



CLAY

**CROSS SECTOR SUPPORT FOR
INNOVATIVE AND COMPETITIVE ARTISTIC
CERAMIC SMEs**

PILOT ACTION

**NEW SUPPORT SCHEME TO FACILITATE
CERAMIC SME ACCESS TO INNOVATION
SERVICES**



Project Acronym:	CLAY
Project Index (PGI):	PGI05491
Title of the pilot action	New support scheme to facilitate ceramic SME access to innovation services
Policy instrument(s) addressed:	ROP ERDF 2014-2020 and 2021-2027 for Umbria Region
Partner(s) concerned:	1 - LP Regional Government of Umbria
Country (countries):	Italy
Date of request:	April 2021

Pilot action summary (information to be published in case of approval):

Please summarise in one sentence the pilot action requested.

The Pilot Action for Umbria Region tests an innovative support scheme to enable ceramic SMEs to access expert innovation services provided by the local research and innovation ecosystem.



A. Relevance

B. A.1 Nature of the pilot action

Please describe what will be tested in the region? What is the precise nature of the activities envisaged?

The Pilot Action tests an innovative support scheme, based on a triple-helix stakeholder approach (Public Authority – University – Business), where Umbria Region facilitates collaboration between SMEs and the local University (University of Perugia) for the delivery of expert innovation services to ceramic businesses. Since the beginning of the CLAY project, the University of Perugia has been an active stakeholder, highlighting and presenting knowledge, skills and innovations in the field of ceramics. There are no other research centres on ceramics in Umbria.

The scheme aims at boosting regional competitiveness by bridging the gap between innovation needs of local ceramic SMEs and innovation expertise available in the regional research ecosystem. As such, it matches the needs of ceramic SMEs in terms of product, process and marketing innovation, with high-level R&I skills available in the University of Perugia.

The innovative scheme starts from a key assumption, which emerged from CLAY work: Umbrian ceramic SMEs are extremely different in size, business approach, innovation potential / needs. Therefore, traditional support schemes (such as vouchers) are not the right tool to address their needs in the most effective way. Hence, there is a need to design and test a new, flexible, mechanism, where the support is defined on the bases of each SME's specific innovation need.

The Pilot Action defines, launches and runs a pilot call for SMEs, to test the “negotiated support scheme”.

The key features of this scheme, which make it different from a standard voucher programme are:

- There is no fixed amount for the support, which is tailored to the specific innovation needs of candidate SMEs and to the innovation services requested to the University;
- It is based on a triple-helix stakeholder approach, with Umbria Region, University of Perugia and ceramic sector involved in the negotiated application process and working together to enhance regional competitiveness;
- It links innovation with internationalisation, by proposing specific services to help ceramic SMEs innovate their marketing approaches with an international view and become more competitive on EU and foreign markets.

Through this pilot, we would like to test the new support scheme looking at 4 different dimensions:



- a) Contents and features of the call (including, e.g., access criteria, type of innovation services available and maximum number of services an SME can apply for, timing for the implementation of the projects, documents requested for application);
- b) Selection process (including, e.g., establishment of the Evaluation Committee, definition of the evaluation criteria and grid, etc.);
- c) Negotiation procedure (including, e.g., identification of tasks and responsibilities of the various actors, definition of the structure / contents of contractual agreements, possible thresholds for minimum / maximum amounts of funding);
- d) Implementation and monitoring: definition of procedures and indicators to monitor the projects.

This Pilot will be run by subscription a general agreement between the Umbria Region and the University, who then provides support to the SMEs.

The Italian national law L.n. 241/1990, art. 15, provides the Conventions between Public Administrations as a way to carry-out, in collaboration, activities of common interest. In application of this rule and on the basis of case law, EU law on public procurement does not apply to contracts establishing cooperation between public bodies aimed at guaranteeing the fulfilment of a public service function common to these bodies. This makes it possible to set-up a general agreement with the University of Perugia (the only Research and Development University in the region) to undertake activities that promote regional economic development.

Based on the above, the activities envisaged include (see also Section B – Planned Activities):

- 1) Definition of contents of the pilot call: in collaboration with the University of Perugia, Umbria Region defines the specific contents of the call, detailing access criteria, documents / information requested, innovation services available and evaluation grid;
- 2) Launch of the pilot call: Umbria Region launches the pilot call through the Regional channels. To ensure that enough visibility is given to the call, Umbria Region collaborates with various members of the CLAY local stakeholder group (Municipalities and business associations), guaranteeing wide dissemination throughout the regional territory;
- 3) Selection of applications: the Evaluation Committee is established and its procedures defined. Candidate projects are evaluated and ranked based on the criteria defined in step 1);
- 4) Negotiation of support: the total price of the innovation services requested by the selected applications is estimated. Based on the total amount available, the maximum number of SMEs and innovation services that can be supported are defined. Umbria Region leads this process, liaising directly with the University Departments providing the various services requested;



5) Starting the projects: as a result of the selection and negotiation process (steps 3) and 4)), the University of Perugia carries out, in collaboration with companies, the pilot innovation projects on the basis of the general agreement signed between the Umbria Region and the University of Perugia for the provision of services to the selected SMEs. Each University Department involved signs specific agreements for the various projects with each SME, defining the innovation services to be provided and the obligations in terms of implementation, monitoring and reporting;

6) Monitoring of the pilot activities: Ongoing throughout the whole pilot, this activity is run by Umbria Region. It assesses the effectiveness of the measures tested under the 4 different dimensions listed above;

7) Preparation of recommendations: Using the intermediate and final results of the pilot, Umbria Region defines recommendations for the integration of the negotiated support scheme into the 2014-2020 ROP ERDF (final resources available on 2014-20) and for its continuation within the future 2021-2027 ROP ERDF.

According to the above-mentioned National Law 241/1990, art. 15, Public Institutions can establish collaboration agreements to carry-out activities of common interest. Enhancing artistic craft is one of the institutional objectives of Umbria Region. According to Regional Law n.4 of 13/02/2013, the Region can support promotional and commercial initiatives in the craft sector also by establishing collaboration with other public institutions.

Umbria Regional Government and University of Perugia (the only Research and Development University in the region) are both Public Institutions that fall under the scope of National Law 241/1990, having the possibility to undertake joint activities that promote regional economic development.

On the basis of the above, relationships among the triple-helix stakeholders involved in our Pilot Action would be regulated as follows:

1. Umbria Region and University of Perugia sign a collaboration agreement: this agreement, signed for the purpose of the Pilot Action, lays the basis for collaboration between the two public entities, declaring their mutual interest in the project (allowing SMEs to submit requests of innovation needs in terms of product, process and marketing) and the maximum budget available. Specific amounts and payment obligations for the various services provided are defined in the specific agreements between Umbria Region and University Departments (see point 2).

2. Upon selection, by Umbria Region, of proposals submitted by SMEs in response to the specific call and on the basis of the innovation needs / support requested by SMEs in said proposals, Umbria Region discusses (negotiates) with the various University Departments and signs specific agreements



for each project (agreement between Umbria Region and specific Department). Each agreement defines: service(s) to be provided by the Department to the SME (e.g. support to the introduction of new materials / processes in the SME production cycle, definition of new marketing strategies with a view to internationalisation, support to the digitalisation of production / marketing tools, etc.) and the amount for the service(s). The amount will be paid by Umbria Region to the University upon completion of the service(s) and delivery of final report. Signing these specific agreements will be possible thanks to the general collaboration agreement in place (point 1). SMEs face no costs.

3. Once the specific agreements between Umbria Region and University Departments signed, the Departments sign, in turn, a work agreement with SMEs in the scope of their project. This agreement focuses on the innovation services to be delivered by the University (as described at point 2) and obligations of SMEs for the purpose of the project (e.g. provide specific data, share industrial information, etc.). In these agreements, Umbria Region is mentioned as the body financing the project in the scope of the Pilot Action. However, no funding would pass to the SMEs. The transfer of funding is only from Umbria Region to University (point 2).

Who will be the main beneficiaries of the pilot action?

The main beneficiaries of the pilot action will be the ceramic SMEs that participate in the pilot call. The requested funding amount is calculated to test our action on at least 6 SMEs applying for 2-3 innovation services each (total of 16 innovation services delivered). The exact number of SMEs / services may vary based on the actual amounts requested. We consider this as a very good sample, as we could test the scheme on multiple SMEs and experiment different innovation services delivered by various University Departments. This would provide the needed evidence and input for mainstreaming this scheme in the 2021 – 2027 ROP ERDF (and / or in the remaining funds of the 2014 – 2020 ROP ERDF) and to extend its benefits to a much wider number of Umbrian SMEs.

A.2 Compliance with the programme requirements

Please explain further how the pilot action complies with the programme's requirements in terms of:

A.2.1 Policy relevance

How will the pilot action contribute to improving the policy instrument addressed in the action plan (pilot action must be part of the action plan of the concerned region)?



The policy instrument from the Umbria Action Plan is the Umbria Region ERDF ROP 2014-2020, Axis 3 “Competitiveness of SMEs”, Specific objective 3.3 "Increase of the level of insourcing within the production sector", Key action 3.3.1. – “Projects to promote company exports and territorial/sector based clusters”.

This pilot action would directly improve our policy instrument by testing an innovative support tool (negotiated grants) for our region. If it proves successful, we would propose for it to be inserted as part of the final funding available for Action 3.3.1 of ROP ERDF 2014-2020. The regional department working on CLAY is responsible for Action 3.3.1 of ROP ERDF 2014-2020. Therefore, if the outcomes of the pilot successful, clear evidence could be provided to support the introduction of the innovative support scheme in the final call of Action 3.3.1.

Moreover, we would also provide recommendations for how it could be mainstreamed into various measures of the ERDF ROP 2021-2027. To do so, throughout the pilot, we would maintain regular contacts with the Managing Authority of ERDF ROP 2021-2027, to inform them of the progress of the activities. In addition, we will organise 2 dedicated meetings with them to present the intermediate monitoring results (beginning of Semester 2) and the final monitoring results and recommendations for mainstreaming the pilot into the ERDF ROP 2021-2027 (end of Semester 3).

A.2.2 Durability

How will the results of the pilot action be evaluated? What are the measures envisaged to ensure its durability and / or generalisation in case of success? These actions should also be reflected in the work plan (section B).

Concerning **durability**, as described above, this Pilot Action would be run as a test to evaluate the effectiveness of the innovative support scheme and its applicability as a funding tool in the various ROP ERDF measures. If it proves successful, we would be in a position to demonstrate the impact and value for money of this scheme. As such, we would be able to state our case to allocate some resources remaining on the ROP ERDF 2014-2020 Thematic Objective 3.1.1 and to use the results to propose this type of funding scheme for the ROP ERDF 2021 – 2027.

To achieve this objective, we plan to **evaluate performances** throughout the entire course of the Pilot Action on a regular basis. The Pilot Action builds on a specific monitoring system and indicators to evaluate performance.

The monitoring activities are run by Umbria Region and are structured as follows:

- Definition of indicators to measure quantitative and qualitative results, including:



- Quantitative indicators (analysed as figures and in relation to financial investment): number of University Departments engaged in the Pilot Action, number of applications received in response to the pilot call, number of innovation services requested by applicants, number of applications above quality threshold, number of innovation projects implemented, number of innovation projects successfully completed, number of innovation services delivered;
 - Qualitative indicators: level of satisfaction among SMEs; level of satisfaction among University staff providing innovation services;
 - Measurement of indicators during the whole pilot action, gathering statistical information and using surveys and interviews. Monitoring tools include interviews with selected SMEs before / after the start of projects, periodic progress meetings with the various University Departments involved, anonymous surveys to applicants;
 - Analysis of results ongoing throughout the pilot, with a view to proposing next steps. We plan two main milestones:
 - intermediate monitoring results: due after the completion of activity 3) (as indicated above and described in Section B – Planned Activities), they provide input for the potential integration of the grant scheme into the final resources available on the 2014-2020 ERDF POR measures. Intermediate results will also be presented to the Managing Authority of ROP ERDF 2021-2027, paving the way for mainstreaming the innovative support scheme in the measures of the new programming period;
 - final monitoring results: due at the end of the Pilot Action and feeding into the recommendations for mainstreaming the new support scheme into the 2021-2027 ROP ERDF. Final results and recommendations will be presented to the Managing Authority of ROP ERDF 2021-2027 in the occasion of a dedicated meeting, complementing the regular contacts and information exchanged with the Managing Authority throughout the Pilot Action.
- All the above described activities will be carried-out in close collaboration with the Managing Authority of ROP ERDF of Umbria Region.

A.2.3 Interregionality

How is the pilot action linked to the interregional exchange of experience process? How does it relate to knowledge / practices learnt from other project partners?

Inspiration for this action comes from needs identified in the region, but also from interregional exchange. In particular, we got inspiration from the GP of Centro Region (PT) “Thematic Voucher (Innovation, I&D...)” shared by the CLAY Partner 5 – CTCV.



This Good Practice builds on vouchers as a support tool to facilitate the access of SMEs (including SME from the ceramic sector) to funding within thematic calls on innovation. SMEs can use the vouchers to hire specialised consultancy for innovating their businesses. For ceramics, this voucher scheme can help to promote innovation in the single company and, at the same time, strengthen the competitiveness of the sector as a whole, by bridging the gap between traditional craft techniques / materials and new concepts, such as digitalisation and circular economy.

This Good Practice was presented in the occasion of the 4th CLAY Interregional Learning Event held in Portugal (February 2020). Following the interregional meeting, an in-depth presentation of this Good Practice was provided by Partner 5 – CTCV during the CLAY Virtual Meeting to exchange on Good Practices (March 2020). This was the opportunity for Umbria Region to gather further details on the structure of the scheme and on the type of innovation services covered. Subsequently, we were in touch via email with the Managing Authority in charge for this Good Practice (Centro Region - CCDR-C), to get more information on how the scheme works in practice, including difficulties and barriers to implementation. Dialogue with our local stakeholders has been ongoing throughout the exchange with the owner of the Good Practice, in order to assess the various features of the Portuguese programme and evaluate their suitability for the Umbria context.

As a result of this process, the elements of this Good Practice that we would like to transfer to Umbria and to test with this Pilot Action are:

- The link between company innovation and internationalisation: the Portuguese voucher scheme is included under ROP ERDF 2014 – 2020 Thematic Objective 1, priority 1.1. Among the various planned initiatives, measure 1.2 focuses on innovation actions supported by Universities and Research Centres and highlights the links between innovation and internationalisation of SMEs.
- The concept of hiring specialised consultancy: the vouchers can be used to hire specialised consultancy in areas where the SME needs to develop innovation and the service can be provided by a University with R&D speciality in that field.

The financial tool used in this Good Practice (voucher) was also thoroughly evaluated. Among the instruments available to support the internationalisation of SMEs, Umbria Region already has some voucher programmes, which also exist at central level (provided by, e.g., SACE / SIMEST). However, this tool was not considered suitable to the needs of Umbrian ceramic SMEs. Hence, the need to resort to a more flexible tool, which was in turn discussed with our partners from Portugal for their opinion on the new measure that we would like to test with this Pilot Action.



A.2.4 Additionality

Why can the pilot action not be financed by the policy instrument addressed or by other local / regional / national funds?

This pilot action cannot be financed by the policy instrument addressed or by other local / regional / national funds.

At present, there are some final resources left under the ROP ERDF 2014-2020 Thematic Objective 3.1.1. However, there is much demand for these resources. Given the very innovative nature of the proposed support scheme, it is necessary to demonstrate the potential of its characteristics and procedures before remaining resources can be allocated. For this reason, we are applying for this Pilot Action.

If it proves successful, we would be in a position to demonstrate the impact and value for money of this scheme. As such, we would be able to state our case to allocate some resources remaining on the ROP ERDF 2014-2020 Thematic Objective 3.1.1 – Internationalisation. We could also use the results to propose this type of funding scheme for the ROP ERDF 2021 – 2027.

At the end of 2020, we published a notice, asking our ceramic SMEs to express their interest in an innovation support call as the one that we would like to develop within our Action. There was an extremely positive response.

Therefore, being able to test our action on minimum 6 SMEs and 16 innovation needs, we would gather robust evidence to demonstrate the effectiveness of this action and the potential for implementation on a wider scale in the framework of Umbria policy instruments.

B Planned activities

Please describe precisely the different activities to be implemented for the pilot action during each semester of phase 2.

PHASE 2
Semester 1 (June 2021 – November 2021)
<p>Activities are structured as follows:</p> <p>1) Definition of contents of the pilot call (June – September 2021): in collaboration with the University of Perugia, Umbria Region defines the specific contents of the call and prepares the application pack. They also define the evaluation grid;</p>



<p>2) Launch of the pilot call (September 2021): Umbria Region launches the pilot call through the regional channels. Before launching the call, local stakeholders (Municipalities and business associations) are engaged to support the dissemination of the call throughout the regional territory;</p> <p>3) Selection of applications (October – November 2021): the Evaluation Committee is established. The process to select applications is initiated, assessing them against the evaluation criteria set and ranking them according to the evaluation grid (point 1));</p> <p>4) Monitoring of the pilot activities (ongoing): Umbria Region monitors the activities and assess performances. Initial focus is on call contents, evaluation criteria / procedures, type of innovation services requested. Intermediate monitoring results are released. ROP ERDF Managing Authority is regularly informed on the progress of the pilot. If possible, depending on the evolution of the COVID-19 emergency, a study visit to Portugal (owner of the Good Practice inspiring this Pilot Action) would be organised, to get additional input for call preparation, selection of applications and monitoring;</p> <p>5) Preparation of recommendations (October – November 2021): based on the intermediate monitoring results, Umbria Region defines recommendations for the integration of the negotiated grant scheme in the final resources available on ROP ERDF 2014-2020.</p>
Main outputs
<p>1 application pack and evaluation tools for the pilot call</p> <p>1 Evaluation Committee established</p> <p>1 Report on intermediate monitoring results</p> <p>1 set of recommendations for the integration of the negotiated grant scheme in the final resources available on ROP ERDF 2014-2020</p>
Semester 2 (December 2021 – May 2022)
<p>Activities are structured as follows:</p> <p>1) Selection of applications (December 2021): evaluation of applications continues from previous semester and is completed. The ranking of selected proposals is released;</p> <p>2) Negotiation of Grants (December 2021 – January 2022): according to the ranking, Umbria Region discusses with the University departments relevant for the innovation services requested to calculate the total cost of the innovation services. Based on the total funding available, SMEs and innovation services accepted are defined;</p> <p>3) Starting the projects (February - March 2021): Umbria Region engages the University of Perugia to carry-out the pilot innovation projects for the selected SMEs. The University Departments, in turn, sign specific agreements with the SMEs and initiate the projects accordingly;</p>



<p>4) Monitoring of the pilot activities (ongoing): Umbria Region monitors the activities and assesses performances. Tools used include anonymous survey to all applicants to evaluate the application phase, interviews with selected SMEs before the start of projects, periodic progress meetings with the various University Departments involved. Focus in this semester will be on evaluation / selection of proposals, negotiation process, project start / implementation / reporting. Following the release of the intermediate monitoring results (Semester 1), a meeting with the ROP ERDF Managing Authority of Umbria Region is held, to present the intermediate results and share views on the possibilities for mainstreaming the Pilot Action.</p>
Main outputs
Innovation projects approved and launched 1 meeting held with ROP ERDF Managing Authority
Semester 3 (June 2022 – November 2022)
<p>This semester will be entirely dedicated to monitoring the ongoing projects and drafting recommendations for mainstreaming the new scheme in the ROP ERDF 2021 – 2027.</p> <p>Activities are structured as follows:</p> <ol style="list-style-type: none">1) Monitoring of the pilot activities (ongoing): Umbria Region monitors the activities and assesses performances. Tools used include interviews with selected SMEs upon completion of the projects, periodic progress meetings with the various University Departments involved, analysis of outputs produced by the projects. Focus in this semester will be on project start / implementation / reporting / closure. Final monitoring results delivered;2) Preparation of recommendations (September – November 2022): based on the final monitoring results, Umbria Region defines recommendations for mainstreaming the negotiated grant scheme in the ROP ERDF 2021-2027. A meeting with the ROP ERDF Managing Authority is held, to discuss recommendations and pave the way for mainstreaming the Pilot Action into the measures of ROP ERDF 2021-2027.
Main outputs
1 Report on final monitoring results 1 set of recommendations for mainstreaming the negotiated grant scheme in the ROP ERDF 2021-2027 1 meeting held with ROP ERDF Managing Authority
Semester 4
<i>No content related activities should take place in this semester. The last months of the project should be entirely dedicated to the project closure.</i>



C. State Aid

Funds used to implement pilot actions have to comply with state aid rules, in line with article 107 of the TFEU. Therefore, the JS has to assess if the pilot activities proposed by the project can be considered as state aid relevant. The activity carried out within the pilot could be state aid relevant if it has a commercial nature, is market related, it grants an economic benefit to the beneficiary that the beneficiary would not have received without the pilot and is thus able to distort the competition within the EU. If the proposed pilot action falls under state aid rules, the aid will be granted under the de minimis regulation¹. According to this regulation, an organisation cannot receive more than EUR 200,000 of de minimis aid in the last 3 fiscal years. This means that, if the pilot action is state aid relevant and the project partner will receive de minimis aid, there will be specific procedures to follow. If the pilot benefits directly the project partner, a self-declaration will have to be provided by the project partner. In cases where third parties receive benefits from the pilot, they will be considered as the recipient of state aid/de minimis and projects partners bear the responsibility to ensure that state aid /de minimis rules are respected by the third parties, by collecting such self-declarations from them. Further information on state aid can also be found in section “2.7.5 State aid” in the programme manual.

In order to allow the JS to assess whether the proposed pilot is state aid relevant, we kindly ask you to reply to the questions below.

- Can any of the pilot activities be considered as an economic activity, i.e. market relevant, profit oriented or likely to improve the financial situation of the partner? Please justify as much as possible your answer, and if applicable, please explain how the pilot action could improve the financial situation of the project partner.

SMEs involved in the Pilot Action (selected through the public pilot call launched by Umbria Region), will not receive any direct funding. Umbria Region will define a specific agreement, according to Italian National legislation, with the University of Perugia (the only public research University in the region) to deliver the innovation services to selected companies.

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¹ 'Commission Regulation (EC) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid'



- Will there be a specific third party organisation or a selected group of third party organisations (other than the external experts sub-contracted in compliance with public procurement rules) involved in the pilot that could benefit from market related, or profit oriented activities, likely to improve their financial situation? If yes, please define the activities they will participate in and explain why you consider that they are market related and how they could bring an economic benefit to the third party.

Although SMEs will not receive direct funding, they will benefit from the innovation support services provided by the University in the framework of the Pilot Action. The services delivered by the University Departments will focus on, e.g., support to the introduction of new materials / processes in the SME production cycle, definition of new marketing strategies with a view to internationalisation, support to the digitalisation of production / marketing tools, etc. These may bring a competitive advantage to the involved SMEs. As such, we consider this part of the activity as State-Aid relevant for SMEs.

Umbria Region will take care of all necessary steps to ensure the compliance of the Pilot Action with State-Aid rules and obligations. In particular:

- State-Aid provisions will be included in the call application documents;
- Before starting the projects, selected SMEs will be requested to sign State-Aid declarations with reference to the total cost of the innovation services received;
- Umbria Region will collect and keep signed declarations in compliance with the relevant legislation.

Moreover, to reduce the competitive advantage that may result from the Pilot Action and make results available to the widest number of local SMEs possible, upon completion of the Pilot Action, Umbria Region will disseminate results of the various projects through regional channels.



D. Partnership

Which partner(s) of the project will be in charge of the implementation of the pilot action?

Partner name:	Country:	Role in the pilot:
1-LP Regional Government of Umbria	IT	Coordinator.



E. Budget (*)

(*) In addition to section E, please fill in the Excel file “Pilot Actions request template – section E budget”

Partner	Staff costs	Office and administration	Travel and accommodation	External expertise and services	Equipment	Total partner budget
1-LP Regional Government of Umbria	16.000 €	2.400 €	3.500 €	55.000 €	€	76.900 €
Total	16.000 €	2.400 €	3.500 €	55.000 €	€	76.900 €