



European Commission
Enterprise & Industry Directorate General

CALL FOR PROPOSALS

European Creative Districts

34/G/ENT/PPA/12/6483

GRANT PROGRAMME 2012

The present call for proposals is composed of a set of Grant Submission Documents, which form an integral part of this call:

The call for proposals,
The Guide for Submission
The Submission Set

The terms set out in the call for proposals document shall take precedence over those in the other parts of the Grant Submission Documents.

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INTERESTED PARTIES ARE INVITED TO READ CAREFULLY THE BELOW INSTRUCTIONS, AND TO USE THE QUESTIONNAIRE PROVIDED IN CHAPTER II OF THE GUIDE FOR SUBMISSION IN ORDER TO ENSURE THAT APPLICATIONS ARE COMPLETE WHEN SUBMITTED.

1. CONTEXT

1.1. A NEW APPROACH: LARGE-SCALE DEMONSTRATORS

The financial crisis has raised critical questions as to whether current economic and development models are still able to reinvigorate the competitiveness of European regions, notably those that are least performing and often characterised by a predominance of traditional manufacturing industries and low-tech services.

Therefore, regional policies need to be reviewed and refocused to better capture the “**transformative power of innovation**” in order to support the restructuring of existing industries and the creation of internationally competitive industrial structures, thereby creating wealth and strengthening the position of European enterprises in global value chains.

Particularly in times of austerity and tightening of public spending do regions need to adopt more holistic and systemic strategies that draw on already existing strengths and assets and take full advantage of the innovation potential of the region. This entails a more efficient, effective and synergetic use of public investments and support mechanisms and the focusing of scarce human and financial resources in a few competitive areas in order to strengthen the region’s innovation capacity and thus boost economic growth and prosperity.

But how can regions best transform their existing industrial structures and systems in order to build new industrial competences in manufacturing and services through innovation? And how can regions best identify and support their high value-added activities that offer the best chance of strengthening their competitiveness by exploiting emerging needs and trends to better position themselves in global value chains?

In reply to these questions, the Expert Panel on Service Innovation in the EU recommended, in its final report¹, to use ‘**large-scale demonstrators**’ which “*represent a powerful means for de-risking the development and scale-up of novel service systems, encouraging engagement with stakeholders and users, sharing experience ..., identifying clusters of expertise and opportunities for partnership*”. In summary, it is an approach that moves from small-scale prototypes or pilot projects to large-scale near-market projects in which a range of solutions are tested under real-life conditions with a view to better exploiting the transformative power of service innovation to tackle societal challenges, address specific problems or needs, or support a vision for a “change for the better”.

As such, the concept of large-scale demonstrators is a new approach for stimulating innovation. It provides regions with a tool to better link all public and private actors, notably industry, knowledge service providers, research institutions, regulators and users/citizens to share knowledge, contribute practical experience, and articulate their needs and competences. At the same time, it offers a clear context and the right incentives for successfully developing, testing and implementing new approaches in addressing specific challenges and problems. For example, the need to create sustainable communities through resource efficiency, reduce carbon emissions through smart transport solutions for urban areas, or facilitate the development of new, emerging industries and structural change in old industrial areas or rural communities by exploiting the transformative power of service innovation.

At the centre of large-scale demonstrators lies a staged approach that starts with the specific need or a vision for the future that is of importance to the region. It then works back from this challenge or policy objective to the potential technical and service innovation solutions and the corresponding support required. This coherent approach focuses on finding solutions and systematically creating entrepreneurial opportunities for

¹ http://www.europe-innova.eu/c/document_library/get_file?folderId=383528&name=DLFE-11601.pdf

the wider use of innovative technologies, goods and services by involving a wide range of stakeholders, industries and technologies. The aim is to offer new and better ways of attracting new customers and of better satisfying their changing needs. As a result, new competences may be shaped in the region that lead to competitive advantages offering global market opportunities.

The concept of large-scale demonstrators is currently being tested by the **European Mobile and Mobility Industries Alliance (EMMIA)**. The aim is here for regions to demonstrate the feasibility of exploiting innovative mobile services to foster sustainable tourism in rural areas. This includes the mapping and implementation of services to be provided through mobile service applications to improve the service offerings to users, access to these within the region as well as promotion and signposting activities to raise the awareness of users of such services. A similar action for large-scale demonstrators based on the use of GMES and GNSS enabled applications and services in fields such as geological mapping or more ecological and environmentally friendly solutions in agriculture or addressing traffic congestion, is being launched in 2012, also under EMMIA.

Closely linked to the large-scale demonstrator approach is the establishment of the **European Service Innovation Centre (ESIC)** by the European Commission in 2012, based on another recommendation of the Expert Panel on Service Innovation in the EU. The objective of ESIC will be to improve awareness among European, national and regional policy makers of the contribution of the transformative power of service innovation to the development of emerging sectors and markets and its possible contribution to smart, sustainable and inclusive growth. To this end, ESIC will provide concrete and tailored support services and advice to regions in the form of policy briefings, mentoring and training with a view to fostering policy learning from existing good practice demonstrator examples. ESIC will also provide further information and intelligence on needs and challenges as well as assess, monitor and evaluate regional large-scale demonstrator strategies, their implementation and impact. Six so-called **model demonstrator regions** that are interested in adopting a large-scale demonstrator approach to address their particular policy challenge will be selected to test these services. Three of these regions should have traditional sectors that face the challenge of reinforcing service elements in their manufacturing sectors, and three regions should have the ambition to become leaders in innovation and competitiveness by supporting the development of emerging industries.

1.2. THE ROLE OF CREATIVE INDUSTRIES

The **creative industries** represent highly innovative companies with a great economic potential and are one of Europe's most dynamic sectors, contributing around 3% to the EU GDP, with a high growth potential, and providing quality jobs to around 6.7 million people across EU-27². Furthermore, cultural and creative contents play a crucial role in the deployment of the information society, putting value to investments in broadband infrastructures and services, in digital technologies as well as in new consumer electronics and telecommunication. Beyond their direct contribution to GDP, the creative industries are also important drivers of economic and social innovation in many other sectors. Through these economic spill-over effects creative industries may have a similar transversal role for innovation in the economy to that of ICT. Europe's creative industries therefore offer a path towards a more imaginative, more cohesive, greener and more prosperous future.

2 SEC (2010) 1276 final of 29.10.2010

Definition of “creative industries”³

The term “**creative industries**” refers to a range of economic activities, which deal with the generation or exploitation of knowledge and information. They comprise those businesses that deal with the creation, production and/or distribution of creative goods and services as well as with the integration of creative elements into wider processes and other sectors. They build upon a rich and diverse core of cultural heritage and skilful arts and other creative crafts and practitioners, supported by entrepreneurial and innovative services bringing creativity to the market. Creative industries thus provide products and services in sectors such as publishing, media, software, consultancy, advertising, arts, entertainment, design and architecture. Many of these sub-sectors are commercially oriented and part of other sectors. The common element is that they deal with the creation, production and/or distribution of goods and services that are strongly based on creativity.

In recent years, the potential of the creative industries has been increasingly acknowledged and many local, regional and national policy initiatives are currently being launched and implemented that bet on better exploiting this ‘transformative power’ of the creative industries to better support the restructuring of existing industries and the creation of internationally competitive industrial structures thereby creating wealth and strengthening the position of European regions and their enterprises in global value chains.

The creative industries are part of the Commission’s blueprint for achieving the Europe 2020 goals. The “Innovation Union”⁴ flagship highlighted that Europe can draw major advantages from “*pursuing a broad concept, which is not only technological, but also in the business models, design, branding and services that add value for users and where Europe possesses unique talents*”. Furthermore, it stressed that “*the creativity and diversity of our people and the strength of European creative industries, offer huge potential for new growth and jobs through innovation, especially for SMEs.*”

Similarly, the flagship on “An Integrated Industrial Policy for the Globalised Era”⁵ aimed at “*putting competitiveness and sustainability at centre stage*” and it highlighted the “*central importance of a strong, competitive and diversified industrial manufacturing value chain for the EU’s competitiveness and job creation potential*” and stated that “*cultural and creative industries are important drivers of economic and social innovation in other sectors*”. (...)“*Closer collaboration between such industries and EU, Member States, regional and local policy makers will promote their contribution to the economy as a whole*”.

To fully unlock the potential of the creative industries requires new policy approaches. So as part of the “Innovation Union” flagship⁶ and the “Industrial Policy” flagship⁷ initiatives, the **European Creative Industries Alliance (ECIA)** has been established to strengthen the role of the creative industries as a catalyst for innovation and structural change by promoting the more effective use of all different forms of

3 This definition follows the description of the Amsterdam Declaration that was adopted during the event “Towards a Pan-European initiative in support of innovative creative industries in Europe” in 2010. The 2009 Commission Staff Working Document “Challenges to EU support to service innovation” has provided, for instance, a classification of creative industries. The European Cluster Observatory sector report on creative and cultural industries also includes a detailed methodological annex concerning the definition of this industry and provides an advanced classification. This report highlights that the difference between the concepts of cultural industries and creative industries mainly concerns whether the emphasis is placed on outputs or inputs and processes, and it views these concepts to a certain extent as interchangeable. It therefore does not apply a distinction between them in the narrow sense.

4 COM (2010) 546 final of 6.10.2010

5 COM (2010) 614 final of 29.10.2010

6 COM (2010) 546 final of 6.10.2010

7 COM (2010) 614 final of 29.10.2010

knowledge and creativity for innovation throughout the economy, and to support the emergence of new industries that combine knowledge and creativity with modern technologies, in particular ICT for innovation.

The European Creative Industries Alliance brings together regional and national policy makers and practitioners at European level with the aim of making better use of current and planned initiatives and enhancing transnational cooperation. It is expected to mobilise additional public and private funding of €100 Mio in support of creative industries. ECIA consists of

- a Policy Learning Platform that has the role to establish a policy dialogue on designing better industrial and innovation strategies that build upon service innovation. Specifically, it will analyse, benchmark and engage in mutual learning in areas such as innovation support; incubation and access to finance; and cluster excellence and co-operation, and it will prepare policy recommendations with concrete master plans for implementation on how to better support creative industries.
- 8 concrete actions in the areas of service innovation support through innovation voucher schemes, access to finance, and cluster excellence and cooperation. Each action is managed by a public-private partnership bringing together actors from different countries who will open up and test new business support instruments for companies from the creative industries and mobilise additional funding opportunities for them.

1.3. THE LEGAL BASE

This call for proposals concerns pilot projects within the meaning of Article 49(6) of Council regulation (EC, Euratom) n° 1605/2002 of 25 June 2002 on the Financial regulation applicable to the general budget of the European Communities (OJ L 248, 16.9.2002, p.1).

The call for proposals is being implemented in accordance with Commission Decision C/2012/208 of 25 January 2012 concerning the financing of pilot projects "Competence Network on Rare Earth" and "European Creative Districts", preparatory actions "Transnational Cultural Tourism Products", "Tourism and Accessibility for all", "Euromed - Innovative Entrepreneurs for Change "and" RECAP "and adopting amendments to the financing decision on the financing of actions of the activity" Market for Goods and Sectoral Policies "of the Directorate General Enterprise & Industry for 2012.

2. OBJECTIVE OF THE CALL

Under this initiative, two large-scale demonstrators, “**European Creative Districts**” may be launched that aim at **demonstrating the transformative power of creative industries for the rejuvenation of traditional industrial regions**.

For the purposes of this call for proposals, the term “region” shall, in principle, refer to NUTS level 2 territorial units according to the current NUTS classification system⁸. However, in duly substantiated and documented cases a differently defined region may be eligible. For instance, where the territory is a cross-border area or defined by a common historical or cultural identity rather than a political or administrative unit. The eligibility of such regions will be decided on a case-by-case basis and only take account of the arguments in, and supporting documentation provided with, the “concept note” as set out below.

The “European Creative Districts” will support traditional industrial regions in their transition from a traditional economy with strong “heritage” value and cultural identity to a sustainable and innovative economy. This notably includes the promotion of all forms of creativity and the better use of service innovation and creative industries to stimulate structural change for cultural, craft and manufacturing-based industry. In this respect, the “European Creative District” should, on the one hand, address the specific needs of innovative creative industries companies to strengthen their capacity to innovate and grow and, on the other hand, stimulate the demand for their services by companies or organisations from other sectors with a view to boosting the role of creative industries as a catalyst for regional development.

To achieve the objective set out above, the “European Creative Districts” shall elaborate a strategy or master plan that clearly demonstrates the political will to support its implementation to be outlined in a detailed roadmap, with a commitment to (re-)allocate existing budgetary means and to leverage additional public or private funds such as through the Structural Funds.

To assess the overall success of the “European Creative Districts”, key indicators will be the additional public and private funds mobilised and the number of companies benefitting from the activities being implemented.

The “European Creative Districts” shall be implemented in close coordination with the European Creative Industries Alliance and the European Service Innovation Centre and its related model demonstrator regions. These initiatives shall be instrumental in disseminating and sharing, as widely as possible, the experience gained by the actions supported through this call for proposals.

2.1. SPECIFIC OBJECTIVES

A “European Creative District” will consist of a **number of combined activities** with the objective of **demonstrating the role service innovation and creative industries** can play in order for a traditional industrial region and its industries to transform themselves and to maintain or gain a strong position in global value chains, such as by adding value through design, creativity and from cross-sectoral cooperation. In this way it shall support the modernisation of traditional industrial sectors and facilitate structural change for cultural, crafts and manufacturing-based industry towards a modern economy.

The “European Creative District” shall encourage activities with a strong and visible impact. It shall be based on a **holistic approach that brings together a large number of regional innovation actors** to create a favourable eco-system for service innovation and creative industries. Regional governments and business communities are thus called upon to create supportive technical infrastructures and business conditions that

⁸ http://ec.europa.eu/eurostat/ramon/nuts/home_regions_en.html

facilitate service innovation, in particular through creative industries, and thus enhance their role in the local economy, including their spill-over effects on other industries in the region.

2.2. EXPECTED WORK

In a first stage, applicants are requested to submit a "**concept note**" of maximum five pages and then, in a second stage upon selection, a full proposal aimed at launching a "European Creative District" to be co-funded by the European Commission. Following the evaluation of the "concept notes", a maximum of five applicants will be invited to prepare full and detailed proposals. A maximum of two proposals will be awarded a grant.

2.2.1 Concept note

In the concept note the applicant shall first provide a clear description of the objectives to be addressed by the "European Creative District", including the specific **policy challenges** to be addressed on a large scale through service innovation and creative industries. In terms of "**emerging industries**" driven by service innovation and based on creative industries, no sectoral limitations exist. However, the "European Creative District" should aim at the creation of new industrial structures driven by creativity, such as through clusters and networks, and not be limited to firm level activities. For the objectives to be addressed, clear and measurable impact indicators should be defined.

Secondly, the concept note shall outline the **overall approach** followed by the region to address the identified objectives. It should explain how service innovation and creative industries are expected to contribute to transforming the traditional industrial region and its industries through such an approach and how the approach would integrate and benefit from other ongoing or planned activities in the region.

Thirdly, the concept note shall outline how service innovation and creative industries shall be encouraged by the "European Creative District" through **specific activities**:

1. Mutual transnational policy learning;
2. Better business support, such as voucher schemes, service incubation or SME internationalisation;
3. Better access to finance;
4. Facilitating clusters and networking activities.

A minimum of three activities must be chosen from this list, with mutual policy learning being mandatory.

The concept notes will be evaluated against parameters such as the quality and potential impact of the overall strategy in support of transforming the traditional industrial region through service innovation and creativity, the quality and potential impact of the proposed concrete actions and of the policy learning, and the European added value brought about by the "European Creative District". See evaluation criteria in annex 3.

2.2.2 Full proposal

Applicants that successfully pass the first stage of the selection procedure will be invited to submit a **full proposal**, including a detailed description of the innovation support and policy learning activities that they intend to launch in support of their overall strategy to transform their traditional industrial region by promoting service innovation and capitalising on all forms of creativity through a "European Creative District".

Applicants are expected to provide a **detailed description of the activities planned to be undertaken**, including the objectives, implementation modalities and clear targets and indicators as well as an ex-ante impact assessment for at least three of the specific activities below. The indicators should be based on the SMART principle:

S	Specific	Significant, Stretching, Simple
M	Measurable	Meaningful, Motivational, Manageable
A	Attainable	Appropriate, Achievable, Agreed, Assignable, Actionable, Ambitious, Aligned, Aspirational, Acceptable
R	Relevant	Results-oriented, Realistic, Resourced, Resonant
T	Timely	Time-oriented, Time framed, Timed, Time-based, Timeboxed, Time-bound, Time-Specific, Timetabled, Time limited, Trackable, Tangible

Specific activities:

1. **Mutual transnational policy learning (mandatory):** This activity could include, for example, assessment of the overall strategy in support of service innovation and creative industries, the quality of existing framework conditions and support mechanisms and options for better practices for innovation support services through analysis of baseline information and intelligence on needs and challenges, peer reviews and benchmarking exercises leading to the formulation of a detailed action plan and roadmap. In addition, visiting programmes to study other ‘creative districts’ or large-scale demonstrators could be organised.

In this respect, applicants may consider associating themselves with the work of the Policy Learning Platform of the European Creative Industries Alliance, the European Service Innovation Centre and the model demonstrator regions that will use its services as well as with the large-scale demonstrator projects under the European Mobile and Mobility Industries Alliance, for exchange of experience and mutual policy learning. Furthermore, applicants are strongly encouraged to build upon lessons from previous European actions, to find synergies with existing actions and to provide input into upcoming policies and actions of relevance for the creative industries (i.e. the European Agenda for Culture 2011-2014: priorities for Cultural and Creative Industries⁹, Creative Europe 2014-2020¹⁰, INTERREG IVC projects in the area of creative industries¹¹, etc.). For such **international policy learning**, applicants are expected to provide input for workshops and to budget for the costs of participating in such meetings twice annually and to also budget the cost of participation in a European conference on large-scale demonstrators to be organised by ESIC in 2013.

2. **Better business support:** These activities are aimed at enhancing the innovation capacity of creative industries companies including awareness raising, information and dissemination, training and mobility activities, networking and exchange of best practices, developing high-quality innovation support mechanisms and services with strong added value for these companies (e.g. intellectual property and innovation management, knowledge transfer, innovative use of ICT and e-skills in SMEs), as well as assisting the companies to connect with research and innovation partners across the CIP participating countries, allowing them to spin-in technology and develop their innovation capacity.

Specific activities could include, among others, the promotion of a wider use of existing coaching tools and methods. Support for innovation management for the growth phase of companies could also be included. Such support should be based on the European innovation management tool IMP³rove¹² and could either be provided in the form “train the trainers” schemes or by supporting the use of such certified trainers by companies directly.

⁹ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2010:325:0001:0009:EN:PDF>

¹⁰ http://ec.europa.eu/culture/creative-europe/documents/proposal-regulation_en.pdf

¹¹ http://www.interreg4c.eu/innovation_knowledge.html - Entrepreneurship and SMEs, search keyword: creative industries

¹² <https://www.improve-innovation.eu/>

3. **Better access to finance:** This activity could include, for example, training and coaching creative industries companies to improve their investment readiness and facilitate access to finance. Building upon existing methodologies developed at European level or through specific national or regional investment readiness schemes, like the British "Gateway2Investment" programme¹³, advanced support services could be used to coach companies that address the specific needs of creative industries companies in the growth phase, including management training, business skills for growth, skills on how to access investors and coaching for matchmaking opportunities.

Awareness raising actions should aim at raising the awareness of the investor community of the potential of creative industries, e.g. through pitching events, company case studies and training modules for investors. The aim of these actions would be to increase the interest of investors in this sector, explain the main financial parameters of new emerging industries based on culture and creativity to them, and get them acquainted with the features of new markets in terms of customer profiling, preferences, technologies, business models, etc.

Other activities may aim at the provision of new funding possibilities for creative industries companies. This task could be accomplished in different ways, for example by organising matchmaking events between regional companies and international investors, by setting up new local Business Angel funds or by promoting new forms of financing such as "crowd funding".

All activities related to access to finance are very strongly encouraged to be coordinated, and find synergies with the 'Access to Finance' concrete actions under the European Creative Industries Alliance and the proposed Financial Facility for cultural and creative sectors under Creative Europe.

4. **Facilitating clusters and networking activities** in the field of creative industries: This includes actions that further develop clusters and networks by encouraging cross-sectoral and transnational partnering between actors from different fields of competences. In order to build up the mutual trust and relationships vital for knowledge sharing and joint initiatives, the organisation of cluster visits, business matchmaking events and staff exchanges between cluster managers could be undertaken. This could also involve analysing and mapping existing and future opportunities for culture and creativity based services resulting from cooperation with other industrial sectors.

Other activities may include supporting SME internationalisation through clusters. This involves actions to develop and test new or improved approaches to foster the internationalisation of cluster activities with a view to accessing foreign markets and cooperating with excellent partners globally. This could, for example, include specific actions to facilitate, through clusters, global market access for start-up companies from the region that have developed innovative solutions based on culture and creativity.

In this respect, applicants are encouraged to take account of, and associate themselves with the activities of the European Cluster Collaboration Platform¹⁴ and the European Cluster Excellence Initiative¹⁵.

2.3. TARGETED APPLICANTS AND EXPECTED EXPERIENCE

Consortia shall include, without any geographic restriction, a **maximum of 3 to 5 partners**.

¹³ <http://www.g2i.org/what-is-understandmg-finance-for-business7/gateway2investment>

¹⁴ <http://www.clustercollaboration.eu/>

¹⁵ <http://www.cluster-excellence.eu/>

The lead partner or coordinator must represent a region as defined under point 2.1 above and be a regional organisation that is either responsible for or involved in the funding and/or implementation of a horizontal or specific innovation programme from which creative industries companies could benefit. This refers to regional public authorities themselves as well as to organisations mandated by national and/or regional public authorities to implement innovation support programmes such as innovation or regional development agencies or cluster organisations. For the purpose of the “European Creative District”, members of a given consortium can all be located in the same region.

It is strongly recommended that a **minimum of two public or private organisations** representing strong local communities/networks in the region, each one being operational in **at least one** of the following innovation support policy areas: business support, access to risk and debt finance and support for accessing transnational clustering.

The applicants must have the necessary expertise and resources to carry out the proposed activities. A **strong interest and experience in transnational cooperation** is an asset and should be specifically demonstrated. Eligibility criteria are specified under section 5 and evaluation criteria in annex 3.

The **European added value** of the proposed “European Creative District” can be provided by various means. It can be provided either by including public innovation agencies from other CIP participating countries in the consortium with a view to facilitating exchange of experience, benchmarking and policy learning or by subcontracting activities to the same public agencies; by reserving a share of the budget for innovation support services or the buying-in of new innovative solutions to be provided from abroad (subcontracting). In any eventuality, it is mandatory that the “European Creative District” reserves 50% of the EU contribution for such transnational activities.

2.4. FINANCIAL INFORMATION

The budget available for this action is **€1.000.000**. After evaluation of the concept notes, a maximum of five proposals will be invited to present a full proposal, and of these **a maximum of two** will be awarded a grant. Only the most promising proposals measured in terms of the best ranked proposals following evaluation on the basis of the established selection and award criteria will be retained for funding.

The financial contribution will cover 50 % of the total eligible costs related to innovation activities and 95% of those related to management activities as well as 95% of costs related to the policy learning activities. The total project duration shall be no more than 30 months. Reference is made to General Conditions of the draft Grant Agreement (article II.20) regarding the rules for checks and audits.

3. TIMETABLE

- (1) Scheduled start date for the actions: *November 2012*
- (2) Maximum duration of actions: *30 months*
- (3) No applications will be accepted for projects scheduled to start earlier than, or to run for a period longer than what is specified in this call for proposals

The intention is to inform applicants of the outcome of the award procedure no later than the month of *October 2012*.

The period of eligibility of costs will start on the day the contract is signed by the last of the parties. If a beneficiary can demonstrate the need to start the action before the agreement is signed, expenditure may be authorised before the agreement is signed. Under no circumstances can the eligibility period start before the date of submission of the grant application.

4. EU FINANCING

The **maximum budget** allocated from the Commission Decision C/2012/208 of 25 January 2012 for this call for proposals is: **€1.000.000**

- **Maximum EU co-financing rate** of eligible costs: management up to 95%; innovation activities up to 50%.
- **Maximum EU co-financing ceiling** per project: **€500.000**.
- Proposals with a requested EU co-financing beyond the above maximum will be ineligible. Please refer to section 5 below.

- Please note that one action may give rise to the award of only one grant from the European Union budget to any one beneficiary.
- EU financing can never cover 100 % of the costs of an action.
- The Commission reserves the right to award a grant of less than the amount requested by the applicant. In such a case, beneficiaries proposed for award will be proposed either to increase their co-financing, propose other co-financing means or to decrease the total costs without altering the substance of the proposal. Grants will not be awarded for more than the amount requested.
- The publication (on the Internet site and/or in the Official Journal) does not guarantee the availability of funds for the above action.
- The Commission grant may not have the purpose or effect of producing a profit for the beneficiary. Profit is defined as a surplus of receipts over costs. The amount of the grant will be reduced by the amount of any surplus.

4.1. CO-FINANCING AND JOINT AND SEVERAL RESPONSIBILITY

The beneficiary shall supply evidence of the co-financing provided. It can be provided either by way of own resources, or in the form of financial transfers from third parties. For this call for proposals, the Commission does not accept co-financing in kind. Please refer to the Guide for Submission, chapter IV for further details.

In case where a multi-beneficiary agreement is possible or required, all partners shall agree upon appropriate arrangements between themselves for the proper performance of the action.

In particular, they shall accept the joint and several responsibility for any amount due to the Commission by anyone of them as stipulated in article II.18 of the grant agreement.

The final grant agreement shall be signed by each participating co-beneficiary unless a power of attorney is conferred to the appointed co-ordinator (Form A/4 of the submission set).

4.2. SUBCONTRACTING

Subcontracting does not limit the responsibilities of beneficiaries.

Please note that the beneficiary(ies) has(have) to have the necessary capacity to perform the project. Only tasks that are not core business can be sub-contracted to consultants.

Please refer to the Guide for Submission (page 28) for further details on subcontracting.

4.3. PAYMENT ARRANGEMENTS

The draft grant agreement annexed to this call for proposals specifies the payment arrangements in article I.5. The agreement is attached for information only, and should not be submitted with the proposal.

Your attention is in particular drawn to part B of the General Conditions, article II.14, where the eligibility of costs is described. These costs are also further explained in chapter VI of the Guide for Submission.

5. ELIGIBILITY

APPLICATIONS MUST COMPLY WITH ALL OF THE ELIGIBILITY CRITERIA SET OUT IN THIS SECTION.

5.1. GEOGRAPHICAL ELIGIBILITY

Applications from legal entities established in one of the following countries are eligible:

- (1) EU Member States
- (2) Non-EU-member countries that are participating in the Entrepreneurship and Innovation Programme (EIP) of the Competitiveness and Innovation Programme, which include Norway, Iceland, Liechtenstein, Croatia, the former Yugoslav Republic of Macedonia, Montenegro, Turkey, Serbia and Albania.¹⁶
- (3) The legal entity must represent a region as defined under point 2.1 above.

5.2. LEGAL STATUS ELIGIBILITY

In what follows “partners” are to be understood as any potential co-signatory of the future grant agreement subject to this call, and as proposed by the applicant co-ordinator.

1. Applicants will act in consortium with partner organisations;
2. Partners of the lead organisation must satisfy the same eligibility criteria as those for the applicant; the applicant shall be the coordinator;
3. Applications must be submitted by a legal person;
4. Corporate bodies must be properly constituted and registered under the law. If a body or organisation is not constituted under the law, a physical person must be designated to undertake the legal responsibility;
5. Applicants must correspond to the definition of the following target organisations: Applications must include a **minimum of one** public regional governmental organisation that must either be responsible for or involved in the funding and/or implementation of a horizontal or specific innovation programme from which creative industries companies could benefit. This refers to national and/or regional public authorities themselves as well as to organisations mandated by such public authorities to implement innovation support programmes such as innovation or regional development agencies or cluster organisations.

5.3. EXCLUSION CRITERIA

By using the “Exclusion Criteria Form” (form D attached to the “Submission Set) applicants shall declare on their honour that they are not in one of the situations referred to in Articles 93 and 94 of the Financial Regulation.

Please note that, according to articles 96 and 114 of the Financial Regulation applicable to the general budget of the European Communities and according to article 134b of the Commission Regulation (EC, Euratom) n°

¹⁶ For more information, see http://ec.europa.eu/cip/faq/index_en.htm

2342/2002 of 23 December 2002¹⁷ laying down detailed rules for the implementation of Council Regulation (EC, Euratom) n° 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities¹⁸, administrative and financial penalties may be imposed by the Commission on applicants who are excluded in relation to points a) to h) of the form in question.

5.4. ELIGIBLE PROPOSALS

Applications must comply with the following conditions in order to be eligible for a grant:

1. Any one partner can only apply for/participate in one single “European Creative District”.
2. Applications must be signed, dated and complete, using the standard submission set. All forms must be submitted in their original form with original signatures.
3. Applications must be submitted timely, in conformity with the specifications for the submission of proposals (see point 8 below).
4. Only projects that are strictly non-profit-making and/or whose immediate objective is non-commercial shall be eligible.
5. Applications must respect the maximum EC contribution as laid out in section 4.
6. Applications must respect the maximum duration of projects (see section 4).
7. Applications must be in line with the scheduled start date.

In this context, any project that is directly or indirectly contrary to EU policy or against public health, human rights, citizen’s security or freedom of expression will be rejected.

¹⁷ As amended by Commission Regulation 1261/2005 of 20 July 2005, Commission Regulation 1248/2006 of 7 August 2006 and Commission Regulation 478/2007 of 23 April 2007

¹⁸ As amended by Council Regulation 1995/2006 of 13 December 2006

6. SELECTION

The following sets out the basis for the evaluation of applicants' capacities in relation to the action. Please refer also to chapter IV of the Guide for Submission for further details.

6.1. APPLICANTS' FINANCIAL CAPACITY TO COMPLETE THE PROPOSED ACTION

Applicants must show they have stable and sufficient sources of funding to ensure the continuity of their organisation throughout the project and, if necessary, to play a part in financing it.

The obligation to provide the supporting documents serving as proof of financial capacity does not apply to applications for grants with a EU co-financing amount of less than €25.000 (this threshold refers to the total of grants received by a single beneficiary during one financial year). However, the applicants in question shall submit a declaration on honour for the purpose of proving the financial and technical capacity.

6.2. APPLICANTS' OPERATIONAL CAPACITY TO COMPLETE THE PROPOSED ACTION

Applicants must show they have the operational (technical and management) capacity to complete the operation to be supported and must demonstrate their capacity to manage the scale activity corresponding to the size of the project for which the grant is requested. In particular, the team responsible for the project/operation must have adequate professional qualifications and experience. Applicants will therefore include in the proposal curriculum vitae of the main members of the team that will actually be performing the work and professional references and details of similar past projects.

Applicants must be directly responsible for the preparation and management of the action, not acting as an intermediary. They must provide information about their capacity to carry out the expected activities and demonstrate their experience (or strong interest) in working with other parties in transnational projects. The coordinator must demonstrate a strong management experience of international consortia of relevant size.

Organisations such as universities, business associations, consultancies, IT firms, banks, business angels, etc., can be direct beneficiaries under this call for proposals. It may be possible to entrust such organisations through a procurement contract with specific tasks, for which the responsibility will, however, remain with the beneficiary (**subcontracting**). Such tasks must be clearly explained in the proposal, and the subcontractor must only be selected after the grant agreement is signed, through a competitive procedure and in accordance with article I.12.2 of the General Conditions of the Grant Agreement. Subcontractors should therefore not be identified in the proposal.

Applicant consortia must demonstrate:

- that the lead partner or coordinator is a regional organisation that is either responsible for or involved in the funding and/or implementation of a horizontal or specific innovation programme from which creative industries companies could benefit. This refers to regional public authorities themselves as well as to organisations mandated by national and/or regional public authorities to implement innovation support programmes such as innovation or regional development agencies or cluster organisations;
- that a minimum of two public or private organisations representing strong local communities/networks each one being operational in at least one of the following three innovation support policy areas:
 1. **business support**, i.e.
 - local industry and trade associations that represent early stage or rapidly developing creative industries companies launching new service solutions;

- strong European business early stage support organisations capable of supporting service developers with investment readiness and investors with investor readiness;
 - coaching networks, incubation communities, cluster organisations;
2. **access to risk and debt finance**, i.e. organisations representing local business angel networks, investor consortia, e.g. local VC and BA consortia or associations;
 3. **support for accessing transnational clustering** and cluster networking, e.g. cluster organisation(s), cluster associations/networks; local cluster consortia capable of establishing strong market access measures such as living labs and access to international clusters and value chains;
- that each partner has a strong experience in the design and/or implementation of innovation support programmes and actions from which creative industries companies could benefit, as well as the financial and organisational means to launch concrete actions at own initiative and expense;
 - that each partner is committed to share experience and work together in support of innovative enterprises in Europe, particularly SMEs. Participating organisations should have a strong interest in transnational cooperation with other public governmental organisations or innovation agencies responsible for the design and/or management of innovation support programmes and actions and the necessary expertise and resources to carry out the proposed activities;
 - that the lead partner or coordinator has strong management experience of international consortia of relevant size.

7. AWARD

An evaluation of the quality of concept notes and full proposals, including the proposed budget, will be carried out in accordance with the evaluation criteria set out in annex 3 to this call for proposals.

The complete selection and evaluation procedure is described in chapter IV of the Guide for Submission in annex 2.

8. SUBMISSION OF PROPOSALS

Please note that electronic submissions are not allowed for this call

Two-stage submission procedure

§ Stage 1: The concept note

In stage 1, the lead applicant or coordinator is invited to present in a concept note of maximum 5 pages its planned work to implement the “European Creative District”. The concept note must include a description of the objectives, main activities, implementation modalities, list of other beneficiaries (sufficient to satisfy the eligibility criterion on minimum participation provided in section 5.2 above), expected results and funding arrangements. This concept note will be evaluated against a limited range of criteria (see annex 3). The elements assessed on the basis of the concept note may not be modified by the applicant in the full proposal.

In the concept note, the lead applicant or coordinator must only provide an estimate of the costs and funding arrangements of the action together with the amount of contribution and percentage requested from the European Commission. Only those applicants invited to submit a full proposal in stage two will be required to present a detailed budget. The EU contribution may not vary from the initial estimate by more than 20% and cannot exceed the maximum EU financial contribution for each co-funded action mentioned in section 4 above.

For a given proposal, the lead applicant or coordinator acts as the single point of contact between the applicant and the Commission. The lead applicant or coordinator is responsible for the overall planning of the proposal and for building up the consortium that will implement the action. Only this organisation is formally involved in stage one of the submission procedure. Letters confirming the intention of all other partners or beneficiaries to participate in the proposed action should be attached as annexes.

The stage one evaluation of the concept note will be based on:

- § the concept note (maximum 5 pages on A4 format drafted in English);
- § the proposal submission forms A/1 duly completed, including the list of all beneficiaries;
- § the Exclusion Form D duly signed (see the call submission set); and
- § letters confirming the intention of all other partners/beneficiaries to participate in the proposed action.

Please note that only the concept note will be evaluated. It is therefore of utmost importance that this document contains all of the relevant information concerning the action. No other annexes should be sent except those mentioned above.

The deadline for submission of the concept note (with annexed documents) is:

04/05/2012

§ Stage two: Full proposals

A maximum of five applicants with the highest scores for the evaluation criteria for stage one and respecting the threshold mentioned in Annex 3 are invited to submit full proposals based on the initial

concept note by a date specified by the Commission. This date will allow at least six weeks for the preparation of the full proposal.

The objectives of the full proposal must be consistent and in accordance with the successful concept note, extending it by providing full details about the approach, the specific work plan, the budget, etc.

The stage two evaluation of the full proposal is an evaluation against each of the criteria as explained in annex 3. It is not a complementary evaluation. Scores achieved by the stage one proposal are not taken into account in the stage two evaluation.

The indicative deadline for submission of full proposals is:

03/08/2011

Applicants shall carefully observe the indications below in order that concept notes and full proposals reach their exact destination in due time.

Full proposals and concept notes may be:

a) either sent by registered mail, (date of postmark serving as evidence of timely delivery); to the following address:

European Commission
Enterprise and Industry Directorate-General
Call for proposals No: 34/G/ENT/PPA/12/6483
Industrial Innovation and Mobility Industries, Support for Industrial Innovation Unit
BREY 06/045
B-1049 Brussels, Belgium

b) or sent by courier services (date of deposit slip serving as evidence of timely delivery), to the address below,

c) or delivered by hand, in person or by an authorised representative (date of acknowledgement of receipt by the Commission serving as evidence of timely delivery) to the following address:

European Commission
Enterprise and Industry Directorate-General
Call for proposals No: 34/G/ENT/PPA/12/6483
Industrial Innovation and Mobility Industries, Support for Industrial Innovation Unit
BREY 06/045

Service central de réception du courrier
Avenue du Bourget, 1-3
B-1140 Bruxelles, Belgique

How to reach avenue du Bourget 1-3 : http://ec.europa.eu/enterprise/calls/hand_delivery.html

In case of hand-delivery, a receipt must be obtained as proof of submission, signed and dated by the official in the Commission's central mail department who took delivery. This department is open from 08.00 to 17.00 from Monday to Thursday and from 08.00 to 16.00 on Friday; it is closed on Saturdays, Sundays and Commission holidays.

Please note that for security reasons hand deliveries (including courier services) are not accepted in other Commission buildings.

9. CONTACTS

Contacts between the contracting authority and potential applicants can only take place in certain circumstances and under the following conditions only:

- Before the final date for submission of proposals, at the request of the applicant, the Commission may provide additional information solely for the purpose of clarifying the nature of the call.

Any requests for additional information must be made in writing only to the coordinates stated below.

The Commission may, on its own initiative, inform interested parties of any error, inaccuracy, omission or other clerical error in the text of the call for proposals.

Any additional information including that referred to above will be published on the internet in concordance with the various call for proposals documents.

- After the deadline for submission of proposals:
- If clarification is requested or if obvious clerical errors in the proposal need to be corrected, the Commission may contact the applicant provided the terms of the proposal are not modified as a result.
- If the authorising officer finds that those proposals, which have been listed for award needs limited adaptations to their proposal. In such case, these applicants will receive a formal letter setting out the requested modifications. Any such modifications must stay within the limits of the request. This phase will not lead to a re-evaluation of the proposals, but a proposal might be rejected if refusing to ensure a positive follow-up to the request.

Contact coordinates for the call:

European Commission Enterprise and Industry Directorate-General Industrial Innovation and Mobility Industries, Support for Industrial Innovation Unit E-mail address: ENTR CFP 12-34 CREA-DISTRICTS@ec.europa.eu Office address: BREY 06/045, B-1049 Brussels, Belgium
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10. ANNEX 1 SUBMISSION SET

The Submission Set can be downloaded from the following page:
<http://ec.europa.eu/enterprise/contracts-grants/calls-for-proposals/>

11. ANNEX 2 GUIDE FOR SUBMISSION

The Guide for Submission can be downloaded from the following page:
<http://ec.europa.eu/enterprise/contracts-grants/calls-for-proposals/>

12. ANNEX 3 EVALUATION CRITERIA

When assessing the evaluation criteria below, the evaluation committee generally pays attention to the elements indicated below each criterion. Please note that these elements, which are indicative and non-exhaustive, are given on the basis of transparency and in order to help applicants to improve their applications.

Stage one: The concept note

EVALUATION CRITERIA AND KEY ELEMENTS LIKELY TO BE ASSESSED BY THE EVALUATION COMMITTEE	MAX. SCORE
1. Relevance	15
<p>How relevant is the proposal to the objectives of the action, notably with regard to rejuvenating and transforming a traditional industrial region?</p> <p>How clearly are the proposed actions defined and the organisations involved strategically chosen in this respect?</p>	
2. Impact	10
<p>What is the expected outcome, the potential impact and added value of the project and what can be the multiplier effect of the project to further promote service innovation and all forms of creativity as catalysts of structural change in the EU?</p>	
3. Quality	10
<p>How coherent is the overall design of the action, how ambitious is the proposed work plan and to what extent does it cover the activities described in the Call text?</p>	
4. Budget	5
<p>To what extent are budget estimates consistent and necessary to implement all planned activities?</p>	
Maximum total score	40

If the total score is lower than 20 points or the score obtained for any of the above four criteria is lower than 50%, the proposal will not be evaluated further.

Stage two: The full proposal

EVALUATION CRITERIA AND KEY ELEMENTS LIKELY TO BE ASSESSED BY THE EVALUATION COMMITTEE	MAX. SCORE
1. Relevance	15
<ul style="list-style-type: none"> - How relevant is the proposal in response to the objectives of the call? - To what extent are the expected activities covered by the proposal? - To what extent do the proposed activities demonstrate a clear European added value? 	
2. Visibility	15
<ul style="list-style-type: none"> - To what extent do the proposed activities and stakeholders ensure appropriate European added value and visibility? - To what extent does the proposal foresee to contribute to and cooperate with other regional, national and European level initiatives (e.g. European Creative Industries Alliance, large-scale demonstrators under the European Mobile and Mobility Industries Alliance, the European Service Innovation Centre and the related model demonstrator regions, etc.)? - To what extent will the action establish an image of excellence, competence and professionalism? 	
3. Potential Impact	40
<ul style="list-style-type: none"> - How many financial resources will be leveraged directly and indirectly for the action by the consortium in addition to the expected Community contribution? - Potentially how well will local business support eco-systems be leveraged in support of service innovation and creative industries? - How well do the innovation support activities integrate with existing European networks providing support to creative industries such as the European Creative Industries Alliance? - How realistic is the strategy to address the identified policy challenges in the region and to provide the corresponding innovation support activities? - To what extents are the proposed new instruments and approaches in support of creative industries replicable and scalable? - To what extent do the proposed activities contribute to the creation of more creative industries companies with high growth potential? 	
4. Quality	20
<ul style="list-style-type: none"> - To what extent are the proposed activities well described and appropriate for addressing the particular needs and challenges of the region and creative industries companies? - To what extent do the proposed activities build upon existing good practice for 	

<p>innovation support in this field?</p> <ul style="list-style-type: none"> - To what extent are the proposed partners qualified to carry out the proposed actions in an effective manner? - Are the coordination mechanisms proposed sufficiently robust to ensure the goals of the action? - How well described and realistic are the proposed performance indicators? 	
5. Budget and cost-effectiveness	10
<ul style="list-style-type: none"> - To what extent is the proposed budget clear and detailed? - Is the budget breakdown per activity realistic and reasonable for the proposed activities to be completed successfully? - To what extent is the proposed expenditure necessary for the implementation of the activities? - To what extent is the amount requested in accordance with the expected results? Is the proposal offering sufficient value-for-money? 	
Maximum total score	100

If a total score lower than 70 points or a score lower than 50% for any of the above five criteria is obtained, the proposal will not be evaluated further.

13. ANNEX 4 DRAFT GRANT AGREEMENT

Provided as a separate document.