



REGIONAL ACTION PLAN



DECEMBER 2018

Part I – General information

PROJECT: REBORN – EMBRACING FAILURE TO ENCOURAGE ENTREPRENEURSHIP AND COMPETITIVENESS

PARTNER ORGANISATION: REGIONAL DEVELOPMENT FUND ON BEHALF OF THE REGION OF WESTERN MACEDONIA

OTHER PARTNER ORGANIZATIONS INVOLVED: MANAGING AUTHORITY OF RWM ROP 2014 - 2020

COUNTRY: GREECE

NUTS2 REGION: WESTERN MACEDONIA

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ACTION PLAN



Part II – Policy context

THE ACTION PLAN AIMS TO IMPACT:

- Investment for Growth and Jobs programme

NAME OF THE POLICY INSTRUMENT ADDRESSED

POLICY INSTRUMENT 5

REGIONAL OPERATIONAL PROGRAMME 2014 – 2020 OF REGION OF WESTERN MACEDONIA

AXIS 3: Enhancing the competitiveness of SMEs

INVESTMENT PRIORITY 3A

SPECIFIC ACTIONS: Supporting regional SMEs for developing actions (also related with RTDI) mostly SMEs that facing financial problems because of the remaining financial crisis.



Part III – Details of the action envisaged

ACTION

1. THE BACKGROUND

The chapter includes a brief description of the lessons learnt from the project that constitute the basis for the development of the present Action Plan.

- **Country's Report (Greece) produced in a previous phase of the project (month 9) where the regional context was deeply analyzed, as well as the variety of stakeholders in the territory.**

The Country Report that was prepared for Greece includes a collection of data, conclusions and recommendations on the key issues that public authorities should address to reduce the burden of bankruptcy on entrepreneurship and also to support 2nd chance entrepreneurs to 'rebound'.

The highlights of the report that outline the situation in Greece and also the Region of Western Macedonia on 2nd entrepreneurship are the following:

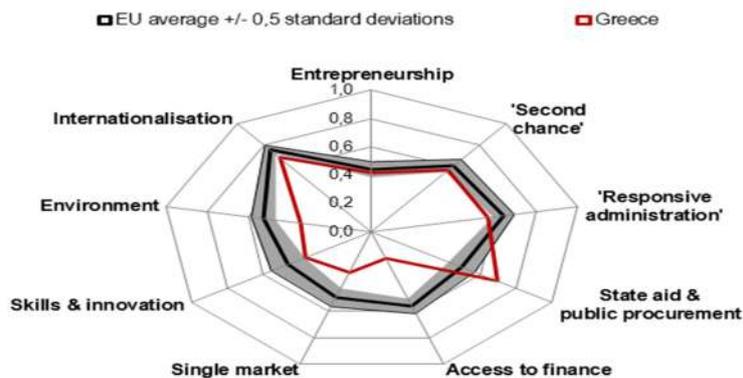
a. The Table “State of the art analysis of second chance entrepreneurship measures”

		Situation Today ¹	Improvement Necessity ²
Prevention	Early warning system	Risky	Critical
	Early restructuring	Uncomfortable	High
Crisis Management	Crisis management procedure/tool	Uncomfortable	High
Out-of-court settlements	Breathing space before enforcement	Risky	Critical
	Mediation procedure	Risky	Critical
In-court procedures	Minority creditors	Uncomfortable	Critical
Treatment of the entrepreneur post-bankruptcy and conditions for a second chance	Access to financing	Risky	Critical
	Court proceedings	Uncomfortable	High
	Discharge period	Uncomfortable	High

1: Convenient – Uncomfortable – Risky 2: Low – High - Critical - Source: REBORN Project Team

This table is evidence of the situation in Western Macedonia, Greece and improvements that are necessary to be implemented. In all fields that are “estimated” the region scores either “Uncomfortable” or “Risky”. We mention here that in the field of “Out-of-court settlements both parameters “Breathing space before enforcement” and “Mediation procedure” are estimated as “Risky”. Correspondingly “Improvement Necessity” is ranging between “Critical” and “High” emphasizing the importance of the improvements in policy instrument.

b. SBA Fact Sheet 2016 Greece. A quite indicative tool that highlights the difficult business environment for Greek enterprises to operate and shows us that in six out of nine areas Greece’s performance is below the EU average.



Though Greece and Region of Western Macedonia are facing difficulties due to the remaining economic crisis, no actions or initiatives were implemented in order to support SMEs facing bankruptcy or other difficulties. Until now financial and other assistance was given to healthy SMEs. The new bankruptcy law brings several positive for entrepreneurs changes, however there are many issues still looking for solutions.

The policy instrument selected for Regional Development Fund of Western Macedonia is:

Regional Operational Programme (ROP) 2014 – 2020 of Region of Western Macedonia (RWM) / Axis 3: Enhancing the competitiveness / Investment Priority 3a / Specific Actions: Supporting regional SMEs for developing actions (also related with RTDI) mostly SMEs that facing financial problems because of the remaining financial crisis.

RDF has prepared an Action Plan that is strongly connected to Axis 3 and combines REBORN objectives and lessons learnt with the regional strategy on SME’s support and funding, focusing at the same time on 2nd chance EU policies. The Action Plan is mainly of type 2:

Investment for Growth and Jobs programme ROP W. Macedonia 2014 – 2020	
Type 1: Implementation of new projects	
Type 2: Change in the management of the policy instrument (improved governance)	X
Type 3: Change in the strategic focus of the policy instrument (structural change)	
Other improvements not corresponding to types 1-3 (please comment)	

- **Reports on Study Visits and Peer Reviews implemented by RDF as a REBORN partner, providing useful tools for the action plans’ planning.**

The methodology that is followed by Interreg Europe includes an Interregional Exchange of Experience procedure during which all partners discuss the good practices selected. The process is quite beneficial because it serves as a “live platform” where questions are answered and opportunities are exploited. Therefore the procedure maximizes project’s benefits. REBORN successfully completed this objective and partners summarized their experience in the related report.

The REBORN project good practices that were finally selected by the RDF of RWM were:

1. RECOVERING CLUB & WORKSHOPS (Belgium, Wallonia Region)

2. Early Warning Europe (Greece, Region of Western Macedonia)

The Greek Study Visit project group visited Liege, Belgium and participated in the peer review – study visit. They also visited Athens for the second good practice. The main conclusions drawn were:

- The peer review procedure was particularly enlightening for the Greek team members that participated.
- The selected good practices were extensively explained and fully analyzed by the Belgian & Greek stakeholders and partners.
- Though Greek and Belgian entrepreneurial environment are quite different, there are some common field areas where 2nd chance issues can meet supporting solutions. These areas are mostly awareness (cf. capacity building for entrepreneurs = skills & means improvement) and personalized support.
- Greek project team's initial selection included 3 good practices (Socamat's automatic combined product, Recovering Club & Workshops and "No fail no gain, all from Belgium). After consideration and analysis of the Western Macedonia state of the art situation and also SMEs mindset, only the GP "Recovering Club & Workshops" had a positive transferred potential for the Region of Western Macedonia and is likely to "fit" better in Greek entrepreneurship and culture and be connected with the selected policy instrument.
- The good practice named "Early Warning Europe" had a strong transferability potential as it is already implemented successfully in 4 other Greek regions. Early Warning Europe (EWE) was fully presented and explained during the Stakeholders' Meetings and Business Breakfasts that were organized. Also the REBORN project team visited twice the organisation that implements EWE, which is IME GSEVEE (Small Enterprises' Institute of the Hellenic Confederation of Professionals, Craftsmen, and Merchants) and discussed in depth the GP details and the transferability potential of it in Western Macedonia.

Transferable parts of the two selected good practices are:

1. Recovering Clubs and Workshops

- The three principles of the practice, simplification, confidentiality and traceability were embedded to the action plan.

- The beneficiaries don't need to be members of any professional organization.
- An in-depth diagnosis of the difficulties experienced implemented by specific experts.
- The experts (lawyers, accountants, business professionals) are working as volunteers.

2. Early Warning Europe

- The 3 stages of the project diagnosis, treatment, monitoring for the SMEs that face difficulties and are in distress.
- A request is submitted by the entrepreneur to an email address

Special notes

- *The “Early Warning Europe” Good Practice – Extending the project implementation to Western Macedonia:*

During the phase of exchange of experience of REBORN, the Greek EWE team (IME GSEVEE) followed the project procedure as a full member of the stakeholders group and participated as guest in several regional and interregional meetings. The EWE representatives fully presented in details the project to all regional stakeholders including the REBORN project team and also jointly decided on the feasibility of the implementation of the project in the Region of Western Macedonia, which is expected to bring about significant improvements in the entrepreneurial environment of Western Macedonia by supporting SMEs at risk. The EWE project is already being implemented in 4 other Greek Regions.

- *The “Early Warning Europe” Good Practice was also implemented in the partner PP4 territory of Budapest, Hungary. This GP was also presented in details for the partners at the REBORN Closing Conference, by Morten Moller (details on transferable parts of the GP to the other countries included) since lessons learned in this GP process are reflected in the design and services of the Greek Support Structure.*
- **Conclusions of local group meetings, mainly Local Action Groups meetings and Business Breakfasts.**

Stakeholder meetings organized had both informative character and at the same time they were result – oriented. The main outcome of all regional meetings was the agreed concluded cooperation with the IME GSEVEE on the basis of the implementation of the project Early Warning Europe in the Region of Western Macedonia. EWE implementation

in RWM can provide useful incoming data for the REBORN Regional Action Plan, for the support of 2nd chance entrepreneurs through RDF of RWM 2014-2020 and Entrepreneurship Structure. The 2nd selected good practice of “Recovering Clubs and Workshops” was also discussed and studied for transfer in the meetings of stakeholders and business breakfasts during the end year of the project’s Phase 1 (2018).

Representatives of IME GSEVEE responsible for the implementation of EWE (Mr. Georgopoulos and Mr. Thanopoulos) participated in the second and fourth stakeholders’ meetings, in two interregional workshops and in the 2nd and 4th business breakfasts.

The Managing Authority (MA) of the Regional Operational Programm (ROP) of Western Macedonia 2014-2020 represented to REBORN stakeholders group by its director. He was present in all regional stakeholders’ meetings and Business Breakfasts that were organized during the 1st phase of REBORN. Mr. Kiourtsidis (director of the MA) was actively participated in all regional meetings, in two interregional thematic workshops (In Genova and Kozani) and he was informed on the progress of the project from its early beginning.

In the regional REBORN meetings were also invited and participated representatives of national banks (4 major financial institutions of Greece), of chambers (Economic Chamber, Technical Chamber, Chamber of Commerce) and regional associations of professionals (lawyers, engineers etc.). These stakeholders provided the REBORN project team with critical information on the regional SMEs financial position and development problems the recent years. They also stated their views on 2nd chance support needed to be provided to regional SMEs in order to overcome the financial crisis consequences.

– **Conclusions of the Transnational Thematic Workshops.**

The Transnational Thematic Workshops supported the procedure of the selection of good practices by the partners, as they included important information on them and they served as a vehicle for partners’ interaction and exchange of experience. The procedure enlightened the way partners manage 2nd chance entrepreneurship and the differences but also similarities that exist between REBORN partners on this subject. The good practice “Recovering Clubs and Workshops” stood out from the beginning for its direct nature and simple procedure. Early Warning Europe was presented in details in the Thematic Workshop in Kozani (April 2018).

2. ACTION

A call for funding (no. 61) launched at the end of summer of 2018 from the Managing Authority of RWM ROP 2014 – 2020 under Axis 3 – Investment priority 3A.

The call was about the Establishment of a Support Structure for the Competitiveness and Innovation of the Businesses. This long expected Structure will support the Managing Authority of the ROP on SMEs funding in agreement with the regional business plan and will also provide support for the operation of the Regional Board for Research and Innovation. It is expected to contribute efficiently to the implementation of RIS3 in Western Macedonia until 2021.

Among the services provided by the Support Structure will be the development of field studies, recording and evaluating existing business infrastructures and the availability of specialized human resources in RIS3 core sectors of the region. The Support Structure is expected to become the center for SMEs growth and funding through ROP 2014 – 2020 by providing documented information on the regional entrepreneurial environment.

All expected new calls for funding the regional SMEs (through the selected policy instrument: Axis 3 of the ROP) will be prepared and submitted to the Managing Authority for approval and launch.

The Support Structure is also expected to **capitalize** the outcomes of the REBORN Action Plan and **integrate** the information into future calls, activating funding for 2nd chance entrepreneurship through RWM ROP 2014 - 2020. The REBORN interregional exchange of experience is directly linked with this action foreseen as it is inspired and triggered by the following lessons learned from the interregional exchange:

- The transferable parts of the two selected good practices and especially from the Recovering Clubs and Workshops GP (supporting experts, diagnosis of the difficulties experienced by the SME's that facing problems, direct support to beneficiaries, simply steps of implementing the action)
- The results of the peer review in Liege, Belgium where the Recovering Clubs and Workshops GP was extensively explained and fully analysed to the Greek delegation (focusing on capacity building for entrepreneurs = skills & means improvement and personalized support)

- The conclusions of Greek local group meetings, mainly the Local Action Groups meetings and the Business Breakfasts to fully support the action about the Support Structure and also to monitor its results in Phase
- The conclusions of the Transnational Thematic Workshops where the selected good practice “Recovering Clubs and Workshops” stood out from the beginning for its direct nature and simple procedure that is easy to transfer in other territories.
- The MA of the Greek ROP 2014-2020 agreed to transfer the selected GP and to be linked with the selected policy instrument (under Axis 3 – Investment priority 3A), as it matches perfectly with the ROP 2014-2020 direction on supporting regional SMEs.

RDF of RWM aims through this Structure to become a reference point for the support of 2nd chance entrepreneurship and especially for the entrepreneurs who wish to re-enter business activities, through policies and actions included in RWM ROP 2014-2020.

Supporting actions **for 2nd chance entrepreneurship** through the Regional Support Structure **were not initially included** in the framework of the Regional Operational Program 2014-2020 for the RWM. The implementation of the 1st phase of REBORN project **increased the capacity building of the staff involved**, on the specific policy instrument, mainly resulting from the procedure and results of the exchange of experience processes.

RDF as a beneficiary of the call No 61, prepared and submitted the Application Form and the respective documents needed. RDF proposed to the Managing Authority (MA) (through the application form) **a change for the policy instrument (Axis 3: Enhancing the competitiveness of SMEs - INVESTMENT PRIORITY 3A) in order to include also supporting actions focused on entrepreneurs in distress and this proposal was accepted. Actions for entrepreneurs in distress are now included in the policy context of the ROP 2014-2020.**

It should be mentioned here that the Head of the MA Mr. Kiourtsidis participated in almost all stakeholder meetings, interregional events, workshops and a few study visits. Managing Authority is the competent organisation for the changes and updates of ROP 2014-2020 and Mr. Kiourtsidis as the director of the MA, **agreed** on the REBORN Action Plan and the policy instrument change, funded by ERDF, on 2nd chance entrepreneurship (during a project bilateral meeting in October 2018).

The requested change for the policy instrument that proposed, was included in the Application Form submitted to the MA (call No 61 of the ROP 2014-2020). The Application Form was officially accepted by the MA, given the application approval at the end of 2018.

The requested policy instrument change was:

“Additional supporting services on behalf of the Support Structure will be provided to regional enterprises in distress and especially in the field of information services – support services for actions in 2nd chance entrepreneurship funded through the Regional Operational Program of Western Macedonia Region 2014-2020.”

The upcoming calls for SMEs proposals to be funded by the Axis 3 funds will be improved to include actions for entrepreneurs in distress mostly with related references that will be included in the calls text, in the applicant guides and the selection criteria.

The Supporting Structure responsibilities for 2nd chance SMEs and entrepreneurs are:

1. Implements the EWE initiative in Western Macedonia until the end of 2019 (*a brief description follows as an appendix*).
2. Continuously maps SMEs and entrepreneurs in crisis needs (regularly on an annual basis from 2019 to 2021).
3. Capitalizes the outcomes of the EWE project implementation in Western Macedonia and integrates the information into future calls, activating funding for 2nd chance entrepreneurship through RWF ROP 2014 – 2020.
4. Provides personalized information to 2nd chance SMEs and entrepreneurs on the RWM ROP 2014-2020 actions and funds to SMEs.
5. Provides daily support to SMEs and entrepreneurs to prepare new development projects in order to face all difficulties coming out of the remaining financial crisis, the market globalization and the problems they are facing in RWM because of the mining activities of Greek PPC since 1950.
6. Provides personalized information on SMEs’ networks and clusters that will be co-financed by RWM ROP 2014-2020 to help them to internationalize outside the region and the country.
7. Collaborates with the Managing Authority of RWM ROP 2014-2020 to provide information on other additional policy instruments (Axis 8) of the ROP funded by ESF.

How can a beneficiary obtain information and support?

Step 1 – 2nd chance SMEs and entrepreneurs can easily apply through email or telephone:

1. A request for a personalised informative meeting on available ROP funds through the Managing Authorities calls.

2. A request for a personalised support through EWE methodology.
3. A request for a personalised informative meeting on ROP future calls regarding networks or clusters.

Step 2 - Supporting Structure officers:

1. Evaluate the request.
2. Contact the applicant to inform him for the next steps.
3. A meeting is scheduled to provide support or information at the Supporting Structure premises.
4. The SMEs informative data are recorded in a data basis for future information on ROP's actions or calls or seminars / workshops on 2nd chance entrepreneurship.

3. PLAYERS INVOLVED

The organizations in the Region of Western Macedonia who are involved in the development and implementation of the action and their role are the following:

- The Regional Development Fund on behalf of the Region of Western Macedonia (RDF of RWM) will implement the Action Plan.
- The Managing Authority of RWM ROP 2014 – 2020 is funding the Action Plan, participates in the monitoring of Phase 2 and also funds the Support Structure operation.
- Scientific and Commerce Chambers of Western Macedonia are participating in the monitoring of Phase 2.
- Professional Associations of RWM are participating in the monitoring of Phase 2.
- IME GESEVEE is supporting the parallel initiative implementation of EWE in Western Macedonia.

4. TIMEFRAME

The Action Plan will be implemented from 01/01/2019 to 31/12/2021.

	1/2019 - 06/2019			7/2019 - 12/2019			01/2020 - 06/2020			07/2020 - 12/2020		
Launch of the Support Structure												
Annual Reports												
Stakeholders' meetings (monitoring procedure)												

5. COSTS

Costs for services provided by the Support Structure for 2nd chance entrepreneurship are estimated to reach 20,000 euros/year.

6. FUNDING SOURCES

RWM ROP 2014 – 2020 is expected to fund the project with the amount of 60,000 euros in total for three years (part of the Support Structure for 2nd chance entrepreneurship).

7. ADDITIONAL COMMENTS

7.1 Risk Assessment Analysis & Plan

Analysis

Since the financial crisis is still affecting Greek regions and a large number of SMEs are facing financial difficulties and development problems, a Structure to support them based on a strategic regional stakeholder like the Regional Development Fund on behalf of the Region of Western Macedonia, includes minimum implementation risk. The Structure is expected to hire experienced scientists as staff to supporting SMEs and entrepreneurs' efforts.

Plan

In case of low interest from the entrepreneurs' side to benefit from the Support Structure services for 2nd chance entrepreneurship, the following actions will be activated:

- Additional human resources efforts will be directed to the identification and mobilization of entrepreneurs in distress so they participate to the project, in cooperation with the Managing Authority of the ROP 2014-2020.
- Actions included in the targeted and detailed communication plan will be strengthened and even improved with additional tools like TV spots, flyers etc.
- Additional actions supported by the ESF of the ROP 2014-2020 will be discussed to strengthen the entrepreneurs' business capabilities.

7.2 Communication Plan

The Communication Plan to disseminate the REBORN Action Plan will be consisted a variety of actions including leaflets, promotion videos, dissemination workshops, articles and press releases in internet and RDF's social media accounts, and finally newsletters in the local press.

7.3 Monitoring of the Action Plan

Step to follow are:

-  Creation of a document template called Monitoring Report by the project team of RDF that will be updated every 6 months.
-  RDF will choose the members of the stakeholders' group to form a Monitoring Team for the implementation of Action Plan during the phase 2.
-  The Monitoring Team shall meet every 3 months to discuss on the progress of the Action Plan and to propose corrective actions if needed.
-  Ongoing cooperation with the members of the MA of RWM so the requirements defined in the Application Form of the project, on monitoring are met.
-  An annual Report will be elaborated on the implementation and monitoring of the Action Plan.
-  A special meeting will be organized with the participation of the Managing Authority on the outcomes and final report of Action Plan.

Appendix

A parallel Initiative to the Action Plan:

A parallel initiative to the Action Plan is about the ongoing Identification and Support of enterprises in distress that face financial and other organisational or/and development problems, in order not to interrupt their professional activity or even to avoid bankruptcy, either by rescuing them or by restructuring them. RDF has started the implementation of the EWE project in Western Macedonia by the end of 2018. Its progress and its results will provide ongoing inputs to the Action Plan implementation.

Brief Description of the EWE Initiative in Western Macedonia:

Early Warning Europe (EWE) <http://www.earlywarningeurope.eu/> provides free, impartial and confidential counselling to SMEs and entrepreneurs in distress. The overall objective of EWE is to promote entrepreneurship and growth of SMEs across Europe. A key element is to create strong framework conditions for entrepreneurs and businesses across sectors that can help them face key challenges, including managing a crisis, dealing with bankruptcy and getting a second chance. The project EWE provides advice and support to companies in distress. Such interventions can help prevent bankruptcies and its negative

consequences such as job losses, increased economic risk for suppliers in the company value chain, and a potential economic, social and personal deroute for the company owners and their families. An early intervention will increase the likelihood of a turnaround of the company resulting in a stable economic situation for the company and even sustainable growth. Moreover, if a company in distress is closed down at an early stage of the crisis, the intervention can help avoid an unsurmountable debt for the company owner thus giving him or her the chance to start a new venture (2nd Chance).

The ultimate goal of the initiative is mainly to support Western Macedonian SMEs in crisis to reorganize, also to reduce number of bankruptcies in the region and finally to facilitate satisfactory social reintegration of entrepreneurs that have failed.

The initiative includes the following simple steps that will be implemented by RDF with the cooperation of IME GSEVEE: **Identification** of eligibility and selection conditions of the entrepreneurs, submission and evaluation of a **request** from the SMEs to RDF and if the eligibility criteria are met, a cooperation agreement is signed. The entrepreneur must **provide** all information that will be requested by technical experts and he/she must cooperate and actively participate in the procedure. The **personalized support** includes as a first step the evaluation of the current situation. **Counselling** by volunteers technical experts is the second step (accountants, lawyers and business experts that already cooperate with IME GSEVEE) in order to overcome difficulties and to re-integrate into business life.

Additional aspects of the procedure are: The submission of requests are not time limited during the implementation period and the maximum number of SMEs to be supported in Western Macedonia is 50.

DATE:

16/11/2018

SIGNATURE:



ΚΑΤΕΡΙΝΑ ΚΟΥΤΣΙΑΝΟΥ
Π.Ε. ΔΙΟΙΚ/ΚΟΥ-ΟΙΚ/ΚΟΥ



STAMP OF THE ORGANISATION