enterprises with mostly low performance indicators and CCIs activities are bound to urban environment. Also, the IT industry (software, gaming) is considered as a driving force for CCIs development.<sup>1</sup> Based on the SWOT analyses of CRE:HUB project partners, there are several common challenges to overcome in the project area that are related to: developing a clear regional/national strategy for CCIs development (supported with specific objectives and actions) or improving of its implementation and coordination; improving access to the financial support (public and private); improving business skills and knowledge (on management, marketing, digitalisation) to attract investments/financial support or foster export capacity; raising awareness about CCIs potential to bring economic benefit (specifically when CCIs are linked with traditional industries); strengthening collaboration between various stakeholders, specifically from local governance level.

The 1st phase (April 2016 - September 2018) main activities and outputs included:

- a) The implementation of regional analysis (characteristics of CCI; stakeholders identification; SWOT analysis; regional policies and RIS3; identification of regional best practices and lessons learnt) conveyed in 8 State of the Arts Reports including 8 SWOT analysis and 16 best practices;
- b) The establishment of 8 Regional Stakeholder Groups (RSGs) and their involvement in the 8 Regional analysis assessment and RSGs working sessions leading to the definition of 8 Barrier and solution (B&S) matrices overall, prodromal to the Roadmap definition (8 Roadmaps overall) to develop an Action Plan (8 Action Plans overall) for the regional Cultural and Creative Industries enhancement; 7 Study visits to learn to and share experiences and results with other regions involved

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<sup>1</sup> According to the regional State of the Art Reports, in the most of project regions/countries there is neither a locally accepted definition for cultural and creative industries (CCIs) nor the set of the sub-sectors. The lack of local CCIs definitions and sub-sectors derives from the overall challenge of collectively understand the meaning of CCIs and determining which sub-sectors to cover.

c) Mutual assessment and learning through 8 On-field visit evaluation conducted by experts and 8 Peer Review Reports;

The Phase 2 (October 2018 – September 2020) will focus on the starting, implementation and monitoring of Action Plans. Each partner will improve its (regional) programme for Investment for Growth and Jobs that will concretely result in improvements of the management of policy instruments and in implementation of new projects. Policy changes will be tailored to meet specific CCIs needs.

According to the Interreg Europe Programme Manual, each region involved in the cooperation project produces an action plan, specifying what will be done in the region to ensure that the lessons learned from the project are put in practice. An action plan is a document providing details on how the lessons learned from the cooperation will be implemented in order to improve the policy instruments tackled within a given region. The document specifies the nature of the actions to be implemented, their time frame, the players involved, the costs (if any) and funding sources (if any).

The content of the Action Plan of Friuli Venezia Giulia Autonomous Region is based on:

- Analysis of the policy context and policy instrument
- Analysis of the regional context (State of Art; SWOT analysis)
- Matrix of CCI Barriers & Solutions
- Participatory and Shared Approach with the regional stakeholder group (workshops; meetings)
- Knowledge exchange (study visit, good practices, peer reviews)
- Peer Review's In-Depth Assessment

## 2.2 Summary of the CRE:HUB Project findings in Friuli Venezia Giulia AR

Friuli Venezia Giulia AR, employs creative industries terminology standards as per the "I am Culture" report from the Unioncamere (Union of Chambers of Commerce) & Symbola Foundation<sup>2</sup>.

In 2015, about 8 723 CCIs SMEs operated in AR FVG, which accounted for just over 8% of the total SMEs; 32 900 persons were employed in the CCIs sector (6.3% of the total FVG employees, while in Italy it was 6.1% or 1.49 million), averaging 3.8 employees per company. Though the growth of the CCIs sector (in terms of added value and employment) in AR FVG has been low (at only 0.2% over the period from 2010 to 2015), it should be contrasted with the overall -1.8% contraction that befell the region's total added value over the same period.

The sector plays a significant anticyclic role at regional level: in the period 2010-2015 both FVG CCIs employment and Added Value shares on total FVG economy grew by 0,2% compared to a reduction of -1,8% of FVG added value and -2,4% of FVG total employment. It should be noted that compared to the Cultural and Creative Production

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<sup>2</sup> Fondazione Symbola – UnionCamere (2016), Io sono Cultura 2016 - L'Italia della qualità e della bellezza sfida la crisi, Quaderni di Symbola, Roma

System as a whole, the weight of the creative-driven sub-sector, 45.2%, is higher than both the analogous value of the north-east area, 44.1%, and the national one, equal to 36.7%. Despite the role played by the production of goods and services creativity-driven, Friuli Venezia Giulia, with 51.8%, is the first region in Italy as a percentage of tourist spending "activated" by the cultural industry. Regional creative and cultural industries also feature a considerable vocation to cultural export – Friuli Venezia Giulia Region ranking third at national level.

The most important CCI sub-sectors in AR FVG are identified as audio-visual production, design, software and computer consulting production, management of cultural heritage and architecture. The audio-visual sector is noted for the high quality of its output as well as its economic growth potential at the regional level, where the actors that gave an important contribution to the sector have been the FVG Film Commission together with the Film Fund FVG. The design industry is object of different regional initiatives. The production software and computer consulting sector stands out as a large source of innovative start-up companies in FVG AR. Architecture contributes to the largest CCI SMEs share in terms of existing enterprises and added value of the region, targeting mainly the local market through the entrepreneurship of individual, self-employed professionals. Lastly, Friuli Venezia Giulia Autonomous Region is strengthening an integrated system for the management of cultural heritage due to a participatory management model.

Despite the dynamic and innovative environment characterising their field of action, cultural and creative industries encounter difficulties in having access to credit and enhancing their competitiveness on the global market, mainly because of the peculiarities of cultural products. Such firms often lack the resources and skills that would enable them to build long-lasting and effective partnerships and networks and extend their activity to other countries, as well as developing collaborations with companies active in different productive sectors. According to the framework situation above described, the policy should therefore support the first life phases of CCIs, the entrepreneurial capacities of new CCIs, the development of CC SMEs and CCI capacity of internationalization even in the start-up phase.

### **2.3 Main priorities where to focus effort**

As already stated in the Application Form, Action 2.1 (TO 3;IP 3a) includes a measure to foster creation of new firms and development of existing ones in CC sectors by providing dedicated incubation services. The measures aim at supporting CCIs needs in first life phases (creation of partnership, collaborations with other sectors, internationalization, entrepreneurial capacities, access to credit) and it represents a ground-breaking initiative for FVG AR.

The actions selected focus precisely on the CCIs needs mentioned in the Application Form and underlined during Stakeholder Working group meetings, Field Visit and Study Visits. These needs were then articulated, also in terms of proposals and possible solutions, by the Regional Stakeholders Group during the meetings that contributed to the definition of

the Roadmap, considering the reflections and examples reported by participants in the Study Visits. The Action Plan therefore aims at creating mechanism to strengthen regional policies for CCIs as suggested with Peer Review drawn up by experts coming from other partner countries. Moreover, the need not only to intercept the available resources, but to maximize the possible synergies in the current period between all relevant stakeholders in the quadruple helix in order to form a lively ecosystem for the regional CCIs, led to consider a priority the creation of regional cluster.

The priority actions proposed are the following:

1. Coordination activities aimed at creating synergies among EU funding and regional support to CCIs
2. Creation of a CCIs Cluster
3. Creation of financial instruments to support access to credit of the CCIs.

### 3. PRIORITY ACTIONS

#### 3.1 Policy Context

The Action Plan aims to Impact:

- Investment for Growth and Jobs programme
- European Territorial Cooperation programme
- Other regional development policy instrument

Name of the policy instrument addressed: ERDF ROP Friuli Venezia Giulia 2014-2020 (formally approved on 14th of July 2015) – Action 2.1: Actions to support new business formation by providing subsidies, services and microfinance instruments.

### 3.2 Details of the Actions Envisaged

#### ACTION 1

<p>The background</p>	<p>The FVG AR Roadmap, based on the SWOT and good practices' analysis and on the Matrix of CCI Barriers &amp; Solutions developed in close cooperation with regional stakeholder working group, saw Coordination and Technical assistance actions as advantageous to strengthen ERDF, ESF URBACT, etc. ROPs governance and synergies. Moreover AR FVG's Peer review states "Implementation of policy measures will require cooperation between policy makers. Therefore, coordination and integration among different regional policy instruments and measures should be strengthened. There are different potential policy measures as policy measures for CCIs, innovation support, support for training and education, regeneration of cities (urban policy), promotion of entrepreneurship in rural areas, promotion of innovative SMEs (start-ups), tourism, etc. Moreover, during the Stakeholder Working Group in September 2018, it has been recommended, in order to exploit the opportunities offered by the evolution of programming, to create new connections not only between areas of intervention (social cohesion: Urban development; etc.) but also, between different regional Departments. The coordination will allow, among other things, the pooling of the funds available for the ICC, encouraging dialogue and inter-operability with the regional Departments that participated in the definition of the Action Plan (eg: Department of Productive Activities).</p>
<p>Action</p>	<p>Coordination activities aimed at creating synergies among EU funding and regional support to CCIs.</p> <p>At the moment (30/09/2018) FVG AR plans to publish a call for CCIs start-ups with a budget of 2 M of regional funding, to support services for start-ups in cooperation with regional Incubators.</p> <p>A working group to coordinate the remaining actions and calls of ROPs on the 2014-2020 programming period will be foreseen. The working</p>



	<p>group will identify possible synergies, between the ROPs and between the ROPs and regional funds. The Working Group will promote a series of meetings with Regional Department in charge of managing public policies for supporting CCIs. Currently these funding concern the ESF and ERDF ROP, managed by different Regional Departments and Regional funding opportunities for regional industries, which could benefit CCIs financed with the policy instrument.</p> <p>Ways will be investigated to align actions and initiatives dedicated to entrepreneurship (youth and women) with those aimed at developing new CCIs' businesses. The calls of ESF/ERDF ROPs and the calls of complementary regional funding initiatives should receive and incorporate the indications of the Working Group (e.g. conditionality / rewarding criteria).</p>
Players involved and implementation of the action (explain their role)	FVG AR Department for culture and sports is coordinating the action, Incubators are currently supporting CCIs start-ups and will implement the policy instrument and Chambers of Commerce ensure the flows of information are properly in place
Timeframe	By 2020
Costs (if relevant)	----
Funding sources (if relevant)	Regional and Eu funding (ESF/ERDF ROPs ,ESIF)

## ACTION 2

The background	<p>The Strategy for Innovation and Smart Specialization (S3) 2014-2020 of Friuli Venezia Giulia A.R has identified among the Areas of Specialization the one of "Culture, Creativity and Tourism". The FVG's S3 defines the regional creative cultural system as a grid of connectivity between companies, territories, Universities and Administration. Additionally, two of the methodological priorities of intervention of the FVG's S3 are focusing on: a) the development of collaborations and synergies between companies and between companies and scientific structures</p>
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(one of the strategic objectives); b) the promotion of innovative entrepreneurship.

During the meetings with the CRE; HUB regional stakeholders group, starting from the first consultations for the drafting of the SWOT analysis and the state of the art up to the preparation of the Roadmap, a series of needs emerged linked to the need to bring together cultural and creative companies and at the same time acquire a series of missing skills.

Many of these needs were met by interregional cooperation consolidated through the seven study visits, which gave the opportunity to see examples of virtuous structures and practices that met the needs expressed by regional stakeholders.

So, this action is inspired by some good CRE:HUB project practices, such as Ljubljana's RCKE (Regional Creative Economy Centre) consultation services and "Startup Lisboa", plus regional stakeholders' initiatives as ANICC Navarre Association for Innovation, Creativity and Culture. In particular the example of the neighbouring RCKE of Ljubljana was particularly stimulating, in that the Centre act as link between economy and creative industries and a promotor of the development of entrepreneurship and entrepreneurial skills within creative industries. Moreover, RCKE is the leading provider of services for the development of a creative ecosystem, also monitoring trends in the implementation and use of creativity in the public and private sectors for their more effective and efficient operation. In this respect, CRE:HUB Peer Review suggest focusing on skills crucial for the sectors/sub-sectors (job-specific) as it is proposed in the Roadmap. Moreover, Peer Review propose training/consulting of CCIs on regulatory and tax systems.

The action also take inspiration by CRE:HUB's best practices as 948 MERKATUA, Navarra's first all cultural and creative activities englobing fair, and ALT FESTIVAL in Brasov, the first tech fest in Romania, mixing workshops, exhibitions, hackathons, and concerts in a multi-day, multi-location format.

The FVG AR Roadmap, based on Matrix of CCI

	<p>Barriers &amp; Solutions, saw a Creative Centre as functional to strengthen Businesses confidence towards CCIs.</p> <p>Peer review states “More could be done for increasing the awareness within the CCIs themselves (crafts) by providing [...]above all, events like workshops for boosting their creative potential.”</p> <p>Moreover, the Peer Review states in the final recommendations “[...] increasing the awareness within the CCIs themselves by providing information, trainings and above all, events like workshops for boosting their creative potential.”, while Roadmap focused on Inter-sectoral themed events to strengthen Businesses confidence towards CCIs.</p> <p>One of the key aspects to enable the growth of often very active and content-worthy realities, but not well-equipped for significant market growth, is in fact supporting its openness to an overseas market that traverses the regional and/or national boundaries. Peer Review recognize that Internationalization paths and services designed for CCIs are missing. Sector businesses associations could play a relevant role in this respect if adequately supported. As in the Roadmap, Peer Review recommends to develop specific tools such as industry-to-industry dialogue, scouting missions and market intelligence and international fairs’ collective representation.</p> <p>In order to give an answer these needs and in close interaction with some reflections carried out with regional stakeholders, also in the frame of the European projects implemented by FVG AR. In support of the cultural an creative sectors, the FVG region has thus decided to promote the creation of the Regional Culture and Creativity cluster.</p> <p>Without CRE:HUB analysis the Regional Cluster would be never have been implemented.</p>
Action	<p><b>CREATION OF A CCI CLUSTER FOR:</b></p> <ul style="list-style-type: none"> <li>- Ad hoc services for CCIs (profit, no profit, all economic sectors): monitoring; organization &amp; management support; consulting on Regulatory and Tax system; survey on</li> </ul>

	<p>training and professional needs for ad hoc training courses; shared services (accountancy, paperwork, fund raising, EU projects, etc).</p> <ul style="list-style-type: none"> <li>- Management of the Cluster's Creative Centre hosting dedicated events and allowing the CCIs' stakeholders gathering and CCIs activity co-development;</li> <li>- Inter-sectoral themed events (Festivals, Bar-Camp, Start-up Weekend, Fair-market, Hackathon-like events) gathering all actual and potential stakeholders of a value chain.</li> <li>- internationalization paths and services designed for CCIs</li> </ul> <p>The Cluster will be created allocating funds and through a public tender aimed at selecting a managing organization of the Cluster, to be created by 2019.</p>
<p>Players involved and implementation of the action (explain their role)</p>	<p>FVG AR Department for culture and sports in coordination with FVG AR Department for business development and with FVG AR Department for education and research, is coordinating the procedure for cluster set up; Chambers of Commerce, Incubators, Association of enterprises, Banking Foundations, Civil Society Organisations are involved and providing services; CCIs SMEs shall be the beneficiaries of the initiative</p>
<p>Timeframe</p>	<p>FVG AR will launch a public tender to collect candidacies aimed at becoming the management organisation of the Regional Culture and Creativity cluster. The public tender will be published in the first half of 2019. In second semester 2019 the regional culture and creativity Cluster will be constituted and structured with a series of services and a strong community building action, giving answer to the need underlined in CRE:HUB SWOT analysis and road map.</p>
<p>Costs (if relevant)</p>	<p>The cluster will be supported initially with 450.000,00 euro (150,000 euro for each of the years from 2019 to 2021)</p>
<p>Funding sources (if relevant)</p>	<p>FVG AR funds, other possible sources (ESIF funds, mainly from other projects/ initiatives; private funds, included associations fee, sponsorships)</p>

### ACTION 3

#### The background

From the first project CRE:HUB activity that involved the regional stakeholders group, to say the drafting of the SWOT analysis, the lack of adequate financial instruments for CCIs was identified as a major barrier to credit. In particular lack of adequate business valuation models for CCI businesses by the banking sectors, both for capital assets (intangible assets) than revenues (quantification of services), compounded with a poor capacity by CCIs to promote and enhance the entrepreneurial projects to financial institutions.

In the document 'CCI Barrier & Solution Analysis' carried out in the first semester of 2017 of CRE:HUB project and summarizing the barriers CCI companies must tackle and the related possible solutions in 7 aspects and dimensions of entrepreneurial activity, it emerged that, concerning the barriers related to the Financial & Economic dimension, a solution could involve the creation of a dedicated public guarantees for credit to CCIs characterized by conditionalities. Moreover, the Roadmap underlined that funding (particularly the public one), if not tied to structural and performance parameters, could inhibit entrepreneurial skills and then the development of supported cultural and creative businesses.

Peer Review's field visit took place on 20-21 June 2017 in Trieste and the expert team was composed by an expert from IER, Institute for Economic Research, Ljubljana and an expert from Instituto superior Técnico, Lisboa: meeting were attended also by Slovenian and Portugal partners. Peer Review's assessment document acknowledge that access of CCIs to financing in AR FVG is limited, similar as in other regions. Investors are more interested in certain CCIs' sub-sectors that promise greater profitability in terms of market growth and Return on Investments (ROI) (film/media, games, creative services with a digital dimension or software-based like video games). Other CCIs' sectors receive little structural support via direct public funding (art, fashion, etc.). In strengthening

	<p>existing funding opportunities and introducing new ones, there is a crucial role to be played by regional authorities – in stimulating private investment and promoting PPPs for the benefit of the special nature and needs of CCIs SMEs, notably through grants, guarantee mechanisms, equity financing, crowdfunding.</p> <p>The fifth study visit in Navarra in November 2017 made it possible to discuss with the representatives and partners of the Government of Navarra about the fiscal measures (tax incentives) adopted in their case for a specific sector (the audiovisual sector) which constitute a good practice in terms of indirect cultural policy. This exchange of information was important to corroborate the intuition of the need for ad hoc tools for cultural and creative companies, even if in the FVG Region the tools available (non-repayable contributions; access to credit; tax measures) are addressed to companies in general, regardless of the sector, or want to promote certain company activities (R&amp;D, internationalization, etc.). Therefore, from all these indications the orientation related to the "sectorization" of already existing tools has emerged.</p>
Action	<p><b>Creation of financial instruments to support CCIs access to credit. The possibility of using a Guarantee Fund, even already existing, with new conditionality criteria can be explored (for example: minimum skills mix). The new conditionality criteria should be selected among structural and performance parameters, considering the phase of the life cycle of cultural and creative enterprises (companies already underway, start-ups).</b></p> <p><b>In the case of already established companies, the criteria must measure the degree of acquisition of managerial / administrative and planning skills. In the case of start-ups, a relevant structural criterion is that of a suitable mix of managerial skills, technical skills of the specific cultural and creative sector, digital skills.</b></p> <p><b>The activities will include meetings with the other Regional Departments in order to</b></p>

	<b>understand (first phase) the already existing guarantee instruments. If this is the case, it must be assessed (second phase) whether these instruments are appropriate for the CCIs or have to be adapted by integrating and / or modifying certain criteria, such as year of creation of the company or type of expenditures eligible.</b>
Players involved and implementation of the action (explain their role)	FVG AR is coordinating the action, Chambers of Commerce, Incubators, Association of enterprises are in charge of ensuring the right involvement of stakeholders, National and regional bodies managing Guarantee Funds shall provide financial services.
Timeframe	2019-2020
Costs (if relevant)	Amount of financing potentially claimed by CCIs should be previously measured.
Funding sources (if relevant)	National and regional resources covering costs related to access to guarantee funds; specific CCI action within ROP ERDF and regional funding.

Date: 02 MAG. 2019

**IL DIRETTORE CENTRALE**  
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