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A focus on problems and solutions to be more
competitive

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Abstract

The aim of the thesis is to develop the subject of **European Project Management**, which consists of all the complex activities required for the purposes of the production, drafting and submission of European projects. These projects are proposals for funding addressed to the European Union, in response to the calls for proposals that the European Commission publishes on an almost daily basis. EU Project Management can involve both public entities (state and local, including economic and research institutes) and private organisations (companies, associations, foundations, etc.), and is often referred to as one of the most promising "sources of employment".

The dissertation firstly presents an overview of the European Institutions, and the legal and economical basis of the European Project Management, explaining the financial resources at disposal of Member States. In fact, the projects can be realized only after having received the respective community contribution. The thesis then develops the tools for applying to these funds: from the funding modalities used by the EU Commission to finance Member States, to the way of drafting a call for proposal. The technical description of all the steps to follow in order to win a project is due to the increasing competition for EU funding that brings experts in EU Project Management to constantly update their skills and systematically cultivate the international and institutional relations required to build partnerships.

Then, it is analysed the attitude of Member States in front of EU funding opportunities, comparing the number of times each country has applied to a program and who actually has been more effective. In particular, looking at the data available for 2015, it is presented how much the European Commission supports the Italian economy and if our country is able to exploit the possibilities offered. A particular attention is given to the effectiveness of Italian small and medium enterprises, presenting the possible problems that bring them, in some cases, to fail the application.

The latest part is dedicated to a case study about Tecnica Group, an Italian company that in partnership with other entities, has answered to a call for proposal issued under the Horizon 2020 program, but hasn't obtained the financing. The case study will develop the problems and issues that the consortium of the "Premium" Project has faced during the application and will try to explain which have been the possible mistakes that have caused the failure.

Concluding, the aim of this dissertation is to demonstrate how much hard is for businesses, in times of economic crisis and difficulty in accessing credit or risk capital, to get

financing from European Union, but in the meanwhile, how the European contribution can offer a chance for development not to be missed.

Introduction

The aim of this dissertation is to increase the awareness on the financial opportunities offered by the European Union to its Member States, and the possible ways to exploit them. Indeed, the importance of international projects is increasing day by day, strengthening those relations that keep Europe as a whole, but are continuously threatened by the difficult times the Union is facing. Thus, the primary aim of this thesis is to investigate the opportunities of development and growth disposed by the European Union and how entities can afford them. The study presents the European Project Management, in its peculiar characteristics, from the origins to a concrete example of it. Besides, there is the purpose to give an overview of the benefits that Member States are gathering, focusing, in particular, on Italy and on its ability to catch and join them. The European Union is indeed applying a bottom-up strategy that aims to support and encourage excellences, private and public entities, to cooperate in order to overcome problems and set possible solutions. To do so, the European Commission has established numerous funding programmes to finance international projects that present an opportunity to enhance specific sectors for the social and economical development of the Union. If, from one side, these programmes are an occasion for the Union to strength its policies and interests, from another side, they are a potential and greed possibility for entities to gather some funds for the personal growth. The general management of funds is in charge of the European Commission, who has the power to distribute them to Member States or directly to the entities requiring. Depending on the beneficiary, the funds are distinguished in two different typologies: the Structural Funds (or Indirect funds) and the Direct Funds. In particular, the dissertation will focus on the EU Direct Funds that are taking root more and more.

In the light of this, the dissertation will explore the European Union, its budget and funding policies, presenting the major funding programmes and the tools and techniques needed to benefit from them. Indeed, the research for financial funding can bring several difficulties if the modalities of grant are not understood. With these aims in mind, the drafting of the thesis has assumed a stronger practical exposition of the contents, giving updated data and many concrete analysis of the actual situation in Europe under the point of view of financial opportunities. So, the main goals of the dissertation are to demonstrate the enormous help that Europe can offer to entities, showing that Italy is among the first countries to benefit from direct funds, besides the idea that in order to gather a financing, it is requested a deep

knowledge of tools and methods, as the competition is increasing day by day. A proof of this is presented by the Case Study of the Premium Project, an answer to a call for proposal that fails in conquering the financing because of some issues during the drafting phase.

Hence, the thesis is organised in four chapters: the first one presents the European Union and the legal basis for funding, the second one analyses the EU funding modalities and explains how to manage and draft a project, the third one has the purpose of giving an overview of how Member States actually benefits from EU Direct Funds, and in the end, the fourth chapter is devoted to the presentation of a case study based on the EU framework programme, Horizon 2020.

The first chapter introduces the European Union and its financial resources. It is focused on the European budget, how it works and how it allocates the financial availabilities within the Union's Members, as it is important to know the EU policies in order to tackle the challenge of the project management. The chapter is divided in two parts: the first is dedicated to a brief introduction of EU Institutions and the origins of the EU Monetary Union, which represented a major step in the integration of EU economies; the second part lays the legal and economic basis for the European Project management, explaining the role of the European Commission, in charge of the budget execution and programme management. Indeed, according to the provisions laid down in the Treaties (Articles 310-324 TFEU), the EU Commission has the power and responsibility of allocating EU funds, assuring that resources are spent in a legal and transparent manner.

The second chapter investigates on the EU funding modalities, differentiating among the Indirect and Direct Funds: the indirect funds are allocated by the EU through the support of the Member States' local governments, according to their degree of Economic development. Resources are then distributed following local plans. Their aim is to implement the Europe 2020 strategy and to promote social and economic cohesion within Member States. Direct funds are instead direct financial contribution from the Commission, in the forms of grants that support projects, which respond to the Union interests and to a specific programme. Then, the dissemination focuses on the real Project Management, so how the steps needed to be taken to apply to a call: firstly, to form a partnership with smart and innovative ideas; secondly, to apply for a precise call for proposal and thirdly, to prepare and submit all the documents requested to applicants. The second part of this chapter goes into the deep of the drafting of a call for proposal. So, there are analysed the Project Cycle Management and the

Logical Framework approach, two design and management tools used to assess the possible problems of a specific target group, or to ensure the correct implementation of the objectives supposed to attain with the project. These tools are used to reach projects that must be relevant with the priorities and objectives of the EU programs, they must be feasible, giving clear and concrete objectives to reach, and finally, they have to be sustainable, because they must have the capacity to exist and function beyond the end of the contract. In order to develop the project design, the project cycle management includes a sequence of progressive phases, such as programming, identification, formulation, financing, implementation and evaluation. Then, the Logical Framework applies two further level of project design: the analysis stage and the planning stage, which deal with the identification of the objectives and the put in practice of them. Finally, the Logical Framework approach is further developed through the drawing up of the so-called “Work Packages”, which present in details the activities of the project.

The fourth chapter is a practical guide to European Projects: indeed, it aims to analyse the influence that the European Direct Funds have in Member States, especially in Italy. Looking at the figures, there are presented the countries that win more call for proposal, underling the position of Italy at first places. Although Italy demonstrates to be able to gather financial resources from the Union, it is also true that there are countries, for example Belgium, who gain more benefits, proving that if Italy wants to compete in the European market, has to improve under many aspects. As a matter of facts, in the paragraphs of this chapter is brought the focus on the Universities and small and medium-sizes companies, which are considered the pillars of Italy: if from one side Italian Universities proof to be not as active as the rest of Europe (they gathered only the 6% of the Seven Framework Programme in the period 2013-2014), the SMEs are starting to re-launch Italian reputation placing at the second position concerning the funded proposal under the SME Instrument Programme in June 2016.

The fifth chapter, the final one, focuses on the presentation of the Europe 2020 strategy for growth and jobs, in particular the analysis of the Horizon 2020 Programme, a financial instrument with the purpose of strengthening innovation, research and development among European countries (and not only). The dissertation presents the legal basis of the Programme, ruled mostly in the Regulation (EU) No 1291/2013 of the European Parliament and the Council of 11 December 2013. The aim of the dissertation in this chapter is to frame the

Horizon 2020 Programme in order to contextualise the Case Study, the Project “Premium”, which responds to a call for proposal under the H2020 with the topic of Nanotechnologies, advanced materials and production (NMP). The project presented, with a duration forecasted for 36 months and a budget of around € 8 millions, has been chosen for two main reasons: firstly, it is an example of a project proposal that has been refused by the European Commission, because evaluated under the sufficient standards requested. Indeed, the project has been developed in different steps in order to, from one side, see the application of theories presented in the previous chapters, and from the other side, try to understand what were the problems and issues faced by the partners during the implementation phase. The other reason, less important but interesting, is that one of the major partners of the PREMIUM Project was Tecnica Group S.p.A., the company the author of the thesis is working for. Actually, having the chance to speak and meet directly the actors involved in the development of the project, has given the possibility to obtain an internal point of view, interesting for the implementation of the thesis.

In conclusion, it is presented the figure of the European Project Manager, an emergent role that is taking root more and more among the private and public entities, and whose aim is to guide participants to a correct draft of a call for proposal.

The ultimate purpose of this dissertation is, therefor, to show the European Union as a “tool” to foster cooperation among individuals, institutions, companies and organisation, as well as to make the society more competitive and inclusive.

FIRST CHAPTER:
ORIGINS AND RULES OF THE EUROPEAN PROJECT
MANAGEMENT

FIRST PART

1. Introducing the European Union

The EU was created in 1950 and up to now, it has built a single market for goods and services that accounts 28 Member States with over 500 million citizens free to move and settle where they wish. It established the single currency – the euro – which is now a major world currency and which brings the single market to be more efficient. Looking ahead, the EU is working to get Europe out of the economic crisis. Moreover, it is at the forefront of the fight against climate change and its consequences; it helps neighbouring countries and continues on building negotiations on enlargements; and it is building a common foreign policy, which will contribute to the spread and circulation of European values around the world. The success of these ambitions depends on the ability to take effective and timely decisions and to develop them well. Indeed, on one hand, the European Union has been established to deal with a series of contemporary problems and get through a set of goals that individual Member States feel unable to manage alone.¹ In this, its mission is to stake out and further a European heritage, contained also in the opening words of the Preamble to the Treaty on European Union:

“RESOLVED to mark a new stage in the process of European integration undertaken with the establishment of the European Communities, DRAWING INSPIRATION from the cultural, religious and humanist inheritance of Europe, from which have developed the universal

¹ D. Chalmers, G. Davies, G. Monti, *European Union Law*, Cambridge University Press, United Kingdom, 2014, p. 4

² Preamble to the Treaty on European Union

³ Article 13, Treaty on European Union

⁴ U. Villani, *Istituzioni di Diritto dell’Unione europea*, III edition, Bari, Cacucci, 2013, p. 33

values of the inviolable and inalienable rights of the human person, freedom, democracy, equality and the rule of law.”²

At the core of the EU are the Member States – the 28 states that belong to the Union - and their citizens. The unique feature of the EU is that, although these are all sovereign, independent states, they have pooled some of their “sovereignty” in order to gain strength and the benefits of size. Pooling sovereignty means, in practice, that the Member States delegate some of their decision-making powers to the shared institutions they have created, so that decisions on specific matters of joint interest can be made democratically at European level. The EU thus sits between the fully federal system found in the United States and the loose, intergovernmental cooperation system seen in the United Nations.

Moreover, the European Union is based on the rule of law. This means that every action taken by the EU is founded on treaties that have been approved voluntarily and democratically by all EU countries. The treaties are negotiated and agreed by all the EU Member States and then ratified by their parliaments or by referendum. As the Article 13 (2) TEU stated,

*“Each institution shall act within the limits of the powers conferred on it in the Treaties, and in conformity with the procedures, conditions and objectives set out in them. The institutions shall practise mutual sincere cooperation”.*³

The treaties lay down the objectives of the European Union, the rules for EU institutions, how decisions are made and the relationship between the EU and its Member States. They have been amended each time new Member States have joined. From time to time, they have also been amended to reform the European Union’s institutions and to give it new areas of responsibility.

The last amending treaty – the Lisbon Treaty – was signed in Lisbon on 13 December 2007, and came into force on 1 December 2009. The Lisbon Treaty anchored the identity around the Union respecting and building upon a European heritage of democratic values.⁴ The nature of these values is set out in the first substantive provision of the TEU, the Article 2:

² Preamble to the Treaty on European Union

³ Article 13, Treaty on European Union

⁴ U. Villani, *Istituzioni di Diritto dell’Unione europea*, III edition, Bari, Cacucci, 2013, p. 33

“The Union is founded on the values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities. These values are common to the Member States in a society in which pluralism, non discrimination, tolerance, justice, solidarity and equality between women and man prevail.”⁵

Earlier treaties are now incorporated into the current consolidated version, which comprehends the Treaty on European Union and the Treaty on the Functioning of the European Union.

In order to be consistent with the current situation of European Union, it is necessary to precise that the population of the United Kingdom voted for a British exit, also called Brexit, from the European Union in the historic referendum on Thursday June 23, 2016. That day the Leave won by 52% to 48% and the referendum turnout was 71.8%, with more than 30 million people voting.

Concerning the recess from the European Union, at the beginning the Treaty on European Union contained no disposition in merit to a possible right of unilateral recess of the Member States.⁶ Indeed, the Article 53 TUE states the will to give a permanent durability to the European constitution:

“This Treaty is concluded for a boundless duration.”⁷

The Treaty of Lisbon, for the first time, has given the right to Member State to recede voluntarily. The article 50 TUE states:

- “1. Any Member State may decide to withdraw from the Union in accordance with its own constitutional requirements.*
- 2. A Member State, which decides to withdraw, shall notify the European Council of its intention. In the light of the guidelines provided by the European Council, the Union shall negotiate and conclude an agreement with that State, setting out the arrangements for its withdrawal, taking account of the framework for its future relationship with the Union. That*

⁵ Article 2, Treaty on European Union

⁶ U. Villani, *Istituzioni di Diritto dell’Unione europea*, III edition, Bari, Cacucci, 2013, p. 61

⁷ Article 50, Treaty on European Union

agreement shall be negotiated in accordance with Article 218(3) of the Treaty on the Functioning of the European Union. It shall be concluded on behalf of the Union by the Council, acting by a qualified majority, after obtaining the consent of the European Parliament.”⁸

The expected agreement on the formalities of the recess also marks the moment of cessation of the application of the Treaty to the interested State, moment that coincides with the entry into force of the agreement. But, if the parts are not able to find an agreement, the Treaties stop to be applicable two years after the notification of the decision to recede. When the two years end, therefore, the recess fully produces the effect to extinguish the status of member of the Union.⁹

In this sense, to be coherent with the European Union Law, the Member States will be considered still 28, as the United Kingdom at the time of writing the thesis hasn't presented the official notification to recede yet.

1.1 EU Institutions and the institutional framework

The Treaty of Lisbon has redesigned the institutional framework of the European Union, with “*the aim to promote its values, advance its objectives, serve its interests, those of its citizens and those of the Member States, and ensure the consistency, effectiveness and continuity of its policies and actions.*”¹⁰ In the new asset the qualified European Institutions are described:¹¹

- The European Parliament, which represents the EU's citizens and which is directly elected by them;
- The European Council, which consists of the Heads of State or Government of the EU Member States;
- The Council, which represents the governments of the EU Member States;
- The European Commission, which represents the interests of the EU as a whole;

⁸ *ibidem*

⁹ U. Villani, *Istituzioni di Diritto dell'Unione europea*, III edition, Bari, Cacucci, 2013, p. 61

¹⁰ Article 13 (1), Treaty on European Union

¹¹ G. Tesaro, *Diritto dell'Unione Europea*, VII Edition, Padova, CEDAM, 2013, p. 21

- The Court of Justice of the European Union, which exists to ensure that the law is observed in the interpretation and application of the Treaties;¹²
- The European Central Bank, which has the role of supervisor and regulator on the monetary policy;¹³
- The Court of Auditors, that audits the revenue and expenditure of the Union.¹⁴

According to the Article 13 (2) TEU, “*each institution shall act within the limits of the powers conferred on it in the Treaties, and in conformity with the procedures, conditions and objectives set out in them. The institutions shall practise mutual sincere cooperation.*”¹⁵

Indeed, there are three features that are striking about EU Institutions: the first is that they cannot be seen in stand-alone terms, but they exist to achieve a particular mission: namely, Union policies and values and the interests of the Member States and its citizens. Secondly, although EU Institutions exist independently from one another and have a distinct presence, they also have to act with each other. Indeed, the Union is based on a division of power, which tries to ensure that power is not concentrated in any single institution.¹⁶ Just to have an idea of the decision-making process of the European Institution, the European Council defines the general political direction and priorities of the EU but it does not exercise legislative functions. Generally, it is the European Commission that proposes new laws and it is the European Parliament and Council that adopt them. The Member States and the Commission then implement them.¹⁷ So, the presence of an institutional framework requires EU institutions to be seen not only in terms of their powers but in terms of their relationship to one another.

The third issue that arises is the limits to their powers. As the Article 13 (2) TEU quoted above stated, they operate under the doctrine of conferred powers. So, as public institutions, they are constrained by law, in this case the treaties, but are creatures of law. They have only the powers granted to them by law, in order to maintain the Institutional balance and to limit public powers.

¹² D. Chalmers, G. Davies, G. Monti, *European Union Law*, Cambridge University Press, United Kingdom, 2014, p. 157

¹³ *ivi*, p. 731

¹⁴ Article 312 (1) and (2) TFEU

¹⁵ Article 13 (2), Treaty on European Union

¹⁶ D. Chalmers, G. Davies, G. Monti, *European Union Law*, Cambridge University Press, United Kingdom, 2014, p. 60-61

¹⁷ EUROPEAN COMMISSION, *Come funziona l'Unione Europea*, Luxembourg, 2013

1.2 The Economic and Monetary Union

Economic and Monetary Union (EMU) represents a major step in the integration of EU economies. It involves the coordination of economic and fiscal policies, a common monetary, and a common currency, the euro. Whilst all 28 EU Member States take part in the economic union, some countries have taken integration further and adopted the euro. Together, these countries make up the euro area. In terms of scope, EMU is “nested” within and alongside a range of policies: from the single market and competition policy, through the Lisbon process and employment and labour market policies, to cohesion policies.¹⁸

Indeed, in December 1991 with the Treaty of Maastricht was taken by the European Council the decision to form an Economic and Monetary Union that takes the EU one step further in its process of economic integration. This process offers opportunities for economic stability, higher growth and more employment, outcomes of direct benefit to EU citizens. So, EMU means:

- Coordination of economic policy-making between Member States;
- Coordination of fiscal policies, notable through limits on government debt and deficit;
- An independent monetary policy run by the European Central Bank (ECB);
- Single rules and supervision of financial Institutions within the euro area;
- The single currency and the euro area.

In addition, the responsibility for economic policy is divided between the Member States and the EU institutions. So, the EMU is an instrument to reach the objectives of the European Union and improve the lives of Member States citizens.¹⁹

But the global financial and economic crisis from 2007 catapulted financial stability from periphery to core of EMU, in the wake of actual and potential cross-national banking failures

¹⁸ E. Jones, A. Menon, S. Weatherill, *The Oxford Handbook of the European Union*, Oxford University Press, Oxford, 2012, p. 453

¹⁹ Available at http://ec.europa.eu/economy_finance/euro/emu/index_en.htm , visited on 10/04/2016

of systemic significance.²⁰ In managing the crisis the intimate connections of monetary union, financial stability, and fiscal policy were made more transparent. Thus, the impact that EMU had on the wider EU has been as a catalyst for pressing ahead with wider political union, whilst at the same time being relatively insulated from these debates. Nevertheless, the euro is neither generally “loved” nor identifiable as a catalyst for a strengthened European identity across Eurozone member states.²¹ Indeed, evidence suggests that, given opportunity to vote in referendums on euro entry, popular majority would reject memberships.

SECOND PART

2. Legal and Economical basis of the European Project Management

The European Project Management has its basis on the financial resources of the European Union. In fact, the projects can be realized only after having received the respective community contribution. Thanks to these resources, the Community improves its policies to reach different objectives. But before going into the deep concerning the different typologies of financing, it is useful to know how these funds can be acquired and who is in charge of inside the European Institutions.

2.1 Article 17 (1), Treaty on European Union

The Treaty on European Union establishes the European Commission’s principal role in the promotion of the general interest of the Union. Indeed, the Commission has been entrusted with a number of distinct functions, as stated in Article 17 (1),

“ The Commission shall promote the general interest of the Union and take appropriate initiatives to that end. It shall ensure the application of the Treaties, and of measures adopted by the institutions pursuant to them. It shall oversee the application of Union law under the control of the Court of Justice of the European Union. It shall execute the budget and manage

²⁰ K. Dyson, “The Age of the Euro: A Structural break? Europeanization, Convergence, and Power in Central Banking”, in K. Dyson and M. Marcussen, eds, *Central Banks in the Age of the Euro*, Oxford University Press, Oxford, 2009, p. 1-50

²¹ K. Dyson, “The first Decade: Credibility, Identity, and Institutional “Fuzziness””, in K. Dyson, ed., *The Euro at 10: Europeanization, Power, and Convergence*, Oxford University Press, Oxford, 2008, p. 1-34

*programmes. It shall exercise coordinating, executive and management functions, as laid down in the Treaties. With the exception of the common foreign and security policy, and other cases provided for in the Treaties, it shall ensure the Union's external representation. It shall initiate the Union's annual and multiannual programming with a view to achieving interinstitutional agreements.”*²²

But in the following analysis, only two specific tasks of the EU Commission will be taken into consideration: the execution of the budget and the management of the programmes.

In terms of the execution of the budget, the EU Commission, in cooperation with Member States, is in charge, in accordance with the principle of “sound financial management”, which ensures that EU funds are spent properly.²³

Moreover, the article 17 TUE recalls the competence of the Committee into giving execution to the budget of the Union, meaning the collection of the incomes and in the disbursement of the expenses.²⁴ It deals with a competence that is not exclusive, as it is much largely shared with States, overall for what regards the management decentralized of the European funds, and Member States shall cooperate with the institution to ensure that Union resources are used in accordance with the principles of sound financial management. Furthermore, as previously said, the Commission is in charge of the management of EU programmes, financial instrument aimed at strengthening the Union’s efforts in a broad range of sectors. EU programmes are related to direct and indirect funding, and in some cases, they are administered with the help of national and regional authorities.²⁵

The management of a consistent part of the budget, around 76% out of the total, is shared, that means that is delegated to EU countries with the supervision of the Commission. This is called shared management. But the Commission may also spend a part of the budget directly, in particular by selecting contractors and awarding grants in relation to specific funding programmes whose purpose is to ensure that the allocation of financial resources is in line with the political interests and priorities of the Union. This is the case of centralised

²² Article 17 (1), Treaty on European Union

²³ G. Tesaurò, *Diritto dell’Unione Europea*, VII Edition, Padova, CEDAM, 2013, p. 74

²⁴ Article 317, Treaty on the Functioning of the Union

²⁵ U. Villani, *Istituzioni di Diritto dell’Unione europea*, III edition, Bari, Cacucci, 2013, p. 174-175

direct management. Similar to this type of management, a centralised indirect management also exists, often delegated to specific Agencies.²⁶

In the next session, the management of the EU budget will be outlined.

2.2 The European Union Budget

The EU budget is responsible of where European funding can make a difference; in fact many achievements of the EU wouldn't be possible without a common budget. As a matter of fact, having one EU budget to deal with is actually cheaper than facing the common challenges with 28 separates ones. Indeed, some 94% of the EU budget is spent on projects in EU Member States and beyond, helping millions of students, researchers and cities, and numerous regions and non-governmental organisations (NGOs).

The EU budget is mostly an investment budget. It exploits the resources of Member States and creates economies of scales, financing actions that can be more effectively when Member States work together, for example in the fields of energy, transport, climate change and research, information and communication technologies. Moreover, in some countries it is the only source of investments in infrastructure, funding investment projects that otherwise wouldn't be realised.

So, the European Budget is the main tool for checking the incomes and expenses made by the EU to implement its own policies. It is divided in "headings" and every year it is written up considering specific priorities and objectives.

The annual budget is divided into 2 volumes: the first one exposes the general status of incomes and expenses, the second one splits incomes and expenses in 10 sections, one for each institution, the third of which regards the Commission. This section is the one that owns the major amounts of expenses (the 95% of the budget), as the Commission manages the European resources for the creation of funds and programs. The other sections show majorly the administrative expenses for the European institutions' development. The Commission's part of expenses is divided in 30 different sectors of expenses. These sectors are linked to the headings of the Multiannual Financial Framework that indicates a number referred to a specific heading. More in details, the budget is composed by: titles, related the expenses

²⁶ M. Mulazzani, E. Gori, *Il bilancio generale e i finanziamenti dell'Unione Europea*, F. Angeli, Milano, 2003, p. 130-131

sectors; chapters, which specify the activities; articles and notes. This method of composing the budget in activities is called “activity based budgeting” (ABB): activities that incur costs in every functional area are recorded and their relationships are defined and analysed.²⁷ Activities are then tied to strategic goals, after which the costs of the activities needed are used to create the budget and estimate the cost of policies referred to the different expenses sectors.

Following, the major rules of the budget will be explained, in order to give a general framework to better understand the origin of European financings. In fact, it is very useful to know periods, procedures and amounts relating the European budget, since the creation and the maintenance of European programs depends mostly on the resources available by European institutions, in particular by the European Commission.²⁸

2.3 How is the Budget managed?

The EU budget is regulated by the provisions laid down in the Treaties, especially in the Articles 310-324 of the Treaty on the Functioning of the Union, by the Financial Regulation (EU, EURATOM) n. 1605/2002 of the Council and by interinstitutional agreements among the EU Parliament, the EU Council and the EU Commission. A big role has to be attributed to the Treaty of Luxembourg of the 22nd April 1979, which gave more power to the EU Parliament regarding the approval of the budget, and the Treaty of Brussels of the 22nd July 1975, that amplified these powers and established the Court of Auditors.²⁹

Revenues and expenditures compose the EU budget, as stated by the article 310 (1) TFUE:

“All items of revenue and expenditure of the Union shall be included in estimates to be drawn up for each financial year and shown in the budget.”³⁰

²⁷ Available at <http://www.investopedia.com/terms/a/abb.asp>, visited on 15/04/2016

²⁸ EUROPEAN COMMISSION, *Il bilancio*, Luxembourg, 2014

²⁹ U. Villani, *Istituzioni di Diritto dell’Unione europea*, III edition, Bari, Cacucci, 2013, p. 199-200

³⁰ Article 310 (1), Treaty on the Functioning of the European Union

As the article 310 (1) TFEU demands, the budget always needs to be in balance. Thus, the EU budget never runs a deficit or a debt and it is predisposed to always spend what it receives.

As far as revenue is concerned, the budget is financed from the Union's own resources. This is stated in the article 311 (2) TFEU. This system tries to make EU totally independent from the Member States, with the awareness that, in the big international organizations in which the incomes depend on the contributions of Member States, the missed disbursement of the contributions can determine existential crisis for the organizations and can be used as tool of pressure on their decisions. Despite the autonomy of resources, the Council may establish new types of own resources or abolish an existing category after having consulted the EU Parliament, even if any change enters into force if the Member States do not approve it with unanimity.³¹

Then, it must comply with a long-term budgetary plan, called the **Multiannual Financial Framework** (MFF).³²

The priorities of the EU budget are planned over at least 5 years and the MFF imposes a maximum annual limit of EU expenditure, known as **ceilings** that are divided in different policy areas called, as we have already said, **headings**.

Within each heading, funding is mainly provided through programmes, such as for example education programme as the Erasmus +, or funds as the Cohesion Fund for poorer regions of Europe. The MFF is regulated by the norms set out in Article 312 TFEU, according to which:

*“The multiannual financial framework shall ensure that Union expenditure develops in an orderly manner and within the limits of its own resources. It shall be established for a period of at least five years. The annual budget of the Union shall comply with the multiannual financial framework.”*³³

The MFF translates the political priorities set by the EU and its Member States into financial and legal terms. So, it is not the budget of EU but it is a planning tool and an assurance that EU spending is predictable. It delimits the limits of the budget which usually

³¹ U.Villani, op. cit., p 201

³² Available at http://ec.europa.eu/budget/mff/index_en.cfm, visited on 10/04/2016

³³ Article 312 (1), Treaty on the Functioning of the European Union

remains below the MFF expenditure ceilings in order to retain some margin to cope with unforeseen needs. So, as a consequence, the MFF could be seen as also a political tool since it makes financial terms the politics priorities established by the EU.

The budget is adopted every year and the draft is prepared by the Commission and it is submitted to the Council and to the European Parliament who amend and adopt it. This is regulated by the second paragraph of Article 312 TFEU. So, the Commission, the Parliament and the Council have to do their best in order to facilitate the regulation adoption, as stated in the paragraph 5 of Art 312 TFEU. In addition, the paragraph 4 establishes that:

“Where no Council regulation determining a new financial framework has been adopted by the end of the previous financial framework, the ceilings and other provisions corresponding to the last year of that framework shall be extended until such time as that act is adopted.”³⁴

But the ultimate responsibility for the implementation of the budget lies with the European Commission. In practice, the major share of the EU funds, as already said, is spent together with Member States under what is called **shared management**. Under these arrangements, both the Member States (for example the Ministries for Regional Development) and the Commission itself, manage the expenditure under the supervision of the Commission.

But where does the money come from?³⁵ At the beginning of each new MFF period, all EU Member States decide by consensus on the types and maximum amount of own resources that the EU may raise during a year as well as in the method for calculating them. This process is so called own resources decision.

So, the EU budget is funded majorly from the EU’s own resources, supplemented by other sources of revenue. Moreover, it is based on the principle that expenditure must be matched by revenue. In the end, it has in-built schemes to compensate certain EU countries. The own resources account for 99% of the budget and they are not allowed to exceed 1.23%

³⁴ Article 312 (4), Treaty on the Functioning of the European Union

³⁵ Available at http://ec.europa.eu/budget/explained/budg_system/financing/fin_en.cfm visited on 12/04/2015

of the EU's gross national income (GNI). The rest 1% of the budget revenue derives from other sources of income.

There are three types of own resources:

- The traditional own resources, which consist of customs duties on imports from outside the EU and sugar levies;
- The own resource based on value added tax (VAT), that accounts for around €14bn in 2015. It is a uniform rate of 0.3% that is levied on the harmonised VAT base of each member states; the taxable VAT base is capped at 50% of gross national income (GNI) for each country.
- The own resource based on GNI, a certain percentage of each Member State's wealth transferred to the EU budget. This has become the largest source of income of the EU budget. It accounted €92.7bn in 2010 and for 73.8% of total revenue in 2013.

Then, there are other sources of revenue: they include tax and other deductions from EU staff remunerations, bank interest, contributions from non-EU countries to certain programmes and interest on late payments and fines. Throughout these incomes, it should be granted the European financial autonomy, sustained by two principles: the principle of financing autonomy, according to which the European Community has the right to use own resources, and the principle of budget autonomy, which regulates the right of the Community to use these resources to finance the budget.

The Council adopted the new rules on own resources on 26 May 2014. According to them, the EU may raise own resources for payments up to the limit of 1.23% of the sum of all the member states' GNIs during the 2014-2020 period. Moreover, the total amount of appropriations for commitments may not exceed 1.29% of the EU's GNI.³⁶

So, regulated by the Council Regulation (EU, EURATOM) No 1311/2013 of 2 December 2013, the Multiannual Financial Framework of the years 2014-2020 sets out an amount of € 960 billion for commitment allocations and of € 908 billion for payment appropriations.³⁷

³⁶ A. D'Alfonso, *2014-20 Multiannual Financial Framework*, European Parliament, Bruxelles, 14/11/2013

³⁷ Council Regulation (EU, EURATOM) No 1311/2013 of 2 December 2013 laying down the MFF for 2014-2020, OJ L 347, 20.12.2013

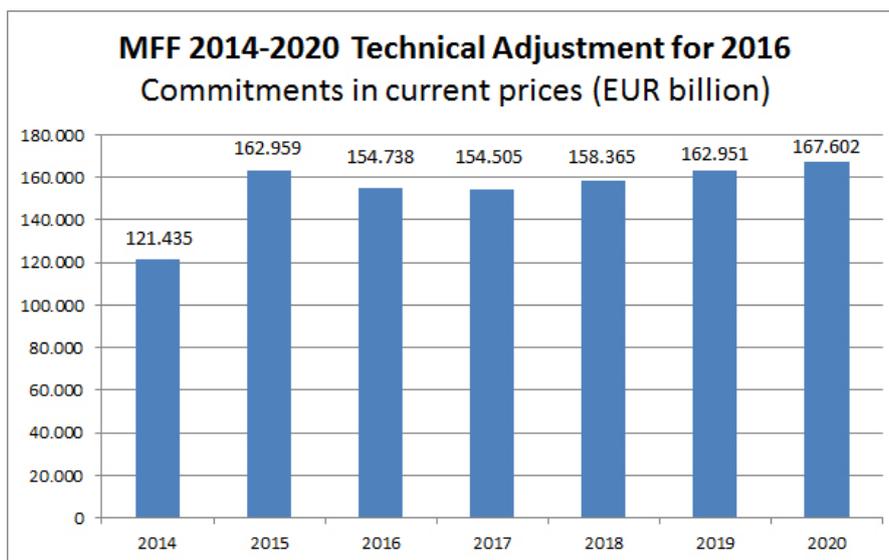


Fig 1 – Multiannual Financial Framework 2014-2020 – Table take from European Commission, Figures and documents: at http://ec.europa.eu/budget/mff/figures/index_en.cfm visited on 30/05/2016

2.4 What the EU achieves with the Budget

All European citizens can benefit, directly or indirectly, from some activity funded from the EU budget.

As already said, the Multiannual Financial Framework is divided in headings, which represent the amounts of expenditures referred to the main policies of the Union. The annex 1 of the Regulation (EU, EURATOM) No 1311/2013 presents the heading and categories of expense corresponding to the different fields of EU intervention and lists the maximum amounts of the ceilings that can be spent. The MFF uploaded to the 2014-2020 period contains 5 headings, which are³⁸³⁹:

1. Sustainable growth: with a total amount of €450,7 billions as maximal, it constitutes the 47% of the total.
 - i) Competitiveness for growth and employment: the action through which it is possible to make the European economy able to assure high levels of employment, productivity and social cohesion. To reach this goal, the EU finances research innovation and technological development;

³⁸ EUROPEAN COMMISSION, *Il bilancio*, Luxembourg, 2014

³⁹ A. D'Alfonso, *2014-20 Multiannual Financial Framework*, European Parliament, Bruxelles, 14/11/2013

- ii) Cohesion for growth and employment: the action to create growth, strengthening economic, social and territorial cohesion and bringing growth and development to the regions, which are lagging behind. European funds finance new infrastructure, training programmes and cross-border cooperation.
- 2) Preservation and management of natural resources: the action that promotes policies, which support the sound management of the natural environment, encouraging the production of safe, high-quality food and promoting European agriculture products. The commitment is about €373,1 billion, the 38,9% of the MFF: of those, 3 to 4 are dedicated to expenses connected to markets and to direct payments for agriculture.
- 3) Citizenship, freedom, security and justice:
- i) Freedom, security and justice: the actions which deal with justice and home affairs, immigration, security and fight against criminality etc.
 - ii) Citizenship: the actions focused on the promotion of culture, public health, consumer protection, information and European heritage.
- For this heading, they are reserved €15,6 billions, the 1,6% of the total amount.
- 4) Global Europe: the actions taken to help stability, security and prosperity in Europe’s neighbourhood and across the globe, carry out crisis management and peacekeeping mission, and fight poverty in the poorest countries of the globe. In this case, the amount reserved is about €58,7 billions, the 6,1% of the total amount of MFF.
- 5) Administration: the actions that deal with all the administrative expenses of European Institutions. For this category, the maximal is fixed at €61,6 billions, the 6,4% of the total amount. There is a sixth category, “compensations”, related to the last increase with €27 billions designated to Croatia.

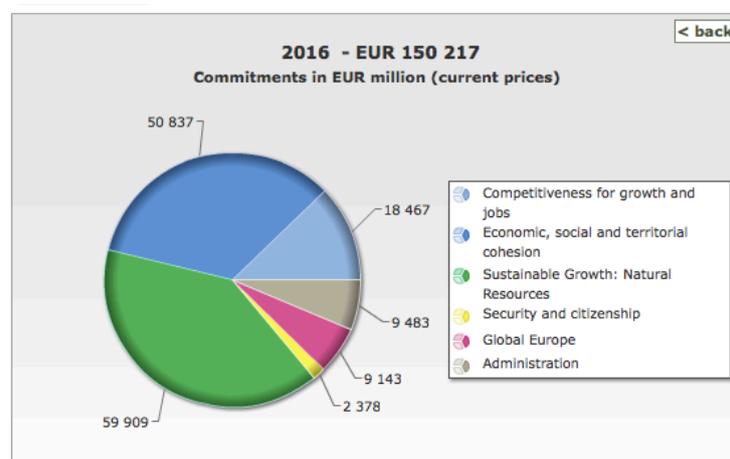


Fig 2 – Multiannual Financial Framework 2014-2020 – Table take from European Commission, Figures and documents: at http://ec.europa.eu/budget/mff/figures/index_en.cfm visited on 30/05/2016

So, to sum up, in order to reach the effective final expense referred to the realisation of actions in support of Member States, first of all the Multiannual Financial Framework is established, setting the maximal for each category of expense for some years. Then, respecting the maximal established by the MFF, the amount of money to allocate into the different European programs is decided, which characteristics are shown in a legislative act. In the end, an annual budget is developed to face programs' expenses: once the Council and the Parliament approve the budget, the resources are distributed according to the priorities of that period.

2.5 How to apply the Budget

The management of the budget consists in the establishment of the total amount of money and the distribution of the EU annual expenses and of all the incomes necessary to cover them, checking the execution.

Looking at the general context, it is important to see that before 1970, only the Council was allowed to manage the budget, while the European Parliament had only a consultant role. With the treaties of 22 April 1970 and of 22 July 1975, both the Council and the EU Parliament have the power on the budget. Moreover, the Treaty of Lisbon introduced an easier and more transparent budget procedure, eliminating the distinction between mandatory expenses and non-mandatory expenses, giving the possibility to treat in the same way the expenses. The procedure has been simplified with only one lecture for each institution, basing on the budget project presented by the Commission.

The Article 314 TFUE⁴⁰ defines the steps and the conditions to follow during the budget procedure that will be briefly presented. The first step foresees the elaboration of the budget project by the Commission, under the suggestions of the Parliament and the Council about the priorities. The second step includes the discussion of the Council about its position on the budget project, communicated then to the Parliament. During the third step, the Parliament

⁴⁰ Article 314, Treaty on the Functioning of the European Union

has 42 days to analyse the project and approve or refuse the Council position. If approved, the budget is considered adopted. If rejected, the budget is resent to the Council and to the Commission. The President of the Parliament, in accordance with the President of the Council, has to immediately call a reunion of the Conciliation Committee. On the fourth step, the Conciliation Committee, composed by the representatives of Council and Parliament members, has 21 days to find an agreement on the budget project. The Commission contributes to the work of the Committee and takes all the initiatives needed to favour conciliation between the positions of the Parliament and of the Council. At this moment, there could be three possibilities: a) the Parliament can adopt the common project even if the Council rejects it; b) if the Council or the Parliament rejects the project and the other decides to not express, the budget is rejected and it will be the task of the Commission to present a new project; c) if the project is ratified by the Council but rejected by the Parliament, the budget is rejected and the Commission will have to present a new project. In the case of which, at the beginning of the financial year (from the 1st January to the 31st December), the budget is not still approved, it is applied the “provisional twelfths” system, which involves monthly budgets per category that are exactly on twelfth of the budget of the year before. The budget project can be modified through amending letters, while, once approved, can be adopted amending budgets.

Making some considerations about the legislation and the budget monitoring, it is possible to notice that the effective use of the EU funds is legislated by basic rules, defined by the *financial regulation*.⁴¹ The financial regulation is the major point of reference for the procedures and principles governing the establishment and the implementation of the European Communities’ Finances and the EU Budget. The new financial regulation, applied from the 1 January 2016, is followed by the new Rules for Application (RAP). The RAP contains more technical and detailed rules that are essential for the continuous implementation of the financial regulation. Behind these dispositions, it is necessary to obtain an authorisation act with a juridical basis that establishes the objectives and the costs of the activities and forecasts the limits for the expenses.

⁴¹ Available at http://ec.europa.eu/budget/biblio/documents/regulations/regulations_en.cfm, visited on 18/08/2016

The Commission, the Member States and European Anti-Fraud Office ⁴², investigate fraud against the EU budget, corruption and misconduct within the European institutions, verifying the correct distribution of the funds. Moreover, besides these controls, the budget is supervised by an external audit belonging to the European Court of Auditors that checks EU funds are collected and used correctly, helping to improve EU financial management.⁴³

The General Directions of the Commission then manage the programs and actions, and since 2002, the GD have been obliged to edit a report about the annual activity for the members of the Commission, in which are presented the results of the financial year.

After having clarified the principal rules that discipline the European Union Budget, it will be introduced the principal tools to reach the EU strategic objectives: the indirect and direct funds. Indeed, the funds distributed by the European Union finance two big typologies of initiatives, to whom correspond related expenses categories: the structural actions and the Internal Policies. The Structural Actions are finalized to the reduction of the economic and structural gap between European Regions and promote social and political cohesion of the European Union. These are financed by Structural Funds and follow objectives that Member States and Institutions agree at the beginning of each period to face structural difficulties and delays in the socio-economic development of Regions that belong to the European Union. The other category of funds is destined to Internal Policies, through which the European Union tries to enforce its competitiveness and realize the Single European Market. The number of Internal Policies is increased and nowadays it covers the majority of European citizens life sectors. The Internal Policies have particular relevance in strategic sectors such as the economic and social development, where the coordination among Member States is useful to make the integration process effective and to improve the management of sectors, as the agriculture, the transports, the research and development, the education and the environment protection.

⁴² Available at http://ec.europa.eu/anti-fraud/home_en, visited on 18/08/2016

⁴³ Available at https://europa.eu/european-union/about-eu/institutions-bodies/european-court-auditors_en, visited on 18/08/2016

SECOND CHAPTER:
THE EUROPEAN FUNDING PROGRAMS

FIRST PART:

In this first part, the juridical-economical principal tools are presented, which are useful tools to understand the origin and the field of action of the funds destined to the activity of European Projects. At the beginning a general view of the tools that the European Union uses to manage its resources through its Budget is proposed. Then, the methods to distribute these resources are shown: the indirect and direct funds. A particular emphasis is given to the grants and the key elements needed to apply a call for proposal to the European Commission.

3. EU Funding modalities

The European Union allocates financial resources, directly or indirectly, in order to reach its strategic goals. It provides funding for a vast range of initiatives, programmes and projects that cover sectors from education, research and development, employment, sustainable development and environment. Businesses as small and medium enterprises, not for profit entities and public authorities are the beneficiaries of its financial programs.

As previously explained, the Commission is in charge of ensuring that money is spent properly by the Member States. The Commission can manage EU funds in a direct or indirect way. On one side, some financial resources are managed by the European Union, as grants and contracts. On the other side, the structural funds are spent through a system of shared management that involves both the Commission and the authorities of Member States.

3.1 The indirect and direct funds

The EU, through the support of the Member States' local governments, allocates the indirect funds.⁴⁴ In general, funds are attributed to European regions according with their degree of Economic development. National and regional governments will then distribute the funds, following their national and regional development plans. Following the Principle of

⁴⁴ G. Manassero and F. Mallone, Fondazione Cassa di Risparmio di Torino, *Guida all'Euoprogettazione*, Torino, 2006

subsidiarity, the contribution of the European Union is added to the one of each Member States in order to overcome the limits imposed by their financial capabilities and to let them reach, more efficiently, the objectives of growth, competitiveness and sustainable development. In addition, these projects are presented in response to regional calls.

As a consequence, the Structural Funds are not assigned directly to projects chosen by the European Commission. In fact, defined with a common agreement the macro priorities of a development program, then the national and regional authorities have the exclusive competence on the actions' definition, the projects' selection and their management. The progress of projects financed by the Structural Funds is regularly monitored by the regional authorities that inform the European Commission, giving proof (throughout the expenses certificates) that the money has been spent in a coherent way, according to the subscribed agreement. In addition, the Commission analyses the evolution of the monitoring indicators, promotes communication among entities and illustrates the programs' responsible about the new priorities of the European Union that can have an influence on the regional development.

The direct funds give the possibility to finance projects that have the aim of enhance specific sectors for the social and economical development of the European Union, as the environment, the education, the research, etc. The general aim of direct funding is, therefore, to implement and further EU policies and to achieve the established priorities pursued by the Europe 2020 Strategy, as well as the objectives defined in Article 3 on the Treaty on European Union.⁴⁵

45 Article 3 TEU: *“The Union's aim is to promote peace, its values and the well-being of its peoples. The Union shall offer its citizens an area of freedom, security and justice without internal frontiers, in which the free movement of persons is ensured in conjunction with appropriate measures with respect to external border controls, asylum, immigration and the prevention and combating of crime. 3. The Union shall establish an internal market. It shall work for the sustainable development of Europe based on balanced economic growth and price stability, a highly competitive social market economy, aiming at full employment and social progress, and a high level of protection and improvement of the quality of the environment. It shall promote scientific and technological advance. It shall combat social exclusion and discrimination, and shall promote social justice and protection, equality between women and men, solidarity between generations and protection of the rights of the child. It shall promote economic, social and territorial cohesion, and solidarity among Member States. It shall respect its rich cultural and linguistic diversity, and shall ensure that Europe's cultural heritage is safeguarded and enhanced. The Union shall establish an economic and monetary union whose currency is the euro. In its relations with the wider world, the Union shall uphold and promote its values and interests and contribute to the protection of its citizens. It shall contribute to peace, security, the sustainable development of the Earth, solidarity and mutual respect among peoples, free and fair trade, eradication of poverty and the protection of human rights, in particular the rights of the child, as well as to the strict observance and the development of international law, including respect for the principles of the United Nations Charter.”*

The European Commission or its Agencies, through the award of grants and tenders directly to the beneficiary entities, manage the direct funds. In addition, the Commission is the entity in charge of managing the funds, without any contribution from Member States or Regions, so the beneficiaries receive the amount of money directly by the Commission.⁴⁶ Meanwhile, all the selection procedures, the attribution, the control and the audit of the projects are in charge of the European Commission. This one can delegate the direct management to executives or national agencies, decentralising the administration of the programs themselves.

The programs managed by the General Directions have usually a multiannual duration and the emission of funds is through the periodical publication of programs. The funds belong to specific items of the EU Budget, so it is possible to know the available amount for each year.

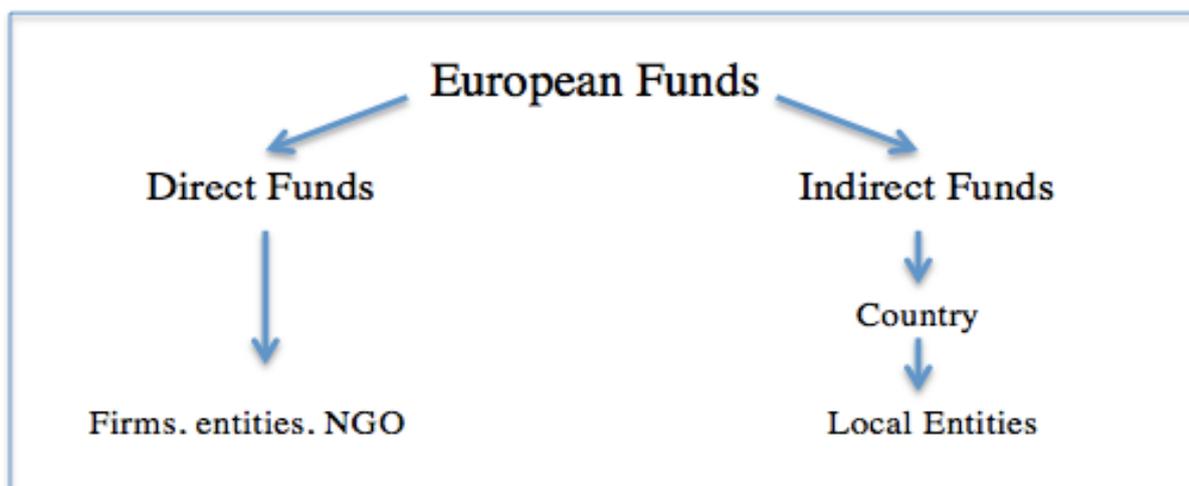
The origin of the direct funds derives from the internal policies of the Union, which have the aim of bringing a common benefit for all the citizens. The EU law begins with some proposals from the Commission to the Council that if accepted, become *actions planning*. The Council and the Parliament then adopt these actions planning as *decisions*. So the juridical act that usually constitutes the basis of a European Program is the decision. This is legislated by the article 288, comma 4, of the Treaty on the Functioning of the European Union.⁴⁷ Decisions related to European Programs have all the information about programs, from the objectives and the priorities, to the evaluation criteria. As a consequence, the juridical acts already contribute to give all the indications needed to draft the projects. In order to give importance to major subjects, usually the Commission draws up some annual documents that underline particular details basing on the related year and, overall, they point out the priorities to follow during that period: they are called *work programme*. After the work programme,

⁴⁶ FONDAZIONE CRT, *Guida all'europrogettazione*, 1 ed., Torino, 2006

⁴⁷ TREATY on the FUNCTIONING of the EUROPEAN UNION, Art 288, comma 4: “*To exercise the Union's competences, the institutions shall adopt regulations, directives, decisions, recommendations and opinions. (...) A directive shall be binding, as to the result to be achieved, upon each Member State to which it is addressed, but shall leave to the national authorities the choice of form and methods...*”

there are the *call for proposals*, which are publicly announced and provide information about the type of project that will be considered for funding and the specific conditions to be met.

In order to achieve the objectives defined by the Article 3 TEU, EU finance projects must be coherent with EU policies and the needs of the target group; they must be feasible actions, able to implement concrete and measurable goals.⁴⁸ Indeed, the current program for the period 2014-2020 is more focused on financing activities aimed at achieving tangible results and generating measurable changes. The importance of this direct approach from the EU Commission has been recognized also in Italy: Fabrizio Barca, the Italian Minister for Territorial Cohesion supports the idea that at the present time it is fundamental to invest in EU territories through public actions.⁴⁹ Indeed, to give a credible contribute at European, national and local level, a project must be monitored and evaluated during its whole lifecycle, so as to measure its step-by-step results and to estimate its real contribution to EU citizens. According to Barca, to fulfil this aim, the results must be as clear as possible, in order to be noticeable both from the partners. In fact, in his opinion, EU investment is successful only when the results and impact to be achieved are identified even before having chosen which actions need to be financed and put into practice.



⁴⁸ D'Amico, *Progettare in Europa: tecniche e strumenti per l'accesso e la gestione dei finanziamenti dell'Unione Europea*, Trento, Edizioni Erickson, 2014, p. 108

⁴⁹ F. Barca, *Metodi e obiettivi per un uso efficace dei fondi comunitari 2014-2020*, Roma, 2012, p. 5

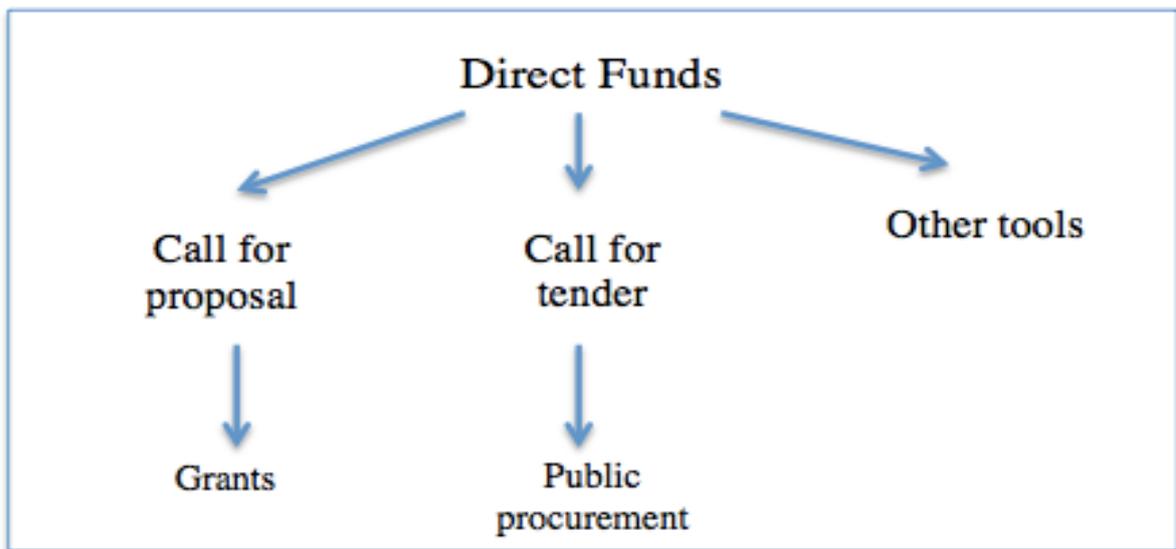
The EU contemplates two different ways of funding European projects.⁵⁰ Depending on the specific features of the action, which needs to be tackled, either grants or tenders are proposed:

- **Tenders** are public contracts covering different fields of action, such as the purchase or renting of a building, the supply of movable or immovable assets, the execution of works or the provision of services. They are fully financed by the EU and it is allowed to make profit from them. Tenders are usually published in the Supplement to the Official Journal of the European Union or on the TED (Tenders Electronic Daily).
- **Grants** are payments of non-commercial nature in which profit is not allowed. They are usually aimed at achieving a specific objective included in EU policy. They provide projects with a complementary financing or a co-funding, as they are not conceived to cover 100% of the overall expenditure. Grants cannot be cumulative, that is, only one grant can be given for the same action, and that cannot be awarded retroactively for actions that have already been carried out. Grants may be managed directly (by the European Commission DGs, EU Agencies) or indirectly (by the National or Regional Authorities).

Actually, there is a third way of funding European project: the **Territorial Cooperation Programs**,⁵¹ which allow the realization of projects shared among territories belonging to different Member States that have in common the geographical proximity or similar problems. They are financed through Structural Funds and are managed by specific Managing Authorities, so they constitute a particular typology of indirect funds.

⁵⁰ M. Bronzo and F. Morra, Belgian-Italian Chamber of Commerce, *The European Funding Programmes*, Bruxelles, 2015

⁵¹ Available at <http://www.guidaeuroprogettazione.eu/guida/guida-europrogettazione/per-orientarsi/beneficiare-dei-progetti-europei/> visited on 10/05/2016



3.2 Benefits from the European Projects

On the basis of what illustrated, it is clear that all the citizens of the European Union can benefit from the actions of a European project. Otherwise, it is necessary to distinguish between 3 principal categories, which refer to the concept of “beneficiary”:

- The final beneficiaries, so people or organizations that will benefit from the action of the project in the long period or in an indirect way (for instance, the citizenship or the firms of a territory);
- The target-groups, so groups or organizations directly involved in the activity realized by the project (for instance, the unemployed between 30 and 50 years, resident in a specific area);
- The beneficiaries, so people or organizations that are in charge of presenting a proposal and receiving the related financing by the European Union for the implementation of the activity (for instance, an organization specialized in the professional re-training).

Moreover, the possibility to apply for the European project is opened to a huge range of beneficiaries, such as: associations, Non-Profit Organizations, foundations, public authorities, local bodies, school, universities and firms.

Most of the times the proposals are presented by groupings, consortia and partnerships, that express different demands for the territory or for the sector interested, and are

complementary under the point of view of sensibility and technical capabilities. Anyway, all the members of the partnership have to satisfy the requests established by the calls.⁵²

3.3 The Co-Financing

Rarely a European project finances entirely the activity proposed by the potential beneficiary. The basic idea, indeed, is that the activity belongs to the own mission of the beneficiary itself: the European Union contributes as it recognizes in this activity a real impact and a positive effect on the objectives defined by the call. In addition, in the call it is specified which are the actions and the expenses allowed to benefit from the fund.

The co-financing is around the 50% and the 80% of the expenses allowed, but it can reach also the 100%. The residual part can come from funds belonging to the organization or from grants by other entities, under the form of money or services.

3.4 European Grants

The European Union's policies are implemented through its funding programs. These ones deal with a wide range of objectives to be obtained in various areas of interest such as education, research, competitiveness of SMEs, etc., in the framework of a European funding program. One or more *Calls for Proposals* are published every year. This is an official document through which the European Commission offers to co-fund projects that pursue specific goals. Therefore, the civil society (public and private entities, associations, Non-Governmental Organizations, companies, universities, Chamber of Commerce, etc.) presents projects to the European Commission, responding to a call for proposals in the framework of a EU funding program. This means that an idea, which responds to the requirements of a funding program, is presented to the Commission in order to obtain financing. Through this mechanism, the European Commission implements the Union's policies. As already said previously, the EU grants may be managed directly or indirectly.⁵³ Basically, indirect funding is managed by regional authorities and is connected with structural and cohesion funds, and funding for agricultural, rural development and fishery sectors. On the other hand, direct

⁵² Available at <http://www.guidaeuroprogettazione.eu/guida/guida-europrogettazione/per-orientarsi/beneficiare-dei-progetti-europei/> , visited on 10/05/2016

⁵³ M. Bronzo and F. Morra, Belgian-Italian Chamber of Commerce, *The European Funding Programmes*, Bruxelles, 2015

funding is managed exclusively by the DGs of the European Commission, the Commission's delegations in third countries, or EU agencies.

On the European Union's website it is possible to find the grants divided into thematic macro areas, of which a list is provided below. This list may be useful in identifying the position attributed to specific programs in correspondence with the Directorate Generals of the Commission, and in obtaining more information on the latest call for proposal.

- Agriculture
- Audiovisual and Media
- Communication
- Competition
- Conference interpretation
- Consumers Culture
- Culture
- Development
- Economic and financial affairs
- Education, training and youth
- Employment and social affairs
- Energy
- Enlargement
- Enterprise
- Environment
- External Action
- External Aid
- External Trade
- Fisheries
- Fighting fraud
- Freedom, Security and Justice
- Humanitarian Aid
- Human Rights
- Information society
- Public Health
- Regional Policy
- Research and Innovation
- Sport
- Statistics
- Transport

As the list clearly demonstrates, grants cover a very wide range of fields and the specific conditions that need to be fulfilled vary from sector to another. Nevertheless, some basic principles that are applicable to all cases do exist:

- Grants are a form of **complementary financing**. Normally projects are only partially financed or, in other words, “cofounded” by the EU, which covers a percentage of the total eligible costs (normally between 50 and 75%);
- Grants enable a given operation to break even financially and cannot lead to a profit for their beneficiaries;
- Grants cannot be awarded retroactively for actions that have already been carried out;
- Only one Grant may be awarded for the same action;
- Before 31st March of each year, the Departments of the Commission that manage grant programs publish their Annual Work Program on their respective websites. The work program establishes the broad outlines of the grants that are envisaged over the year (area of activity, objectives, timetable, available budget, award criteria, etc.). By consulting these work programs it may therefore be possible to be able to already identify the fields of interest. Subsequently, the Commission’s Departments publish calls for proposals on their correspondent websites. The calls for proposal invite candidates to present, within a given deadline, a proposal for action that corresponds to the objectives pursued and fulfil the required conditions. These calls for proposals can also be published in the Official Journal of the European Union – C series.

3.5 Partnership

In order to apply for funding, there are three key steps to be followed: to form a partnership with smart and innovative ideas, to apply for a precise call for proposals and to prepare and submit all the documents requested to applicants.

Partnership is essential for structuring a good project, not only from a financial resource point of view, but also for the support of EU policies and interests. Indeed, thanks to international cooperation, partnership prepares the basis for the exchange of information, of know-how and interdisciplinary perspectives, bringing to the development of innovative approaches.⁵⁴

The starting point to form a partnership is in defining the profile of potential partners by considering the possible types of beneficiaries indicated in the call for proposals, such as profit and non-for-profit organizations, public or private entities, their country of origin and their status. Entities interested in the drafting of a project may start searching for partners by exploiting their own experiences, contacts and already tested partnerships. Generally, the attendance of partners coming from at least three different Member States is demanded. The number of partner can vary according to the Programme. It is true that a partnership geographically equilibrated, meaning that it represents Europe from North to South, from East to West, increases the possibility of success of a project.⁵⁵

The partnership is constituted normally for the duration of the project and foresees a project leader, who is in charge of the development of the project, under the legal and financial point of view. He receives the grant from the Commission and he is engaged to distribute the co-financing quotas established to the partners. He is the only interlocutor with the EU Commission for the whole project.

Partners collaborate with the project leader for one or more phases of the project: their contribution is finalized to the realization of one or more objectives of the project.

In order to find a potential partner, a number of tools can be exploited: info-days, that are seminars organized by the Commission during which it is possible to collect information about the programme and meet possible partners; or it is useful to look at the data-bases

⁵⁴ M. D'Amico, *op. cit.*, p. 196

⁵⁵ P. Sevi, R. Tomi, *Finanziamenti diretti europei: come redigere un progetto di successo*, Ufficio per l'integrazione europea, Bolzano, 2012, p. 10

shared by the Commission, or consult the dedicated websites and agencies, (for example www.erupabook.eu and the APRE Agency for Italy).

Another instrument, which is very useful to get information about the EU Programs is the Europe Direct Network. This network has the aim of making citizens more conscious about the European Union and the possibilities that it offers.⁵⁶

So, for the construction of a good partnership, it is fundamental to establish a balance between the consolidated partners and new partners with high potential. Actually the best way to do this is to evaluate the interest of both partners towards the project proposal and their ability to give a added value to the project.

Once the partnership has been established, and the task of each partner assigned, the effective design of the project can begin. The cooperation and collaboration among partners will determine the fundamental added value of the project. Since the partnership plays an essential role in the realisation of a project, in the EU programmes is presented a section dedicated to the partnership description, where participants must indicate, for example, the criteria used for the partners' selection, the relationship existing between them and the partners' experiences in the concerned field.

3.6 Documents for applicants

After the publication of the call for proposal from the DG or the Agency in charge of the programme and on the official website of the EU Commission, the project leader can present the grant application for a project within the deadline for application.

More often the application is completed online. In most cases, the project is presented by fulfil the electronic application form (eForm) and by attaching some compulsory annexes, such as the budget form, the partnership declaration simplified financial statement, activity report, legal identity form, financial identity form, ect.⁵⁷ Each entity registers in the Participants' portal and receives a Participant Identification Code, also called PIC, that is then requested in the application form.

⁵⁶ V. Pagano, *Manuale di progettazione europea e compendo di progettazione per le università: come atenei, facoltà e dipartimenti possono progettare interventi con i fondi europei*, Salerno, Arcoiris, 2010, p. 114

⁵⁷ P. Sevi, R. Tomi, *op. cit.*, p.12

The application can be written in one of the official European languages, therefore it is suggested by the majority of agencies, to fulfil the request in English.

Before starting to draft the project and submit the application, partners should read the call for proposal and the Programme Guideline very carefully. As already said, these two documents are essential to become aware of the compulsory conditions for participating in the actions, but also of the evaluation criteria applied for the specific programme.

The key document that applicants should keep in mind is the Regulation of the Programme: it contains the legal basis of the programme, the general and specific actions, the budget and other financial provisions, beneficiaries, monitoring and evaluation criteria. The Work Programme is often annexed to the Regulation, implementing and completing its provisions. Indeed, the Work Programme presents a general description of the programme, the sub-programmes or specific actions, the financial rules and the selection and evaluation criteria; in a second part there are outlined the specific priorities under each action.⁵⁸

As previously said, to the application it is needed the attachment of the budget form, which has to report incomes and costs forecasted for the project. Applicants should be careful that the budget form corresponds as much as possible to the real costs of the project, as the variation to the form are not always possible: usually, they happen for the shipment of resources from partners or from costs items. The total costs, the financing amount and the overheads costs of the project cannot be changed.⁵⁹

Once the project has been submitted, it is evaluated according to the standards identified in the call of proposals, such as: exclusion criteria, eligibility, selection criteria and quantitative evaluation. The period of time for the evaluation of the project usually goes from 2 to 4 months. When the project is officially selected by the Commission, the financing is emitted the majority of times in an instalment form: firstly around 30% of the total amount after 30 days, then a mid term payment of other 30%, and a final payment after the approval of the EU Commission of the end of the project.

⁵⁸ I. Sgandurra, *Linee guida di europrogettazione. Fondi comunitari diretti*, Padova, CLEUP, 2012, p. 70-72

⁵⁹ P. Sevi, R. Tomi, *op. cit.*, p.13

3.7 Conclusions

Concluding, Member States and Regions, throughout the Structural Funds, the Cohesion Funds and the contributions for the agriculture, manage the 76% of the European Budget at a decentralized level. So, the part addressed to the direct funds is minority.⁶⁰ However, as the Structural Funds are thought in particular for countries with a low income, in the last few years this has been focused more on the Central-East Europe, Romania and Bulgaria, than the old Member States, as Italy. This is why, following the contest of a logical reduction of Structural Funds for our region, it is important to get familiar with alternative financing modalities. In fact, the 24% of the rest of European resources, which is assigned according to the quality of the projects, demands good capacities and skills on the draft and planning. This is the principal reason why in this thesis will be developed the Project Design Management, the complex activities required for the purposes of the production, drafting and submission of European project.

⁶⁰ FONDAZIONE CRT, *Seconda guida all'europrogettazione*, Torino, 2008

SECOND PART:

4. How to draft a call for proposal

The aim of the previous part was to tackle the issue of project development, strengthening the actions that should be undertaken to make a simple idea something concrete. In this second part, the Project Cycle Management and the Logical Framework approach are analysed, two design and management tools used to assess the possible problems of a specific target group, or to ensure the correct implementation of the objectives supposed to attain with the project.

In order to realise a European Project, it is supposed to use ideas and resources to achieve goals that fit with the EU major policies and priorities. This is the reason why these projects raise from the ideas of international partners whose aim is, in fact, to offer solutions to the problems or needs of an identified target group. So, tools such as the PCM and the LF are very useful in order to create a feasible, relevant and effective project.

At first, the Project Cycle Management with the analysis of its progressive phases (Programming, Identification, Formulation, Financing, Implementation and Evaluation) is presented. Then, the Logical Framework approach is investigated, presenting also the Logframe matrix used by the participants to develop the project.

4.1 The Project Cycle Management

The Project Cycle Management – PCM – is a standard methodology settled down for the redaction, selection and assessment of projects adopted by big Institutions, such as: the European Commission, the European Central Bank, the World Bank, etc. In the case of direct funds, the major protagonist is the European Commission, who has introduced the use of the PCM with the objective of increasing the quality of the project management. So, if someone is interested in applying to a call for proposal, it is indispensable to know the basis of this methodology. Indeed, it assures that actions and initiatives funded through EU resources are adapted to tackle real needs and problems that affect citizens, and to attract interested stakeholders and beneficiaries directly. As the European Commission itself states, the Guidelines aim to support good management practices and effective decision-making.

Consistency and clarity are the main objectives, followed by operational flexibility. Of course, the Project Cycle Management and its Guidelines should be used as important resource and system, but not as a substitute to experience and self-initiatives.⁶¹

The steps to follow for the preparation of the project have been defined Project Cycle. The Cycle starts with the identification of an idea to develop for a plan that can be realized and assessed. The possible projects-ideas are individualized in a strategy agreed by the parties involved. The Project Cycle defines a structure, which assures that all the actors involved in the process are consulted and all the information related are available, so that can be taken good decisions during the principals phases of the project.

In general, the Project Cycle has 6 different phases: the Programming, the Identification, the Formulation/Appraisal, the Implementation and the Evaluation & Audit.⁶²

The diagram below illustrates the different phases: it starts with the Programming Phase, which corresponds to the moment in which the European Union sets its political priorities and contemplates the definition of the policy context of a project. The identification phase is the moment in which the matching between a project idea and a EU funding program takes place. At this stage, the project idea is better developed in accordance with the objectives set during the programming phase. The formulation phase effectively attributes to a project proposal the funding made available by the Commission. It is, therefore, during this phase that the funding contract is signed. Once a project is approved for funding, the activities planned in the draft proposal may start: this is the Implementation phase. Ultimately, at the end of the project, the results are analysed and disseminated. This Evaluation phase will then provide the basis for the next programming period.⁶³

As you can see, the details related to each phase differ from Institution to Institution and present procedure differences. But there are three features that anyway characterize the Project Cycle:

⁶¹ European Commission, *Manual Project Cycle Management*, Luxembourg, Publication Office of the European Union, 2001, p. 2

⁶² FORMEZ, *Project cycle management-Manuale per la formazione*, S. Spezzano, Rome, 2002

⁶³ M. Bronzo and F. Morra, Belgian-Italian Chamber of Commerce, *The European Funding Programmes*, Bruxelles, 2015

- The Cycle defines in each phase the principal decisions that should be taken, the information needed and the specific responsibilities;
- The phases of the Cycle are progressive: each step must be completed before the following could be made successfully;
- During the Evaluation phase, it is possible to delineate the elements useful to build, basing on the past experience, the planning of future projects.⁶⁴

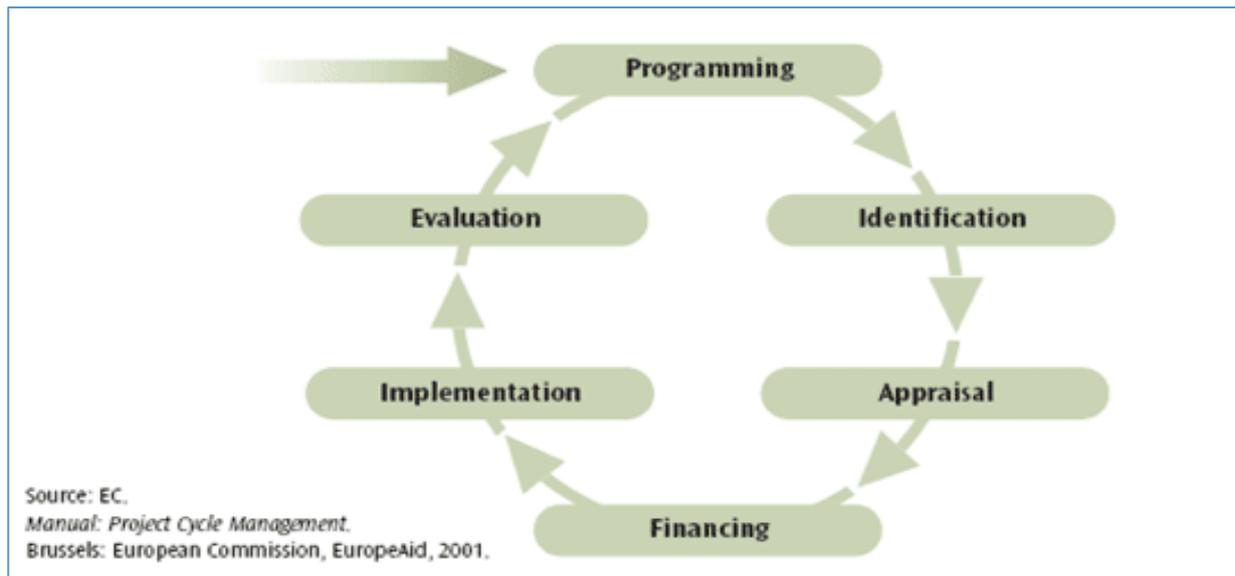


Fig 3 –The Project Cycle Management– Table take from European Commission, *Manual Project Cycle Management*, Brussels, EuropeAid, 2001

4.1.1 Programming

Programming is the first phase of the project cycle during which the indicative program is prepared. In this phase, the national and sectorial context are analysed to identify problems, opportunities and impediments that could be faced by the international cooperation. Indeed, all the projects must fall within a specific legislative and political context of the EU. Therefore, Legislative Acts, Communications, Declarations, Strategic Documents, White papers and Action plans, annual work programs and previous funded projects must be consulted in order to identify an appropriate idea for a project. Indeed, the European Commission funds project' ideas in order to reach its policies objectives; therefore, it is

⁶⁴ FORMEZ, *Project cycle management-Manuale per la formazione*, S. Spezzano, Rome, 2002

crucial to be well aware of the policy context of the project's specific sector. The output is an agreed Country Strategy Paper, which includes a multi-annual National Indicative Programme. So, the aim of this phase is to identify the main objectives and sector priorities for co-operation, and thus to provide a relevant and feasible programming framework for the project.⁶⁵

4.1.2 Identification

Identification phase is the moment in which a project idea is better developed in accordance with the objectives set by the European Commission during the programming phase. During this phase, it is essential to elaborate a project sheet: a document, which summarizes the main characteristics of the project idea itself. It gives an overview of the legislative context and identifies a list of issues which are involved in the project, such as:

- The needs and problems that the project will tackle;
- The general and the specific objectives that the project aims to achieve;
- The target groups which will be directly or indirectly affected by the outcome of the project;
- The activities that will be undertaken in order to achieve the objectives;
- The potential partners;
- The geographical territory where the action will be carried out;
- The concrete results that the project aims to obtain;
- The impact of the project, that is, what will change after its implementation.

All of this happens through consultations with the target group of each action, analysing the problems and their possible solutions. After, the ideas that concede with both the target groups and the Program Framework established, are chosen and implemented during the following formulation phase.

A good EU project should match the following criteria:

- *Relevance*: it should meet a defined and real problem or need; be coherent with priorities and objectives of the EU programs; take into account past projects and programs and clearly define the target groups.

⁶⁵ European Commission, EuropeAid, *Project Cycle Management Guidelines*, Brussels, 2004, p. 25-26

- *Feasibility*: it should have clearly defined overall objectives, activities and results; besides, its means and the external factors should be justified, and the consortium should be able to implement the project.
- *Sustainability*: it should have the capacity to continue to exist and function beyond the end of the contract. Thus, the implementing agencies should demonstrate the ability to deliver the project and to continue to provide services in the long term.
- *Transnational dimension*: it should demonstrate that the project implementation is more efficient and consistent at transnational scale rather than at a national/regional level.
- *European added value*: it should prove that its actions cannot be sufficiently undertaken at Member State level, but at a Community level. Its results should constitute a distinctive European dimension.
- *Innovation*: the results of the project should represent some new and distinctive features, distinguishing them from others with similar characteristics, and adding value in relation to conventional solutions.
- *Multiplier effects*: it should demonstrate that the results of the project can be durable or duplicated, and to what extent they would. It should also ensure the continuation of the action, and that it could be applied to other players, bodies or countries.
- *Cost-benefit ratio*: the ratio between costs sustained and benefits received shall be positive.
- *Impact*: it should contribute to the objectives of programs and to the development of different European Union policies.
- *Transferability*: it should have the capacity to be adapted and used in other contexts.

4.1.3 Formulation

During the **Formulation** phase, the ideas that are judged relevant are formulated in project plans. During this phase, there is the identification of a specific intervention strategy, based on the expected objectives and results, as well as on the definition of the project work plan. The target groups and the others characters participate to the detailed elaboration of the idea. According to the evaluation of the idea-project, it is formulated a formal proposal of financing. Indeed, the final outcome of the formulation stage is the executive project: a report in which all the elements and features of the project are described in detail.

4.1.4 Financing

During the **Financing** phase, the proposals are examined by the authorities in charge who decide if financing or not the project. The financing entity and the Country partner agree on the modalities of realization and prepare a legal document, which ratify the modalities of payment and the realization of the project. This binding agreement is also known th Grant Agreement (in the case of EU grants).⁶⁶

4.1.5 Implementation

During the **Implementation** phase, the project is executed: all the tools previewed in the financial plan are applied. Indeed, once the Commission selects the projects and the Grant Agreement between the applicants and the EU Commission is signed, this phase begins. During this phase, the project is implemented and progress towards achieving objectives is monitored. The implementation phase is many ways the most critical as it is during this stage that planned benefits are delivered. The key documents produced through this phase are Operational work plans, periodical progress reports, specific reviews/study reports, and the completion report.

4.1.6 Evaluation and Audit

The **Evaluation** phase is the moment during which the project is examined to determine the relevance and fulfilment of objectives, efficiency, effectiveness, impact and sustainability. The evaluation can be done during the implementation (“mid-term”), at its end (“final evaluation”) or afterwards (“ex-post evaluation”), either to help steer the project or to draw lessons for future projects and programming. Depending on the timing and objectives of the evaluation, the main decision options are to:

- Continue the project implementation as planned, to reorient/restructure the project, or, in the worst case, to stop the project (mid-term evaluation);
- Modify the design of future projects or programs in light of lessons learned (ex-post evaluation); or
- Modify policies, co-operation strategies, and subsequent programming or identification exercises in the case of sector, thematic or cross-sector evaluations.

⁶⁶ ITAD Ltd. (*Information Training and Agricultural Development*), *Project Cycle Management. Training Handbook*, Hassocks, 1999

The aim of the Project Cycle is to assure that all the actors are actively involved in the decision making process, with the right information.⁶⁷

The organization of the Project Cycle in six phases guarantees a minimum basis for an efficient preparation, implementation and evaluation of the project. In particular, it is important to distinguish between the phase of identification and the one of formulation, as a project is conceived in a political and social context, where there could be contrasting expectations. During the identification phase, the effective pertinence of the idea-projects can be established systematically, without risking that the implementation process could be stopped too late. The idea-projects can be then totally implemented during the formulation phase, with the security that they are based on effective needs of target groups and that they are sufficiently acquired by the major actors involved.

4.2 Building up the project idea: the Logical Framework Approach

Among the Identification and the Formulation phases, an instrument known as the Logical Framework (LF) is used, in order to efficiently transfer the project idea into the draft proposal. The Logical Framework Matrix (LFM) is a synoptic table that serves as a methodology for planning, designing managing and evaluating programs and projects. It, therefore, allows for the clear identification of the summarized objectives, activities and results of the project. An example of the Logical Framework is presented in the following page. During the Identification phase it is useful to assure the project idea relevance, while in the Formulation phase it is useful to assess the sustainability of the project.

There are two main stages in the building up of the Logical Framework:⁶⁸

- the **Analysis stage**, which includes the stakeholder analysis, the problem analysis, the objective analysis and the strategy analysis.

The *Stakeholder Analysis* identifies the potential owners and beneficiaries of the project.

The *Problem Analysis* analyses the main problems through the so-called “problem-tree”, a structure diagram that lists all the problems by building up “cause-effects” relationships.

⁶⁷ FORMEZ, *Project cycle management-Manuale per la formazione*, S. Spezzano, Rome, 2002

⁶⁸ M. Bronzo and F. Morra, Belgian-Italian Chamber of Commerce, *The European Funding Programmes*, Bruxelles, 2015

In the *Objective Analysis* problems are transformed into solutions by means of an “objective-tree”. Thus, a “means-end” relationship is established between the different objectives.

The *Strategy Analysis* is the weighed choice of action for improving a given situation, selected from amongst the different available/possible options, which are eventually organized in checklists.

- The **Planning Stage**, in which the results of the analysis are transcribed into a practical, operational plan ready to be implemented. In this stage, the log-frame matrix is prepared, through the definition and the scheduling of activities and resource requirements

4.2.1 The Logical Framework Matrix

So, during the Planning Stage, the Logical Framework Matrix is prepared, which includes the *Intervention Logic* of the project and describes the related conditions and consequences. In being a useful tool to manage and super-visionary the projects, the LF defines the functions of the project, the sources needed and the responsibilities. These elements are positioned in the first column of the matrix. In the second and in the third column, the Logical Framework gives a framework according to which the progress of the projects will be monitored.

It is important to precise that the Logical Framework gives many benefits but it is not a magic formula for the identification and the planning of good projects. If well used, it makes more transparent the connections between overall objectives, specific objectives, expected results and activities. It is a dynamic tool that has to be updated while the project is developing and circumstances changing. The Logical Framework is a useful management tool, but it doesn't guarantee the success: it requires long periods of work, a good preparation in the logic and in the approach. Managers are required to sum up complex ideas in simple phrases. Indeed, to be clear when fixing the objectives and giving them the right priorities, it is the right way to assure that activities, results and objectives are interconnected.

So, the Logical Framework consists in a chart, or a matrix, composed by 4 columns and 4 lines (on the basis format). In the columns it is individualized what is the aim of the project, the causal relationships, and all the conditions and uncertainties not under the control of the direct management (Intervention Logic, Objectively Verifiable Indicators of achievement, Sources and means of verifications and Assumptions). In the lines there is the measure of the effect and consequences of the project, defined as key-indicators and check-tools, and the resources utilized (General Objectives, Specified Objective, Results and Activities).⁶⁹

LOGICAL FRAMEWORK FOR THE PROJECT

	Intervention logic	Objectively verifiable indicators of achievement	Sources and means of verification	Assumptions
Overall objectives	What are the overall broader objectives to which the action will contribute?	What are the key indicators related to the overall objectives?	What are the sources of information for these indicators?	
Specific objective	What specific objective is the action intended to achieve to contribute to the overall objectives?	Which indicators clearly show that the objective of the action has been achieved?	What are the sources of information that exist or can be collected? What are the methods required to get this information?	conditions outside the Beneficiary's responsibility are necessary to achieve that objective? (external conditions) Which risks should be taken into
Expected results	The results are the outputs envisaged to achieve the specific objective. What are the expected results?	What are the indicators to measure whether and to what extent the action achieves the expected results?	What are the sources of information for these indicators?	What external conditions must be met to obtain the expected results on schedule?
Activities	What are the key activities to be carried out and in what sequence in order to produce the expected results?	Means: What are the means required to implement these activities, e. g. personnel, equipment, training, studies, supplies, operational facilities, etc.	What are the sources of information about action progress? Costs: What are the action costs? How are they classified? (breakdown in the Budget for the Action)	What pre-conditions are required before the action starts? What conditions outside the Beneficiary's direct control have to be met for the implementation of the planned activities?

When designed properly, the LogFrame matrix is a good instrument that helps to verify project consistency from activities to the overall objective and to identify contingent mistakes and weaknesses in the project implementation process. Its aim is, thus, to make the logical relationships between activities, results, purpose and overall objective more transparent: this is why it should be exploited to provide structure and purpose to project planning and budgeting without being perceived as a rigid and restrictive blueprint.⁷⁰

⁶⁹ FORMEZ, *Project cycle management-Manuale per la formazione*, S. Spezzano, Rome, 2002

⁷⁰ ITAD Ltd. (Information Training and Agricultural Development), op. cit., p. 33

4.2.2 From LogFrame matrix to Work Packages

Once the Logframe matrix has been completed, it is necessary to make further plans by drawing up the so-called “Work Packages” (WP). Work packages are activity scheduled which present the activities of a project, identify their logical sequence and the contingent dependencies existing among them and constitute the base for sharing management responsibility for completing each activity.⁷¹ In the EForms it is often asked to provide detailed information about the internal structure of the projects, the external dimension and the human and financial resources necessary for the development of activities. This is why for applicants can be easier if they make use of Work Packages, which can be created after having filled out the Logframe Matrix. Indeed, WP consist of specific activities characterised by different elements that provide information on the activity itself, about the tasks, outputs and deliverables, milestones, roles and responsibilities of project participants, timetable, venues and financial resources. The a detailed description about deliverables and milestones will be provided in the last Chapter, applied to the Case Study analysis.

Concluding, even if the EForm does not always ask for an explicit list of work packages in any actions, it is very useful to draw up work packages anyway, in order to develop a work plan that is clear and that can help to guide in the planned activity.⁷²

4.3 The application form

Once the Logical Framework of a project idea is put down, it follows the formulation phase, during which the design of the detailed project and the conclusion of the definitive feasibility study are foreseen. During this phase, the project application form becomes relatively easy to fill. Each call for proposal adopts its own application model. The application form is provided on the program website, together with the guide for applicants in drafting the application. It sets down the background or context of the program, its objectives and priorities, the financial allocation provided, the eligibility criteria, the application procedures and instructions, the deadline for the submission or application, the notification of the Commission decision, and the details of a contact person from the Commission. The guide for applicants also provides the evaluation grid. This grid illustrates the criteria according to which the Commission will evaluate the project proposals. Before submitting a proposal, it is

⁷¹ European Commission, EuropeAid, op. cit., p. 87

⁷² I. Sgandurra, op. cit., p.112

important to make sure that the project fulfils all the valuation criteria listed in the grid provided.

The application form normally includes:

- a summary/abstract describing the action and its major outputs and results. It should be self-explanatory and easy to understand;
- the state-of-the-art, which should explain which barriers or needs the project aims to address, the problem or a gap that the project proposes to solve, and what the project will add to the current situation. It also has to explain how the project builds on previous initiatives, that is, how it uses its results and how they will feed into the proposed work. Furthermore, it has to link it to relevant actions in participating countries;
- the specific objectives that the project aims to achieve and the effects they will bring out by the end of the project;
- the general objectives or the longer-term effects that can be realistically expected after the performance of the project, the immediate and long-term results and the impacts of the action;
- the performance indicators, which must assess the projects' results and potential impacts;
- the target groups or the main groups the project aims to reach. How they will be engaged to take own ownership of the results in the future;
- the Community/European Added Value of the project;
- the Work Programme, which describes the tasks to perform during the course of the action and outputs or deliverables produced. It should follow a logical structure and a methodology. It is broken down in the so-called Work Packages (WP) or small pieces of work which are considered the main steps needed to reach the objectives of the proposal.
- the composition of the Consortium: it should explain the reasons why the specific consortium has been formed and how the participants are capable of achieving the project objectives. It should also show the complementarity among the partners and their commitment to the tasks and the co-financing sources for each participant. There

should be also description of the organization and relevant experience of the key personnel proposed to work on this action;

- a budget/financial proposal, which must show in detail the planned expenses and revenues, using the co-financing principle. The budget should cover only the eligible costs, that are the costs necessary for the fulfilment of the action;
- the annexes, which include legal documents, legal entity form, balance sheets and profit and loss account, financial identification form, declaration by the applicant and letter of support/intent.

4.4 The selection of the proposal

Every project that aims to benefit from the European funds should demonstrate to have a specific added value. That means, it is not sufficient to be in line with the objectives of the call and with the institutional goals. The proposal must show that, without that financing, the activity couldn't be realized or it would have a lower impact than the one expected. This is only one of the aspects to consider in elaborating a proposal, but it is probably the one that majorly characterizes the choice of the selected proposal. Moreover, this principle is important to consider particularly when speaking about direct funds and territorial cooperation programs, as it would be appropriate to demonstrate that the implementation of the project between more countries of the European Union gives more positive results than a simple sum of actions at local level.⁷³

Applications are awarded on the basis of eligibility, selection and award criteria.

The *eligibility criteria* consists of mere administrative checks, where the European Commission verifies the eligibility requirements of the consortia stated in the call for proposals and that the application duly submitted.

The *selections criteria* help to evaluate the applicants' financial and operational capacity. This is to ensure that they have stable and sufficient sources of finance to maintain their activity throughout the period during which the action is being carried out. It also evaluates the management capacity. This is to ensure that they have stable and sufficient sources of finance to maintain their activity throughout the period during which the action is being

⁷³ Available at <http://www.guidaeuroprogettazione.eu/guida/guida-europrogettazione/per-orientarsi/beneficiare-dei-progetti-europei/>, visited on 10/05/2016

carried out. It also evaluates the management capacity, the professional competencies and the qualifications required to successfully complete the proposed action.

The *award criteria* prove that the project complies with the objectives and priorities and guarantees the visibility of the Community financing. It covers aspects such as the relevance of the action, its consistency with the objectives of the call for proposal, quality, expected impact, sustainability and cost-effectiveness.

All these criteria are evaluated by means of the evaluation grid, a document used by the European Commission to prove that all the conditions are fulfilled and to what extent they are.

4.5 Conclusions

The projects presented as an answer to a call for proposal have to be filled out according to the high quality standard imposed by the Commission. These standards are reached through the application of the Project Cycle Management, explained in this chapter. The PCM is a method that aims to improve the value and the effectiveness of the project management, establishing the phases according to which the project can be drafted. The major phases analysed are: the programming, during which the indicative program is prepared; the identification, which is the starting point of the project; the formulation, when the activities judged relevant are formulated in project plans; the financing, for the ratification of the payment for the project; the implementation, when the project is executed; in the end the evaluation phase, when the project is examined to determine its relevance. In closing, the PCM uses the Logical Framework as a tool to underline all the critical elements of the project, transcribed in a matrix applicable to different activities.

THIRD CHAPTER:

5. EUROPEAN PROJECTS: WHO WINS AND WHO LOSES

This chapter has been inspired by the book written by Matteo Lazzarini, General Secretary of the Italian-Belgian Chamber of Commerce in Brussels, Belgium, where the author of the thesis has done an internship during the Summer 2015. Mr Lazzarini lives in Brussels and is an expert in European Grant and firms' internationalization. In 2016, he has been elected the Representative of General Secretaries of all the Italian Chamber of Commerce abroad. He is professor in many universities and is the author of the book "Eurolobbisti – Come orientarsi a Bruxelles tra lobby e Istituzioni europee". He is often guest at the RegionEuropa television program.

The aim of this chapter is to analyse the influence that the European Direct Funds have in Italy. So, looking at the data available for 2015, it is presented how in practice the EU finances the economy of Italy and if our country is able to exploit the possibilities offered by the EU. Indeed, results show that Italy is among the first countries in Europe to benefit from direct financing, increasing the awarded amount to € 4 billions in 2015.

Although the results demonstrate that Italy is a resourceful country, which is able to exploit European funds for its own development objectives, it is true that there are Members of European Union who gain more benefits, for example Belgium, which is at the first place when speaking about entities and companies winning commitments and it is also at the first place for the number of recipients, so the number of identifiable beneficiaries from each country. The analysis of the following paragraphs will go into the deep, focusing only on the direct funds: tenders and proposal, related to the years 2015 (the latest available). Thanks to the Financial Transparency System is in fact possible to know which are the beneficiaries of the Commission's payments. In particular, it will be shown how much Italy is really engaged in the European Project Management: indeed, it is full of examples of numerous Italian projects, for example, in the field of research and innovation, with the participation of universities, firms, NGOs and local entities.

5.1 The Financial Transparency System

The Financial Transparency System is a tool that allows the consultancy (in English, French and German) of the data related to the beneficiaries of the direct funds from the European Commission.

The FTS portal is available at the link: http://ec.europa.eu/budget/fts/index_en.htm

The possibility for the EU Commission to public these data is assured by the articles 21, 35.2 and 35.3 of the financial regulation applicable to the general budget of the Union.⁷⁴

According to these articles, the Commission is allowed to public the data related to beneficiaries of funds awarded, or committed, by the Commission every year.

In particular, on the website it is possible to find the information regarding grants and public procurements. But there are also other tools, such as prizes, financial instruments, budget support and external experts.

Throughout the FTS it is possible to export the following data with a simple download:

- Who receives the funds, so the beneficiary;
- The subject, i.e. the purpose of the expenditure;
- The country where the beneficiary is located;
- The amount and the type of expenditure (operational and administrative)
- Which is the responsible department that awarded the funding;
- Which part of the EU budget it comes from;
- In which year the amount was booked in the accounts.

In some cases, if available, there is information about the type of action and the related European program and, for multi-beneficiary projects, it is possible to know the owner of the project. The data are available in different format: CSV (comma-separated values), XML (eXtensible Markup Language) and XLS (Microsoft Excel).

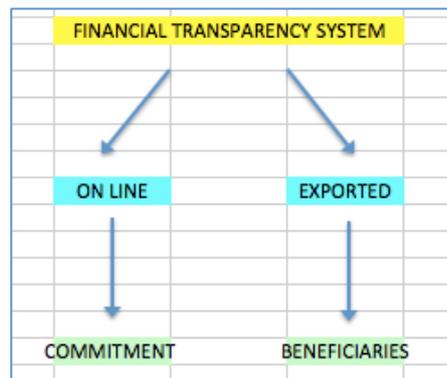
Although the website's data are updated and verified, there are some technical limits:

- Name of the beneficiary of the funding, that could be different from the common known one, also for languages reasons;
- Multi-beneficiary projects, managed by partnership between more entities, for whose is not always available the distribution of the amount among members;
- Beneficiaries' typology, that is not included as a search tool.

⁷⁴ Available at http://ec.europa.eu/budget/fts/about_en.htm, visited on 15/05/16.

So, if in some cases it could be presented a discrepancy between the data of the Excel document and the online research results, this one is due to a merely technical reason.

In order to be clearer presenting this studio, it is necessary to distinguish between *commitment* and *beneficiaries*.



Commitment means, according to the definition given by the Directorate General for Budget, the amount that was awarded for a project. *Beneficiaries* are all the entities, the enterprises, the universities, the research facilities, NGOs, which have obtained a funding thanks to the application to a grant or a project. So, beneficiaries are entities that should receive this amount (the commitment) to implement the project.

In addition, for each commitment there could be more beneficiaries (multi-beneficiary project).

Following an example to see how the FTS website shows the information about the project. First of all, it is possible to see the subject of the grant or the contract/agreement, the total amount, then the responsible department of the European Commission, the reference of the Budget, the action, funding and expense types. Following, the partners' details with the corresponding amount.

Subject of grant or contract	ERASMUS FOR YOUNG ENTREPRENEURS - GRANT AGREEMENT FOR AN ACTION 2012 OPEN-EYE-5 (ORGANISATION AND PROMOTION OF EUROPEAN NETWORKING IN THE FRAMEWORK OF ERASMUS FOR YOUNG ENTRPERENEURS)
Total amount	179,947 €
Year	2012
Responsible department of the Commission	Directorate-General for Enterprise and Industry
Reference (Budget)	SI2.ACGRACE053621600.1 (<i>BGUE</i>)
Budget line and number	Competitiveness and Innovation Framework Programme – Entrepreneurship and Innovation Programme (<i>02.02.01</i>)
Action Type	Competitiveness and Innovation Framework Programme
Funding Type	Grants
Expense Type	Operational
Action Location	N/A
Geographical Location	N/A

#	Name of the beneficiary	VAT Number	Amount
	Address/Locality	Postal Code	Country
1	CHAMBRE DE COMMERCE BELGO-ITALIENNEASBL*BELGISCH ITALIAANSE KAMER VANKOOPHANDEL CAMARA DI COMMERCIO ITALIANA IN BELGIO CCBI BIKK CCIB (Coordinator)	BE0400422433	38,869 €
	AVENUE HENRI JASPAR 24	1060	 Belgium
2	HOCHSCHULE FULDA-UNIVERSITY OF APPLIED SCIENCES*	DE166496730	19,704 €
	MARQUARDSTRASSE 35	36039	 Germany
3	INTER. RESEARCH INSTITUT FUR INTERDISZIPLINARE FORSCHUNG E.V.*INTER. RESEARCH E.V.	DE202729279	24,131 €
	HEINRICH VON BIBRA PLATZ 1B	36037	 Germany
4	SIHTASUTUS TARTU TEADUSPARK*TARTU SCIENCE PARK FOUNDATION TSP	EE100296086	19,290 €
	RIIA 181A	51014	 Estonia
5	TURUN AMMATTIKORKEAKOULU*TUAS TURKU UNIVERSITY OF APPLIED SCIENCES TURKU POLYTECHNIC		19,182 €
	JOUKAHAISENKATU 3 A	20520	 Finland
6	CORK INSTITUTE OF TECHNOLOGY*CIT	IE4773083G	19,866 €
	ROSSA AVENUE		 Ireland
7	TECHNISCHE UNIVERSITEIT EINDHOVEN*UNIVERSITY OF TECHNOLOGY TU	NL001956218B01	19,182 €
	DEN DOLECH 2	5612 AZ	 Netherlands
8	UNIVERZA NA PRIMORSKEM UNIVERSITA DEL LITORALE*UNIVERSITY OF PRIMORSKA	SI71633065	19,722 €
	TITOV TRG 4	6000	 Slovenia

Fig 1 –Example of Financial Transparency System WebPage for EU Programs. Available at http://ec.europa.eu/budget/fts/index_en.htm

5.2 The beneficiaries of European Direct Funds

Who are the beneficiaries of the European Direct Funds? Which European programs are the most popular? To which countries do the leading companies belong to? And what about the Italian's rank position?

As already said, to answer these questions it has been analysed the Financial Transparency System, a tool that allows the consultancy of the data related to beneficiaries of direct funds from the European Commission. The official data belong to the year 2015, the latest available, and it has been mainly looked at the data related to commitment and beneficiaries, crossing with the Countries and the European programs.

If we take into consideration the *commitments*, so the amount awarded for a project, we can notice that Belgium is at the first place. The 15,58% of the total amount assigned by the Commission is destined to entities, enterprises and universities, NGOs, with headquarter in Belgium. They are 8532, more than the double in absolute value, than the ones assigned to entities from United Kingdom, which places second on the rank. This is the proof of how much is important to have the possibility of working in Brussels, location of the major European Institutions. Indeed, having an office in the European Capital simplifies and encourages the direct contact with the Commission and contributes to the development of an international network, essential for the projects.

However, even if Belgium is at the first place for the number of commitments, the average, in euro, of the assigned amount is relatively low: only 543.847 euro against about 1.9 million of Sweden and 1.8 million of Austria. It is important to notice that the entities and companies of Switzerland, country who is not member of the European Union, are the ones who obtain, in average, the highest financing, about 2 million per commitment.

Italy is at the 5th place on the rank, with 3652 commitment that corresponds to the 6,67% of the total amount. Comparing to 2013, when Italy had a total commitment of 3333, the number of amount awarded for a project is increased. In 2015, the total amount of money received from the Commission to Italy was more than 4 billion of euros.

	Country	Commitments	Commitments sum (Euro)	Average	%
1	Belgium	8532	4.631.568.992	542.847	15,58%
2	United Kingdom	4286	6.263.655.019	1.461.422	7,82%
3	France	4181	5.762.770.049	1.378.323	7,63%
4	Germany	3956	7.131.079.884	1.802.599	7,22%
5	Italy	3652	4.866.730.332	1.332.621	6,67%
6	Spain	3275	5.073.723.137	1.549.228	5,98%
7	Luxembourg	3116	828.040.728	265.738	5,69%
8	Netherlands	2765	4.195.248.157	1.517.269	5,05%
9	Greece	1336	2.334.265.235	1.747.205	2,44%
10	Austria	1256	2.369.118.549	1.886.241	2,29%
11	Denmark	1190	1.920.243.372	1.613.650	2,17%
12	Sweden	1189	2.317.618.285	1.949.216	2,17%
13	Poland	1059	1.830.547.170	1.728.562	1,93%
14	Portugal	1042	1.684.628.080	1.616.726	1,90%
15	Finland	878	1.526.106.287	1.738.162	1,60%
16	Hungary	803	1.113.652.060	1.386.864	1,47%
17	Czech Republic	792	1.199.284.515	1.514.248	1,45%
18	Ireland	791	1.315.244.263	1.662.761	1,44%
19	Switzerland	722	2.065.390.651	2.860.652	1,32%
20	Romania	682	1.099.383.001	1.611.999	1,24%

Fig 1 – Numbers of commitment assigned per Country, included the ones for the 10th European Development Fund (EDF). Based on an analysis of the data available at the http://ec.europa.eu/budget/fts/index_en.htm

The percentage is calculated on the total value of commitments assigned to all the Countries that have benefited from the European Direct Funds in 2015 and not only on the 20 presented in the table. Included in the data the commitments and the amount destined to the 10th European Development Fund (EDF), that won't be considered in the following analysis.

	Country	Commitments	Commitments sum (Euro)	Average	%	Recipients	%
1	Belgium	8532	4.631.568.992	542.847	15,58%	10999	13,95%
2	United Kingdom	4286	6.263.655.019	1.461.422	7,82%	7113	9,02%
3	France	4181	5.762.770.049	1.378.323	7,63%	6056	7,68%
4	Germany	3956	7.131.079.884	1.802.599	7,22%	7270	9,22%
5	Italy	3652	4.866.730.332	1.332.621	6,67%	6134	7,78%
6	Spain	3275	5.073.723.137	1.549.228	5,98%	5216	6,62%

Fig 2 – Numbers of commitment assigned per Country, included the ones for the 10th European Development Fund (EDF). Based on an analysis of the data available at the http://ec.europa.eu/budget/fts/index_en.htm

If Belgium is at the first place in terms of entities and companies winning commitments, it is also at the first place for the number of recipients, so the number of identifiable

beneficiaries from each country. In fact, they are 10999, a number definitively elevated for the dimension of Belgium, as it is enhanced by the huge presence of offices and headquarters of European and international entities which have chosen Brussels as legal office.

	Country	Recipients
1	Belgium	10999
2	Germany	7270
3	United Kingdom	7113
4	Italy	6134
5	France	6056
6	Spain	5216
7	Netherlands	3842
8	Luxembourg	3560
9	Greece	1902
10	Austria	1823
11	Sweden	1726
12	Denmark	1567
13	Portugal	1509
14	Poland	1398
15	Finland	1242
16	Ireland	1050
17	Hungary	1030
18	Czech Republic	1019
19	Switzerland	975
20	Romania	899

Fig 3 – Numbers of recipients per Country, included the ones for the *10th European Development Fund (EDF)*. Based on an analysis of the data available at http://ec.europa.eu/budget/fts/index_en.htm

Italy is at the 4th place for the number of beneficiaries, so the number of times in which a company, an entity, an association, an NGO, has participated to a grant or a tender. This is a score very promising, also comparing to 2013, when the numbers placed Italy at the 5th place with 5245 recipients.⁷⁵

These results demonstrate that Italy is a resourceful country, which is able to exploit European funds for its own development objectives.

⁷⁵ Analysis based on the data available at http://ec.europa.eu/budget/fts/index_en.htm, visited on 20/08/2016

5.3 The most popular European Programs

Among the European Programs proposed by the Commission during 2015, the list below shows the most popular.

Program	Number of commitments	Total amount (Euro)
1 The Framework Programme for Research and Innovation (Horizon 2020)	6643	8.847.426.828
2 Creative Europe Programme	1914	170.522.828
3 The Union Programme for Education, Training, Youth and Sport (Erasmus+)	1454	317.851.120
4 Development Cooperation Instrument	1178	1.158.115.316
5 10 Direct research	945	87.569.130
6 Humanitarian aid	827	659.549.300
7 02 Enterprise and industry	695	234.402.331
8 Connecting Europe Facility (CEF)	691	2.562.437.330
9 26 Commission's administration	650	522.134.399
10 Statistics (2013-2017): ESP European Statistical Programme	592	57.235.631
11 Environment and Climate Action (LIFE)	505	347.581.781
12 EIDHR: European Instrument for Democracy and Human Rights	501	172.929.472
13 European Neighbourhood Instrument (ENI)	486	1.013.418.430
14 Programme for the Competitiveness of Enterprises and small and medium-sized enterprises (COSME)	383	159.084.189
15 Europe for Citizens	372	21.780.399

Fig 4 – Commitments assigned per European Program. Analysis based on the data available at http://ec.europa.eu/budget/fts/index_en.htm, visited on 20/08/2016

5.3.1 The Framework Programme for Research and Innovation: Horizon 2020

Horizons 2020 is the European program for research and innovation for the funding period 2014-2020. It brings together into a flexible and coherent framework all research and innovation funds provided during the previous funding period 2011-2013.

It is the financial tool applied by EU to get the “Union of Innovation”, so a mean to guarantee the global competitiveness of Europe. With a budget of 8 billions of euros, the new programme for research and innovation is the engine to create a European growth and the creation of work places. The three priorities of the program, so an intelligent, sustainable and inclusive economy, should help the Union and Member States to get high levels of employment, of productivity and social cohesion.⁷⁶

⁷⁶ Available at http://www.finanziamentidiretti.eu/?page_id=1936, visited on 21/08/2016

As the table shows, Horizon 2020 is the most popular program in 2015, with 6643 total commitments and, as already said, 8.847.426.828 euro of financings.

Country	Recipients	Commitments sum (Euro)	Average
United Kingdom	3232	4.981.940.180,78	1.541.441,89
Germany	3126	5.182.264.479,09	1.657.794,14
Spain	2386	3.813.287.610,40	1.598.192,63
France	2264	3.997.006.313,07	1.765.462,15
Italy	2246	3.665.434.404,08	1.631.983,26
Netherlands	1654	3.277.865.126,39	1.981.780,61
Belgium	1538	2.350.778.982,16	1.528.464,88

Fig 5 – Number of recipients per Country - Analysis based on the data available at http://ec.europa.eu/budget/fts/index_en.htm, visited on 21/08/2016

Concerning the number of recipients, United Kingdom is at the first place, with 3232 beneficiaries, followed by Germany (3126) and Spain (2386). Italy is at the 5th place, with 2246 beneficiaries. But Italy is also behind in the ranking regarding the amount awarded for the projects. In fact, the Italian participations profit, in average, is less than the other countries at first places: 1 million and half per beneficiary, against almost 2 millions of France and Netherlands.⁷⁷

Country	Italy as a Project Leader	Percentage
United Kingdom	521	37%
Spain	314	28%
Germany	299	23%
France	209	23%
Italy	200	21%
Netherlands	149	24%
Belgium	78	17%

Fig 6 – Number of projects with Italy as a Leader - Analysis based on the data available at http://ec.europa.eu/budget/fts/index_en.htm, visited on 21/08/2016

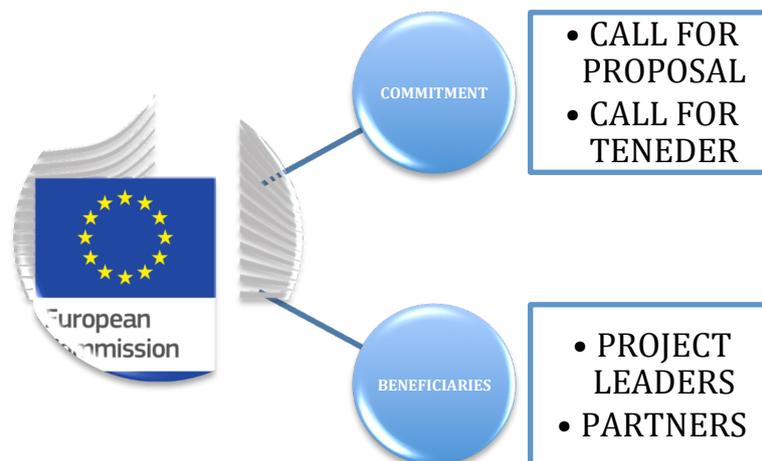
⁷⁷ Available at <http://www.scienzainrete.it/contenuto/articolo/sergio-cima-marco-milano/horizon-2020-ora-litalia-delude/marzo-2015>, visited on 21/08/2016

Italy coordinates 21% of projects for which it applies. United Kingdom (37%) and Spain (28%) are the countries that majorly appear as project leaders, even if we must specify that often the coordination of a project is delegated to a partner that has to fulfill administrative business, not always scientific. Anyway, this data shows the management skills of each Member State.

5.4 Six countries “face to face”

In order to examine in depth the subject of European programs, projects, commitments and beneficiaries, a champion of 5 countries has been compared to Italy, with the aim of better understanding how many and which funds are won. Those 6 Member States are:

- Belgium
- Germany
- France
- Italy
- United Kingdom
- Spain



The official data is referred only to the European Budget (BGUE) of the Financial Transparency System, so the Budget's part directly in charge of the European Commission, without considering the data related to the European Development Fund.

Both the commitments and the beneficiaries have been used for this analysis, in particular based on the commitments it is possible to discover the budget amount referred to European grants and tenders. In addition, looking at the figures it has been possible to distinguish between project leaders and partners.

5.4.1 Call for tenders and call for proposal

A call for proposal is the request by the European Commission to present some project propositions after the announcement on the Official Journal of the EU or on the Netwatch portal of the possibility to benefit from genuine funding opportunities for European and International organisations. So, the call for projects is the process during which applicants or project leaders are selected to implement projects that European Union co-finances through the emission of grants. As already said previously, the authorities responsible for the calls for proposal are the European Commission, the Directorates-Generals and the Executive Agencies belonging to the Commission.⁷⁸

A call for tender is a procedure applied by the European Commission to generate offers from companies competing for works, service contracts or supply in framework of public procurement.⁷⁹ Every year, over 250 000 public authorities in the European Union spend around 14% of GDP on the purchase of works, services and supplies. Indeed, tenders are used by the European Institutions to buy goods and services, included studies, technical assistance, formation, information technologies, consultancies, etc. In fact, in many sectors such as energy, transport, waste management, provision of health or education services, public authorities are the principal buyers. An example of a public procurement includes the building of a state school, purchasing furniture for a public prosecutor's office and contracting cleaning services for a university.⁸⁰

In order to create a playing field for all businesses across Europe, EU law sets out minimum harmonised public procurement rules, which organise the way public authorities purchase goods, works and services. They are included into national legislation and apply to

⁷⁸ Available at <http://www.welcomeurope.com/europe-funding-opportunities.html>, visited on 21/08/2016

⁷⁹ Available at http://ec.europa.eu/clima/tenders/index_en.htm, visited on 21/08/2016

⁸⁰ Available at https://ec.europa.eu/growth/single-market/public-procurement_en, visited on 28/08/2016

tenders, which have a monetary value that exceed a certain amount. For tender with a lower value, national rules are applied.

The mainly difference between call for tenders and call for proposals is that the first is when Institutions tend to select a service provider for a specific aim or for internal needs. Instead, the call for proposal is quite different because the institution may select several relevant projects in a specific field to afford them a grant. Moreover, the selected provider of a call for tender will get a compensation that corresponds to the mission amount and which includes a profit margin. Actually it differs a lot from the grant afforded in a call for proposals, which covers only a part of eligible costs.⁸¹

	Country	Grants	Public Procurements	Others	Total
1	Belgium	1557	6923	52	8532
2	United Kingdom	2897	1369	20	4286
3	France	2488	1677	16	4181
4	Germany	2610	1337	9	3956
5	Italy	2148	1497	7	3652
6	Spain	2187	1080	8	3275

Fig 7 –Number of grants, public procurement and other commitments per Country - Analysis based on the data available at http://ec.europa.eu/budget/fts/index_en.htm, visited on 28/08/2016

First of all, it is possible to notice the huge quantity of public procurements won by Belgium, almost 7 thousand in 2015, and the great performance of United Kingdom for what concerns the grants. Despite the good results of Belgium response to tenders, regarding the grants it is the country that records the lower number of assigned commitments, a little more than 1500 against, for example, the 2100 designated to Italy. The number of grants and tenders won by Germany, Italy and Spain is essentially equivalent.

⁸¹ Available at <http://www.welcomeurope.com/european-tender/comprendre-connaitre+call-proposals-calls-tenders-s-difference-172+72.html>, visited on 21/08/2016

	Country	Commitments	Commitments sum (Euro)	Average	%
1	Belgium	8532	4.631.568.992	542.847	15,58%
2	United Kingdom	4286	6.263.655.019	1.461.422	7,82%
3	France	4181	5.762.770.049	1.378.323	7,63%
4	Germany	3956	7.131.079.884	1.802.599	7,22%
5	Italy	3652	4.866.730.332	1.332.621	6,67%
6	Spain	3275	5.073.723.137	1.549.228	5,98%

Fig 8 - Numbers of commitment assigned per Country, included the ones for the 10th *European Development Fund (EDF)*. Based on an analysis of the data available at http://ec.europa.eu/budget/fts/index_en.htm

Looking at the average amount for commitments, it is possible to notice that the funds allocated to entities and companies of Belgium are really low, around 500 thousand euro, one third of the other 5 Member States.

5.5 Project leaders and partners

	Country	Recipients	%
1	Belgium	10999	13,95%
2	Germany	7270	9,22%
3	United Kingdom	7113	9,02%
4	Italy	6134	7,78%
5	France	6056	7,68%
6	Spain	5216	6,62%

Fig 9 –Number of beneficiaries per Country and percentage on the total of beneficiaries- Analysis based on the data available at http://ec.europa.eu/budget/fts/index_en.htm, visited on 28/08/2016

The number of times that the companies, the entities, the NGOs of Belgium have attended a European Project is about 11 thousand, equal to around 14% of the total. They follow Germany, United Kingdom, Italy; France and Spain. In particular, entities and companies from Italy are 6134 times presented in European projects or public procurements, around the 7,78% of the total.

So Belgium is at the first place concerning the number of recipients of European Direct funds in 2015. Obviously, it is an inflated number because of the presence of numerous offices and headquarters of entities and European and international companies which have chosen Brussels as legal office.

	Country	Project Leader	Partner	Total	% of Project leader on the total
1	Belgium	6720	4650	11370	59,10%
2	Germany	1990	4649	6639	29,97%
3	United Kingdom	2321	3731	6052	38,35%
4	Italy	1967	3255	5222	37,67%
5	France	2149	3037	5186	41,44%
6	Spain	1653	2937	4590	36,01%

Fig 10 –Number of project leaders, partners and total beneficiaries for Country in 2013. Analysis based on the data available at http://ec.europa.eu/budget/fts/index_en.htm, visited on 28/08/2016

It is very interesting to see how many of these entities have been coordinators of a project or simple partner. Also here the case of Belgium is singular as it is the only Country who counts, among the recipients, more project leaders than partners. Indeed, the coordinators in 2013 were 6720, corresponding to the 59,10%. It is also interesting the Italian result: not more at the 5th place as for concerning the number of commitments, but at the 4th place, with a number of beneficiaries even bigger than France.

As the chart shows, Italy is not only among the first places for beneficiaries, but also for what concerns the times it is the project leader: for example, in 2013 there were 5222 recipients, and around the 40% of them has been the project leader of a project (1967 times).

5.6 Considerations about the role of United Kingdom, before BREXIT

In the analysis proposed by now, the data considered are referred to the year 2015, the latest available in the Financial Transparency System of the European Commission. However, it is important to specify that actually the people of United Kingdom voted for a British exit, also called Brexit, from the European Union in a historic referendum on Thursday, June 23th.⁸²

That day the Leave won by 52% to 48% and the referendum turnout was 71.8%, with more than 30 million people voting. England voted strongly for Brexit, as Wales did, while Scotland and Northern Ireland voted to remain.

Without getting into the argument of whether or not this decision is the most desirable one, it could be interesting to look at some data to see how much does the UK effectively benefit from European Union Direct funds.



Fig 11 – Britains Votes at the Referendum of Thursday, June 23th.

As the European Commission shows on the Financial Programming and Budget webpage, UK public expenditure in 2013, around the 42% of the country's GNI, was more than five times bigger than the EU budget. But, on the other hand, the EU budget for the 28 Member State was around EUR 144 billion, roughly 1% of the Union's GNI. Actually, the EU and national budgets serve different, yet complementary purposes. Indeed, the EU budget is dedicated for areas where EU money can generate added value, and unlike the UK budget, the EU ones does not fund defence expenditure or social protection, but is mostly investment spending. One example could be the financing by the EU of more than half of the investment

⁸² Available at <http://www.bbc.com/news/uk-politics-32810887>, visited on 21/08/2016

need to provide Cornwall and the Isles of Scilly with superfast broadband by 2015, making the region one of the best-connected places in the world.⁸³

As the chart below shows, in 2013 the three main spending area of the United Kingdom budget were social protection, health and education.

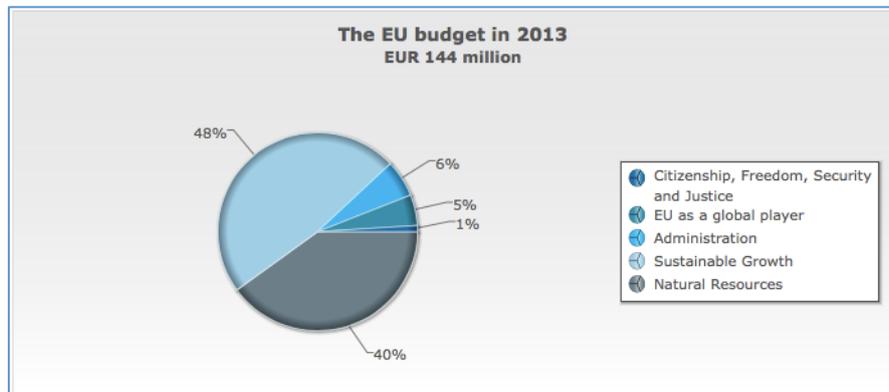


Fig 12 –The EU budget in 2013 for United Kingdom.

Analysis based on the data available at

http://ec.europa.eu/budget/mycountry/UK/index_en.cfm#cinfo, visited on 28/08/2016

So, it is true that UK pays more into the EU budget than it receives from it, but the net balance does not accurately reflect all the numerous benefits of EU membership. Lots of them, as peace, security, political stability and freedom to live, work, study and travel anywhere in the Union cannot be measured. A proof of this is that according to the UK government, the single market brings in between EUR 37 billion and EUR 110 billion a year into the UK economy, or between 5 and 15 times the UK net contribution to the EU budget, which, once the UK's rebate is taken into account, amounted to about EUR 8.641 billion in 2013.

⁸³ Available at http://ec.europa.eu/budget/mycountry/UK/index_en.cfm#cinfo, visited on 21/08/2016

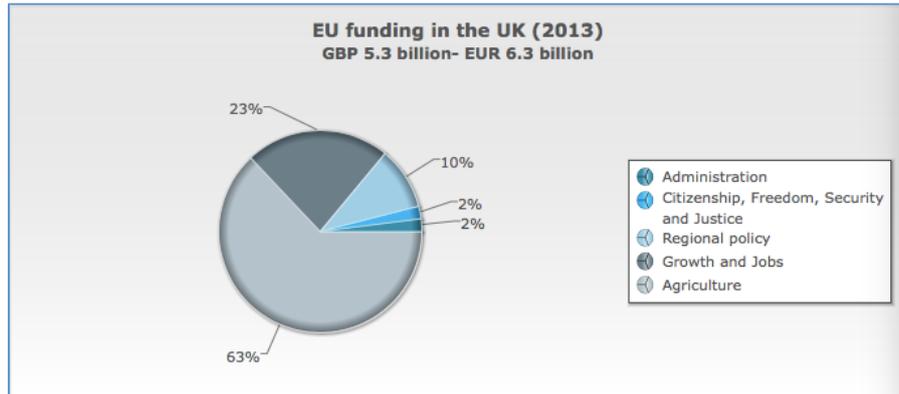


Fig 13 –The EU funding in 2013 for United Kingdom.

Analysis based on the data available at

http://ec.europa.eu/budget/mycountry/UK/index_en.cfm#cinfo, visited on 28/08/2016

In addition, European investments are aimed to benefit the EU as a whole, and European funding in one country can benefit other EU members. In fact, thanks to the single market, UK companies get contracts under EU-funded projects in other European countries.

An example is the UK Company Intersurgical, which was involved in two projects modernising production in Lithuania in 2009 and 2010. In the end, it received around EUR 1.25 million for its contribution.

UK is also one of the top recipients of EU research funding, second only to Germany. As a matter of fact, Europe is home to world-class research and researchers come from all over the world to collaborate with researchers that are based here and to use European scientific infrastructure. Within this community, the UK has created a world-leading research base that interacts with the best and most ambitious in the rest of the world, keeping UK research at the cutting edge.

So, as already said, it is true that UK contributes more overall to the EU budget than it receives. However, it is also one of the largest recipients of, for example, research funding among Member States.⁸⁴

⁸⁴THE ROYAL SOCIETY, *UK research and the European Union – The role of the EU in funding UK research*, London, 2015

5.7 Italy: universities and SMEs

Which are the most popular EU programs among Italians? Which are the performances of Italian universities and SMEs?

Program	Number of commitments	Total amount (Euro)
1 The Framework Programme for Research and Innovation (Horizon 2020)	1316	3.665.434.404,08
3 10 Direct research	248	34.034.803,29
4 The Union Programme for Education, Training, Youth and Sport (Erasmus+)	194	82.470.786,81
5 Creative Europe Programme	120	27.147.735,15
6 08 Research and innovation	92	36.907.099,22
7 Development Cooperation Instrument	85	76.709.787,00
8 Programme for the Competitiveness of Enterprises and small and medium-sized enterprises (COSME)	66	25.267.211,80
9 02 Enterprise and industry	64	26.923.312,98
10 European Neighbourhood Instrument (ENI)	53	37.029.354,25

Fig 14 – Most popular EU programs attended by Italians, 2015. Analysis based on the data available at http://ec.europa.eu/budget/fts/index_en.htm, visited on 28/08/2016

In 2015, the most popular EU program under which Italy has won more, with 1316 commitments, is Horizons 2020.

If, instead, we look at the geographical distribution of the entities, so where the winners of EU projects are from, it is emerged that the majority of them are from the North of Italy. For example, the data related to commitments of 2013 show that the 63% of entities were from the North's regions, the 27% were from the Middle and the almost 9% were from the South of Italy.

Macro Area of Italy	% on the total
North	63.46%
Middle	27.57%
South	8.97%
Total	100%

Fig 15 – Geographical distribution of commitments in Italy, 2013. Analysis based on the data available at http://ec.europa.eu/budget/fts/index_en.htm, visited on 28/08/2016

The entities and companies of Lombardia region represented the 29.38% on the total of Italian's beneficiaries, and the 17,98% of those were from Milan. The macro area of South

(and isles) gained less than 10% of the total commitments, an alarming data considering that the area is composed by six Italian regions, and that, no one among them overcome the commitment average of 3% (always referring to 2013).

South Regions	% on the total
Puglia	2.86%
Sicilia	2.24%
Campania	2.11%
Sardegna	0.96%
Calabria	0.45%
Basilicata	0.35%
Total	8.97%

Fig 16 – Geographical distribution of commitments in South of Italy, 2013. Analysis based on the data available at http://ec.europa.eu/budget/fts/index_en.htm, visited on 28/08/2016

5.7.1 Italian Universities

To properly assess the role of the European Union in Italy and its participation in the development of our country, it is interesting to look at one of the most important Italian entity: the University.

General speaking, university attendance in Framework Programmes for Research and Technology Development (FPs) and the related funding is concentrated in different countries. But the reasons why some of the European universities have higher share of the total researchers, which are active at the European level, are different:

- Accumulated experience, that facilitates the diffusion of best practice to prepare EU project proposal and boosts networking capabilities;
- Quality of research and scholars' productivity, showed by really good academic outputs such as publications;
- Efficacy of the support staff and a wider national contexts composed by promotion system and open labour market.

To have a completed vision of the participation of European Universities to EU projects, it is necessary to look at the period of 2007-2013, in particular to the Seventh Framework

Programme of the European Community for research, technological development and demonstration activities. The table below illustrates the aggregated FP7 financial contribution of the EC for universities project and the EC funding received by all the universities.

LEVEL OF ANALYSIS	Total EC Funding (€ million)
Projects involving at least one university (UNIV projects)	38,871.8
Universities (Aggregate)	18,923.6

Fig 17 – EU funding in FP7 for University project and Universities. Analysis based on the data available at http://cordis.europa.eu/projects/home_en.html, visited on 28/08/2016

Country	UNIV Projects	% on total number of projects	University as coordinator	% of university as coordinator on total number of projects	% of university as coordinator on country projects
AT	1,179	6.1%	354	2.6%	30.0%
BE	1,493	7.8%	460	3.3%	30.8%
BG	163	0.8%	25	0.2%	15.3%
CH	1,982	10.3%	779	5.6%	39.3%
CY	166	0.9%	45	0.3%	27.1%
CZ	460	2.4%	53	0.4%	11.5%
DE	4,580	23.8%	1,440	10.4%	31.4%
DK	1,245	6.5%	389	2.8%	31.2%
EE	174	0.9%	21	0.2%	12.1%
EL	1,006	5.2%	257	1.9%	25.5%
ES	2,281	11.8%	740	5.4%	32.4%
FI	798	4.1%	214	1.5%	26.8%
FR	1,751	9.1%	573	4.1%	32.7%
HR	116	0.6%	20	0.1%	17.2%
HU	415	2.2%	79	0.6%	19.0%
IE	987	5.1%	374	2.7%	37.9%
IL	1,139	5.9%	716	5.2%	62.9%
IT	2,933	15.2%	877	6.3%	29.9%
LT	152	0.8%	11	0.1%	7.2%
LU	38	0.2%	10	0.1%	26.3%
LV	90	0.5%	19	0.1%	21.1%
MT	49	0.3%	9	0.1%	18.4%
NL	2,878	14.9%	1,117	8.1%	38.8%
NO	527	2.7%	152	1.1%	28.8%
PL	741	3.8%	140	1.0%	18.9%
PT	569	3.0%	108	0.8%	19.0%
RO	248	1.3%	22	0.2%	8.9%
SE	2,011	10.4%	556	4.0%	27.6%
SI	217	1.1%	16	0.1%	7.4%
SK	150	0.8%	13	0.1%	8.7%
UK	7,986	41.5%	4,234	30.6%	53.0%
TOT	19,257	100.0%	13,823	100.0%	71.8%

Fig 18 – The number of University projects by country in FP7. Analysis based on the data available at http://cordis.europa.eu/projects/home_en.html, visited on 28/08/2016

The average EC funding for Universities projects has been about €2.02 million, while universities have received on average € 14.85 million, corresponding to an average of € 0.98 million per project. In addition, statistics on the incidence of universities projects over the total number of projects in FP7 indicate that, on average, universities are involved in larger projects. The table below reports the count of university projects by country, showing that UK is the country with the highest percentage of university projects on the total number of projects (41.5%), followed by Germany (23.8%), Italy (15.2%) and Nederland (14.9%). Another interesting data about the role of European universities is that among the 19,257 projects hosting a university as a partner, 13,823 were coordinated by a university.

Country	Projects	Participants	Total EC funding received by universities (C million)
AT	1,179	39	499.6
BE	1,493	26	721.9
BG	163	27	30.2
CH	1,982	24	1,217.8
CY	166	11	47.4
CZ	460	23	116.3
DE	4,580	188	2,674.0
DK	1,245	13	605.3
EE	174	7	39.1
EL	1,006	33	318.5
ES	2,281	71	773.8
FI	798	21	370.3
FR	1,751	175	693.6
HR	116	29	38.8
HU	415	22	100.4
IE	987	23	394.3
IL	1,139	17	605.6
IT	2,933	85	1,182.0
LT	152	13	22.6
LU	38	1	12.8
LV	90	12	19.0
MT	49	1	6.0
NL	2,878	35	1,771.9
NO	527	24	263.1
PL	741	79	182.5
PT	569	48	143.6
RO	248	34	38.8
SE	2,011	31	1,069.4
SI	217	10	39.8
SK	150	17	26.0
UK	7,986	135	4,899.4
Total	19,257	1,274	18,923.6

Fig 19 – The amount of EU funding by country of participants in FP7. Analysis based on the data available at http://cordis.europa.eu/projects/home_en.html, visited on 28/08/2016

Actually, looking at Italy, the results obtained by our universities are good if we consider the scientific productivity indicators based on the number and quality of publications. However, the ability of researchers doesn't automatically evolve in the capability of winning

financial resources in the competitive market of research and innovation. As the considerations above have demonstrated, the FP7 has established €50 billions in the period 2007-2013 to make the European Union the world leader in research and development. The European universities that have attended the Program were around 1300, for a total amount of 19 thousand projects with a value of around 39 billions (among which around 19 billions went to universities and the rest to the other partners).

But concerning Italy, as the chart above shows, 85 universities have attended around 2900 projects, that corresponds to the 15% of the all universities projects, and have received an amount of around € 1,2 billion. As the apple chart below demonstrates, this amount is equivalent to the 6% of the total amount allocated for universities, putting Italy at the same place in the European rank with Switzerland and Sweden, countries smaller but more active than us (furthermore, Switzerland is not a Member State).

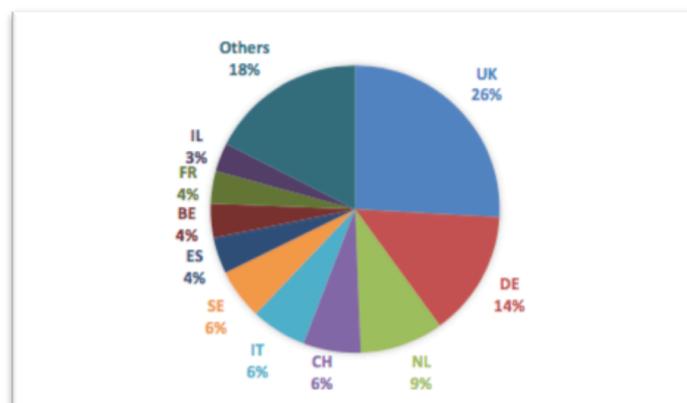


Fig 20 – Top 10 countries in terms of share of funding received in FP7. Analysis based on the data available at http://cordis.europa.eu/projects/home_en.html, visited on 28/08/2016

So, if from one side it is positive the fact that we place at the 4th place regarding the funding received, it is true that Italy could yearn for results more satisfying.

5.7.2 Small and Medium Enterprises: the SME Instrument

The other entities that are worth looking are the Small and Medium Enterprises, which play a fundamental role in the European economy firstly, and in the Italian one too. Their key role is in terms of the number of enterprises, contribution to employment and value added produced.

Size	EUROPE			ITALY	
	Number of enterprises	Weight	Weight (excluding Italy)	Number of enterprises	Weight
Micro	18.035.044	91,80%	90,90%	4.083.426	94,90%
Small	1.353.000	6,90%	7,60%	194.376	4,50%
Medium	213.000	1,10%	1,20%	21.352	0,50%
SMEs	19.601.600	99,80%	99,70%	4.299.154	99,90%
Large	410.000	2,10%	2,70%	3.215	0,10%
Total	19.647.000	100,00%	100,00%	4.302.369	100,00%

Fig 21 – SMEs in Europe and Italy. Source: Eurostat

Excluding self-employment, in Italy micro enterprises (1 to 9 employees) accounted for 94.9%, small (10 to 49) and medium-sized (50 to 249) enterprises for 4.5% and 0.5%, respectively, of total Italian corporates within the industry and production services sectors in 2015. Data show how deep the economic and financial crisis from 2008 to 2013 impacted on the Italian industrial system, with a sharp fall of about 41% in the number of firms.

In spite of signs of recovery, the effects of the economic crisis on SMEs are still evident and a sustainable improvement to the innovation eco-system for SMEs in Europe requires a continued focus on a push-pull policy that concretises opportunities for entrepreneurs to engage into innovation.⁸⁵

More than ever, European Union with its investments into SME innovation is aiming at accelerating company development and growth, facilitating access for Italian and European companies to financing through various programmes, including grants, loans, guarantees, equity and venture capital.⁸⁶

⁸⁵ EUROPEAN COMMISSION, Horizon 2020_Work Programme 2016-2017, Bruxelles, 2016

⁸⁶ Available at <http://www.erionet.org/site/basic100003.html>, visited on 10/09/2016

Focusing on Direct Funds, as already explained, European Union grants are available directly from the European Commission and its executive agencies and Italian businesses are eligible to apply for them. From the other side, SMEs can answer to the calls for proposal issued by the European Commission and be assessed through a competitive process. Indeed, EU funding support has been largely consolidated under Horizon 2020 and COSME, the EU Competitiveness and SME programme. Whereas COSME aims at providing growth finance for relative mature SMEs and the development of better framework conditions for SME growth in the industrial change context, Horizon 2020 actively supports SMEs by providing both direct financial support and indirect support to increase their innovation capacity. The aim of the “Innovation in SMEs” is to create a bridge between the core of the framework programme, such as research and development support, and the creation of a favourable economical environment for SME growth.

SMEs can find this kind of support through a dedicated SME Instrument. This one offers seamless business innovation support under the section Societal Challenges and the specific part Leadership in Enabling and Industrial Technologies (LEITs).⁸⁷ Actually, it attracts more SMEs to Horizon 2020 and helps to boost the economic impact of project results by a company-centric and market-driven approach.

So, provided with about € 3 billion in funding over the period 2014-2020, the SME Instrument aims at helping high-potential SMEs to develop groundbreaking innovative ideas for products, services or processes that are ready to face global market competition.

During 2014-2015, the first two years of implementation, more than 1200 European SMEs were selected to receive funding under the SME instrument call and € 513 million were invested in the success of their innovation. In 2016-2017, access to finance for R&D is expected to remain a bottleneck for the commercialisation of innovative products or services.

The prime targets of SME Instrument are the innovative enterprises with a clear commercial ambition and a potential for high growth and internationalisation. It is characterized by 3 different phases, which are related to the company positioning and to the project presented.

⁸⁷ Available at <https://ec.europa.eu/programmes/horizon2020/en/h2020-section/sme-instrument>, visited on 10/09/2016

The first phase is the feasibility assessment for which funding is available for exploring and assessing the technical feasibility and commercial potential of the innovation proposed by the company. The amount of funding for this phase corresponds to € 50.000 per project.

The second phase is called “innovation project” and it regards the funding for innovation projects underpinned by a sound and strategic business plan, potentially elaborated during the phase 1. The related amount of funding is in the indicative range of € 500.000 - € 2.5 million or more. This phase has a typical duration of 1 or 2 years.

The third phase is the commercialisation one, with the aim of facilitating the commercial exploitation of the innovation activities resulting from the phase 1 or phase 2.⁸⁸

However, this instrument is not for all kind of SMEs: the innovation of the project and the link to the European topics more sensible under the profile of innovation, characterize the boundaries between which the projects are selected. The proof of this strict selection is visible in 2016, when there have been 3 calls for proposal (in February, in April and in June), to which have been presented 2715 projects, and only 51 have won. The rate of success corresponds to 5.6% of the total projects presented. Moreover, the rate of participation has increased from the first call (553 projects proposed) to the third call (1193) and consequently, the rate of success is decreased from 8.5% of the first call to 4.7% of the third.

In 2016, 2005 proposals found their way to SME Instrument Phase 1 on the second cut-off date and 2138 SMEs in total participated in these proposals.

As it is possible to see in the chart, Italy during the Phase 1 of 2016 submitted the most proposals (3591) followed by Spain (2975) and UK (1614). According to EU Commission, the overwhelming majority of proposals (95%) were submitted by a single SME. Italy places at the second position concerning the funded proposals (237), gaining a total amount of almost €12 million. But a cause for reflexion should be the fact that among more than 3500 proposals, only the 6.7% has been accepted.

⁸⁸ Available at <https://ec.europa.eu/programmes/horizon2020/en/h2020-section/sme-instrument>, visited on 10/09/2016

Country	Total Nr of Proposals	Non Eligible Proposals	Evaluated Proposals	Not Funded Proposals	Proposals Below Budget	Funded Proposals	Proposals Above Threshold	Granted Budget
Spain	2.957	36	2.921	2.337	279	305	584	€ 15.250.000,00
Italy	3.591	44	3.547	3.105	205	237	442	€ 11.850.000,00
United Kingdom	1.614	15	1.599	1.219	183	197	380	€ 9.850.000,00
Germany	1.089	13	1.076	884	95	97	192	€ 4.850.000,00
France	797	11	786	652	56	78	134	€ 3.900.000,00
Netherlands	617	10	607	510	40	57	97	€ 2.850.000,00
Denmark	362	3	359	262	41	56	97	€ 2.800.000,00
Sweden	366	1	365	291	20	54	74	€ 2.700.000,00
Israel	347	3	344	262	37	45	82	€ 2.250.000,00
Ireland	259	7	252	196	18	38	56	€ 1.900.000,00
Finland	426	6	420	366	18	36	54	€ 1.800.000,00
Portugal	430	0	430	363	33	34	67	€ 1.700.000,00
Norway	256	2	254	204	18	32	50	€ 1.600.000,00
Poland	896	14	882	818	32	32	64	€ 1.600.000,00
Estonia	207	1	206	167	11	28	39	€ 1.400.000,00
Slovenia	514	4	510	463	21	26	47	€ 1.300.000,00
Hungary	775	8	767	714	28	25	53	€ 1.250.000,00
Austria	192	3	189	148	17	24	41	€ 1.200.000,00
Belgium	236	4	232	196	15	21	36	€ 1.050.000,00

Fig 22 – Beneficiaries of SME Instrument funds in June 2016, PHASE 1. Analysis based on the data available at <http://ec.europa.eu/easme/en/statistics-sme-instrument>, visited on 10/10/2016

Moreover, for what concerns the Phase 2 of the SME Instrument, it is interesting to see that Italy continues to be the first for the number of proposals submitted (1100) but the third regarding the funded proposals (45) after the process of assessment by the EU Commission. Comparing the winning proposal with the submitted ones, only the 4% has been accepted.

Country	Total Nr of Proposals	Non Eligible Proposals	Evaluated Proposals	Not Funded Proposals	Proposals Below Budget	Funded Proposals	Proposals Above Threshold	Granted Budget
Spain	1.040	18	1.022	514	420	88	508	€ 119.736.923,36
United Kingdom	817	14	803	461	289	53	342	€ 100.220.024,77
Italy	1.100	13	1.087	702	340	45	385	€ 70.651.320,39
Germany	540	8	532	314	182	36	218	€ 60.857.546,40
France	628	6	622	402	189	31	220	€ 54.527.961,60
Finland	313	4	309	161	124	24	148	€ 39.352.141,01
Sweden	306	10	296	169	106	21	127	€ 35.259.921,43
Netherlands	352	6	346	200	126	20	146	€ 46.344.379,88
Denmark	223	6	217	119	82	16	98	€ 23.998.201,81
Ireland	142	2	140	72	52	16	68	€ 32.475.112,99
Israel	383	9	374	220	139	15	154	€ 26.366.957,15
Hungary	255	2	253	181	62	10	72	€ 12.829.709,75
Slovenia	129	4	125	88	28	9	37	€ 11.449.809,75
Austria	108	3	105	60	37	8	45	€ 13.514.156,78
Norway	95	3	92	43	42	7	49	€ 11.047.321,52
Estonia	106	3	103	55	42	6	48	€ 9.457.700,50
Greece	152	4	148	124	19	5	24	€ 9.574.060,63
Portugal	127	6	121	76	40	5	45	€ 6.360.570,34
Turkey	71	0	71	51	16	4	20	€ 5.301.826,50
Poland	139	3	136	92	41	3	44	€ 6.860.518,00
Belgium	102	4	98	59	38	1	39	€ 2.337.125,00

Fig 23 – Beneficiaries of SME Instrument funds in June 2016, PHASE 2. Analysis based on the data available at <http://ec.europa.eu/easme/en/statistics-sme-instrument>, visited on 10/10/2016

Moreover, it is possible to see the distribution among Italian regions of the beneficiaries of SME Instrument funds. As previously said, Lombardia Region confirms to be the more active and efficient in proposing and then winning projects, and as clearly visible by the Italy map, the majority of beneficiaries are located in Northern Italy. This is of course linked to the distribution of small and medium enterprises: indeed, Lombardia is the first region to host 137 SMEs in 2015, followed by Veneto (79) and Piemonte (41).

	Region	Beneficiaries	Projects
1	Lombardia	92	79
2	Lazio	40	34
3	Emilia Romagna	37	35
4	Toscana	20	19
5	Piemonte	19	18
6	Veneto	14	14
7	Liguria	7	6
8	Campania	6	6
9	Marche	6	5
10	Calabria	5	4
11	Trentino A.A.	5	4
12	Puglia	4	4
13	Abruzzo	4	4
14	Sicilia	4	4
15	Friuli V.G.	4	4
16	Umbria	4	4
17	Sardegna	3	3



Fig 24 – Beneficiaries and Projects per Italian Region in 2015. Analysis based on the data available at <http://ec.europa.eu/easme/en/statistics-sme-instrument>, visited on 10/10/2016

5.8 Why you should try anyway

For those who look at this tool as a possible way to launch their investment project, the data is not very reassuring: as the numbers demonstrate, the competition is very high. However, there are many points that prove that attending this program could be very useful, but it is necessary to follow the good sense.

First of all, it is necessary to be aware that the tool is not applicable for every kind of enterprise, but only for those who own an innovative project linked to the referred topics. Once having established the possible issues, solutions and objectives of the project, and

having connected them to one of the topics, the second decisive phase is to verify the status of the proposal under the point of view of Technology Readiness Level and the Financial viability of the company. Without these two conditions the attendance to the second phase is highly discouraged. As already said, obviously these two conditions are not enough to assure the financing, but it is fundamental also:

- The innovativeness of the proposal in respect to the existing solutions;
- The definition of a clear, realistic and efficient commercial plan;
- The optimistic context appropriate to reach the objectives planned;
- The definition of a project proposal that fits with all these aspects.

So, even if the financing is not reached, it is a matter of fact that that answering to a call for proposal and engaging on drafting and developing a high level project, can give the possibility to exploit other financial and market tools.

In addition, to those proposals which are not accepted because of shortage of budget the “Seal of excellence” certificate is addressed, that can be useful once it is decided to apply for an European indirect funds, proposed by Regions and Member States.

By this way, gaining a positive response from the Commission, even if not winning, creates the possibility to enhance the image of the company, its credibility and intention to get in the game.

5.9 Conclusion

Concluding, attending an European Program as, for example, the SME Instrument, can be very useful for an entity, from a University to a company, for many reasons: first of all, it gives the possibility to develop initiatives and activities which bring benefit for all the citizens. Then, it gives the chance to develop and elaborate capabilities internal to the entity, and meanwhile to create networks, contacts and exchange of information and knowledge with partners from all over the world. Finally, it is a good way to get a financing.

But, as the data has demonstrated, sometimes these amounts are too small: the success occasions are decreasing as the demand is instead increasing.

However, there are also some risks that should be taken into consideration: the most important is the disengagement of the companies: after making a round tool awareness campaign, fuelling the interest and curiosity of enterprises, merged into a significant growth of the applications, the risk is to have a boomerang effect given by the very little chance of success with negative returns of image that unfortunately Europe is prone for several years.

The situation can also be exacerbated by the fact that the SME Program, for example, invokes in its mission the reason to overcome entry barriers to financings for innovative projects of small and medium-sized enterprises in today's context, were credit restrictions remain, especially in some region and countries, a big limit.

A help to the Commission in this sense might come from National and Regional Authorities, which through the management of EU Indirect Funds addressed to them, could offer a chance of access to finance those projects evaluated positively but not eligible for lack of budget. In this way it would be avoided the disperse of the wealth of know-how built by these companies and the "Seal of Excellence" certificate, mentioned above, who has exactly this role.

FOURTH CHAPTER

6. Case Study: Tecnica Group and the “Premium Project”

What did go wrong?

6.1 Identifying EU funding opportunities: the Multiannual Financial Framework 2014-2020

As previously presented, the Multiannual Financial Framework (MFF) sets the limit on EU expenditure over a fixed period of seven years. The current MFF was approved in 2013 for the period 2014-2020 and divides the EU budget into six categories of expense – headings – corresponding to different areas of EU activities. It also limits overall spending to a percentage of EU Gross National Income (GNI).

Currently overall expenditure must not exceed 1.23% of EU GNI. However, this limit has never yet been reached.

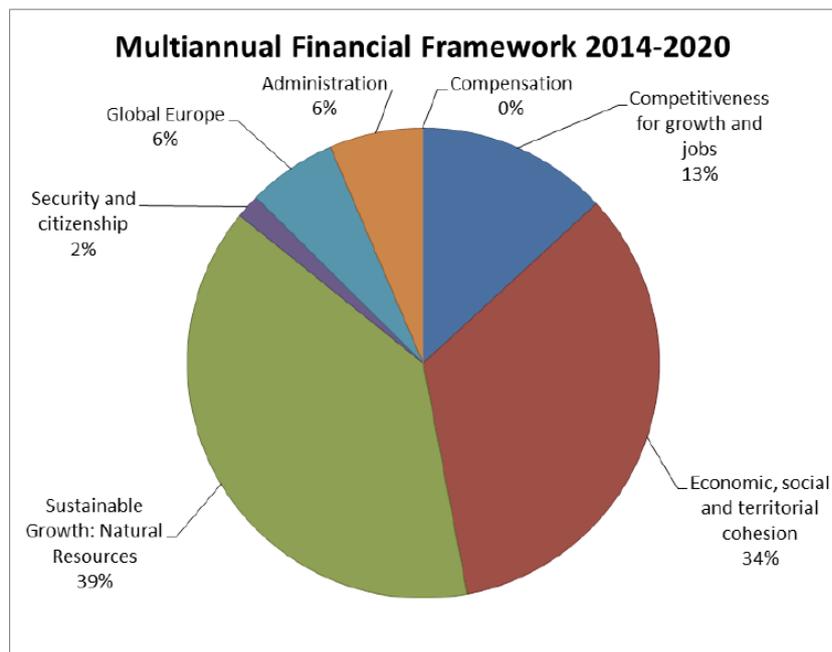


Fig 25 – Multiannual Financial Framework 2014-2020

6.1.2 Europe 2020

The actual program period 2014-2020 has some news in the field of European programs management. Comparing to the previous period (2007-2013), many programs have been incorporated, creating a new framework that gives more importance to priority sectors. The strategic choices that have brought to the actual funds' allocation and structure are based on the Strategy Europa 2020. So, Europe 2020 is the EU strategy for growth and jobs. It was adopted by the European Council on the 17th June 2010 and it is considered the successor of the Lisbon Strategy of March 2000. In 2010 the EU found itself in a very difficult situation under the economic point of view: the Communication from the Commission Europe 2020 – A strategy for smart, sustainable and inclusive growth, stated that the crisis has blotted out years of economic and social development, and it has exposed European economy to structural weaknesses and long-term challenges, as globalization, pressure on resource, ageing⁸⁹. Those were the reasons why the European Union has established a new agenda which aims at overcoming structural weaknesses and strengthening economy by improving competitiveness, employment and productivity.⁹⁰

Therefore, the 3 priorities of Europe 2020 strategy are:

- Smart growth, so an economy based on knowledge and innovation;
- Sustainable growth, so a more efficient economy concerning resources and environment;
- Inclusive growth, so an economy with an high employment rate, which favour the economical, social and territorial cohesion.

Starting with a strategic view of how Europe should be in 2020, the Europe 2020 Strategy works towards some goals:

- To increase the employment rate of the population with the age between 20 and 64 years at least at 75%;
- To invest the 3% of GDP in R&D, improving the investment in the private sector and the progress in the field of innovation;

⁸⁹ European Commission, *Europe 2020 – A strategy for smart, sustainable, and inclusive growth*, COM(2010) 2020 final, Brussels, 2010, p. 5

⁹⁰ Eurostat, *Smarter, greener, more inclusive? Indicators to support the Europe 2020 strategy*, Luxembourg, Publication Office of the European Union, 2013, p. 15

- To reduce the greenhouse gas emission of at least 20%, to increase the use of renewable resources (20%) and the energetic efficiency;
- To reduce school drop-out rate at 10% and increase the quota of population among 30 and 34 years with an university diploma (40%);
- To reduce of 25% the number of Europeans who live under the poverty levels.⁹¹

The President of the Commission, José Manuel Barroso, stated in the Preface of the 2010 Communication *Europe 2020 – A strategy for smart, sustainable, and inclusive growth*:

*“2010 must mark a new beginning. We must have confidence in our ability to set an ambitious agenda for ourselves and then gear our efforts to delivering it”.*⁹²

The analysis of this Strategy, as the one of the single strategies belonging to each European program, is the starting point to develop an effective European program management activity.

6.1.3 Horizon 2020

Horizon 2020 provides funding for every stage on the innovation process from basic research to market uptake. It is the financial instrument implementing the Innovation Union.⁹³ With a remarkable budget of € 80 billion, its major goal is to generate innovation and improve conditions and access to finance for research and development.

Its structure consists of 3 pillars, which are developed through specific programmes and a dedicated financial contribution:

- Excellent science, that aims at raising the level of excellence in Europe’s science base and ensuring a steady stream of world-class research to secure Europe’s long-term competitiveness;

⁹¹ European Council Conclusions, 17 June 2010, EUCO 13/10, Brussels, 2010, Annex I, p. 11

⁹² COM(2010) 2020 Final, Brussels, 2010, p. 2

⁹³ ROMANA ZOTTA, EU Funding opportunities 2014-2020 Practical Guide, Bruxelles, 2014

- Industrial leadership, which has the objective of making Europe a more attractive location to invest in research and innovation by supporting major investments in key industrial technologies;
- Societal challenges pillar addresses major concerns shared by citizens in Europe and covers activities from research to market with a new focus on innovation-related activities.⁹⁴

The first pillar, Excellent Science, can be awarded through for projects. European Research Council (ERC), Future and Emerging Technologies, Marie Curie Actions and Research Infrastructures. The Industrial Leadership pillar contains three measures right inside: Leadership in enabling and industrial technology, Access to risk finance and Innovation in SMEs. Finally, the Societal Challenges pillar fosters cooperation projects in different fields: health, demographic change and wellbeing, food security, sustainable agriculture and bio-economy, energy security, climate action and resource efficiency and, in the end, security societies.

So, the general objectives of Horizon 2020 are:

- To promote scientific excellence and the European research system;
- To increase and support competitiveness and European Industrial leadership;
- To respond to the major societal challenges Europe is facing by helping to bridge the gap between research and the market.

6.1.4 H2020: legal documents

In order to give an overview of all legal texts relevant to introduce Horizon 2020⁹⁵, it is correct to firstly focus on Regulation (EU) No 1291/2013 of the European Parliament and of the Council of 11 December 2013 establishing Horizon 2020 – the Framework Programme for Research and Innovation (2014-2020). Second, relevant is the Regulation (EU) No 1290/2013 of the European Parliament and the Council of 11 December 2013, that lays down the rules for applying to Horizon 2020. Finally, it is important to consider other two legal texts: Council Regulation (EURATOM) No 1314/2013 of 16 December 2013 on the Research

⁹⁴ Available at <https://ec.europa.eu/programmes/horizon2020/en/what-horizon-2020>, visited on 25/07/2016

⁹⁵ The legal texts can be found on the Horizon 2020 Participant Portal: http://ec.europa.eu/research/participants/portal/desktop/en/funding/reference_docs.html, visited on 25/07/2016

and Training Programme of the European Atomic Energy Community (2014-2018), which complements the Horizon 2020 Framework Programme for Research and Innovation and Council Decision of 3 December 2013 (2013/743/EU) establishing the specific programme implementing Horizon 2020 – the Framework Programme for Research and Innovation (2014-2020).

In particular, the Regulation (EU) No 1291/2013 establishes the Horizon 2020 Programme and regulates the framework managing Union support for research and innovation activities. Its legal basis can be connected to Articles 173(3) and 182(1) TFEU. Article 173(3) TFEU declares that the Union shall achieve the necessary conditions for the competitiveness of Union industry through the implementation of specific measures, supporting Member States' initiatives. Article 182(1) TFEU agrees upon the adoption of a multiannual framework programme to implement actions in the scientific and technological fields and to establish the budget. Then, the Regulation (EU) No 1291/2013 figures out general rules for Horizon 2020, such as priorities, general objectives and budget. Attached to the Regulation it is possible to find two Annexes that contains the description of the programme activities and the resource allocation for H2020 actions.

Regulation (EU) No 1290/2013 establishes the rules for participation, and the ones for exploitation and dissemination of results in indirect activities realised under Regulation (EU) No 1291/2013.⁹⁶ These technical issues are so defined: the participation, so the whole process of selection of Horizon 2020 projects, from the conditions for participation to proposals, eligibility for funding, evaluation and award criteria. Then, there are the funding rules and financial aspects for H2020, with the definition of the eligibility of costs, direct or indirect. Finally, the other important issue is the rules governing the exploitation and dissemination of results: it establishes that participants should make efforts to exploit the results they own, or to have them exploited by another legal entity.⁹⁷

In the end, it must be remembered Council Decision of 3 December 2013 (2013/743/EU) that establishes the specific programme that implements Regulation (EU) No 1291/2013. The

⁹⁶ Regulation (EU) No 1290/2013 of the European Parliament and the Council of 11 December 2013 laying down the rules for participation and dissemination in “*Horizon 2020 – the Framework Programme for Research and Innovation (2014-2020)*” and repealing Regulation (EC) No 1906/2006, OJ L 347, 20.12.2013, Article 1.1, p. 5.

⁹⁷ Regulation (EU) No 1291/2013 of the European Parliament and of the Council of 11 December 2013 establishing Horizon 2020 – the Framework Programme for Research and Innovation (2014-2020), OJ L 347, 20.12.2013, p.18.

decision establishes the objectives in support of the research and innovation activities laid down in Article 1 of the latter Regulation⁹⁸, as well as the rules for its implementation. The specific Programme takes into account the different Parts that compose H2020: Excellent Science, Industrial Leadership, Societal Challenges, Spreading excellence and widening participation, Science with and for society, and Non-nuclear direct actions of the Joint Research Centre (JRC).

For what concerns the eligible countries, those are: the 28 EU Member States, the acceding countries, the candidate countries and the potential candidates, in accordance with the general principles and general terms and conditions for the participation. In addition, are eligible countries those third countries that fulfil these criteria:

- Have a good capacity in science, technology and innovation;
- Have a good track record of participation in Union research and innovation programmes;
- Have close economic and geographical links to the Union.

Therefore, researchers all over the world can participate in Horizon 2020 projects - though they are not always eligible for H2020 funding. The criteria of funding can be adopted to distinguish countries that are automatically eligible for it and those that are not.

In matter of automatically eligibility, the *associated countries (AC)* are evaluated as EU member states and they can apply for funding under the same conditions. Association to Horizon 2020 takes place through the conclusion of an International Agreement and according the Article 7 of the Horizon 2020 Regulation.

As of 29 April 2016, the encountered association countries are: Iceland, Norway, Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Montenegro, Serbia,

⁹⁸ Article 1 of Regulation (EU) No 1291/2013: “*This Regulation establishes Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020) ("Horizon 2020") and determines the framework governing Union support to research and innovation activities, thereby strengthening the European scientific and technological base and fostering benefits for society as well as better exploitation of the economic and industrial potential of policies of innovation, research and technological development.*”

Turkey, Israel, Moldova, Switzerland (in form of partial association), Faroe Islands, Ukraine, Tunisia, Georgia⁹⁹.

Other 130 *developing countries* are automatically eligible for funding. In order to consult the full list of these countries there is the Annex A of the Work Programmes.

On the other hand, the countries which are not automatically eligible for funding but affordable in exceptional circumstances are those industrialized and emerging.

In these specific type of economies, participants have themselves to determine the sources of funding and find the resources for their part of the action. Nevertheless, several countries have created mechanisms to co-fund their participants in Horizon 2020 actions selected for EU funding. This source can be established through a bilateral agreement between that country and the EU (e.g. researchers in the United States are eligible when participating in the health programme on the basis of a reciprocal EU - US/NIH arrangement), through an explicit inclusion of the country in the matter of eligibility in the relevant work programme and call for proposal or thanks to the European Commission evaluation in terms of essential contribution of the same country for carrying out the action.¹⁰⁰

Summing up, the eligible partners for the Horizon 2020 Programme can be:

- Independent researchers;
- Public bodies/entities;
- Private bodies/entities.

So, Horizon 2020 is open to everyone eligible and has a simple structure that reduces time so participants have the possibility to focus on what is really important. In fact, this approach assures new projects to get off the ground quickly and to achieve the results faster.¹⁰¹

⁹⁹ Available at http://ec.europa.eu/research/participants/data/ref/h2020/grants_manual/hi/3cp/h2020-hi-list-ac_en.pdf, visited on 25/07/2016.

¹⁰⁰ EC Research and Innovation, *International cooperation "Open to the world"*, Participant Portal H2020, Online Manual

¹⁰¹ Available at <https://ec.europa.eu/programmes/horizon2020/en/what-horizon-2020>, visited on 25/07/2016

6.2 Getting into the action: the Participant Portal

In the wide scenario of Horizon 2020, participants could be various and leading multidisciplinary areas. Once they demonstrate willingness to apply for the calls raised by the framework programme, the to-do-list in order to be successful starts to be laid down. Generally speaking, the idea needs to be introduced efficiently to the applicants by the future leader. The project is scheduled with a specific aim and a collaboration team in order to apply correctly to the objective pointed out in a specific call for proposal. The leader of the consortium of applicants has the task to complete the submission form in all of its details. The guidelines are several to draw a complete project form: with respect to the general rule established by the framework programme, the coordinator of the project needs to be concise and coherent to perform suitable to the call. In a nutshell, after the selection of project collaborators and the confirmed answer for the creation of the leading consortium, the coordinator submits electronically the form on the participant portal. Below is an example of the request from the coordinator for the partners' approval to the Premium Project submission.

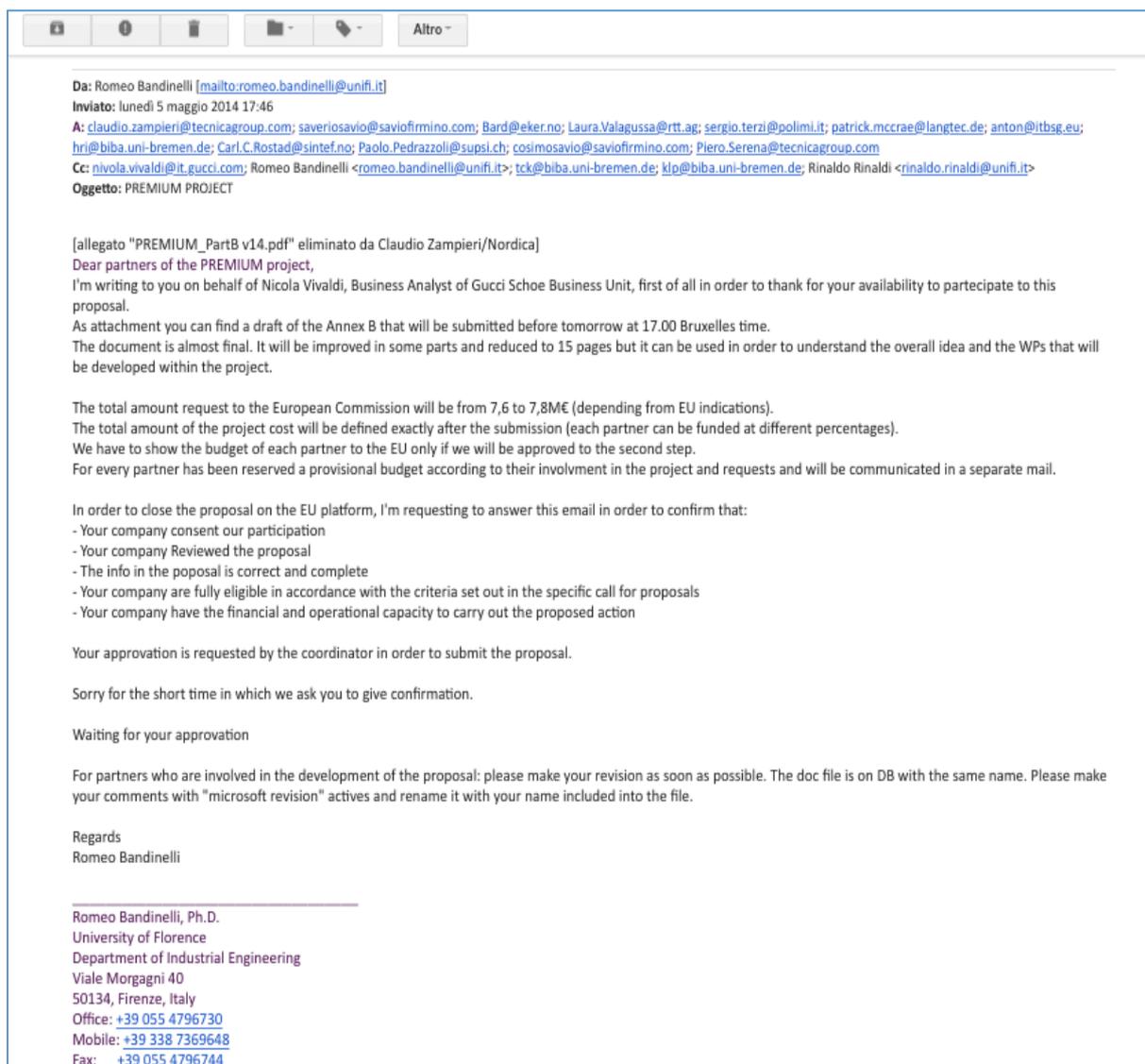


Fig 25 – Example of Email received from Romeo Bandinelli, University of Florence, for the Project PREMIUM, presented in the following paragraphs

The world of beneficiaries and consortium leaders orbits around the Participant Portal. This web platform predisposed for Horizon 2020 calls for a brief introduction of all the members involved in the project. Furthermore, this structure allows to the whole consortium to act directly into the submission form and to get a perspective of somehow active participation.

Spurred by the idea of direct involvement, the efforts of all the applicants are evaluated in the sections of contributions description and, moreover, in the description of work. The latter

is the core section of the presented project: the efforts of the consortium are highlighted through the division of task activities. Individual participants engage themselves in performing certain specific activities in order to achieve the corresponding objectives.

Hence, the consortium delegates a specific division of tasks since the first moment of the procedure. The division is further approximate throughout the budget allocation. In this sense, the coordinator takes care of detailing the financial sources for the project in the pipeline of the submission form. Thus, the participant portal issues with transparency and real financial impact producing more equality in the fundraising process sponsored within the European Union.

The essentiality of a project concerns with the approach to its development. Basing on the initial intention of the leading consortium, the project confirms its validity even through the series of activities performed in a certain manner by each member of the consortium. In this sense, the schedule organized in the submission form allows the European Commission to figure out actions able to change business scenarios.

Breaking the consortium's ambitions down, the EC gets immediately a glimpse of the outputs. Therefore, it is an initial task for the probable beneficiaries to evaluate the expected impact of their actions. The consortium shall undertake specific policy of dissemination and future post-project activities to persuade the EC.

The specific matter of the DG in charge of controlling the submission form comes up in the same participant portal. Research and innovation needs to be figured out in the central section of the form. They call for positioning the innovation driven by this project within the previous state-of-art. Finally, the environment in which the project will affect with its efficiency is crucial point of analysis.

6.2.1 How to fulfil the application form

The project application form becomes relatively easy to fill once getting confidence with the Participant Portal. Indeed, each call for proposal adopts its own application model. The application form is provided on the program website, together with the guide for applicants in drafting the application. It sets down the background or context of the program, its objectives and priorities, the financial allocation provided, the eligibility criteria, the application procedures and instructions, the deadline for the submission or application, the notification of the Commission decision, and the details of a contact person from the Commission. The guide for applicants also provides the evaluation grid. This grid illustrates the criteria according to which the Commission will evaluate the project proposals. Before submitting a proposal, it is important to make sure that the project fulfils all the valuation criteria listed in the grid provided.

The application form normally includes:

- a summary/abstract describing the action and its major outputs and results. It should be self-explanatory and easy to understand;
- the state-of-the-art, which should explain which barriers or needs the project aims to address, the problem or a gap that the project proposes to solve, and what the project will add to the current situation. It also has to explain how the project builds on previous initiatives, that is, how it uses its results and how they will feed into the proposed work. Furthermore, it has to link it to relevant actions in participating countries;
- the specific objectives that the project aims to achieve and the effects they will bring out by the end of the project;
- the general objectives or the longer-term effects that can be realistically expected after the performance of the project, the immediate and long-term results and the impacts of the action;
- the performance indicators, which must assess the projects' results and potential impacts;
- the target groups or the main groups the project aims to reach. How they will be engaged to take own ownership of the results in the future;
- the Community/European Added Value of the project;

- the composition of the Consortium: it should explain the reasons why the specific consortium has been formed and how the participants are capable of achieving the project objectives. It should also show the complementarity among the partners and their commitment to the tasks and the co-financing sources for each participant. There should be also description of the organization and relevant experience of the key personnel proposed to work on this action;
- a budget/financial proposal, which must show in detail the planned expenses and revenues, using the co-financing principle. The budget should cover only the eligible costs, that are the costs necessary for the fulfilment of the action;
- the annexes, which include legal documents, legal entity form, balance sheets and profit and loss account, financial identification form, declaration by the applicant and letter of support/intent.

In the following chapter, it is presented the Case Study of Project “Premium”, breaking down the Work Packages that have contributed to the development of the project. The core of the analysis is to look at the contents through its deliverables, milestones and descriptions of work in order to enhance the critical points that have brought to the financing refuse by the European Commission.

6.3 Project “Premium”: New business models for intelligent customer-driven co-design of sustainable PREMIUM products

6.3.1 Topic and objectives

The Project “Premium” is the answer to the call of proposal under the Work Programme Horizon 2020. In particular, the denomination of the Call is “H2020-NMP-35-2014: Business model with new supply chains for sustainable customer-driven small series production” and the work program topic is Nanotechnologies, advanced materials and production (NMP). Before going into details of the Project, here below the Topic description of this specific call.

TOPIC : Business models with new supply chains for sustainable customer-driven small series production

Topic identifier: NMP-35-2014
Publication date: 11 December 2013

Types of action: IA Innovation action
DeadlineModel: two-stage
Opening date: 11 December 2013

Deadline: 06 May 2014 17:00:00
2nd stage Deadline: 07 October 2014 17:00:00

Time Zone : (Brussels time)



Horizon 2020

[Call budget overview](#)

Topic Description - Less

Scope:

Specific challenge: For small series production of, for instance, consumer goods, the traditional supply chains are not suitable. Although internet sales, both B2C and B2B, are fast growing, most of the underlying supply models are still traditional. The change to a faster supply of smaller series and fully personalised products is hampered by the fact that current industrial supply chains are mainly cost-driven, resulting in large series and long lead times. Supply and demand are not in balance. Quality and customer satisfaction are often compromised. Moreover actual production is taking place anywhere in the world and does insufficiently take into account issues of social, environmental and energy sustainability.

Scope: The internet has the potential to support a fully new supply chain model that is fully customer driven. New business solutions should enable consumers to become designers and "customisers"; retailers to become virtual business brokers; manufacturers to produce in a distributed and small scale manner; and suppliers to be more flexible and demand-driven.

So, as it is possible to see from the screenshot of the Participant Portal webpage related to the suitable call for the Project “Premium”, the scope of the Program is to finance a project

that aims to “*create new business solutions that enable consumers to become designers and “customisers”, retailers to become virtual business brokers, manufacturers to produce in a distributed and small scale manner, and suppliers to be more flexible and demand-driven.*”¹⁰²

The Project “Premium” responded to the second stage (7th October 2014) of the call of proposal NMP-35-2014. The consortium forecasted the duration of the project development for 36 months, starting from the 6th May 2014. The initial budget for the project was € 7.900.000 and, in order to fill the objectives proposed by this specific call, it intended to demonstrate how social media services could be used to develop customized product-services and explore advanced solutions to manage data/information on item level along the Supply Chain and products lifecycles. So, the main goal of this project is to enhance the competitiveness of Premium products industry in Europe and to increase the growth of customers spending in this region, involving them in the development of Premium companies produced by European companies, in order to close the gap between customer needs and companies products features.

Hence, it is possible to notice that the main objectives of the proposed project matched with the scope of the Topic under the Horizon 2020.

6.3.2 A short introduction to the PREMIUM Project

Premium products have become a major growth factor for Europe. A large part of the premium products supply chain (SC) is still located in Europe, because of the quality of the supply materials and parts as well as established relationships of trust amongst the SC partners. In sum, this industry generates up to one million manufacturing jobs in Europe and has become an important pillar of economic growth. The main goal of this project is to enhance the competitiveness of PREMIUM products industry in Europe and to increase the growth of customers’ spending in this region, involving them in the development of PREMIUM products produced by European companies, in order to close the gap between customer needs and companies’ products features. In order to face this challenge, the project aims to develop a customer-driven Supply Chain model, which is steered by customer data

¹⁰² Available at <http://ec.europa.eu/research/participants/portal/desktop/en/opportunities/h2020/topics/nmp-35-2014.html>, visited on 20/09/2016

sourced from online and in-store product configurators, as well as customer feedback data, gleaned from social networks, etc. This data will be applied to identify customer requirements, anticipate trends and forecasts and optimise/streamline all processes throughout the premium products SC – from product development, through procurement, manufacturing, logistics, retail and delivery – whilst at the same time improving the sustainability of products and processes. Addressing all areas of innovation identified in the call, the project will demonstrate how social media services can be used to develop customized product-services and explore advanced solutions to manage data/information on item level along the Supply Chain and products lifecycles. An integrated stakeholder driven Supply Chain planning environment will be provided, applied in two stages: a master schedule, using robust planning methods, like Conditional Value at Risk, and a short term steering by decentralized control methods, such as dispatching rules based upon evolutionary approaches.

6.3.3 Expected impact

In this section, it is possible to notice the alignment among the expected impact proposed by the Topic call and the Project's ones taken into account. For instance, here below the list figured out for the main expected impact of the call.

Expected impact:

- Return of delocalised manufacturing to Europe, in the order of at least 5% of the total manufacturing capacity, in the application area targeted by the project, within 5 years after the end of project;
- Reduction in the environmental footprint compared to products produced in the traditional value chains by 20% through less stock, less waste, and less transportation;
- Creation of a novel supply network involving at least 100 organisations and individuals at the end of the project and 1000 organisations and individuals within 5 years after the end of project;
- Creation of new embedded services supporting the customer-driven supply chain.

Type of action: Innovation Actions.

In this sense, we can observe the expectations of the Project “Premium” about the impact on the state-of-art industry scenario.

- Return of delocalised manufacturing to Europe (more than 5% of capacity): an extended impact of the PREMIUM project, with the development of a business model able to produce in a distributed and small-scale manner the products ordered by the customer, would contributed to the confirmation of the established relationship among

manufacturers and European suppliers, together with a return of delocalised manufacturing to Europe. In fact, the project is focused on the avoidance of offshore sourcing, taking advantage from the network of SMEs locally present in Europe. Moreover, this phenomenon may lead to the development of a new local competitiveness in the manufacturing process compared to the countries with cheap labour.

- Reduction in the environmental footprint (by 20% in comparison to state of practice): PREMIUM would improve the European industries competitiveness, which is actually based mostly on quality and uniqueness, ensuring the realization of eco-friendly products. The production process is improved through the reduction of environmental impacts: less wastes and stocks are consequences of the pull strategy and of customer's involvement. The project has the objective to evaluate the sustainability of the product, from raw material extraction through materials processing, manufacture, distribution and use.
- Creation of a novel supply network (with more than 1000 organisations): in order to meet the envisaged impact of creating novel supply network with at least 1000 organisations and individuals, there have foreseen some activities. First of all, the scale-up and performance-load analysis in each of the PREMIUM demonstrators in order to demonstrate that PREMIUM is designed for this critical mass. Then, a direct involvement of national & European associations and networks in the exploitation, standardization and innovation activities. Finally, the incorporation of existing standards, established components, interfaces, etc. in order to lower the barriers for participation and cooperation.
- Creation of new embedded services supporting the customer-driven supply chain: the customer has the entire set of information about the product's origins available. Once he has experienced the product previously purchased, the final customer can send the company lots of feedbacks. Internet virtual store, where customers are able to analyse and discuss the product development process and participate in it, beginning from co-design customization to sampling, production and delivery, enhances the integration between manufacturer and customers, with mutual benefits.

Expected Impact	How PREMIUM will contribute			
	1: Return of delocalized manufacturing to Europe	2: Reduction of the environmental footprint	3: Creation of a novel supply network	4: Creation of new embedded services supporting the customer-driven supply chain
<i>Improved TTM for European manufacturers</i>	√			
<i>Improved sustainability across the entire product-service lifecycle</i>		√	√	
<i>Improved knowledge sharing across product design, manufacturing and product-service lifecycle</i>	√		√	√
<i>New and better product-service offerings addressing customer needs</i>	√		√	√
<i>Increased support for open standards targeting security and interoperability of shared engineering data</i>	√		√	√

An additional impact underlined on the proposal from the participants is related to the impacts in the premium market sectors. Indeed, as entering the luxury segment is a very attractive way for a company to expand a brand and build a sustainable business for the future, the Premium Project would provide its contribution, supporting European fashion companies in their market consolidation, based on their customer orientation.

6.3.4 Type of Action

The projects characterised by collaboration among partners, are those typology of financing tools, also called Type of Action, in which it is necessary to exactly answer to the topic described by the EU Commission in the Work Programme.¹⁰³ The main Types of Action included in the Horizon 2020 Program, are: Research and Innovation actions (RIA), Innovation action (IA) and Coordinated Support action (CSA).

¹⁰³ Available at <http://www.apre.it/le-pmi-in-europa/le-pmi-nei-progetti-collaborativi/>, visited on 20/09/2016

The Project “Premium” has been proposed to the Innovation action tool: according to the European Commission decision C(2016) 4614 of 25th July 2016, this action consists of “activities directly aiming at producing plans and arrangements or designs for new, altered or improved products, processes or services. For this purpose they may include prototyping, testing, demonstrating, piloting, large-scale product validation and market replication”.¹⁰⁴

They may include limited research and development activities, with a funding rate of 70%, except for non-profit legal entities, where a rate of 100% applies.

Another instrument available under the Horizon 2020 Program is the SME Instrument, already quoted in the previous chapter. Although it has been proven to be a useful channel of financing for the small and medium-sized enterprises, the consortium of the Project “Premium”, at the moment of applying to the Horizon 2020 Program, have opted for the Innovation action, due to the lack of necessary requirements for the SME Instrument. As a matter of fact, the partnership was composed majorly by entities whose size overcame the limit to be recognized as SMEs.

6.3.5 Consortium

With the term “Consortium” it is defined a group of eligible natural and legal persons, which submits a tender or application to a tender procedure of a Call for proposal. It may be a permanent, legally established grouping or a group, which has been constituted informally for a specific tender procedure or Call for proposal. All members of a consortium (i.e., the leader and all other partners) are jointly and severally liable to the Contracting Authority.¹⁰⁵

Regarding the Project “Premium”, it is important to underline that there has been a change during the development phases: indeed, the Partnership presented in May 2014 was composed by the following participants.

¹⁰⁴ European Commission, *Horizon 2020: General Annex*, 2016

¹⁰⁵ European Academy, *EU funded Project, Vocabulary 2014-2020*, European Project Association (EPA), 2015, p. 4

Lists of participants

Participant No	Participant organisation name (Homepage)		Country
1 (Coordinator)	GUCCI LOGISTICA SOCIETA' PER AZIONI	www.gucci.com	IT
2	TECNICA GROUP S.P.A.	www.tecnicagroup.com	IT
3	SAVIO FIRMINO S.R.L.	www.saviofirmino.it	IT
4	HYDROLIFT AS	www.hydrolift.com	NO
5	Realtime Technology (RTT)	www.rtt.com	DE
6	HOLONIX SRL-SPIN OFF DEL POLITECNICO DI MILANO	www.holonix.it	IT
7	LANG.TEC	www.langtec.de	DE
8	ITBS OÜ	www.itbsg.eu	EE
9	UNIVERSITA DEGLI STUDI DI FIRENZE	www.unifi.it	IT
10	BIBA – Bremer Institut für Produktion und Logistik GmbH	www.biba.uni-bremen.de	DE
11	Stiftelsen SINTEF	www.sintef.no	NO
12	SCUOLA UNIVERSITARIA PROFESSIONALE DELLA SVIZZERA ITALIANA (SUPSI)	www.supsi.ch	CH

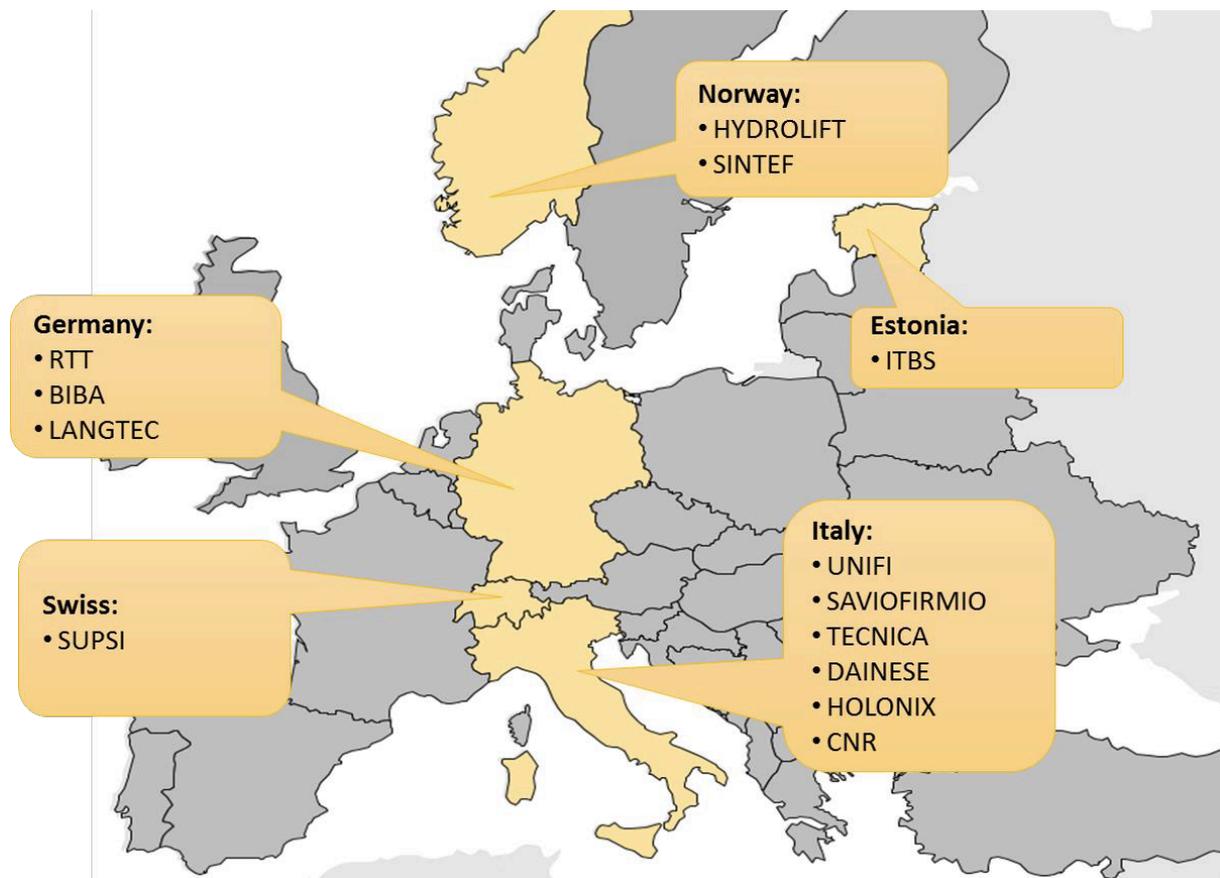
Twelve members composed this partnership, 5 of them were Italians, 3 Germans, 2 Norwegians, 1 from Estonia and the last one from Switzerland. The coordinator of the project, also called the Project Leader, was at that time Gucci S.p.A. So, as previously said, one of the major reason why the consortium didn't apply for the SME Instrument Program was because of the presence of a company considered big-size enterprise, as Gucci.

But, as the Executive Technical Director of Tecnica Group S.p.A. Mr Zampieri has stated, two weeks before the final application to the call of proposal, Gucci S.p.A. has receded from the partnership for, what he has defined, "legal issues".

This sudden and unexpected change in the composition of the consortium has forced the participants to look for other partners: it was at this point that Dainese S.p.A. and the National Council for Researches (IT) were invited to join the consortium and the University of Florence was declared the new Project leader.

So, to be coherent with the final proposal of the PREMIUM Project, it is presented in the table below, the new and final list of participants. Geographically, the "final" PREMIUM consortium was distributed across 5 countries, namely the EU members, Italy, Germany, Estonia, as well as the associated countries Switzerland and Norway. The consortium was structured to represent at best the PREMIUM products sectors. Italian partners represented a large share of the projects thanks to the fact that Italy is one of the largest producer of premium products, and most of the leader companies in the fashion footwear, sportswear and furniture industries are Italian or are designed and produced in Italy. The consortium represented a well-balanced mix between research and industrial partners, which had specific

knowledge and experience relevant to PREMIUM objectives. Indeed, it was composed by: 4 industry application partners (Savio Firmino, Tecnica Group, Dainese, Hydrolift), 4 technology partners (Rtt, Holonix, Langtec, ITBS), as well as 5 research organisations (Biba, Unifi, CNR-Ita, Sintef, Supsi). The industry application partners provided real-world environment and evaluation opportunities and represented different industry segments such as: footwear fashion luxury, furniture (interior decoration), technical sportswear and leisure boats.



6.3.5.1 Participants (applicants)

Università degli Studi di Firenze (Italy)

The Department of Industrial Engineering (DIEF) was involved in this project with its specific competences in Supply Chain management, Product Lifecycle Management, Product and Service Development, Product Management, Operation Management and Logistics. Professors, researchers, engineers and technical staff compose DIEF staff. Its experience in

European projects has been demonstrated by its role as Coordinator in several projects such as IMAT, MOTORIST, etc. Moreover, the strong academic expertise on luxury industry represents a key contribution for the context analysis, given the pilot companies nature. This specific knowledge is linked to the relevance of the sector in the Florentine District, and the tangible demonstration of the university's correlated skills is the creation and coordination of the "IT4Fashion" congress. Reassuming, the main role of UNIFI was the analysis of the state of the art of the luxury industry and the requirements for its customers (WP100), adding to the coordination of the overall project (WP800).

Tecnica Group S.p.A. (Italy)

Tecnica Group is a sportswear manufacturer from Giavera del Montello (Treviso, Italy), with 19 production sites in 9 countries around the world. The company collects 4 main worlds of references: alpine ski, lifestyle, outdoor sports, and gliding sports. This diversification reflects the wide range of company's brands, which are Tecnica, Nordica, Moon Boot, Rollerblade, Lowa, Bladerunner, and Blizzard. With its brands, in 2015 Tecnica Group generated a turnover of € 365 millions.

Tecnica Group was involved in PREMIUM as pilot project for the implementation of the proposed supply chain models in the technical sportswear industry (WP530), together with Dainese. Moreover, the company represented on the empirical source for the industrial requirements collection (WP100).

Savio Firmino di Savio Guido E C. – S.N.C. (Italy)

The company was set up by Savio Firmno in Florence, in 1941, and represents one of the most respected Made in Italy classic interior design brands in the international scenario. Nowadays, the company operates in the luxury furniture sector serving the medium-high market segment. Attention to detail and passion for handmade and high quality artisanal work still characterized the exclusive Savio Firmino products. Next to these traditional values, the company to satisfy consumers' needs uses innovative techniques and cutting edge equipment. Savio Firmino was involved in PREMIUM pas pilot project for the implementation of the proposed supply chain models in the furniture industry (WP520). Moreover, the company represented one of the empirical sources for the industrial requirements collection (WP100).

Dainese (Italy)

Taking inspiration from the geometry of medieval armoury and from nature itself, Dainese makes technological innovation for protection during sports. The creation of highly effective products, which meets the requirements of a wide range of customer needs, is another important company's value. Research, development and competition are therefore the essence of a journey that began more than forty years ago. As demonstration of its innovative propensity, Dainese became part of motorcycling with the greatest riders thanks to their invention of products like back protectors, knee sliders or the evolution of existing products with the introduction of innovative technologies and materials.

Dainese was involved in PREMIUM as pilot project for the implementation of the proposed supply chain models in the technical sportswear industry (WP530), together with Tecnica Group, in order to cover a wider range of products. Moreover, the company represented one of the empirical sources for the industrial requirements collection (WP100).

Hydrolift AS (Norway)

Hydrolift is a renowned Norwegian boat manufacturer who develops and builds sports cruisers and tenders with a mix of exquisite luxury, innovative design and high performance. The company has evolved tremendously from its early days to the innovative company they are now. That is the reason why today Hydrolift boats are industry leaders in technological innovation and design. Innovation, aesthetics and performance are all company's trademarks, but also the outstanding level of craftsmanship and the attention to free issues represent a distinct point, which separates Hydrolift from its competitors.

Hydrolift was involved in PREMIUM as a pilot project for the implementation of the proposed supply chain models in the leisure boats industry (WP540). Moreover, the company represented one of the empirical sources for the industrial requirements collection (WP100).

Realtime Technology – RTT AG (Germany)

RTT is the leading one-stop-provider of high-end software, consulting and creative services in professional 3D visualization. The Company offers sustainable, effective and seamless process support across the entire product lifecycle with its holistic approach. As a result, products are developed faster and more cost-effectively, while time-to-market is significantly reduced. Through creative, photorealistic CGI implementation, RTT enables

innovative sales and marketing advantages and new dimensions of emotional brand staging. The Group's customer-base includes companies like Adidas, Audi, Daimler, EADS, Electrolux, Ferrari; General Motors, Harley Davidson, Porsche, The North Face and Volkswagen.

RTT was involved in PREMIM for developing configuration, as the organisation developed so many project that allowed to structure RTT in teams completely dedicate to the different activity that a configurator need from Creative Concept, to App development, to interface and last but not least, 3D high-end visualization content.

Holonix S.R.L. (Italy)

Holonix is a spin off from Politecnico di Milano. The company provides advanced ICT solutions based on the research outputs of the university researches. Its staff is mainly coming from consultancy companies and has experience of industrial ICT implementation, while the link with the RTD is guarantee by senior researchers holding a PhD from Politecnico di Milano. Holonix focuses on the Lifecycle Data and Knowledge management, and its core solution is the "i-Like" (intelligent Lifecycle data and knowledge) platform. Which synthesizes the experiences and ideas from the last 8 years of research of Politecnico on Product Lifecycle Management.

Holonix supported PREMIUM in several ways. It provided expertise in Product Lifecycle Management and data collection thanks its modular solution and past experiences in both industrial and research activities. These experiences were used in Task 440 to define tools and technologies to use during the project and to individuate, in collaboration with other partners, functional requirements. Moreover, competences acquired from the participation at LinkedDesign FP/ European Project regarding virtual collaboration methodologies and tools allowed Holonix to take the lead of Task 720. Finally, Holonix had the lead of standardization task in fact it is actively involved in QLM standardisation activity within the Open Group and it evaluated different standards to be used within the project for the data acquisition and system to system or object to system communication.

Lang.Tec (Germany)

LangTec is a dynamic and continually growing technology provider in the area of semantic text mining solutions and linguistic services based in Hamburg, Germany. LangTec

has been operating successfully in the market place since 2011 and today serves more than 20 national and international clients. LangTec core competences are in the analysis of large amounts of textual data and the extraction of business-relevant information from that data. Technically, focus areas are the application of machine learning approaches to challenges in natural language processing (NLP) and the integration of semantic domain knowledge into text mining. Lang.Tec supported PREMIUM for the design and implementation of analytics solutions, with its unique blend of linguistic and technological know-how.

ITBS OU – Innovative Technologies & Business Systems (Estonia)

ITBS main field of activity is complex software and hardware research projects in the fields of cloud computing, data mining, and artificial intelligence. ITBS mission is to provide the most innovative solutions to customers and collaboration partners in the area of software Research and Development.

ITBS supported PREMIUM working in particular on the predictive analytics and planning module, which combined innovative methods for data mining and trend identification with demand forecasting and scheduling on highly specific premium products, e.g. the fashion and sport boats industries, using innovative product configurators and avatars as data sources.

BIBA –Bremer Institut fur Produktion und Logistik GmbH (Germany)

Biba is an engineering research institute developing technical and organizational solutions for tasks from various areas of production technology as well as from other related scientific disciplines and puts them into practice both in SMEs as well as multinational companies.

The research unit IKAP is dived into three departments, of which the department Intelligent ICT or Co-operative Production was involved in the PREMIUM project. It deals with the application of ICT to develop and implement co-operative networks. Within this context, the acquisition, provision and transformation of process and product related information is considered. This information is used to integrate real products with their digital representations throughout their product lifecycle. The research unit IPS, department Planning and Control also participated in the project. It dealt with planning and control as well as information flows within supply chains and logistics networks. Within this project, this

department focused on crawling and scanning of structured and unstructured data sources, like e.g. social media, and used of these sources for demand forecasting, material planning and task scheduling within PREMIUM supply chains.

The expected project results are compliant with BIBA's core long-term strategy. The ICT-based solutions would have been used to improve the competences as well as enhance and distribute worked out in-house technologies and methods, especially knowledge based engineering (KBE), PLM systems and knowledge acquisition.

Consiglio Nazionale di Ricerca –ITIA (Italy)

CNR-ITIA strategic mission is the growth of competitiveness and sustainability of manufacturing in Italy and Europe through industrial innovation. The RTD activities of the institute aim at innovating product, processes and organisations in several research areas, by focusing its competences on following applicative areas: mechatronic knowledge-based systems, robotics, multi-layer adaptive control systems, microsystems, virtual prototyping and integrates simulation of mechatronic manufacturing system and methods of products and processes and new organizational, management and business paradigms.

CNR-ITIA was mainly involved in WP300 and Wp600 and had mainly a role which is twofold:

- Development of a service to support the network configuration during design and production: based on the experience gained from previous projects it will be studied how to use information about suppliers during the network design phase and how to support creation of collaborative environment for customization taking into consideration the trade-off between 3 sustainability dimensions (economic, ecologic, social);
- Development of a modular environmental evaluation system where it will be studied how to aggregate data to be exchanged with designers, suppliers and customers.

Stiftelsen SINTEF (Norway)

SINTEF is the largest independent research organisation in Scandinavia with strong ties to the Norwegian University of Science and technology (NUST) and industry. The

organisation create value through knowledge generation, research and innovation, and develop technological solutions that are brought into practical use.

SINTEF's role was focused on the modularization aspects of the PREMIUM project and how one can interact with the customer in the development phases. Through many years this, together with e.g. mass-customization, use of intelligent products, focusing on integration both Middle and End-of-life aspects into the improvement of products and related processes have been core ideas working towards the Norwegian manufacturing future.

SUSPI –Scuola Universitaria Professionale della Svizzera Italiana (Switzerland)

SUSPI, the University of Applied Science of Southern Switzerland, is characterised by cutting edge education, which merges classical theoretical-scientific instruction with practical orientation. Within SUSPI, the ISTEPS research institute participated to the project. The mission of the Institute is the innovation of products, manufacturing processes and business models in order to accompany companies in facing the challenges of globalization under the economic, environmental and social aspects.

SUSPI-ISTePS has a wide experience in research projects dealing with collaborative manufacturing networks configuration and management, especially in the context of mass customized products. This knowledge was useful in leading WP400 and in performing the various tasks belonging to it. SUSPI-ISTePS also developed a sustainability assessment tool, capable to deal using an LCA approach with product, process and supply chain configuration. These competences and the software prototype would have been applied in WP600. The previous relationships with companies working in the following sectors, woodworking and furniture, fashion, sportswear supported SUSPI during the undertaking of the various pilots.

For what concerns possible third parties involved in the project, for the PREMIUM wasn't forecast the presence of any third part.

Below, a summary table with the partners expertise and the main roles in the Project.

No	Partners	End User	Type	Country	Expertise	Main Roles in the Project
1	UNIFI	NO	UNIV	IT	University, competences in Supply Chain Management, PLM, Luxury industry.	Project coordinator, Lead WPs 100 (Requirements analysis, concept and reference framework development) and WPs 800 (Management)
2	SAVIO FIRMINO	YES	INDUSTRY	IT	Furniture Manufacturer, competences in Design, Manufacturing Supply Chain Management	Pilot project (WP 520)
3	TECNICA GROUP S.p.A.	YES	INDUSTRY	IT	Fashion Footwear Manufacturer, competences in New Product Development, Supply Chain Management	Pilot project (WP 530)
4	DAINESE S.p.A.	YES	INDUSTRY	IT	Fashion Footwear Manufacturer, competences in New Product Development, Supply Chain Management	Pilot project (WP 530)
5	HYDROLIFT	YES	INDUSTRY	NO	Premium Boat Manufacturer, competences in Design, Engineering, Manufacturing Supply Chain Management for PREMIUM leisure boats	Pilot project (WP 540)
6	RTT	NO	RTD	DE	ICT solutions provider, competences in 3D visualization, configurator development	Online configurator/customization system development. Configurator development
7	HOLONIX	NO	RTD	IT	ICT solutions provider, competences in lifecycle management and decision support systems implementation	Lead of Task 450 on tracking and tracing along the value chain, Lead of WP 700 on dissemination and exploitation activities
8	LANGTEC	NO	RTF	DE	ICT solutions provider, competences in semantic and linguistic analysis, and Sentiment Analysis	Lead of Task 340: Text Meaning and Sentiment Analysis module
9	ITBS	NO	RTD	EE	ICT solutions provider, competences in cloud solutions, complex Erb Applications and Predictive Analytics	Lead of Task350: Predictive Analytics and Planning module
10	BIBA	NO	UNIV	DE	RTD partner, strong experience in closed-loop PLM, semantic modelling KBE; decision support for lifecycle engineering applications SCM and logistics	Responsible for Scientific Quality & Risk Management. Lead WP 300 Product use and evaluation. In addition, contributes with expertise in KBE related to customised products (lead Task 240)
11	CNR-ITA	NO	RTD	IT	RTD organization with expertise in methods and tools for supply chain management and innovative modular LCA systems with applications to fashion sector	Responsible for WP 600 on sustainability evaluation and contribution to WP 400 with techniques and methods for supply chain configuration in customization environment
12	SINTEF	NO	UNIV	NO	Research Organization, competences in PLM, Sustainability and Environmental Management	Lead WP 200 (new models for product Co-design, customization and Engineering)
13	SUPSI	NO	RTD	CH	University, competences in PLM, Innovation Management	Lead WP 400 (new models for product production and delivery)

6.3.6 Budget

The financial phase of the proposal is fundamental because it is evaluated both from external expertise and the EU Commission. The budget establishes different parameters concerning working hours and expenses, and it is important that it respects the rules imposed in the work plans.

Here below it is possible to see the budget of the Project “Premium”, diversified for participants, basing on the total cost that the entity would face attending the project and the grant that it requests to the EU Commission.

N.	Proposer name	Country	Total Cost	%	Grant Requested	%
1	UNIVERSITA DEGLI STUDI DI FIRENZE	IT	1,105,625	11.18%	1,105,625	14.58%
2	Tecnica group SpA	IT	696,500	7.04%	487,550	6.43%
3	SAVIO FIRMINO DI SAVIO GUIDO&C SNC	IT	365,000	3.69%	255,500	3.37%
4	DAINESE SPA	IT	696,500	7.04%	487,550	6.43%
5	HYDROLIFT AS	NO	1,264,750	12.79%	885,325	11.68%
6	Realtime Technology	DE	1,179,375	11.92%	825,563	10.89%
7	HOLONIX SRL-SPIN OFF DEL POLITECNICO DI MILANO	IT	962,500	9.73%	673,750	8.89%
8	LangTec	DE	327,500	3.31%	229,250	3.02%
9	ITBS OÜ	EE	271,700	2.75%	190,190	2.51%
10	BIBA - BREMER INSTITUT FUER PRODUKTION UND LOGISTIK GMBH	DE	895,883	9.06%	895,883	11.82%
11	CONSIGLIO NAZIONALE DELLE RICERCHE	IT	587,625	5.94%	587,625	7.75%
12	STIFTELSEN SINTEF	NO	956,875	9.67%	956,875	12.62%
13	SCUOLA UNIVERSITARIA PROFESSIONALE DELLA SVIZZERA ITALIANA (SUPSI)	CH	581,153	5.88%	0	0.00%
Total:			9,890,986		7,580,686	

The line-item project budget is split up concerning the eligibility of the costs highlighted in the grant agreement. Only the *actual cost* of a project represents the true total and final costs accrued during the process of completing all work during the pre-determined period of time allocated for all schedule activities as well as for all work breakdown structured components.

The term actual cost can be found in the details condition of the grant agreements as *actual costs of work performed (AWCP)*¹⁰⁶.

¹⁰⁶ European Academy, *How to draft a project budget*, Master in Technologies for the Development of European Projects, II Edition, 29/11/2012.

Nevertheless, the project expenses are commonly satisfying the employee compensation, contract services, equipment/supplies, travel/related expense and overhead or indirect costs. The project eligible costs figured out by the Framework Programme Horizon 2020 concern with the criteria of either direct or indirect involvement in the project implementation. Hence, the direct cost are all those eligible costs which can be attributed directly to the project and are identified by the beneficiary as such, in accordance with the accounting principles and its usual internal rules. Typical direct costs are *personnel costs*, *travel costs*, *equipment* bought for the project and *subcontracting*.

As previously explained, the *indirect costs* are instead not identified by the beneficiary as being directly attributed to the project. Therefore, they are justified by the accounting system as being incurred in direct relationship with the eligible direct costs of the project.¹⁰⁷ The structural and support costs of an administrative, technical and logistical nature which are both cross-cutting for the operation of the beneficiary body's various activities and not feasible to measure in its attributable influence to a single cost objective belong to this category.

Breaking the costs down under the Horizon 2020 regulations, each of the four categories has specific guidelines. *Personnel costs* are based on the hourly computation of last financial year and defined on the person par month contribution. *Other direct costs* (purchase of goods, services, products) ensure "best value for money" criteria and avoid conflict of interest. Cost of *subcontracting* concerns with the no core task assigned to a third part of the beneficiaries. This specific cost category is established with a previously "business conditions" agreement, according to which the work of third parties is carried out without the direct supervision of the beneficiary. Indeed, the *indirect cost* computed as the percentage of direct costs categories: since its feasibility in the project implementation is not possible to be evaluated, the indirect cost corresponds to the 25% of sum between personnel costs and other direct costs¹⁰⁸.

¹⁰⁷ European Academy, *How to draft a project budget*, op.cit.

¹⁰⁸ Tania Van Loon, NCP Brussels, "Key legal and financial items to remember before you start", Workshop 19/02/2015.

6.3.7 Implementation path: work plan – work packages, deliverables and milestones

In the Horizon 2020, the term of Work Plan concerns with the implementation phase of a project. It is broken down in the so-called Work Packages (WP) or small pieces of work, which are considered the main steps needed to reach the objectives of the proposal. In the work packages it is stated how the different tasks are distributed among the partners, what are the major other specific costs and the major subcontracts. Furthermore, it provides with a schedule in which to give a detailed timetable and the chronological order of execution of different work packages or tasks of the project. Together with the work packages, the tools of deliverables and milestones are meaningful for the output that a project aims to.

Indeed, deliverables are used in project management as goods or services quantifiable that result from the completion of a project. They can be tangible or intangible outputs. Moreover, the milestones are a type of objectively verifiable indicators providing indications for short and medium-term goals, which facilitate measurement of achievements throughout a project rather than just at the end. They also indicate times when decision should be made or actions should be finished.¹⁰⁹ The main difference among a deliverable and a milestone is that while a milestone is considered a judgement on progress, a deliverable is something concrete, what is produced in a project.¹¹⁰

Looking at the PREMIUM Project, it included several disciplines that had to be integrated in order to guarantee the success of the overall idea, from marketing to supply chain management, from product development to operations management.

Starting from this concept, the consortium members during the 36 months project would have developed 10 complementary action (plus one management action) in order to validate and demonstrate these technologies in the considered industries and, in the end, they would have demonstrated the overall idea in an operational environment.

The WP100, coordinated by UNIFI, reviews the existing models, tools and technologies adopted by the industrial companies in the selected industries, referring to the business scenario.

¹⁰⁹ European Academy, *op. cit.*, p. 18

¹¹⁰ S. Wagers, *7 Things your mother did not tell you about deliverables*, Horizon 2020 Consulting, 2012

WP200, WP300 and WP400 are devoted to develop new models to improve the current situation. In particular, innovative processes such as Co-Design and product customization are carried out, together with engineering and production. In particular, WP200, coordinated by SINTEF, is dedicated to the development of new model for product design, customization and engineering. The WP300, coordinated by BIBA, is dedicated to the customer involvement in product use and evaluation, primarily focusing upon the mid-of-life phase in the product lifecycle. The WP400, coordinated by SUPSI, collects the results of the previous WPs in order to develop new models for product production and delivery.

A pivotal element for the achievement of the PREMIUM objectives was the development of a customer-driven supply chain that could fit seamlessly with the design tools developed in WP200 and WP300 approach required the definition of both the coordination mechanisms triggering the distributed production of customized items and the added value services required by the new flexible configuration of the supply chain. Due to the dispersed set of activities, it was of paramount importance the setting up of a proper system of tracking and tracing. In WP400, all the developed solutions are then contextualized in the business scenarios of interest, namely fashion footwear, technical sportswear, furniture and leisure boats.

WP510, WP520, WP530 and WP540 represent the application of WP200, WP300 and WP400 to the industrial contexts (i.e. fashion footwear, furniture, technical sportswear and leisure boats industries). These WPs are coordinated respectively by Tecnica Group (WP510), Savio Firmino (WP520), Dainese (WP530), Hydrolift (WP540), which drive the implementation of the new business model in their companies, in order to validate the prototype into an operation environment. The entire set of WPs needs to be properly managed (WP800), in order to plan the required times and resources and to control the achievement of the expected results. Finally, a special focus on environmental aspects has to be done during the project with the application of LCA and LCC techniques to all the processes that are carried out in the pilot-testing phase. In this way, the WP600 is entirely dedicated to the development and application of such technologies during the project lifecycle.

Finally WP700 is dedicated to the dissemination and exploitation of the project itself, being coordinated by HOLONIX. The following table summarizes the PREMIUM WPs and indicates effort in terms of person/month planned for each WP.

WP No.	Work Package Title	Lead participant No.	Lead participant short name	Person-months	Start month	End month
WP100	Requirements analysis, SotA and concept	1	UNIFI	77	1	12
WP200	New models for product Co-design, customization and Engineering	10	SINTEF	101	6	24
WP300	Product use and evaluation by the customer	9	BIBA	166	6	24
WP400	New models for product production and delivery	11	SUPSI	104	9	30
WP510	System prototype demonstration in the fashion footwear industry		TECNICA GROUP	87	12	36
WP520	System prototype demonstration in the furniture industry (interior decoration)	3	SAVIO FIRMINO	92	12	36
WP530	System prototype demonstration in the technical sportswear industry	2	DAINESE	102	12	36
WP540	System prototype demonstration in the leisure boat industry	4	HYDROLIFT	97	12	36
WP600	LCA and LCC application to products and processes	12	CNR-ITIA	137	1	36
WP700	Dissemination and exploitation	6	HOLONIX	61	1	36
WP800	Management	1	UNIFI	49	1	36
Total months				1073		

As previously said, the deliverables are the output of a project. The following table gives an example of some deliverables of PREMIUM project and respective delivery dates.

Del. No.	Deliverable name	WP No.	Lead participant short name	Type*	Dissem. Level**	Delivery Date (month)
110	PREMIUM reference model	100	UNIFI	R	CO	M6
120	Business Cases and Requirements Analysis for the fashion industry	100	SUPSI	R	CO	M9
130	Business Cases and Requirements Analysis for the Furniture interior design industry	100	UNIFI	R	CO	M9

As the table shows, each delivery number is associated to a work package, which is managed by a Project's participant. With "type" is referred to the kind of deliverable has to be presented. In this case, for example, "R" means a document, or report that has to be elaborated. Other types of deliverables can be demonstrator, plot, prototype, plan design (DEM), or websites, patents filling, press and media actions (DEC), or others, such as software, technical diagram etc.

The dissemination level indicates the openness level to the public: confidential (CO), public/fully open (PU), or classified (CI)/ information as referred to in Commission Decision 2001/844/EC. Finally, it is indicated the month of expected delivery: for example, M9 means 9th month.

Concerning the milestones of a project, so the indicators used to verify the achievement of goals during the project and not only at the end, they can be summarised in a table, as the following one which shows the PREMIUM's milestones and associated means of verification.

Milestone number	Milestone name	Related WPs	Estimated date	Means of verification
M1	Requirements analysis of different industrial sectors	WP100	M9	Report available and validated by the industrial interest group
M2	Definition of customer's behaviours	WP300	M30	Report available and validated by the industrial interest group
M3	Definition of new models for products customization and production	WP400	M30	Report available
M4	Definition of new models for products co-design and engineering	WP200	M35	Report available
M5	Prototypes for different industrial applications	WP510, WP520, WP530, WP540	M36	Prototypes available
M6	Finalization of LCA and LCC analyses	WP600	M36	Report available

6.3.8 The negative response from the European Commission

The consortium, through the Project leader, the University of Florence, submitted the proposal on the 7th October 2014.

The 11th February 2015 they received the response from the European Commission: the project was refused and so, the grant requested not assigned.

As the Professor Bandinelli, researcher at the University of Florence, and Mr Zampieri, executive Technical Director at Tecnica Group have declared, the negative response from the EU Commission was not expected.

Before going into details of the probably reasons why actually the proposal was rejected, it is interesting to see the official response from the EU Commission, in which are explained the three major points that have been analysed previously:

- Criterion 1: the Excellence
- Criterion 2: the Impact
- Criterion 3: the quality and efficiency of the implementation of the project

As the EU Commission explained in the Evaluation Summary Report, each focal point of the Project proposal was evaluated giving a score with a range 0 – 5. The interpretation of the score, according to the EU Commission rules, is:

- 0: The proposal fails to address the criterion or cannot be assessed due to missing or incomplete information.
- 1: Poor. The criterion is inadequately addressed, or there are serious inherent weaknesses.
- 2: Fair. The proposal broadly addresses the criterion, but there are significant weaknesses.
- 3: Good. The proposal addresses the criterion well, but a number of shortcomings are present.
- 4: Very good. The proposal addresses the criterion very well, but a small number of shortcomings are present.
- 5: Excellent. The proposal successfully addresses all relevant aspects of the criterion. Any shortcomings are minor.

As it is possible to see below, the total score given to PREMIUM Project was 9.50 threshold 12.00. This evaluation result is the sum of the points given to each criteria, that will be now presented.

Evaluation Summary Report

Evaluation Result

Total score: 9.50 (Threshold: 12.00)

Criterion 1: Excellence

For this aspect, the EU Commission took into account the extent that the proposed work corresponded to the topic description in the work programme. If a proposal is partly out of scope, this is reflected in the scoring, and explained in the comments that will be exposed in a while. What the Evaluation committee assessed were the clarity and pertinence of the objectives, the credibility of the proposed approach, then the soundness of the concept, including trans-disciplinary considerations. Moreover, what was relevant for the approval of

the project was the extent that proposed work was ambitious, had innovation potential and was beyond the state of the art.

The score attributed to criterion 1, Excellence, was 3.00 (threshold: 4.00/5.00), so a good mark but not sufficient to be included in the approval range. Here the comment given by the EU Commission to this first point:

“The proposal seek to create a new design, manufacture and supply chain for high value luxury, and specialist products, with four pilot demonstrators in different industry sectors (footwear, furniture, technical sportswear and luxury powerboats). Ambitious value chain concepts are presented, aiming to integrate existing innovative technologies in support of new business models for supply chains of customer-drive co-designed products. The target market may be seen as a niche, but appears as a high value one, with good potential for revenues at European level. However, the justification in terms of bringing additional jobs back to Europe on a local level is not clearly explained, particularly as high value customised products are less susceptible to low cost – high volume imports. The objectives are clearly identified, but lack concrete description of a coherent business case. Distributed manufacturing, sourcing and design solutions are not so clearly described and are dealt with at a conceptual level. In addition, the proposal gives the impression of focusing more on the collection of requirements and on the development of supply chain models, and less on the justification, development and implementation of new business models.”

So, as it is possible to deduce from this comment, what the project lacks is the concreteness of the objectives, not so feasible and maybe too much focused on the development of supply chain models than in the implementation of new business models.

Criterion 2: Impact

For this aspect, the EU Commission took into account the extent to which the outputs of the project should contribute at European and/or International level. So, what the evaluation committee assessed were that the expected impacts listed in the work programme conceded with the ones proposed in the Project, such as the enhancing of the innovation capacity and the integration of new knowledge. In addition, relevant for the EU Commission was the aspect of the strengthening of competitiveness and growth of companies by developing innovations, meeting the needs of European global markets and any other environmental and socially important impacts.

The score attributed to criterion 2, Impact, was 2.50 (threshold: 4.00/5.00), so a fair mark which indicated that the proposal broadly addressed the criterion, but there were significant weaknesses. Here the comment given by the EU Commission to this second point:

“The proposal specifically targets the top-end of different market sectors, which are high value areas, thus having the potential to generate significant revenues. However, the real impact in terms of bringing large numbers of jobs back to Europe at the end of the project and after five years is not clearly demonstrated. Moreover, it is not made sufficiently clear how the project will result in a 20% reduction in the environmental footprint as targeted in the call; statements made in respect of this are not sufficiently substantiated. Exploitation plans are presented with relevant information for each partner, but more concrete figures referring to market evaluation, which would have allowed for a better assessment of the expected future business, are not clearly evidenced in the proposal.”

So, the expected impact contained into the proposal had potential to generate good outputs, but were considered not sufficient under the aim of the European common benefit. Again, according to EU Commission there was a lack of sustainable data that confirmed the statements about, for example, the reduction in the environmental footprint.

Criterion 3: Quality and efficiency of the implementation

For this aspect, the EU Commission took into account the coherence and effectiveness of the work plan, including the appropriateness of the allocation of tasks and resources. In addition, the complementarity of the participants within the consortium, and the appropriateness of the management structures and procedures, including risk and innovation management, was relevant.

The score attributed to criterion 3, Quality and efficiency of the implementation, was 4.00 (threshold: 3.00/5.00), so a very good mark, meaning that the proposal addressed the criterion very well, but there were presented a small number of shortcomings. Here the comment given by the EU Commission to this third point:

“The work-plan is laid out in a coherent and effective manner. The allocation of tasks and resources seems to be appropriate. The participants have good complementarity with appropriate end-user and cross-sectorial engagement. IPR issues are appropriately considered. Procedures with respect to knowledge management, quality, conflict and risks,

are adequately addressed. The communication and dissemination activities are appropriate and clearly described.”

The third criterion was evaluated by the Commission appropriated and coherent to the work plan, and this demonstrated the effectiveness of a well established partnership.

Finally, both the operational capacity and the content of the project were evaluated positively, as they corresponded to the topic description against which it was submitted.

6.3.9 Considerations about the Project PREMIUM: a talk with Mr Zampieri and Professor Bandinelli

As previously anticipated, the negative response from the European Commission was a “surprise” for the partners. The author of this thesis has interviewed Professor Bandinelli, Researcher at Università degli Studi di Firenze, Department of Industrial Engineering, and Mr Zampieri, Executive Technical Director at Tecnica Group, the 13th of October, 2016. To the question regarding the possible reasons that could explain the rejection by the EU Commission of the PREMIUM Project, they have both affirmed that the project had good and solid basis, indeed at the first step it had received good returns. Actually, analysing the proposal step by step, it seems that it was very well structured and detailed. So, what did go wrong?

A first answer from Mr Bandinelli and Mr Zampieri to this question has been: “Perhaps, the leaving from the partnership of Gucci S.p.A., who was the Project Leader of PREMIUM, has influenced the consortium and contributed to a misalignment on the drafting of the proposal for the call of October.” As a matter of fact, the deadline of the call for proposal was established the 8th of October, Gucci left the partnership just two weeks before the application and the time to draft the proposal and modify it with the new entry entities was scarce. So, probably the lack of time influenced the content of the proposal, which could be resulted vague and superficial in some aspects. A proof of this is contained into the evaluation report from the EU Commission: the lack of concrete figures and clearness has surely influenced the final assessment.

Furthermore, according to Mr Bandinelli and Mr Zampieri, the changing of the Project Leader, from a big-size company such as Gucci, to a university, the University of Florence, has probably influenced in the credibility and strength of the consortium. Actually, as the

results of the previous chapters show, Italian universities are not still enough strong and influencing in the Project Design Management. Indeed, only the 6% of the total amount of financing allocated for universities has been assigned to Italian universities, which place at the same level in the rank of Switzerland and Sweden, smaller countries but clearly more active.

Therefore, according to Mr Zampieri from Tecnica Group, the leaving of Gucci summed with the forced placement of University of Florence as project leader, has definitely conditioned the evaluation.

However, making a more accurate analysis of the evaluation summary report sent by the EU Commission, it is possible to notice that actually the criterion 3, regarding the “Quality and efficiency of the implementation”, for which were relevant the complementarity of the participants within the consortium, resulted the only point that received the highest grade among the criteria. Indeed, the EU Commission stated: “*the participants have good complementarity with appropriate end-user and cross-sectorial engagement*”, underlining the high quality and affinity of partners. Opposite, it is claimed the lack of concreteness and feasibility of objectives. So, according to the opinion of the author, the leaving of a partner as Gucci, has established a *boomerang effect* against participants: the unstructured proposal of the project that has determined the rejection from the EU Commission, is probably due to sudden changes in the composition of the partnership.

To be coherent and correct with the reality of facts, Mr Zampieri and Mr Bandinelli wanted to underline that the final grade received was about 9.50 threshold 12, meaning that PREMIUM was really close to get the financing. Indeed, according to them, it placed as second in the ranking of projects rejected.

This result, even if not high enough to win the grant, has been considered satisfying by both of the partners, which have decided to put themselves out again, and establish a new collaboration for a future call for proposal.

6.4 The European Project Manager

As it has been possible to understand from the analysis of the previous chapters, the current Programming Period 2014-2020 holds lots of opportunities to fund innovative ideas and projects. Indeed, in the period of European funds, of economic crisis and restrictions on credit, “*who finds a grant, finds a treasure*”. However, it happens that funding is not used as effectively as possible or it may be denied due to lack of knowledge, poor planning or too high competition. But although the numerous programmes and initiatives have different features, the development and implementation of projects in practice follow common rules. So, looking for financings and drafting a proposal has become a job and a work opportunity.¹¹¹ As a matter of fact, more and more entities, companies and associations are looking for the European Project Manager, an expert in European Programs not only able to orient himself in the “jungle” of EU direct and indirect funds, but also able to manage the ideation and the draft of a project, mostly during the difficult phases of implementation and financing.

Therefore, the European Project Manager is a polyvalent expert of high profile and skills who works in an international context, whose function is to project and manage initiatives qualified to get financing from the European Commission. This figure has a deep awareness of the institutional context, of the project cycle management and is able to establish partnerships, promoting the participation of all the beneficiaries.¹¹² The professional role of the European Project Manager is rising day by day, as he is able to help companies and public entities to grow and exploit the numerous possibilities offered by the European Union. In practice, he is in charge of finding the best financing for the entity or the company, drafting a project idea. Then, he has to establish the relationships with interested third parties, creating the consortium. Moreover, once the European Commission approves the project, the Manager has to coordinate the partners and present in the end a financial report that justifies the money invested.

But this kind of job is not for everyone. Indeed, many funds in Italy are unused because of the lack of skills of participants, and to face the high standards established by the EU

¹¹¹ T. Filippone, *Europrogettista, la professione del presente sempre più richiesta in Italia*, in “L’Espresso de la Repubblica”, 2015

¹¹² Available at <http://www.eurotalenti.it/prospettive-professionali/>, visited on 26/09/2016

Commission, it is necessary a methodological approach and technical capabilities. The expert must be open mind, creative and continuously updated. Actually, it does not exist an ad hoc degree to become a European Project Manager. Obviously, as it deals with financial subjects, an economical or juridical formation is needed. Moreover, there are many master degree and postgraduate courses dedicated to current Programming Period 2014-2020, among the many, there are nominated the courses in European Project Management organised by the Belgian-Italian Chamber of Commerce in Brussels (www.masterdesk.eu) and, here in Italy, the “Centro di Formazione in Europrogettazione” in Venice, which is considered the first and only centre in Italy exclusive oriented to the formation of the Project Manager.¹¹³

So, the European Project Manager enjoys a huge autonomy, and can be employed by privates and public entities, giving external consultancies (as a freelance) or founding a proper company. Indeed, its role can be interesting for many entities eligible to receive European funds. Nowadays, the European Project Manager activity is indicated as one of the most promising source of employment. In fact, for a company, willing to find new resources in financial difficult periods, gaining a European contribution can represent a development chance not to loose. As for the local entity interested in improving its own operational ability and the quality of its services: local governance, services for the citizens, new technologies, protection of the environment, share, integration and immigration, constitute the mandatory way to realize innovative projects not sustainable with ordinary forms of financing, but with the European resources accessible throughout suitable proposals.

Concluding, considering that the European politics are directed to the realization of the governance and that the local institutional planning has assumed the principles and the methodologies of it, it is possible to affirm that, in the case of the European Project Manager, we are in front of an emergent professional figure, characterized by a strong occupational raising.

¹¹³ Available at <http://www.europelago.it>, visited on 26/09/2016

Conclusions

The dissertation aims at investing on the European financial resources and the management of those funds allocated for Member States that have the purpose of enhancing different sectors for the development and the growth of European Union. Indeed, the scope of the thesis is to give a sort of practical guide to find the *right way* into the “jungle” of European Funds, as it is emerged that nowadays there is still a lack of awareness about the numerous possibilities that the European Union offers to its Members. In order to give a closer insight on the European policies, the dissertation has focused on EU law for funding, in addition to the description of the tools and procedures to draft a project, with the analysis of the related documents. The European Project Management indeed consists of all the complex activities required for the purpose of the production, drafting and submission of European projects. It follows précised rules that need to be regarded in order to present projects that are relevant with the priorities and objectives of the EU programs, feasible, that means giving clear and concrete objectives to reach, and sustainable, since they must have the capacity to exist and function beyond the end of the contract. Applying for funding, therefor, means keeping up to date with EU policies and objectives, reflecting them in the drafting of the proposal. The proof that the European design management is not something to underestimate is provided by the analysis of the wins and losses of Member States, in particular, of Italy, in the European funds field. As a matter of fact, even though the number of European financings that Italian entities have gained is significant, the success rate is not the best one. Actually, Italy wins a number of projects similar to the other big countries, but to reach this goal, it presents a major number of projects. So, it is needed to improve the quality of the proposals and not take the role of European Project Manager for the occasion. Indeed, as the dissertation explains, the figure of the expert in project management is more and more required by private and public entities, and his aim is to guide participants to a correct draft of a call for proposal. In addition, a demonstration of the difficulty of drafting a call for proposal is the Case Study presented, that has been refused by the European Commission because evaluated under the sufficient standards requested. Even though the project proved to have good potentials, it has been rejected and in the answer provided by the EU Commission, it is explained that the major reason was linked to the lack of feasibility of the objectives.

Through the presentation and the analysis of the above issues, the dissertation seeks to increase the awareness of the role that the European Programs have for Member States: in

fact, through the Europe 2020 strategy, the Union is working for coming closer to certain targets, such as those concerning education, climate and energy, employment, innovation and research, in order to overcome the difficulties arisen in the current period of economic and financial crisis. Although the crisis has generated structural weakness, the spread of knowledge and collaboration among countries can turn these challenges into valuable opportunities. Moreover, exploiting EU financing must not only be seen as an occasion to making up for the participation shares to the Union Budget, message that instead seems to emerge very often, but although as a real opportunity of investing, innovating and growing for companies, universities and associations. In addition, European projects are not only a mere source of funding, but are also a mean for EU citizens to grow together, learning one from the other and cooperate for common benefits. In today's Union, whose identity is facing continuous threats, from the financial crisis to Brexit, terrorism attacks and immigration issues, the needs of common aim and interest is more and more necessary. To bring the sense of European belonging in the future, it would certainly helpful to increase the awareness of the existence of common transnational interests, which seem to be a *sine qua non* for the strengthening of a community that shares similar ideas and values. The actor that can enhance such a process is the European Union itself, in particular the EU Commission, through the implementation of actions and programmes in these sectors. It is true that EU projects can not fix all the problems that European citizens, entities, companies, organisation, are facing, but they can offer different solutions supporting those excellences in various fields, to cooperate in transnational projects and generate added value to EU policies and objectives.

In conclusion, even if there are evidences of a gap between EU institution, organisations and citizens, the financing and implementation of European projects can contribute to reduce these differences and the occasion to establish transnational networks will strength the links among Member States. European Indeed, integration is still a challenge: the President of the European Commission, Jean Claude Juncker, in occasion of the State of the Union Speech, read in Strasbourg on the 15th of September 2016, stated:

“(.) Europe is a cord of many strands – it only works when we are all pulling in the same direction: EU institutions, national governments and national Parliaments alike.”¹¹⁴

¹¹⁴ President Juncker speech for the State of the Union, 15th September 2016, Strasbourg. Available at <https://eeas.europa.eu/delegations/brazil/9876/the-state-of-the-union-2016>, visited on 28/09/2016

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