



REGIONAL ACTION PLAN OF THE LUBELSKIE VOIVODESHIP



Part I – General information

Project: REBORN Embracing failure to encourage entrepreneurship and competitiveness

Partner organisation: Województwo Lubelskie / Lubelskie Voivodeship

Other partner organisations involved (if relevant): not applicable

Country: Poland

NUTS2 region: lubelskie

Contact person: Agata Nowak – Godziszewska

email address: agata.nowak@lubelskie.pl

phone number: 81 537 16 18

Part II – Policy context

The Action Plan aims to impact:

- Investment for Growth and Jobs programme
- European Territorial Cooperation programme
- Other regional development policy instrument

Name of the policy instrument addressed: Regional Innovation Strategy for the Lubelskie Voivodeship 2020

Part III – Details of the actions envisaged

SHORTCUTS USED IN THE DOCUMENT

ROP LV – Regional Operational Programme of Lubelskie Voivodeship

LAES – Lublin Agency for Enterprise Support

MO LV – Marshal Office of Lubelskie Voivodeship

RSG – Regional Stakeholders Group

BB – Business Breakfast meeting

BSI – Business Support Institutions

RIS LV - Regional Innovation Strategy for the Lubelskie Voivodeship 2020

TWG – Thematic Workshop Group

INTRODUCTION

THE OBJECTIVE OF THE REBORN PROJECT

As stated in the Project Application, the main objective of the project REBORN is to increase European competitiveness and regional growth, by improving impact instruments related to the support of entrepreneurship and enterprise creation. In this context it is important to create measures and tools to avoid "*loss of entrepreneurial potential*", thereby supporting the ability of SMEs to engage in growth in regional, national and international markets.

The REBORN project, through the implementation of regional action plans, will contribute to achieving the objectives of the growth and jobs and European territorial cooperation programmes, increasing the competitiveness of disadvantaged SMEs and strengthening measures to overcome the stigmatisation of business failure.

The theme of the project is new and has not been taken up at European level so far. It is expected that its results will be capitalized on in other projects focusing on topics related to second chance issues. The implementation of the project REBORN will make a significant contribution to the assumptions of the strategic objectives "Europe 2020", especially within two strategic objectives: research and development and employment. It will contribute to smart growth through the development of an economy based on knowledge and innovation. Avoiding the loss of entrepreneurial potential and improving the Second Chance Policy is of fundamental importance for the implementation of the above.

THE POLICY INSTRUMENT ADRESSED

✓	Regional Innovation Strategy for Lubelskie Voivodeship 2020
✓	Priority 1 Increasing the ability of business entities to create and absorb knowledge and implement innovations, particularly in areas of regional smart specialisation
✓	Priority 3 Strengthening business environment institutions and public administration bodies open to innovation
✓	Regional Operational Program of Lubelskie Voivodeship

The Action described in RAP LV are coherent with the following objectives of RSI WL 2020:

✓	Developing territorial capital.
✓	Developing effective instruments to support innovations and competitiveness of the voivodeship economy.
✓	Stimulating dynamic advantages of the location by strengthening business environment institutions, developing market services for business and developing financial markets significant to the increase in demand for innovations for companies.

The Regional Innovation Strategy for the Lubelskie Voivodeship 2020 is a refinement of the Development Strategy of the Lubelskie Voivodeship for 2014-2020 in the part devoted to the development of research and innovation for smart specialization, therefore the strategy's mission is to support a selective model of voivodeship development based on a creative model innovation and the launch of the technological and non-technological transformation of endogenous development potentials, and the achievement in the shorter perspective - up to 2020 - increase in productivity and knowledge of the economy, and in the long-term - until 2030 - diversification of the economy structure and increase in the share of high-value industries and services added and high growth potential.

The Regional Innovation Strategy for the Lubelskie Voivodeship 2020 is the basic document defining the framework of activities aimed at supporting innovation in the region. An important element of the innovation processes is the support of enterprises and their cooperation with the scientific units in order to create new products and services and to bring them to the market.

A frequent cause of companies' difficulties is working with outdated business models and inadequate processes for managing the company's structure. A problem quoted by the entrepreneurs is intergenerational succession, which is a reason for discussing about the way of managing the enterprise and often an obstacle to the possibility of introducing innovations and improvements. The solution to this problem is to systematically and comprehensively raise the competence in scope of entrepreneurship and increase the ability of economic entities to create and absorb knowledge and implement product and process innovations. It's adequacy will be a response to the current needs of the market, which will contribute to reducing the problem related to the survival of enterprises and increasing the competitiveness of SMEs.

Priority 1 breaks down the barriers associated with low demand for innovations and covers five directions of the interventions. For the REBORN target group essential is measure 1.3 knowledge and skill developing, including measures aimed at increasing awareness of the need to adjust qualifications to the needs of the labour market.

Mentioned measure is a result from the RIS diagnosis, which shows that endogenous development potentials have insufficient background in regional vocational, secondary and higher education.

Lack of knowledge about running company in a difficult situation and lack of knowledge about entrepreneurship was the main problem mentioned during BB and RSG meetings. This is often the main reason and barrier to taking corrective and timely action.

Priority 3 breaks down barriers associated with inefficient system for research and innovation support, the system for knowledge and technology transfer, as well as relatively low human resources and organisational capacity of public administration regards to implementation of research and innovation strategies for smart specialisation. The priority includes three leading directions of activities, which fulfil the needs and expectations of the REBORN project target groups: measure 3.1 transformation of business environment institutions into regional growth centres, measure 3.2 development of efficient and open to innovation public administration bodies and measure 3.3 promotion of entrepreneurship and innovations.

Therefore, all actions aimed at counteracting the loss of entrepreneurial potential in the region, support of enterprises in difficulties, counteracting the liquidation and bankruptcy of enterprises by supporting at the right moment and special support for those who decide to re-start despite the previous failure, are fully compatible with the RIS LV priorities.

Taking into account the relatively low level of entrepreneurship indicated in the RIS LV, including technological entrepreneurship, such activities take on special significance. In addition, the low level of innovativeness of enterprises, low propensity to innovate and low and decreasing expenditures on innovative

activity, which RIS indicates as weaknesses of enterprises operating in the region, are also significant. Innovative activity is an activity that involves high risk and, consequently, the possibility of failure. The creation of a support system in the form of concrete instruments for enterprises from REBORN target groups, largely responds to the above problems and weaknesses of the region, giving the company operating in the region specific support if they encounter problems on their business path.

The RIS LV 2020 evaluation system is based on a participation and democratic model, with guarantees the continuation of the entrepreneurial discovery process initiated at the stage of the strategy update. The study of RIS implementation is carried out in cycles, in a continuous manner. In the years 2019-2021, the impact of the achieved indicators on the voivodeship economy will be verified and additional actions necessary for their implementation in the following years will be determined. Thanks to this approach, the effects developed within the project will have an impact not only on the current assumptions of the document, but will also be reflected in the following years of its implementation.

One of the main sources of financing (apart from the funds from the private sector and national operational programs) activities foreseen in the RIS LV is the Regional Operational Programme for Lubelskie Voivodeship. It is the most important and the largest financial programme that remains at the disposal of the voivodeship self-government.

The main objective of the Regional Operational Program of the Lubelskie Voivodeship for 2014-2020 is to raise the region's competitiveness based on internal potentials, conducive to increasing social and territorial cohesion. This objective is implemented by 13 priority axes. The RIS LV 2020 activities will find their specificity primarily in the first (research and innovation) and third (competitiveness of enterprises) priority axis, although some actions will also be implemented under: priority axis 2 - digital Lublin, priority axis 4 - environmentally friendly energy, axis priority 5 - energy efficiency and low-emission economy, priority axis 6 - environmental protection and effective use of resources, priority axis 10 - adaptability of enterprises and employees to changes, priority axis 12 - education, skills and competences of the priority axis 13 - social infrastructure. The current operational programme for the period 2014-2020 is in an advanced implementation phase and a significant part of the programme funds has already been distributed. For this reason, the effects of the project implementation will have significance mainly for the programme implemented in the 2021-2027 financial perspective. The mechanisms and tools developed during the project, as well as the knowledge gained by the partner (the Lubelskie Voivodeship) and stakeholders from the region will allow for effective implementation of the Second Chance Policy in the region in the coming years. In particular, this applies to Action 1, which is aimed at developing rules for the implementation of Program, which financing will be possible in the future ROP LV.

INTERREGIONAL LEVEL

REBORN project idea was born in a meeting in Brussels between the Lead Partner FILSE and the CEEIM institution. They have previously worked together on international projects, specialize in the area of business support and was familiar with the issues and specificity of the second chance topic. Both partners made an EU desk research and the conclusion was that this situation was a common problem in many of the EU countries. As a result, the idea for the project was defined and the search for partners started, in accordance with the specific needs of individual regions. The partner search, started with more than 45 requests being these selected according to a series of predefined criteria and requirements to ensure the suitability of project partners. Then 6 partners were selected, based on geographical criteria and importance for selected policy instruments.

Lubelskie Voivodeship is the first region in Poland which is try to fill a defined gap and meet the needs of entrepreneurs in a difficult situation, together with 5 other entities from the EU proceeded to implement the project REBORN: FILSE Financial Agency in Liguria (Italy) - project leader, CEEIM European Centre of Enterprises and Innovation (Spain), AEI Agency for Enterprises and Innovation (Belgium), IFKA (Hungary) and Western Macedonia Region (Greece).

The activities planned for implementation are the result of the experience gained so far as part of the REBORN project. Both information acquired as part of cooperation with partners as well as knowledge acquired at the regional level from a group of stakeholders or entrepreneurs are important. At the level of the partnership,

three editions of interregional workshops took place, as well as a conference summarizing the first phase of the REBORN project in Budapest.

The first Interregional Thematic Workshop was held on 15 June 2017 in Genoa (Italy). The aim of the meeting was to discuss existing financial solutions and their future shape. The exchange of knowledge allowed to develop a set of recommendations and good practices that can be implemented in the regions, including information concerning the improvement of a wide range of instruments supporting entrepreneurs who, after a business failure, want to return to the market again and continue their business activity. During the meeting, the participants also discussed the experiences of the partner regions of the project concerning financial instruments supporting entrepreneurs in a difficult situation.

The second Interregional Thematic Workshop was held in Murcia (Spain) in 28-29 September 2017. That meeting was focused on the positive image of re-starters. During the session, each of the partners presented good practices according to support re-starters. The main core of the meeting was a discussion on the positive image of re-starters in the context of the motivation of entrepreneurs. In meeting was also participate experts from the Murcia region - the Regional Development Agency, a representative of Presto CEO, the President of AJE and a psychologist.

The third Interregional Thematic Workshop with the participation of Lubelskie companies and Business Support Institutions took place on 11 April 2018 in Kozani (Greece). The theme of the meeting was to strengthen the competences of entrepreneurs, especially those who found in a difficult situation. The project partners exchanged experiences and good practices in the context of three leading topics: early warning system and understanding the signs of upcoming crisis in order to take corrective action, "School of Failure" - how to accept mistakes and perceive failure as a natural stage of the learning and improvement process and improving the functioning on the basis of conclusions drawn (coaching and mentoring support).

Participation of Lubelskie Business Support Institutions and Lubelskie entrepreneurs, was concentrated at the exchange of experience and learn good practices from other partner regions. Participation in the meeting and the knowledge acquired was an important contribution and inspiration for the tasks undertaken for the regional entrepreneurship support. The participants were involved in the work on formulating recommendations, tools and instruments for entrepreneurs in difficulty during the regional RSG and BB meetings.

A study visit in Budapest was a very important point within the interregional exchange of experiences. On 27 March 2017, representatives of the Department of Economy and Foreign Cooperation, Management of the ROP LV and the Lublin Agency for Enterprise Support took part in a study visit to learn about Hungarian support tools for SMEs - EDIOP 8.3.1.-16. The Programme for the growth of competitiveness of SMEs was a preferential financial instrument that could improve access to financing for SMEs in difficulties. In the Hungarian case, it was a loan offered to companies, which could be used for the purchase of fixed assets, used assets, construction of buildings (or their renovation, extension or reorganisation), purchase of real estate. The instrument was financed from the Operational Programme for Economic Development and Innovation (equivalent of the ROP in Poland). Therefore, from the perspective of the implementation of the Hungarian tool in the Lubelskie Voivodeship, it was very important participation in a study visit the entities responsible for shaping public policy and implementation of support instruments.

The last meeting at the interregional level was Closing Conference in Budapest (Hungary), which held on 25 October 2018. The topics of the meeting focused on aspects related to new regulations and the EU approach to Second Chance Policy, initiatives taken for re-starters, early warning instruments and understanding the signs of early crisis in order to take corrective action. In the second part of the meeting, the participants discussed the possibility of implementing proposed solutions and presented the effects of mutual exchange of experiences in the form of Regional Action Plans.

At the interregional level, the most important document describing the situation of enterprises in difficulties is the *Business Practice: Recommendation Paper*, containing a detailed SWOT analysis of entrepreneurs in difficulties and a synthesis of best practices developed by each project partner.

The SWOT analysis is a diagnosis of the situation REBORN target group at the partnership level. It identified 5 leading areas requiring intervention and improvement for entrepreneurs in difficulties: prevention, crisis management, out-of-court settlements, court procedures, second chance.

The methodology of the document is based on an in-depth analysis national reports, identifying strengths and main areas for improvement in each regions. The analysis also based on the matrices of the "Current situation of second chance" in the national reports, with is identification of the main deviations, in order to adopt a more objective approach.

The unique purpose of the document is to help optimize the process of exchanging experiences. The problems identified coincide with the difficulties identified at the regional level.

An important document developed at the partnership level is also the Peer Review Report. It is an description of good practice from Hungary and a summary of the study visits in Budapest, setting out the technical parameters and main objectives of the Programme.

REGIONAL LEVEL

At the regional level, 4 Business Breakfast meetings for entrepreneurs and 5 meetings of the Regional Stakeholders Group were held.

Meetings at the regional level allowed to gain knowledge about what barriers and problems really are faced by entrepreneurs in a difficult situation and what kind of support they need. In addition, the various institutions represented in the Regional Stakeholders Group had the opportunity to present what activities are possible to take under their competences in relation to enterprises in a difficult situation.

In meetings of the Regional Stakeholder Group participated representatives of, local governments, government agencies, non-governmental organisations, financial and scientific institutions and business support institutions, such as:

- ✓ Lublin Development Foundation
- ✓ Industrial Development Agency
- ✓ Lublin Medical Cluster
- ✓ Interim Managers Association
- ✓ City Hall in Janów Lubelski
- ✓ District Starosty in Parczew
- ✓ District Starosty in Lublin
- ✓ Municipality of Końskowola
- ✓ Municipal Office of Urzędów
- ✓ Voivodship Labour Office
- ✓ District Labour Office in Radzyń Podlaski
- ✓ Regional Contact Point for EU Research Programmes in Lublin
- ✓ Foundation for the Development of the Lublin Region
- ✓ Responsible Business Club
- ✓ University of Life Sciences in Lublin
- ✓ Maria Curie-Skłodowska University in Lublin
- ✓ Marshal's Office of the Lubelskie Voivodeship
- ✓ Biłgoraj Regional Development Agency
- ✓ Lublin Chamber of Crafts and Trades
- ✓ Lublin Science and Technology Park
- ✓ Lublin Agency for Enterprise Support

Such a comprehensive approach to the problem and looking at it from different perspectives will enable to support enterprises in the Lubelskie Voivodeship in an organized and systemic way, and thus more effective and efficient.

As part of cooperation with RSG and entrepreneurs, it was decided to divide support into instruments addressed to three target groups. The division into groups results from different expectation of entrepreneurs belonging to each of the target groups and the specific approach to each of them in order to develop adequate and effective support instruments.

First target group	enterprises in the restructuring process
---------------------------	--

Second target group	enterprises that are feeling the first signs of their market deterioration
Third target group	people who re-enter the market after the liquidation of their business (re-starters)

As part of the project, was created a *Country report* - which is a diagnosis of the situation in the region. Recommendations are important for regional and local decision makers who initiate legal provisions and administrative procedures that have a key impact on the development of entrepreneurship and the possible conditions for resumption. The report is also addressed to all those who want to learn how companies that are part of the Second Chance Policy work in different countries and regions. The examples collected in the document reflect the diversity and unique characteristics of the second chance initiatives for entrepreneurship and culture in partner regions. The SWOT analysis included in the document defines the strengths, areas of special shortage as well as opportunities and threats for entrepreneurship in the Lubelskie Voivodeship.

Currently, at the regional level, there was no precise tools that have been formulated to reduce the financial problems of enterprises. Initiatives to support the competitiveness of SMEs are not enough. The activities defined in submitted document create a chance to fill this gap.

ACTION 1

A CONTACT POINT FOR ENTREPRENEURS WITH DIFFICULTIES - A PILOT ACTION PROGRAMME

- 1. The background (please describe the lessons learnt form the project that constitute the basis for the development of the present Action Plan)**

THE INTERREGIONAL CONTEXT

Identified problem: Lack of knowledge

This problem was discussed during the Third Interregional Thematic Workshops, in Kozani (Greece). The topic of the meeting was to strengthen the competences of entrepreneurs, in particular those who find in a difficult situation. During meeting there was also discussed issues such as early warning and systems understanding the signs of the coming crisis to take corrective action, how to accept mistakes and perceive failure as a natural stage of learning and improvement, and improving the functioning of the basis of lessons learned (coaching and mentoring support).

It also should be emphasized that this Action is in part based on good practice presented by a partner from Spain (Murcia Business Innovation Centre), namely on the Business Failure Prevention Programme.

Overall Objective of this Programme is to *Reduce the number of company closures by establishing support and advice mechanisms for SMEs in difficulty, working in parallel to reduce the stigma associated with business failure, and rescuing the entrepreneurial spirit in those who come from an experience of failure.* Among the specific objectives of the Programme, it was indicated: *Develop and implement tools for the prevention, detection and management of companies in difficulty and Develop action plans to help improve the management and activity of companies in difficulty, ensuring their survival, if possible.*

The specific objectives of the Programme are to develop and implement tools for the prevention, detection and management of entrepreneurs in difficulty and to develop action plans to improve the management and operation of firms in difficulty, ensuring their survival.

The programme will reach its objectives through two subprograms:

1. Business failure prevention programme - *a programme to prevent business difficulties, by providing firms with advice and support mechanisms to identify previously encountered difficulties and implement corrective measures to ensure their survival*
2. Restarter programme - *a programme aimed at reducing the stigma associated with business failure and saving the entrepreneurial spirit of entrepreneurs who have experienced business failure.*

The most important for creating this Action in RAP is the first subprogramme aimed at creating a set of actions to provide enterprises with advice and support mechanisms to identify the difficulties they face early, and implement remedies to ensure their survival.

The objectives of the Programme coincide with the objectives that the instruments developed under the Action will have to implement. The implementation of instruments created within this Action will contribute to reducing the number of companies that for various reasons are forced to end their operations on the market.

Identified problem: Legislative barriers

The issue was discussed at a Closing Conference in Budapest where, legislative changes at EU were discussed. Moreover, the SWOT analysis included in the document *Business Practices: Recommendation Paper* indicated among the weaknesses the lengthiness of court procedures and excessive bureaucracy related to court proceedings.

REGIONAL CONTEXT

Identified problem: Lack of knowledge

The need to provide knowledge and advisory support also results from SWOT analysis included in the *Country report* for Lubelskie region, in particular one of the weaknesses - *Lack of skills in risk assessment and management in difficult situations among entrepreneurs.*

The implementation of the Action related to the development at the regional level comprehensive support for enterprises in a difficult situation was postulated both by the entrepreneurs and by RSG, which cooperate with business entities. This was particularly emphasised during the RSG meeting on 18 October 2018. Representatives of the Business Support Institutions, local government, financial institutions and non-governmental organisations emphasised that the main reason of difficulties in companies is the lack of knowledge and lack of preparation to run business. According to that, a good solution would be to launch an instrument establishing individual work with an entrepreneur to prepare running a business. According to experts, entrepreneurs make the same mistakes all the time and most often they are not aware of it. Therefore, an instrument should be launched that consists in a thorough analysis of the condition of the enterprise, which would basis on identifying the causes of the emerging difficulties and developing an individual action plan or recovery plan. During the meeting, appeared the idea of creating an interdisciplinary team of experts or a working group consisting of lawyers, financiers, officials, which comprehensively will be able to study the condition and situation of companies in difficulty and offer them informational and advisory support.

The problem of lack of up-to-date knowledge about the available support and knowledge about coping with difficulties was also strongly emphasized by the entrepreneurs during BB meetings.

Identified problem: Legislative barriers

A number of actions that entrepreneurs in a difficult situation expect are actions in the field of legal regulations. This problem was highlighted and discussed in the 4 BB meetings. The possibilities of operation of voivodship self-governments are limited in this respect. Activities at the regional level are undertaken on the basis of existing legal provisions and concern the implementation of specific policies using available financial tools. In the area of impact on

enterprises in a difficult situation, and more precisely on enterprises in the restructuring process, mostly the courts are decision-making institutions on this matter. During discussions with entrepreneurs, it was clearly emphasized that in addition to financial or advisory support they expect specific actions in the area of legal regulations (modification of regulations, acceleration of proceedings conducted by courts).

The necessity to take action in this area results from meetings at the regional level, both with entrepreneurs and with institutions from RSG. In addition, the SWOT analysis from the *Country report for the Lubelskie Region* among weaknesses indicated long duration of court procedures and bureaucracy connected with court proceedings.

2. Action (please list and describe the actions to be implemented)

The objective of the Action is to create a support system in a scope of a specially created Contact Point for entrepreneurs in difficulties - for the three target groups indicated in the introduction.

The Action will constitute as a Pilot Action Programme and will be implemented continuously until 2020. After this period, objectives, tasks and developed effects will be included in the implementation of other Lubelskie Voivodeship projects, which in a broader scope take up the subject of supporting entrepreneurship, like. REGLAB, Smart Watch. Part of the tasks will be taken over by specialised BSI, which owing to the support obtained from the ROP will adapt their competences and services offer to support entrepreneurs identified within the second target group.

As indicated in the Application Form, the Regional Action Plan will have an impact on improving the knowledge of the Business Support Institutions, through improving qualifications and creating and updating tools conducive to the development of business, thus creating favourable conditions for the development of innovation. The measure is consistent with the RIS LV 2020 objectives indicated in the Application Form: development of territorial capital, development of effective instruments to support innovation and competitiveness of the voivodeship economy and stimulation of dynamic benefits of location through strengthening developing business environment institutions, market services for enterprises and development of financial markets, which directly fit into *Priority 1* and *Priority 2*.

Function of the Contact Point for entrepreneurs in difficulties:	
Function no 1	Collection, provision and dissemination informations about available financial and non-financial support for entrepreneurs experiencing first difficulties and for re-starters.
Function no 2	Work within the Thematic Workshop Group to develop programme assumptions and substantive input for the objective of <i>Increasing growth and competitiveness of SMEs</i> , in the ROP LV 2021-2027
Function no 3	Developing recommendations on the implementation of the New Chance Policy and Restructuring Law
Function no 4	Establish and coordinating the REBORN Workshop Group
Function no 5	Monitoring of the RPO LV 2014-2020 in scope of REBORN project target groups - selected measures

Detailed description of functions:

Function no 1 Collection, provision and dissemination informations about available financial and non-financial support for entrepreneurs experiencing first difficulties and for re-starters

Justification and background:

On the Polish and regional market there are a number of comprehensive activities and services, including consulting and coaching, provided on commercial terms, being an response to

the needs of entrepreneurs who feel the first symptoms of worsening of their situation and people who re-started after previous liquidation of the business. Interviews with the entrepreneurs and RGI have shown that not for all such services are known. In addition, this fact is confirmed by the SWOT analysis in the *Country Report*, which indicates as a weakness the *Low level of knowledge among entrepreneurs about restructuring law and bankruptcy law*. This fact is also confirmed by the SWOT analysis contained in *Business Practice: Recommendation Paper*, which lists as a threat indicates the *institutional weakness, including dispersion and insufficiently known initiatives for entrepreneurs, difficulties related to non-binding cooperation of interested parties, difficult access to information on available assistance*.

Implementation:

The main objective of this function is to create a coherent and comprehensive knowledge about entities providing services, which can be used by entrepreneurs feeling the first symptoms of worsening situation (second group) and re-starting (third group) and to disseminate information on the offer of these entities.

The objective will be implemented through direct contact persons involved in the Pilot Action Programme with entrepreneurs and dissemination information about available support on the website, press and social media. Moreover, information about available support will be presented at networking meetings for entrepreneurs.

Function no 2 Work within the Thematic Workshop Group to develop programme assumptions and substantive input for the objective of Increasing growth and competitiveness of SMEs, in the ROP LV.

Justification and background:

Currently, intensive work is underway on a new financial perspective at the EU, as well as national and regional levels. Based on the experience of the REBORN project in preparation for the future financial perspective, companies in a difficult situation should be treated in a special way, providing them with comprehensive and dedicated support. Therefore, it is necessary to include this issue in the programme documents regarding the ROP LV 2021-2027. Due to the fact that some activities cannot be implemented due to the progress of implementation of the ROP LV 2014-2020 and the lack of free financial resources, steps should be taken to enable the implementation of appropriate instruments in the next edition of the regional programme 2021-2027.

Work towards the next financial perspective should be completed by the end of 2019. Therefore, the introduction of appropriate provisions to the new financial perspective will have a direct impact on the implementation of *Priorities 1* and *Priority 3*. Additionally, as indicated in the introduction, the RIS LV evaluation system is based on a participatory and democratic model that guarantees the continuation of the entrepreneurial discovery process. In the years 2019-2021 it will be RIS indicators impact will be verified and additional measures will be defined to continue implement defined priorities.

As part of the implementation of the Second Chance Policy, it is important to support not only companies in a difficult situation, for whom the only way to maintain their activity is restructuring, but also for those who feel only the first symptoms of the deteriorating situation. These symptoms include changes in relations with suppliers, decreasing number and value of orders, delays in payments, increasing costs of running business and unchanged or even declining revenues at the same time. It is often the result of global changes in the market in which they operate or in related markets. This requires a correction in the activities carried out so far, sometimes even a change in the business profile. It is necessary to give them support of professional advisers and provide dedicated trainings, activities that have a long-term, systemic character. Due to the fact that entrepreneurs still make the same mistakes, training and advisory support should also be provided to people who re-started business (third target group).

Implementation:

The Programme is aimed at creating system of support for enterprises which experience first difficulties in conducting business activity and re-starters, those belonging to the second and

third target group indicated in the introduction to the document.

It is anticipated that professional business consulting will be available within specialized Business Support Institutions.. However, in order for it to be as effective as possible, an individual approach and assignment of a specific expert to a given company is required, and as a result, long-term cooperation with a given entrepreneur. The cooperation will start with a detailed diagnosis of the situation of the entity, the next step will be preparing a recovery plan, implementation of this plan, support in looking for external financing if the entity will need such financing (if it will be diagnosed), up to monitoring the situation of the entrepreneur on the market after conducting the entire process.

In the case of re-starters, expert assistance should focus on the analysis of the reasons for failure in the previous business activity, planning the directions of development of the company and the analysis of competence gaps, in order to match the appropriate training offer.

In order to launch the Programme, it is necessary to create support enabling the acquisition of appropriate competences in the scope of providing this type of services by Business Support Institutions. It is assumed that the support will be a financial instrument dedicated to BSI in order to improve qualifications and specialize in the provision of the services described above.

In order to develop the programme assumptions for the new financial perspective of the ROP 2021-2027, in the Lubelskie Voivodeship will be established the Thematic Working Groups, responsible for the preparation of substantive contributions to the objective of Increasing the growth and competitiveness of SMEs. Members of the REBORN project's will be involved in the work of the relevant TGR, in order to force proposed solutions for the implementation of support for the professionalisation of the BSI in the scope of the Professional Business Advisory Programme.

The details of the Programme, like specific qualifications of experts, the form of functioning of the entitle, the criteria for qualifying to such a Programme (including the set of indicators which will prove the difficult situation of entrepreneurs) will be developed within the framework of TGR works with the support of entities which cooperate with enterprises and have appropriate knowledge to prepare the rules of functioning of the Advisory and Training Programme. Therefore, for this purpose, will be established a REBORN Workshop Group, which will include experts systematically participating in meetings of the Regional Stakeholder Group, during the first phase of the project implementation.

Function no 3 Developing recommendations on the implementation of the New Chance Policy and Restructuring Law

Justification and background:

A number of actions that entrepreneurs in a difficult situation expect are actions in the field of legal regulations. The possibilities of operation of voivodship self-governments are limited in this respect. Activities at the regional level are undertaken on the basis of existing legal provisions and concern the implementation of specific policies using available financial tools. In the area of impact on enterprises in a difficult situation, and more precisely on enterprises in the restructuring process, mostly the courts are decision-making institutions on this matter. During discussions with entrepreneurs, it was clearly emphasized that in addition to financial or advisory support they expect specific actions in the area of legal regulations (modification of regulations, acceleration of proceedings conducted by courts).

The necessity to take action in this area results from meetings at the regional level, both with entrepreneurs and with institutions from RSG. In addition, the SWOT analysis from the *Country report* for the Lubelskie Region and included in the *Business Practices: Recommendation paper* among weaknesses indicated long duration of court procedures and bureaucracy connected with court proceedings.

Implementation:

Taking into account circumstances mentioned above it was decided that as part of the project activities, recommendations for the relevant ministry will be formulated with the participation of

entrepreneurs both in terms of the implementation of the new opportunity policy and the Restructuring Act. Recommendations, apart from being subject to the provisions of specific documents, will also apply to the implementation / implementation layer.

Entrepreneurs participating in project meetings declared their willingness to cooperate in this area and to provide comments and recommendations resulting from their experience.

The recommendations will be forwarded to the Ministry of Enterprise and Technology, which is responsible for the implementation of a number of policies related to entrepreneurs, including the Policy of a New Chance in Poland.

This Action will apply to all three target groups in the area of recommendations for the implementation of the New Chance Policy in Poland, while the conclusions and recommendations regarding restructuring law will concern the first target group, that is companies that undergo the restructuring process.

Function no 4 Establish and coordinating the REBORN Workshop Group

Justification and background:

During the RGI and BB meetings, organized at the regional level it was strongly emphasized to create a REBORN Workshop Group, which in second phase will be an advisory body and will actively participate in the work carried out to the implementation of RPD LV.

Method of implementation:

According to these needs and expectations, a REBORN Workshop Group will be, consisting of entrepreneurs and experts actively participating in the BB and RSG meeting. The REBORN project staff will be responsible for the coordination of the REBORN Workshop Group.

Tasks of the REBORN Workshop Group:

- assistance in creating a database of entities which potentially may provide support services for entrepreneurs in difficulties,
- collecting offers of entities and the scope of support which they may provide for enterprises that are feeling the first signs of their market who feel the first first signs of their market deterioration and for re-starters,
- determining the subject matter of information and networking meetings,
- participation in the development of recommendations for the implementation of the New Chance Policy and Restructuring Law,
- monitoring of the New Chance Policy and changes in legal regulations about entrepreneurship.

Function no 5 Monitoring of the RPO LV 2014-2020 in scope of REBORN project target group - selected measures

Justification and background:

In many situations, entrepreneurs who constitute project target groups are not willing to disclose information about their situation related to the business past. Often this is related to the negative perception of them by society and institutions, or because of the fear that disclosure of their situation will make it difficult or impossible for them to receive financial or advisory assistance. It is necessary to take various types of activities that will allow to obtain information about entrepreneurs who are in the area of interest of New Chance Policy.

The conducted activities will allow to draw the attention of institutions to a specific group of recipients of their services, raise awareness and knowledge about what expectations entrepreneurs from this group have, which kind of support they need most. Such activities will be important lessons for the future for all institutions in the implementation system, both directly providing

support and those that manage the ROP LV.

The proposal to implement the Action is the result of cooperation with the institutions from RSG. Representatives of local government units, non-governmental organizations, financial organizations and business support institutions participated in the works of RSG.

The need to implement the measure also arises from the interregional context. The SWOT analysis in the *Business Practice: Recommendation Paper* as weaknesses indicates a negative image of a restarter, fear of losing credibility in society, social stigmatisation of failure.

Implementation:

The Action will be carried out in relation to selected support instruments currently implemented under the ROP LV 2014-2020. The choice of specific activities was due to the fact that they are in the initial phase of implementation, in contrary to the majority of measures implemented in the current regional programme.

The first measure is Measure 3.7 *Increase in the competitiveness of enterprises*. The competition, which will be of interest to the REBORN project, provides that support for entrepreneurs will take the form of repayable assistance.

The second measure is Measure 3.4. *Adaptation of the Business Support Institutions offer to the market needs*. Support will be provided to BSI in order to strengthen its potential and competence in the field of business support. The monitoring will concern recipients of their consultancy services implemented as a result of the implementation of projects financed from the ROP LV 2014-2020.

The monitoring tool must be based on a set of specific questions that will allow identifying entities that are of interest to the REBORN project. Among the monitored issues should be: the sector in which the entrepreneur operates, the sector in which he operated in the past and the time of doing business if it is another company run by a given person, the status of the enterprise, the amount of support it applies for.

The information obtained in this way will be used to create programme of information and networking meetings adequate to the needs, which are part of Function no. 1 and the detailed elaboration of Action 2 - Marketing Campaign.

The development of appropriate tools at the level of support instruments is a key issue for the efficient implementation of the planned Action from the RAP and the identification of companies in difficulties or undertake to run a business again. The results of such an action will allow to observe the actual scale of the problem in the voivodship. They will be a perfect base for conducting activities in the new financial perspective at the regional level in the area of business support.

3. Players involved (please indicate the organisations in the region who are involved in the development and implementation of the action and explain their role)

- ✓ **MO LV** – coordination of activities regarding the development of implementation rules of Contact Point for Entrepreneurs with difficulties – Pilot Action programme
- ✓ **REBORN Workshop Group** - cooperation of activities regarding the development of implementation Function of Contact Point for Entrepreneurs with difficulties – Pilot Action programme
- ✓ **LAES** – cooperation in developing implementation rules of the Programme

4. Timeframe

The Contact Point for Entrepreneurs with difficulties - Pilot Action Programme will be implemented continuously until 2020. After this period, the objectives, tasks and effects developed within the Programme will be included in the implementation of other Lubelskie Voivodeship projects, which in a broader scope take up the subject of supporting entrepreneurship. Part of the tasks will be taken over by specialised BSI, which owing to the support obtained from the ROP LV 2021-2027 will adapt their competences and services offer to support entrepreneurs identify within the second target group.

5. Costs (if relevant)

At the Function development level, the costs of the Action 1 are mainly related to the payment of an external expert responsible for its development or the costs of working time of the MO LV employees involved in the detailed development and implementation of the Action. At the later stage of the Programme implementation, financial costs will be specified in details in the Programme.

6. Funding sources (if relevant)

The costs of developing the Programme and its implementation will be financed from external funds and / or own resources of the Lubelskie Voivodeship

ACTION 2

MARKETING CAMPAIGN

1. The background (please describe the lessons learnt form the project that constitute the basis for the development of the present Action Plan)

THE REGIONAL AND INTERREGIONAL CONTEX

The change in the perception of enterprises in difficulties and those who are again undertake to run a business after previous failures is one of the most important assumptions of the New Chance Policy. The need for action in this area has been confirmed by the voices of entrepreneurs during previous meetings. On the one hand, the necessity to change the perception of such entities by the society and the break with stigmatization of entrepreneurs in a difficult situation was emphasized, on the other hand, the need to take specific actions in relation to these enterprises by public institutions was stressed. The specificity of such entities should be emphasized, which results in the requirement of separate and targeted actions.

The necessity to undertake actions in this area results directly from the SWOT analysis contained in the document *Country Report* for Lubelskie region, in which among the weaknesses identified in the region indicated that the region faces problem of negative image of re-starters within society. Relevant provisions that form the basis for the Action are also found in the *Peer review document* prepared after the study visit of representatives of the Lubelskie Voivodeship in Budapest. Information on this subject is also reflected in the document *Business practices: Recommendation paper*, which shows that the problem of negative perception of enterprises that have experienced bankruptcy, including those that re-enter the market, occurs in all partner countries of the REBORN project.

The Action is inspired by good practice presented by the Belgian partner 'No Fail no Gain Conference', which responds to the problem of the negative image of re-starters and the stigmatisation of failure. The aim of the conference was to share knowledge and experience between entrepreneurs in a friendly atmosphere.

2. Action (please list and describe the actions to be implemented)

The Marketing Campaign will be conducted in two ways, using typical tools used in the implementation of information and promotion activities.

The Marketing Campaign of the Contact Point for Entrepreneurs with difficulties - Pilot Action Programme will be carried out through the following tools:

- ✓ Information on the www.invest.lubelskie.pl website.
- ✓ Information in social media.

An Marketing Campaign for improving the image of re-starters and familiarising the BEI with the problems and needs of entrepreneurs, will be carried out through the following tools:

- ✓ Conference and workshops for interested entities.
- ✓ An informational spot with examples of success stories.
- ✓ Articles in the regional press about success stories.

3. Players involved (please indicate the organisations in the region who are involved in the development and implementation of the action and explain their role)

- ✓ **MO LV** – coordination and preparation the Marketing Campaign.
- ✓ **LAES** – participation in the development of actions planned for implementation as part of the Marketing campaign.
- ✓ **REBORN Workshop Group** – participation in the development of actions planned for implementation as part of the Marketing Campaign.

4. Timeframe

The Marketing Campaign will be carried out in the last quarter of 2019 and the first quarter of 2020.

5. Costs (if relevant)

5 000 Euro

6. Funding sources (if relevant)

The Action will be financed from the Economic Marketing II project co-financed under the ROP 2014-2020 or other national or international measures. These activities are part of the objective of the above project, i.e. the construction and improvement of the region's competitiveness based on its potentials, including strengthening the region's economic image and promoting enterprises on domestic and international markets.

Date: 11.09.2019

MARSZAŁEK WOJEWÓDZTWA

Signature: J. Stawiarz
Jarosław Stawiarz

CZŁONEK ZARZĄDU
S. Trojak
Sebastian Trojak

Stamp of the organisation (if available): _____

**URZĄD MARSZAŁKOWSKI
WOJEWÓDZTWA LUBELSKIEGO
w Lublinie**
20-029 Lublin, ul. Artura Grottgera 4

Agata Nowak

p.o. DYREKTORA
Departamentu Gospodarki
i Wspierania Przedsiębiorczości

T. Buczek
Tadeusz Buczek