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Interreg Europe Project “Innovating  
Communication targeted to SMEs –  
INNO-COM”

# Regional analysis

**Communication of public  
administration with SMEs in  
Umbria, Italy to promote  
business participation in  
public calls and projects**



SVILUPPUMBRIA

Sviluppumbria - Lead Partner of  
the INNO-COM Project

**Interreg  
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## Chapter 1: Introduction

Umbria, known as “Italy's Green Heart,” is a region of central Italy renowned for its rolling hills, historic cities, and a rich cultural heritage. Covering an area of about 8,464 square kilometers, this region stands out for its verdant landscapes and medieval architecture that imbue it with a unique charm (Italian National Institute of Statistics [ISTAT], 2020). The region's infrastructure, a harmonious blend of modern and historical elements, underpins its diverse economy. Key sectors include agriculture, with a focus on wine and olive oil production, and manufacturing, ranging from traditional crafts to advanced industries like machinery and biotechnology (European Commission, 2019). Tourism also plays a significant role, drawn by Umbria's scenic beauty and cultural richness (Umbria Tourism Board, 2021).

Umbria's administrative system is centered in Perugia, which serves as the regional capital and the principal hub for governance. The region counts 92 municipalities, including Terni, which is the other provincial capital. The region's governance structure effectively balances the preservation of its rich history with the demands of modern administration (Regional Government of Umbria, 2020).

Figure 1: Map of Umbria, Italy



Source: <https://www.wanderingitaly.com/maps/umbria.html>



In the InnoCOM project, Umbria is committed to enhancing the collaboration between public administrations and small and medium-sized enterprises (SMEs), a vital component of the region's economy. This initiative is strategically designed to improve SMEs' access to public calls and funding programs, thereby supporting their growth and innovation (European Union Regional Development Fund, 2021). This aligns closely with the broader objectives of the European Union in promoting SMEs as key drivers of economic development and technological advancement (European Small Business Alliance, 2022).

Central to this initiative is an emphasis on digital transformation, a crucial element in today's rapidly evolving economic landscape. Umbria is proactively integrating digital technologies within its business and public sectors, reflecting a forward-thinking approach to economic development (University of Perugia, 2021). This digitalization strategy aims to create a more interconnected, efficient, and innovative society, thus enhancing competitiveness and fostering a dynamic business environment (Italian Ministry of Economic Development, 2020).

This introductory analysis of Umbria provides a solid foundation for understanding the region's distinctive characteristics, setting the stage for an in-depth exploration of its economic, social, and administrative facets under the InnoCOM project.

## Chapter 2: Economic development, entrepreneurship, and digitalization in Umbria

### 2.1 Economic development and entrepreneurship

In analysing the economic development and entrepreneurship landscape of Umbria, it's essential to recognize the pivotal role of Small and Medium-sized Enterprises (SMEs) in the European Union. Representing 99.8% of all non-financial sector enterprises and two-thirds of employment, SMEs are the backbone of the EU economy. However, they face significant challenges, including skills shortages, administrative burdens, and access to finance, which hinder their growth and expansion (European Commission, 2020).

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To provide a comprehensive understanding of the socio-economic situation in Umbria, we refer to the regional GDP data available from Eurostat (2022). This data offers insights into the size of the territory, population, GDP per capita, real GDP growth, the population of active enterprises, net business population growth, and unemployment rates, among other indicators. These parameters are crucial in assessing the region's economic health and identifying the areas where SMEs may require additional support and resources.

Table 1: General information, 2018-2022

Indicators	2018	2019	2020	2021	2022
Size of territory <i>Square kilometres</i>	8,464	8,464	8,464	8,464	8,464
Population <i>Millions</i>	0.884	0.882	0.880	0.878	0.873
Real GDP per capita <i>EUR</i>	22,939	23,087	21,198	22,859	-
Real GDP growth <i>% change</i>	0.268	0.645	-8.182	7.836	-
Population of active enterprises <i>Number</i>	39,334	36,970	38,258	-	-
Net business population growth <i>%</i>	-0.23	-5.37	2.85	-	-
Unemployment rate <i>% of labour force</i>	36	33	32	25	27

Source: Eurostat database NUTS3 level (available at <https://ec.europa.eu/eurostat/web/regions/database>)

Table 1 encapsulates a diverse range of socio-economic indicators for Umbria from 2018 to 2022, reflecting a region characterized by both stability and change. The unchanging size of the territory stands in contrast to the subtle but steady decrease in population, hinting at potential demographic shifts that could have implications for the region's labour market and long-term economic vitality.

Real GDP per capita in Umbria has experienced notable fluctuations, particularly with the downturn in 2020, which underscores the economic turbulence likely brought on by the COVID-19 pandemic. The subsequent recovery in 2021 is a testament to the

region's economic resilience or possibly effective recovery measures that have been put in place.

Observing the active enterprises within Umbria, there is a decline in 2019 followed by a rebound in 2020, suggesting a dynamic business environment. The negative net business population growth in the preceding years that turns positive in 2020 may indicate a revitalization in the entrepreneurial spirit or perhaps favourable conditions for business formation emerging post-crisis.

The trajectory of the unemployment rate is particularly telling, with a notable decrease over the four-year span. This improvement in employment could be reflective of stronger economic conditions, successful job creation policies, or a shifting industrial landscape that has perhaps opened up new opportunities for the workforce.

Taken together, these indicators not only provide a snapshot of the economic health of Umbria but also tell a story of a region adapting to external shocks, showing signs of economic recovery, and improving labour market conditions. The declining population, however, remains a concern that could require strategic interventions to ensure that the region remains competitive and can sustain its economic growth. The overall narrative is one of resilience amid challenges, pointing to the need for continued supportive policies and initiatives that foster growth, stability, and prosperity in Umbria.

## 2.2. Digital economy and society

In assessing the digitalization of the Umbria region, the Digital Economy and Society Index (DESI) serves as a pivotal reference point (European Union, 2022). DESI encapsulates a wide array of indicators essential to evaluating digital performance and societal integration of digital technology. For Umbria, understanding its position within the DESI framework benchmarks its current digital economy and identifies strategic areas for development, aligning with broader EU digital single market initiatives. Umbria's digitalization journey, as captured by the DESI, reflects its ambitions and challenges in fostering a digital society that benefits both its economy and its citizens.

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The trajectory of Umbria's digitalization, as delineated by the DESI index and its components, underscores a progressive enhancement in the region's digital framework from 2018 to 2022 [see Table 2].

Table 2: DESI index and DESI areas , 2018-2022

Indicators	2018	2019	2020	2021	2022
DESI Index	30.57	34.34	36.73	40.85	49.25
DESI: connectivity	5.46	7.64	8.25	9.23	15.31
DESI: human capital	8.42	8.71	8.90	8.88	9.14
DESI: integration of digital technology by business	6.24	6.82	7.48	9.29	10.18
DESI: digital public services	10.45	11.17	12.10	13.45	14.62

Source: <https://ec.europa.eu/digital-single-market/en/desi>

The DESI index itself has seen a substantial increase over the last 5 years, indicating a broad improvement across various facets of the digital economy. Particularly, the connectivity component has nearly tripled, reflecting substantial investments in digital infrastructure which are pivotal for both businesses and the community. This advancement is crucial for regions like Umbria, where enhanced connectivity can lead to greater economic opportunities and societal benefits. Human capital, too, has shown a consistent rise, indicating an investment in skills and education that could be key to unlocking the potential of the digital economy. Equally important is the integration of digital technology by businesses, where there has been a noticeable improvement, suggesting that the regional businesses are increasingly embracing digital transformation. Public digital services have also experienced growth, which is indicative of the region's commitment to improving citizen access to digital resources. This increase in public digital services is essential for fostering an inclusive digital society, where all citizens can benefit from the digital leap.

Taken together, the evidence presented in Table 2 reflects a region that is successfully navigating the digital revolution, making strides in connectivity, human capital,

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business digitalization, and public services. These enhancements are likely to contribute positively to Umbria's socio-economic development in the digital age.

The Eurostat regional statistics supplement the DESI, providing nuanced insights into the region's digitalization status. These statistics reveal a promising trend towards greater digital engagement among the population [see Table 3]. The steady rise in individuals regularly using the internet, from 74.4% in 2018 to 85.2% in 2022, signals an increasingly connected society, well-integrated into the digital world. This upward trend is further corroborated by the decrease in the percentage of individuals who have never used a computer, pointing towards diminishing digital divides.

The frequency of internet use for interactions with public authorities, which shows a considerable increase over the years, reflects the government's efforts in digitalizing public services, thereby making them more accessible to citizens. While the data for Umbria must be contextualized within the broader Italian framework, the patterns observed align with the region's digital advancement efforts. These statistics not only underscore the growing digital proficiency among Umbrians but also highlight the region's commitment to fostering a digital economy that is robust and inclusive.

Table 3: General regional digital economy and society statistics – selected indicators, 2018-2022

Indicators	2018	2019	2020	2021	2022
Individuals regularly using the internet by NUTS 2 regions <i>% of individuals 16-74</i>	74.4	77.8	80.5	84.2	85.2
Individuals who have never used a computer by NUTS 2 regions <i>% of individuals 16-74</i>	16.83	14.23	11.75	9.88	8.86
Individuals frequently using the internet. <i>% of individuals<sup>1</sup></i>	71.49	76.95	79.69	80.41	83.97
Individuals who used the internet, frequency of use and activities <i>% of individuals</i>	8.24	21.62	22.77	13.31	14.56

<sup>1</sup> Frequency of internet access: once a week (including every day)

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Individuals who used the internet for interaction with public authorities <sup>2</sup> <i>% of individuals</i>	49.0	56.1	62.9	57.3	-
Individuals who used the internet for interaction with public authorities <sup>3</sup> <i>% of individuals</i>	30.45	30.14	33.63	35.60	-
Individuals who used the internet, frequency of use and activities <i>% of individuals</i>	-	75.76	79.91	54.42	58.53

Source: Eurostat database: <https://ec.europa.eu/eurostat/help/first-visit/database>

## Chapter 3: Governance and regulatory framework towards more competitive and smarter, greener, connected, social and closer to citizens Europe.

Umbria, renowned for its cultural heritage and evolving economic landscape, stands as a unique example of regional governance effectiveness. This section delves into the critical roles of main institutions in shaping the region's economic and social dynamics. It focuses on the policy instruments vital for the growth and resilience of Umbria's SMEs. The analysis further explores the interaction between public entities and the business sector, assessing the administrative strategies and methods underpinning this collaboration. Through this exploration, insights into Umbria's approach towards fostering a competitive, digitally integrated, environmentally sustainable, and socially inclusive environment are revealed, aligning with broader European objectives (European Commission, 2020; OECD, 2019).

### 3.1. Regional governance, main institutions, and their roles

The governance structure in Umbria is a network of national, regional, and local institutions, each with defined roles in advancing the region's economic development. Highlighting the collaboration that underpins Umbria's approach to utilizing EU funds, Table 4 figures out the key organizations from the Ministry of

<sup>2</sup> Internet use: interaction with public authorities

<sup>3</sup> Internet use: submitting completed forms



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Economic Development to regional bodies like Sviluppumbria, down to the grassroots efforts of local entities, all aiming to bolster a competitive, sustainable future for the region within the wider European context (European Commission, 2020; OECD, 2019).

**Table 4: Main involved institutions and their roles.**

No	Title of institution/web	Description of the institution and its role
<b>National</b>		
1	Ministry of Economic Development (MISE) <a href="https://www.mise.gov.it/">https://www.mise.gov.it/</a>	The MISE is responsible for economic policy, development, and cohesion. It also manages the allocation of EU structural funds to businesses and promotes innovation and competitiveness in the industrial sector.
2	National Agency for the Attraction of Investments and Business Development (Invitalia) <a href="https://www.invitalia.it/">https://www.invitalia.it/</a>	Invitalia is the governmental agency that promotes investment in innovation, development, and employment, managing incentives and providing support to businesses accessing public funds.
3	Department for Cohesion Policies (DPCoe) <a href="https://politichecoesione.governo.it/it/">https://politichecoesione.governo.it/it/</a>	The DPCoe is a national body that oversees the strategic planning and implementation of cohesion policies in Italy. It coordinates regional development initiatives and ensures the alignment of local projects with national and EU cohesion objectives. The department works closely with regional authorities to support sustainable economic growth and reduce regional disparities.
<b>Regional</b>		
4	Umbria Regional Government <a href="http://www.regione.umbria.it">http://www.regione.umbria.it</a>	This entity governs the region of Umbria, overseeing local development policies, coordinating with national programs, and ensuring the effective use of EU funds at the regional level.
5	Sviluppumbria <a href="http://www.sviluppumbria.it/">http://www.sviluppumbria.it/</a>	Sviluppumbria is the regional agency for economic development, which provides

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		technical assistance for businesses, promotes the region's economic growth, and facilitates access to financial opportunities and public calls.
6	Umbria Chamber of Commerce <a href="http://www.pg.camcom.it/">http://www.pg.camcom.it/</a>	The Chamber of Commerce of Umbria plays a critical role in supporting local businesses by offering services that facilitate economic development. It provides resources for business growth, export promotion, training, and innovation, as well as critical information on regulatory compliance and access to funding opportunities, including EU programs.
<b>Local</b>		
7	Municipality of Perugia <a href="https://www.comune.perugia.it/pagine/perugia-europa">https://www.comune.perugia.it/pagine/perugia-europa</a>	The Municipality of Perugia is the local government authority responsible for promoting local development initiatives, providing support to local businesses, and ensuring dissemination and access to information on EU and public funding opportunities.
8	Municipality of Terni <a href="https://www.comune.terni.it/">https://www.comune.terni.it/</a>	The Municipality of Terni operates as the local governmental body focused on advancing Terni's urban and economic development. It is pivotal in local strategic planning, supports SMEs through local development policies, and facilitates their access to public and EU funding by disseminating relevant information and guiding them through the application process.
9	Municipality of Foligno <a href="https://www.comune.foligno.pg.it/">https://www.comune.foligno.pg.it/</a>	The Municipality of Foligno is dedicated to integrating digital technology in administrative processes, aiming to improve public services and foster urban sustainability. It emphasizes energy efficiency and is actively involved in the Urban Agenda for better living conditions.
10	Municipality of Città di Castello <a href="https://www.comune.cittadicastello.pg.it/">https://www.comune.cittadicastello.pg.it/</a>	Città di Castello's local government is committed to enhancing urban mobility and the cultural assets of the city. It plays a significant role in the Urban Agenda, focusing on elevating

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		the quality of life through sustainable and innovative urban solutions.
11	Municipality of Spoleto <a href="https://www.comune.spoleto.pg.it/">https://www.comune.spoleto.pg.it/</a>	In line with the Urban Agenda, the Municipality of Spoleto is focused on sustainable tourism and cultural heritage conservation, aiming to bolster the local economy. The city supports SME development and intertwines its historical appeal with strategic urban growth initiatives.
12	Fondazione Perugia <a href="https://www.fondazionecrpg.com/">https://www.fondazionecrpg.com/</a>	The Bank foundations like Fondazione Perugia play a pivotal role in regional development, channeling funds into cultural, social, and economic projects. They are key connectors between public funding and the private sector, focusing on sustainable growth and innovation. Specifically, Fondazione Perugia commits to projects with considerable social impacts that enhance community well-being and bolster the Umbria region's economic vitality.

Source: own authors' elaboration

In Umbria, SMEs benefit from a variety of financing options through regional, national, and broader European channels. Foremost among these are the European Regional Development Fund (ERDF) and the European Social Fund (ESF), which provide substantial support for regional growth and social inclusion initiatives. These funds, alongside other EU funding programs like Horizon Europe and the Creative Europe, constitute key financial resources for the region's development projects. Despite this, SMEs face challenges in accessing information on these opportunities, impacting their ability to capitalize on available funds.

Table 5 outlines key policy documents and normative acts shaping the access to finance for enterprises at national, regional, and local levels in Italy, particularly focused on Umbria. It includes strategic multi-fund programs and innovative initiatives that target the green and digital transition, aiming to fortify the competitive edge of businesses through research and innovation.

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Table 5: Relevant policy documents and main normative acts on national, regional, and local levels

No	Title of document/ web	Type of document	Description of the document
<b>National</b>			
1	NP Research, innovation and competitiveness for green and digital transition 2021-2027	National multi-fund programme for cooperation with EU to implement EU structural and investment funds.	The National Program Research, Innovation and Competitiveness aims to redress these conditions as well as promoting the production of clean renewable energy, and its efficient use through the development of smart transmission systems and distribution networks. This program supports the smart and sustainable growth of the productive system in the less developed regions of Italy. These areas presents a difficult socio-economic framework characterized by a range of weaknesses. Such weaknesses include generally low investment levels in research or sectors like digital and green technologies. In these regions enterprises have reduced size, little access to credit, skilled labour or international markets, adding to an already limited presence of enterprises in the high tech sector.
2	NP Capacity for Cohesion TA 2021-2027 <a href="https://opencoesione.gov.it/en/opportunita_2021_2027/">https://opencoesione.gov.it/en/opportunita_2021_2027/</a>	National multi-fund programme for cooperation with EU to implement EU structural and investment funds.	The objective is to improve the implementation of ESF and ERDF funded programs. This second component is pioneering a large-scale use of a result-based rather than cost-based financing form. Thus, administrative capacity will be strengthened through four actions: (1) Provision of services; (2) Recruitment of personnel; (3) Provision of training; (4) Support to the plans for capacity building of the regional administrations (PRigAs). The action plans from the seven less developed regions identify the needs to be addressed. Additionally a credible and



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			simple result indicator measures the program performance and guarantees that the program avoids the obstacles to cohesion funding implementation.
3	PNRR (National Recovery and Resilience Plan) <a href="https://www.italiadosmani.gov.it/content/sogei-ng/it/it/home.html">https://www.italiadosmani.gov.it/content/sogei-ng/it/it/home.html</a>	National strategic plan for recovery after the pandemic crisis.	The PNRR is the Italian strategic plan formulated in response to the COVID-19 crisis and aimed at revitalizing the country's economy. It encompasses a wide array of initiatives across various sectors, with a focus on innovation, digitalization, ecological transition, education, and health, meant to foster long-term sustainable growth. The plan includes reforms and investments supported by the Next Generation EU funds to ensure a resilient recovery.
<b>Regional</b>			
4	RP Umbria ERDF 2021-2027 Programme <a href="https://ec.europa.eu/regional_policy/in-your-country/programmes/2021-2027/it/2021it16rfpr018_en#:~:text=Regional%20Policy%20In%20your%20country.%E2%80%9CCOMPETITIVENESS%20through%20research%20and%20innovation%E2%80%9D">https://ec.europa.eu/regional_policy/in-your-country/programmes/2021-2027/it/2021it16rfpr018_en#:~:text=Regional%20Policy%20In%20your%20country.%E2%80%9CCOMPETITIVENESS%20through%20research%20and%20innovation%E2%80%9D</a>	Regional multi-fund programme to implement EU structural and investment funds.	This programme supports the green and digital transition of Umbria with investments focused on five key priorities, including "Competitiveness through research and innovation"
5	Regional Innovation Valleys – Interregional Innovation Investments	Regional multi-fund programme to implement EU structural and investment funds.	The "Regional Innovation Valleys" initiative, funded through the Interregional Innovation Investments Instrument, aims to enhance innovation capacity in Umbria. It supports

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	Instrument Calls <a href="https://www.sviluppumbria.it/-/regional-innovation-valleys-interregional-innovation-investments-instrument-calls">https://www.sviluppumbria.it/-/regional-innovation-valleys-interregional-innovation-investments-instrument-calls</a>		collaborative projects and investments among regions to boost smart specialization strategies and economic transformation.
<b>Local</b>			
6	Grant Notice for Economic Promotion Projects <a href="https://www.umbriacamcom.it/promuovere-limpresa-e-il-territorio/bandi-e-contributi/bando-contributi-per-progetti-di-promozione-economica-anno-2024-i-semestre">https://www.umbriacamcom.it/promuovere-limpresa-e-il-territorio/bandi-e-contributi/bando-contributi-per-progetti-di-promozione-economica-anno-2024-i-semestre</a>	Local grant initiative	This document details a call for proposals issued by the Umbria Chamber of Commerce, offering grants for projects aimed at the economic promotion for the first semester of 2024. It supports local businesses in their efforts to innovate, internationalize, and strengthen their market presence.

Source: own authors' elaboration

### 3.2. Characteristics and role of the policy instrument

The Umbria Regional ERDF RP 2021-27 stands as a pivotal policy instrument, aiming to strengthen the interaction between public administration and SMEs. This strategic plan advocates for the efficient dissemination of public call information and actively encourages SME participation in EU-funded projects, reflecting the European Commission's (2021) priorities for a more competitive and smarter Europe. Over €220M has been allocated to support the regional economic environment, focusing on invigorating the innovation capacity of local SMEs, their digitalization, and sustainable competitive growth.

Umbria, currently facing economic setbacks from the pandemic and external geopolitical events, is classified as a 'region in transition'. This shift highlights the

pressing need to enhance the dynamism of SMEs, reduce the mortality rate of startups, and improve access to digitalization and e-government services, including funding for innovation and green transition. The ERDF RP 2021-27 is designed to tackle these issues by promoting an efficient innovation ecosystem and simplifying tools for support and assistance.

Innovative communication has been a recent focus, with the creation of user-friendly videos to simplify bureaucratic funding processes for SMEs proving successful. Umbria intends to expand upon this approach, developing an integrated communication strategy to assist SMEs in accessing funds, incorporating best practices gleaned from the InnoCom project. This strategy is pivotal for achieving the objectives of the ERDF RP 2021-27 and ensuring sustained economic development within the region.

### **3.3. Cooperation with business organizations and SMEs, main administrative tools and methods, access to finance.**

In the framework of the InnoCom project for the Umbria region, cooperation between public institutions and businesses, particularly SMEs, focuses on enhancing their participation in public calls and projects financed by EU Structural and Investment Funds. This is achieved through improved communication and more efficient information dissemination strategies (Eurostat, 2020).

Public institutions in Umbria have implemented various tools and methods to facilitate this process. One key approach has been the utilization of digital platforms to provide timely and comprehensive information about funding opportunities. Workshops and information sessions, often in collaboration with local business organizations like Sviluppumbria and the Umbria Chamber of Commerce, have been instrumental in directly engaging with SMEs. These sessions provide clarity on application processes and available support, addressing the need for better access to information highlighted in the provided dataset.

Moreover, public institutions have been working towards simplifying application processes for funding and providing personalized support to SMEs, aiming to reduce

the administrative burden and enhance their capacity to successfully secure funding. These efforts are critical, as the dataset indicates that a significant proportion of SMEs in Umbria have not utilized funding from European, national, regional, or municipal calls, possibly due to a lack of awareness or understanding of these opportunities.

The challenge for Umbria's public administration is to continually enhance its communication strategies to ensure that SMEs receive the information necessary to access all available funding, thereby supporting regional economic development. The regional government's website (<https://www.regione.umbria.it/la-regione/l-umbria-l-europa-e-le-politiche-di-coesione>) provides clear contact details for officials, adding a personal element to the assistance offered. Additionally, the Brussels office (<https://www.regione.umbria.it/la-regione/umbria-in-europa>) acts as a crucial link, advocating for the region's interests within the EU framework. The regional YouTube channel (<https://www.youtube.com/@porfesrregioneumbria2655>) showcases Umbria's dynamic approach to supporting SMEs, featuring a series of educational videos. Starting with a 2017 video on innovative digitalization strategies for businesses (<https://www.youtube.com/watch?v=eaux0kosjkY>), followed by a 2019 guide on participating in international fairs (<https://www.youtube.com/watch?v=Wp6dJqkQouw&t=62s>), and concluding with an engaging animated explainer from a 2021 campaign that simplifies funding application processes ([https://www.youtube.com/watch?v=afcOw\\_t\\_z\\_c&t=40s](https://www.youtube.com/watch?v=afcOw_t_z_c&t=40s)), the channel illustrates the region's commitment to innovative and accessible SME communication. Umbria's multifaceted approach to communication exemplifies the region's dedication to fostering a supportive ecosystem for SMEs. By blending traditional methods with digital innovation, the public administration is not only addressing current challenges but also laying the groundwork for sustained economic growth. The ongoing commitment to simplifying processes and directly interacting with SMEs is crucial for maximizing the advantages offered by EU initiatives.

## **Chapter 4: SWOT analysis on the effectiveness of distribution and use of EU and public funds by businesses**

The SWOT analysis, detailed in Table 6, serves as a pivotal instrument for unravelling the complex factors that affect the appropriation and employment of EU and public funds by businesses. This analysis is grounded on the results of the



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survey conducted within the scope of the InnoCOM project, providing empirical data to support the evaluation. It illuminates prevailing strengths such as robust funding engagement and innovation initiatives (European Commission, 2020), while addressing weaknesses including bureaucratic complexities and access to information (OECD, 2019). It points out opportunities for progress, like streamlining processes and embracing digital transformation (Schwab, 2016), against potential threats from economic volatility and policy revisions (International Monetary Fund, 2021). This comprehensive assessment, encapsulated in the table, lays the groundwork for strategic improvements in the funding ecosystem.

Table 6: SWOT Analysis.

Internal Factors	
Strengths	Weaknesses
<b>High Engagement with Funding:</b> A significant percentage of businesses have utilized EU, national, regional, or municipal funding.	<b>Administrative Complexities:</b> Challenges in navigating the bureaucracy of fund application processes.
<b>Diversity in Funding Sources:</b> Businesses have accessed various funding sources, including EU financial instruments and programs like Horizon 2020 and Erasmus+.	<b>Limited Accessibility to Information:</b> Difficulty in accessing clear and comprehensive information about funding opportunities.
<b>Innovation and Market Expansion:</b> Participation in programs like COSME and Interreg indicates a focus on innovation and market expansion.	<b>Underutilization of Funds:</b> Despite availability, some funds remain underutilized, possibly due to lack of awareness.
<b>Regional Support:</b> The presence of regional authorities actively supporting businesses in accessing funds.	<b>Skill Gaps:</b> Limited expertise in preparing successful fund applications.
<b>Strong Administrative Competence:</b> Efficient handling of fund applications and distribution by regional authorities.	<b>Regional Disparities:</b> Uneven access to funding opportunities across different parts of the region.

### External Factors

#### Opportunities

**Streamlining Processes:** The opportunity to use AI tools to simplify application processes, thereby improving SMEs' access to European funds.

**Enhancing Information Dissemination:** The limited dimension of the region and the established networks and cooperation between public bodies and SMEs provides a good environment for improvement.

**Expanding Funding Scope:** Opportunity to expand eligibility criteria to encompass a wider range of businesses, particularly SMEs, complemented by the Regional Government's availability to update communication with SMEs, including the use of videos.

**Training and Support:** Organizing events, webinars, and utilizing social media communication opens an opportunity to improve dialogue with SMEs about funding opportunities.

**Digitalization:** Leveraging digital platforms for more efficient fund management and dissemination.

#### Threats

**Technological Advancements:** Need for continuous adaptation to technological changes in fund management.

**Economic Instability:** Economic downturns affecting the availability and allocation of funds.

**Policy Changes:** Potential shifts in EU or national funding policies impacting fund availability.

**Competitive Pressure:** Increased competition for limited funding resources.

**Environmental and Social Changes:** Evolving environmental and social priorities that could redirect funding focus

Source: own authors' elaboration

## Chapter 5: Solutions for the improvement

The current landscape for SME funding is characterized by a series of administrative hurdles and informational barriers that can deter or even preclude small and medium enterprises from securing vital financial support. This section

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carefully delineates these challenges, spotlighting the bureaucratic intricacies that often entangle SMEs in a web of procedural red tape. It advocates for a systematic overhaul aimed at demystifying the application process, thereby enabling a smoother navigation path for businesses seeking funds.

The analysis from Table 7 has identified key areas where improvements are essential for aiding SMEs in securing funding.

Table 7: Areas for improvement and possible solutions.

Area for improvement	Brief description	Identified solutions, if any	Source of information
Administrative Complexities	Navigating fund application bureaucracy is challenging	Simplify procedures by introducing a streamlined application platform with clear guidelines and FAQs	SWOT Analysis, Table 6
Limited Accessibility to Information	Funding opportunities information is unclear	Create a comprehensive digital repository with filters for different SME needs and regular updates.	SWOT Analysis, Table 6
Underutilization of Funds	Awareness of available funds is lacking	Launch targeted marketing initiatives and social media campaigns, along with webinars, to enhance SMEs' awareness of funding opportunities.	SWOT Analysis, Table 6
Skill Gaps in SMEs Application Preparation	SMEs lack fund application expertise	Offer workshops and online tutorials focused on grant writing and compliance	SWOT Analysis, Table 6

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		requirements SMEs	for		
Regional Disparities in Fund Access	Access to funding is uneven across regions.	Implement regional advisory hubs to assist SMEs with applications and information on funding.		SWOT Table 6	Analysis,

Source: own authors' elaboration

The first area flagged is the intricate and often convoluted fund application bureaucracy. It's recognized that SMEs face considerable challenges here, stumbling through complex procedures that can be discouraging. A streamlined online application system with user-friendly instructions and a set of frequently asked questions could alleviate these hurdles, fostering a more straightforward path to funding.

The second critical area is the opacity and scattered nature of information pertaining to funding. SMEs frequently find themselves navigating a labyrinth of resources just to uncover pertinent funding opportunities. The proposed solution is a centralized digital platform that consolidates all funding information into a single, accessible location. This hub would feature search filters tailored to different SME needs and would be updated regularly, ensuring businesses have the latest information at their fingertips.

The issue of underutilization of available funds is also a significant concern. Many SMEs remain unaware of the breadth of funding they could access, resulting in valuable financial resources going untapped. To address this issue, the implementation of strategic marketing initiatives, coupled with informative webinars and targeted social media campaigns, is proposed. This approach is designed to enhance SMEs' understanding of the funding landscape, thereby encouraging wider utilization of available financial opportunities.

Skill gaps in preparing fund applications present another formidable barrier for SMEs. This lack of expertise can be a major impediment to securing funding. The text advocates for the provision of specialized workshops and online tutorials dedicated to enhancing grant writing abilities and understanding the complexities of compliance



requirements. These educational initiatives would empower SMEs to confidently approach the funding process, armed with the necessary know-how to navigate it successfully.

Finally, Table 7 highlights the uneven playing field in fund access due to regional disparities. To ensure a fair distribution of opportunities, the establishment of regional advisory hubs is recommended. These centres would offer localized support, guiding SMEs through the nuances of funding applications and providing tailored information, thus enabling equitable access to financial support across all regions.

In sum, the improvements identified in Table 7 are aimed at dismantling the barriers that currently impede SMEs from harnessing the full potential of available funding. By instituting these changes, the objective is to create an ecosystem where financial support is not only more attainable but also more effectively utilized to fuel the growth and innovation of SMEs.

## Chapter 6: Main stakeholders of the Umbria region

InnocCom works through the involvement and support of a network of stakeholders in the Umbria region is a testament to the collaborative spirit of its stakeholders. Each entity plays a pivotal role, ensuring that the project's trajectory is both ambitious and grounded in the region's unique context.

The Regional Governmental Institutions set the strategic direction, shaping policies that align with both the project's goals and Umbria's economic aspirations. Their vision for the region's future is critical for establishing a framework within which the project operates.

Following this strategic guidance, ANCI (Association of Municipalities) plays a key role in representing and safeguarding the interests of local governments. Their involvement ensures that the initiatives have a strong municipal endorsement and are harmonized across different administrative tiers.

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The University of Perugia adds academic rigor and research capabilities to the project, particularly through its Department of Political Sciences, which specializes in public policies, communication, and economic analysis. This department stands out for its contribution to the project, offering deep dives into policy development and strategic communication vital for public engagement and economic forecasting, further enriching the project's research foundation and ensuring that the entrepreneurial ecosystem is well-informed and strategically aligned with broader economic trends.

Complementing the academic insights is Villa Umbra, the school of public administration. This institution enhances the administrative capacities of the region, ensuring that public services are primed for excellence and efficiency in implementing the project's initiatives.

The Umbria Chamber of Commerce is another key stakeholder, offering a platform for businesses to connect, share knowledge, and access essential services. Their engagement is vital for the dissemination of information and the mobilization of resources.

As an information network managed by the European Commission, Europe Direct centers, like the one in Umbria, are integral in bridging the gap between the European Union and local communities. Their primary institutional functions include providing up-to-date information on EU policies, offering guidance on EU funding opportunities, and facilitating the understanding of the European Union's impact at the local level. Through Europe Direct Umbria, the InnoCom project gains a valuable resource for aligning with EU strategies and accessing critical information, thereby enhancing strategic alignment and informed decision-making for regional initiatives.

On the industrial front, the Perugia Industrial Zone Consortium brings sector-specific expertise, enhancing the project's depth by facilitating development approaches tailored to the needs of industry stakeholders.

Lastly, unconventional entities such as tech startups and creative collectives are the vanguard of innovation, injecting fresh perspectives and pioneering solutions. They expand the project's reach and underscore Umbria's potential for cross-sectoral collaboration and high-tech entrepreneurship.

In conclusion, these stakeholders form the backbone of the InnoCom project in Umbria. Their collective efforts and varied contributions are not merely supportive but transformative. By weaving together their diverse threads of influence, expertise, and vision, the project is positioned to propel Umbria into a future where sustainable economic growth is balanced with social enrichment, ensuring that the region not only keeps pace with change but sets the pace for innovation and development.

## **Chapter 7: Results of expert interviews with regional stakeholders**

The survey conducted as part of the InnoCom project provides significant insights into the accessibility of information on EU calls and funding programs for SMEs in the region. Based on the responses of 32 SMEs based in Umbria, the survey highlights critical aspects of the current scenario and suggests areas for improvement.

In the landscape of Umbrian SMEs, the Survey on SME Access to Information on EU Calls and Funding Programs provides an insightful perspective. This survey, integral to the InnoCOM project, delves into the dynamics of how these enterprises engage with, understand, and access EU funding and calls.

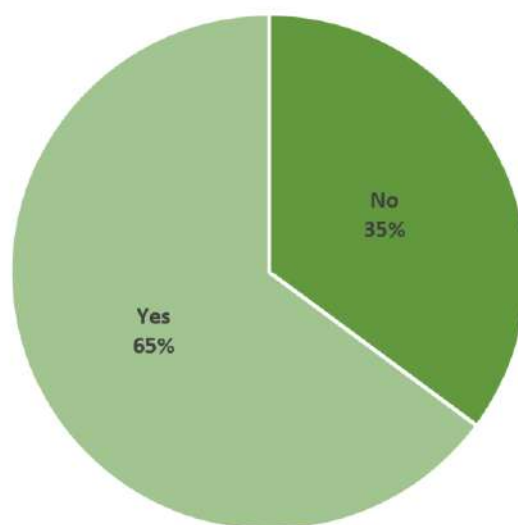
The survey revealed a balanced sectoral representation from Umbria's SMEs, highlighting the region's economic diversity. Notably, there was a significant participation from sectors like manufacturing, services, and ICT, indicating these sectors' pivotal role in the regional economy. However, this also pointed towards potential areas where diversification and growth could be beneficial.

As depicted in Figure 2, approximately 65% of the surveyed SMEs have availed themselves of EU funds. This reflects a proactive stance within the SME community towards leveraging European resources to support their business operations and growth initiatives.

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**Figure 2: Utilization of EU Funding by SMEs**



**Source:** own authors' elaboration

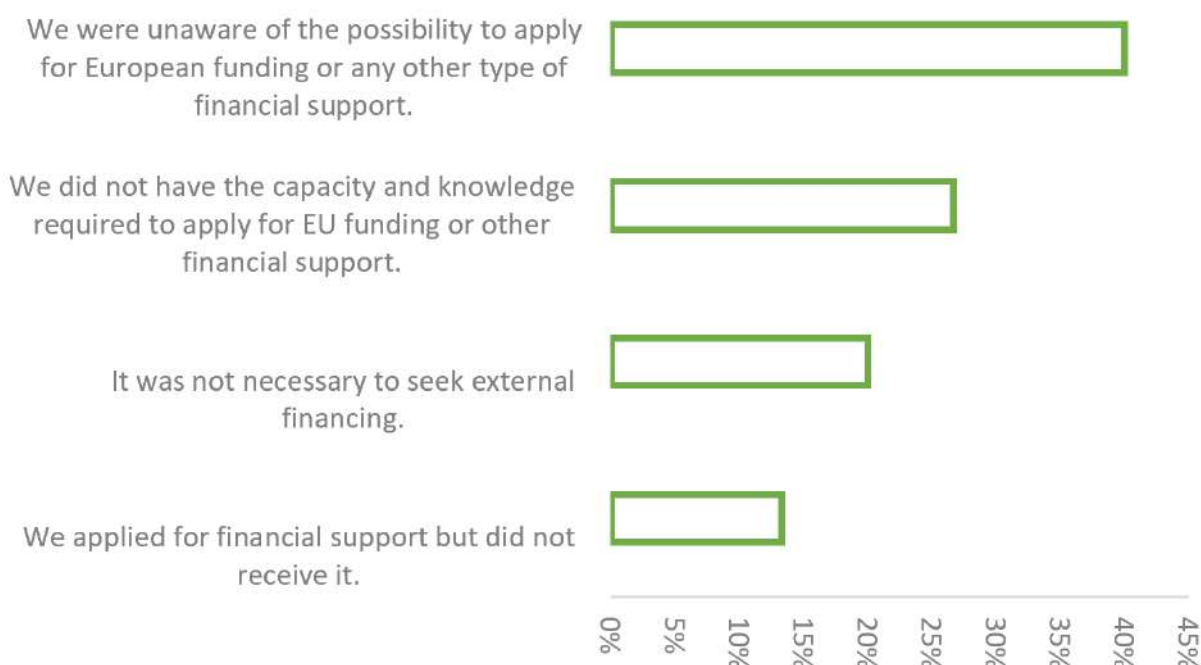
The figure succinctly captures the dichotomy within the SME sector: those who are actively engaging with available funding opportunities and those who may be missing out. This 65% positive response serves as a testament to the effectiveness of current outreach and funding mechanisms in reaching a significant segment of active companies. However, the remaining 35% of SMEs that have not accessed these funds point towards a potential disconnect or barriers that need to be explored and addressed. At the heart of Figure 3 lies the revelation of the barriers to EU funding faced by SMEs.



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Figure 3: Barriers to EU Funding Among Umbrian SMEs



Source: own authors' elaboration

The dominant barrier is a lack of awareness, with almost half of the SMEs not applying due to insufficient information. This points to an underlying issue where critical funding details are not effectively reaching potential beneficiaries. Concurrently, a significant portion of SMEs are constrained by inadequate capacity and knowledge, signaling a clear need for supportive educational programs. Additionally, some SMEs did not recognize the necessity for such funds, suggesting either a level of self-reliance or a missed opportunity to capitalize on EU financial support. Moreover, for those SMEs who ventured into the application process, success was not guaranteed, as a small but notable group applied without receiving funding.

Turning the focus to the accessibility of information, Figure 4 provides a striking visual of the Umbrian SMEs' perceptions. The graph, charting the ease of accessing public funding information on a scale from 0 (very easy) to 10 (very difficult), reveals that the experience is far from uniform.

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**Figure 4: Perceived Accessibility of Public Funding Information**



Source: own authors' elaboration

A plurality of responses clusters around the mid-range, indicating a moderate level of accessibility for most SMEs. Yet, there's a significant dispersion of experiences, with some finding the process exceedingly straightforward and others facing considerable challenges.

This variance signals a fragmented landscape where information may not be uniformly distributed or where varying levels of expertise among SMEs lead to disparate abilities to retrieve and comprehend funding information. The peaks and troughs of Figure 4 suggest that while some SMEs navigate the system with relative ease, a tailored approach to information dissemination could help in leveling the playing field, ensuring that all SMEs, regardless of their starting point, have equitable access to the vital information that could propel their growth and innovation.

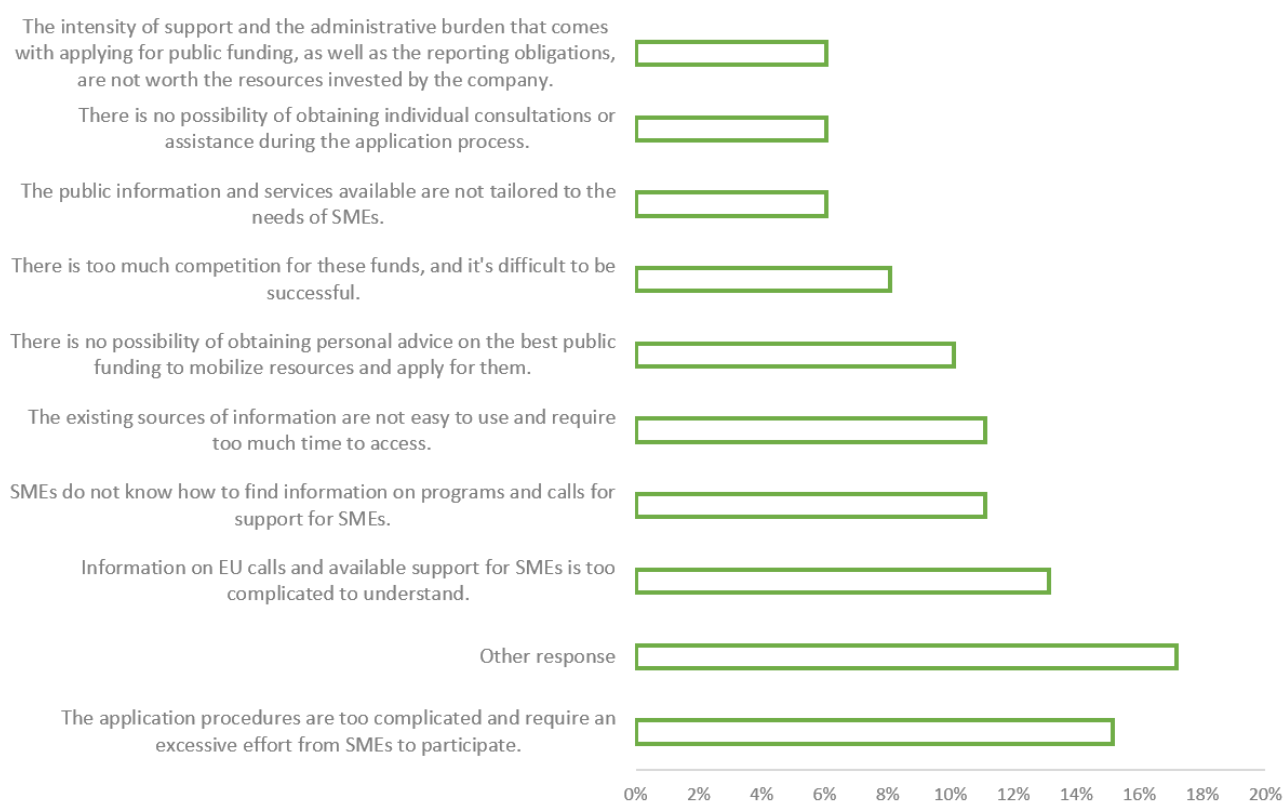
Figure 5 illustrates the administrative obstacles SMEs encounter with EU funding, revealing that the information and services currently available do not adequately meet their needs. This situation presents a significant barrier that hinders their ability to take full advantage of funding opportunities. In addition, the intensity of competition within

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these programs emerges as a substantial challenge, with many SMEs finding it difficult to stand out among the numerous applicants. The absence of individualized advice and support leaves these businesses to navigate the complex funding process by themselves.

**Figure 5: Principal Administrative Obstacles for Umbrian SMEs Accessing EU Funding**



Source: own authors' elaboration

Figure 5 also exposes the complexity of application and reporting procedures, which often prove too demanding for the limited administrative capacity of many SMEs. This significant strain on their resources leads some to question the viability of pursuing public funding.

The survey data deliver a clear message from the regional SMEs: the pathway to EU funding is in need of reform to become more navigable and responsive to their operational realities. SMEs are advocating for a landscape where support structures are

finely tuned to the nuances of small business management, and where the flow of information aligns with their day-to-day decision-making processes.

The survey shows that SMEs strongly desire more straightforward communication that simplifies the funding application process. They want support that goes beyond basic advice, emphasizing the need for individualized help to navigate the intricacies of applying for funding. SMEs are asking for tools and resources that are easy to use and that make understanding and using complex funding options more straightforward.

Making these improvements would help SMEs access EU funding more effectively and energize the region's economy by creating a supportive environment for innovation and growth. Moving towards a funding approach that is specifically designed for SMEs is essential. This strategy could significantly enhance the resilience and prosperity of SMEs, thereby potentially enriching the region's overall economic health.

## Chapter 8: Conclusions and recommendations

The present regional analysis of Umbria, Italy, within the InnoCOM project framework, has provided valuable insights into the current state and potential future directions for public policies and policy instruments. The analysis, enriched by questionnaires and comprehensive data review, paints a picture of a region with a vibrant SME sector, yet facing hurdles in accessing public funds and information.

The key takeaway from this analysis is the need for a more streamlined, accessible, and SME-friendly approach to public funding and information dissemination. The complexity of current systems and the administrative burden they place on SMEs have been identified as significant barriers. Therefore, a dual strategy focusing on simplification and communication is recommended.

Firstly, simplifying the access to information and funding processes is crucial. This involves creating more user-friendly, integrated digital platforms that offer clear and comprehensive data on available funding and how to access it. Simplification should also extend to the application and reporting procedures for public and EU funding, making them less demanding for SMEs.

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Secondly, there's a pronounced need for capacity building among SMEs, particularly in understanding the intricacies of funding applications and financial management. Tailored educational programs and workshops can significantly help bridge this knowledge gap. These educational initiatives should be backed by the creation of regional advisory hubs, offering localized support and guidance.

Moreover, fostering a collaborative environment between SMEs, public administrations, and funding bodies is imperative. Regular dialogues and feedback mechanisms can help in fine-tuning policies and procedures to better meet the needs of SMEs.

Another area of focus is the expansion of digital integration in the SME sector. Investing in digital infrastructure and skills development is key to improving the efficiency of funding processes and unlocking new business opportunities and markets.

Additionally, implementing a robust monitoring and evaluation framework is essential. This will allow for the continuous assessment of the effectiveness of policy instruments, ensuring that they remain relevant and impactful.

Lastly, the significance of social media in improving communication with SMEs deserves special attention. In the current digital landscape, social media channels offer a direct and simplified means of engaging with SMEs. The integration of text and video content on these platforms presents a unique opportunity to clarify complex information. Videos, specifically designed for this purpose, can effectively illustrate details about accessing European funds, thereby overcoming the challenge of bureaucratic complexity. This approach in communication improves the funding process's accessibility and makes it more engaging, aiding SMEs in effectively understanding and managing the complexities of funding mechanisms.

In summary, the path forward for Umbria involves creating an ecosystem where information is easily accessible, processes are simplified, and continuous learning and collaboration are encouraged. By doing so, Umbria can surely overcome its current challenges and set a precedent for sustainable and innovative SME development, contributing significantly to the region's economic prosperity.



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