

ACTION PLAN FOR RURAL SMEs

for Gorenjska development region



Regional Action plan of Gorenjska Region

Gorenjska development region is geographical area, covering 18 local communities: Bled, Bohinj, Cerklje na Gorenjskem, Gorenja vas – Poljane, Gorje, Jesenice, Jezersko, Kranj, Kranjska Gora, Naklo, Preddvor, Radovljica, Šenčur, Škofja Loka, Tržič, Železniki, Žiri, Žirovnica

PROJECT RURAL SMEs

The **action plan** is a document providing details on **how** the lessons learnt from the cooperation can be exploited in order to improve the policy instrument tackled within that region. It specifies the nature of the actions to be implemented, their timeframe, players involved, the costs and funding sources.



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Executive summary

The action plan is a document providing details on how the lessons learnt from the cooperation will be exploited in order to improve the policy instrument tackled within that Gorenjska region.

The activity within the Action Plan is a result of the discussions with interregional and regional stakeholders. Also is built on the presented best practices within the project Rural SMEs and as well as the current state of the policy instrument, innovative project idea concerning entrepreneurs.

The results of the project are showing the benefits from lesson learned that could be incorporated as policy recommendation into the programmes for this programming period.

About Rural SMEs project

The project Rural SMEs is funded in the Interreg Europe Program and concerns Strategies for the Development of Entrepreneurship and Innovative Small and Medium Enterprises (SMEs) in rural areas.

The ultimate goal of the project is to develop a Regional Action Plan on good practices and optimal governance through synergies between business clusters, educational / research and productive organizations so that:

- Rebuild the production base with new or different competing products, which will be exported to the international market and will contribute to the internationalization of enterprises.
- To strengthen the economic activity of enterprises with the prospect of growth and production of high added value products and services within larger production chains, as well as facilitating the exploitation of new ideas and business support (new and existing).



1 Part I - General Information

Project title	RURAL SMEs
Partner organisation	BSC, business support centre Ltd. Kranj
County	Slovenia
NUTS1 region	Slovenia
NUTS 2 region	West cohesion region
NUTS 3	Gorenjska
Contact person	M. Sc. Helena Cvenkel
E-mail address	helena.cvenkel@bsc-kranj.si
Phone number	+386 4 281 72 39



2 Introduction of Gorenjska region

Gorenjska (the Upper Carniola region) is Slovenia's sixth-largest statistical region, covering 18 municipalities with 203.564 inhabitants (data from July 2012). It lies on the NW of the state, bordering Austria and Italy, with 2.137 km² surface, which represents 10 % of the Slovenia surface. Gorenjska is the 4th largest Slovenian development region by the number of inhabitants and the 6th by area. The population density is 95.5 inhabitants per km², which is below average in comparison with Slovenia. Most of the area is rural, while industry and services are mostly predominantly settled in cities (5 smaller cities, only 2 of them (Kranj, Jesenice) recognised as urban areas by National Rural development program. The rest is dispersed throughout a characteristic diverse mountainous landscape. Over 65 % of Gorenjska's surface area is covered by forests, as much as 40% of the region lies more than 1,000 m above sea level (including the country's highest peak, Mount Triglav, at 2,864 m), 70% of the region is a mountainous world, over 45 % are NATURA 2000 areas.



Figure 1: Local communities in Gorenjska region

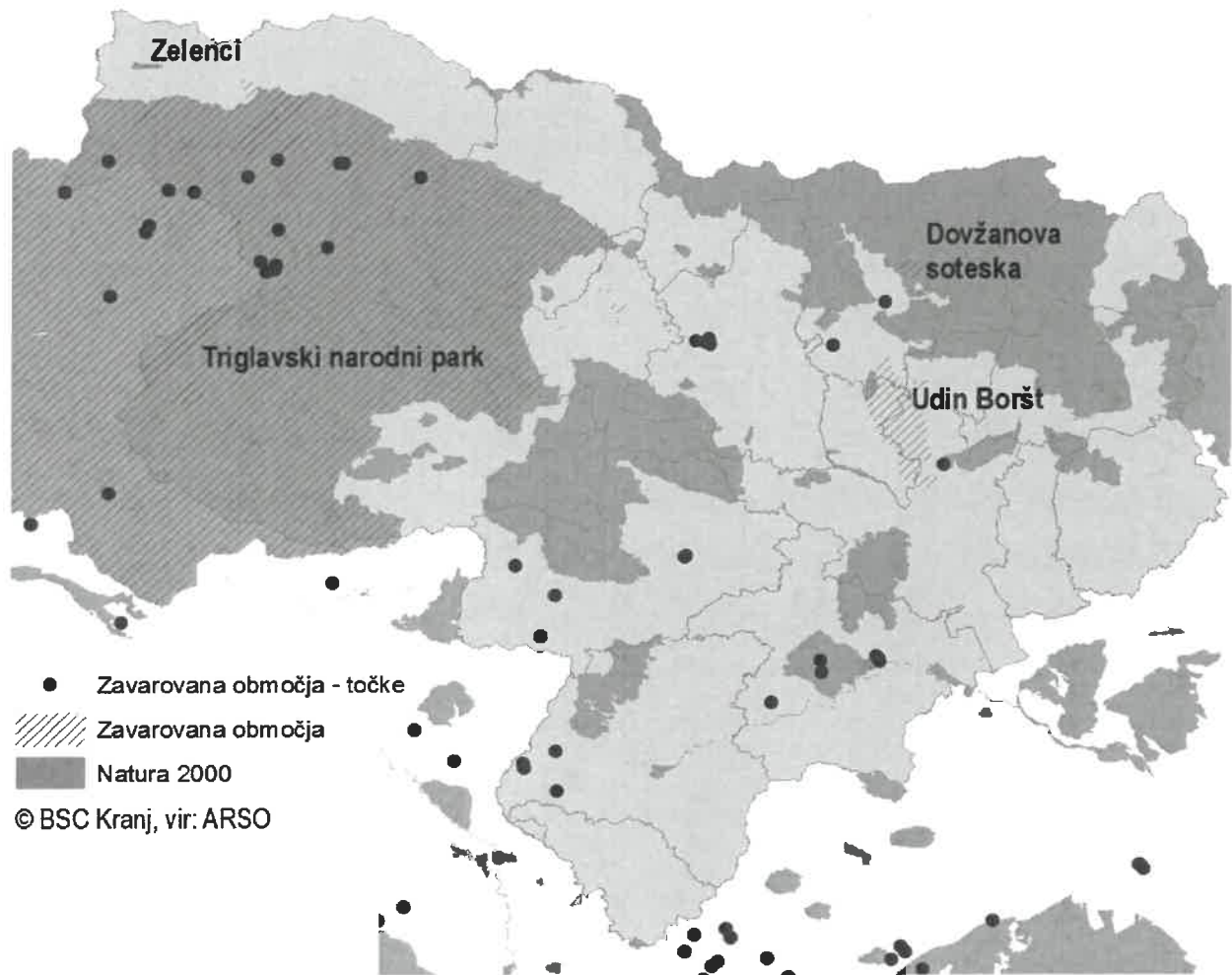


Figure 2: Natura 2000 areas and other protected areas in the region



2.1 Distribution of municipalities and inhabitants of the region

Table 1: Distribution of municipalities and inhabitants in the region

	N° Municipalities	%	N° Inhabitants	%
< 101 inhabitants	/	/	/	/
101-500 inhabitants	/	/	/	/
501-1000 inhabitants	1	5.56	618	0.30
1001-2000 inhabitants	/	/	/	/
2001-5000 inhabitants	4	22.22	15,627	7.67
5001-10000 inhabitants	8	44.44	54,011	26.52
> 10000 inhabitants	5	27.78	133,398	65.50
TOTAL	18	100	203,654	100

Source: Statistical Office of the Republic of Slovenia (2016)

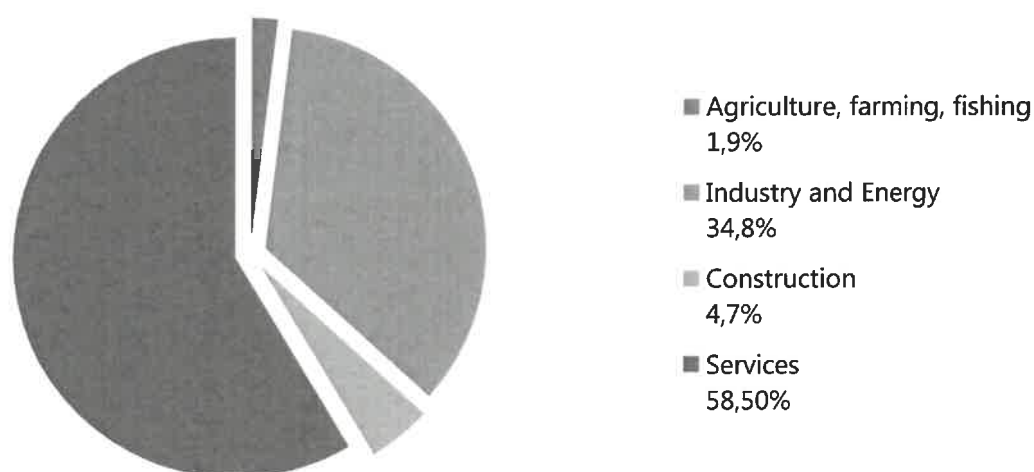


Figure 3: Distribution of enterprises by sector in the region



2.2 Economic dimension of the region

2.2.1 Indicators of competitiveness of the region

Table 2: Indicators of competitiveness in the region

	2006		2012 (or latest available data)		
	Gorenjska	Slovenia	Gorenjska	Slovenia	% in SLO
GDP per capita (in €)	13,359	15,464	14,408 (2010)	17,379 (2010)	
Population	199,626	2,008,516	204,170	2,056,262	9.93
Ageing index	102.8	110.5	111.0	118.0	
Economically active population	71,892	833,003	80,037	792,948	10,09
Registered unemployment rate	6.4%	9.4%	8.9%	10.0%	
Registered of formal employment rate	60.1%	59.1%	58.4%	56.3%	
% of population with higher education	15.4	16.6	17.8 (2011)	17.5 (2011)	
% of employed persons with higher education	19.2	21.6	29.9	29.4	
Self-employed persons – No. of sole traders	5,795	59,677	7,533	72,325	10.42
No. of companies	4,060	45,330	5,203	59,726	8.71
Net value added in companies (in 1,000€)	1,257,313 (2009)	16,396,799 (2009)	1,396,017	16,534,646	8.44
No. of new companies	1,184	11,547	1,702 (2010)	15,325 (2010)	11.11

The unemployment rate is not high, but especially in the rurales part of the region is facing rather big hidden unemployment.

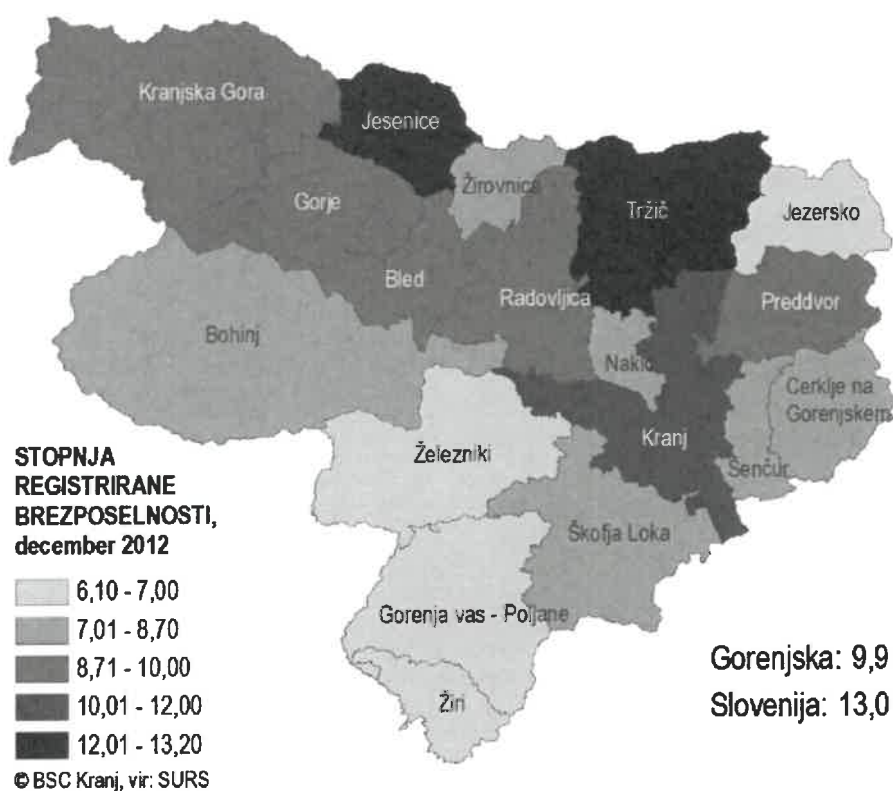


Figure 4: Unemployment in local communities (rate)

The population is getting older (e.g., Index of ageing is 111), the worst situation is in hilly areas and in the areas within or near Triglav National park.

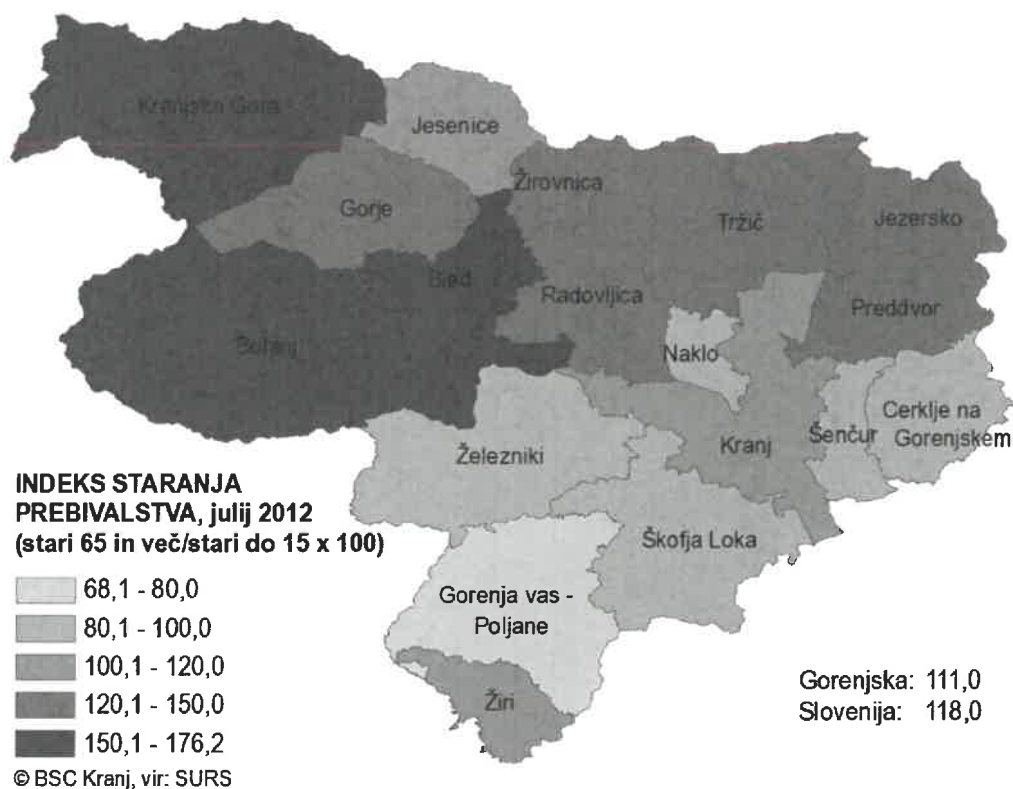


Figure 5: Index of ageing by local communities in the region

The X European motorway and railway corridor passes through Gorenjska. Brnik is the central Slovenian airport, Jože Pučnik Ljubljana Airport (up to 1.2 million passengers in 2012). Gorenjska region has 79 km of railways and 3,211 km of public roads. Of these, 68.2 km are motorways, 30.5 km are major roads, 364.5 km are regional roads, 131.1 km are regional tourist destinations, 1,050.2 km are local roads and 1,566.8 km are public roads. The Gorenjska region also has a sports airport in Lesce.



Figure 6: Traffic corridors and infrastructure (airport, railway, main roads)

Compared to other regions in EU, Gorenjska has very good broadband, almost everybody accesses to internet, also very good other telecommunication facilities.

Economic indicators lag behind the Slovene average. In 2012 there were 7,533 sole proprietors in Gorenjska (9.6% of all in Slovenia) and 5,203 companies (8.7% of all in Slovenia), of which 94% were micro, 3.8% were small, 1.2% were medium sized and 1% of large companies.

Tourism is a promising industry, with over 650,000 tourists visiting per year, that is 19.7% of all tourists in Slovenia, tourism represents stronger and stronger branch (e.g. for example in Bled – well known tourist destination in year 2017 is marked with over 1 M visitors).



Agriculture and complementary activities keep the countryside active and there is a great potential in forestry where the possible harvest does not reach 60%, while harvesting was rapidly increased in recent years due to a natural catastrophe (sanitary cuts of the trees).

2.2.2 R & D in Slovenia/Gorenjska¹

Scientific research and development activities in Slovenia are well developed, especially when compared to other countries of Central and Eastern Europe. A growing number of publications and citations as well as fast expansion in R&D intensity over a decade speak about important success of research activities in Slovenia. The country has been recognized as the fastest growing innovation follower among group members (Austria, Belgium, France, Ireland, Luxembourg, Netherlands, Slovenia and the UK) according to European Innovation Scoreboard 2015. Slovenia has also been listed very high on 2016 Bloomberg Innovation Index. Among 50 world's most innovative economies, Slovenia ranks 24th place. According to the estimate, in 2014 the share of gross domestic expenditure on R&D (GERD) in GDP was 2.39%, which is above EU average. Most of the funds for R&D in Slovenia were provided by the business enterprise sector, i.e. 77% of total funds².

Following the Science-Metrix data from 2004 onwards, Slovenia exceeds the average growth in the EU within the top 10% of highly cited publications per million of population. Additionally, the number of scientific publications per capita in Slovenia is above the average recorded in the EU. Most of the new EU Member States remain at a rather low level of national patenting, measured as EPO patent applications per million of inhabitants. Slovenia is an exception to the rule with 60 patent applications

¹ The most recent data are only available on national level.

² Statistical office of the Republic of Slovenia.



per million inhabitants in 2015. The core part of the European Innovation Scoreboard (EIS) is the calculation of the Summary Innovation Index (SII) among EU-28 Member States. Countries are classified into 4 groups depending on their average innovation performance. Slovenia belongs to the group of followers with Austria, Belgium, France, Ireland, Luxembourg, the Netherlands, and United Kingdom: while innovation leader in EU are Denmark, Finland, Germany and Sweden (Source European Innovation Scoreboard).

In the R&D bigger SMEs and big companies effectively use well-established networks with the universities, faculties, labs, technology parks, etc. while smaller companies don't use such networks or very rare.

In Gorenjska region does not have a University, only few faculties but they predominantly do not correspond to the needs of SMEs in the region (e.g. faculties only in the field of ICT, health, tourism not in mechatronics, robotics (for that only secondary and higher school). Additionally, they do not have research facilities with labs and technologies or technology parks that could be used by SMEs, therefore this situation is a big handicap for the region. Based on the lack of research and specific knowledge needed in SMEs they are looking for expertise and support outside of the region, which goes also for the SMEs in the countryside.

Most of the research and innovation funds (given by the state and structural funds) are used in the cities and local communities with universities (e.g. Ljubljana, Maribor, Koper), therefore rural SMEs in our region very rarely gets the chance to use public funds for their development. Additionally, support mechanism that exist in our region ONE STOP SHOP are rather old-fashioned with no support for specific knowledge in innovation and cooperation with research, internationalization, connection with creative industry etc. In addition, regional SMEs especially rural ones very rarely use networks of Universities nearby (in Ljubljana). Existing coworking centres in the regions (3) are placed in the cities and has no/or very rarely work with start-ups/SMEs



from countryside and above all they don't have capacities, facilities to offer for production (only general services and affordable offices for work, meetings...).

2.3 SWOT of the region

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none">✚ Very good geostrategic position, attractive business location (near national airport on the border with Austria and Italy)✚ Rather good education of human resources✚ Some existing cooperation of rural SMEs with research✚ Industrial region (rather high concentration of SMEs working in automotive industry, ICT, with specialized productions...)✚ Flexibility of the SMEs in the region, quick reaction to changes on the market (most SMEs sell their goods and services in EU and also in other world)	<ul style="list-style-type: none">✚ Slow recovery of the economy after crisis✚ Low added value of products and services✚ Small numbers of SMEs invest in R&D, and innovative solutions✚ Rural SMEs are in need for skilled personnel with working experiences (school system gives mainly theoretical knowledge)✚ Poor supportive environment for development of rural SMEs (no support for innovation, new products, financial means are very hard to find)✚ Lack of support environment for start-ups and SMEs in rural environment✚ Rather low entrepreneurial culture✚ High unemployment rate among young people✚ Social enterprises with low entrepreneurial performance



OPPORTUNITIES	THREATS
In the short term <ul style="list-style-type: none">✚ Improvement of economy situation in the region✚ Internationalization and entering into new markets✚ Support from public funds for innovation, development of SMEs, employment, small investment...	<ul style="list-style-type: none">✚ Further loosing of the competitive position (due to low added value of the products/services)✚ Brain drain of young and educated skilled experts and daily migration of young to larger urban centres for work✚ Ageing of population (no workers for the rural SMEs)✚ No interest for development of the support environment that would enable higher added value of the products/services
In the medium - long term <ul style="list-style-type: none">✚ Improvement of the general economic situation in region✚ Entering of SMEs in new markets such as Balkan etc.✚ Better cooperation between schools, SMEs and research (constant cooperation with free access to labs in schools, faculties),✚ Maintaining the flexibility of the SMEs in the region (possibility to adapt to needs to customer in EU and wider)	



2.3.1 SWOT conclusions

The excellent geostrategic position of the Gorenjska region (close to the national airport and border with Italy and Austria), which is used and exploited by SMEs in the countryside of the region, can in the future contribute to the development of rural SMEs. Mainly by helping them with innovative measures that can contribute to the growth of innovation in rural SMEs and to the internationalization of SMEs (to enter firstly to nearby markets in Austria, Italy).

Due to the fact that region Gorenjska has no support mechanisms for SMEs except a One stop shop and coworking centres (3 smaller ones), it is essentially very much needed development of facilities that would foster cooperation between SMEs and research in their joint endeavour for new innovative products and services. That could contribute to bigger added value of products/services in rural SMEs.

Additionally, due to the lack of the favourable financial means (banks are rather conservative), regional guarantee fund is available but not used by entrepreneurs, it is necessary that together with the state region finds the solution to improve possibilities for favourable loans and guarantees that could be used also by SMEs.

There is of course a big plus that regional SMEs (also those in the countryside) search for partners in nearby countries (e.g. Austria, Italy, Germany, etc.). They produce specialized products/services and due to rather broad range of expertise and knowledge can also produce tailor made products and services – therefore are rather flexible and can easily adjust to changing markets.

The expertise and specific knowledge of SMEs need to be used also to improve the education programs in schools and in that way contribute to better exchange of knowledge between schools and SMEs. Schools, beside Faculties need to open their research facilities and labs more vividly to SMEs and they start to work together in



innovative projects (based on regular contact, works not as now only based on few successful examples).

In addition, the innovative rural SMEs with innovative products, services and high added value are the precondition to stop/or at least try to stop the brain drain and to attract young and skilled experts to work in rural SMEs.

2.4 Introduction to the entrepreneurship

Entrepreneurship development is an important requirement for achieving the goal of smart, sustainable and inclusive growth set out in the Europe 2020 strategy. It is also a means to respond to new economic challenges, to create jobs and to fight social and financial exclusion³

Due to economic crisis and its still existing consequences in the countryside (higher unemployment, lowering of added value of the products, services, brain drain, lack of support mechanisms specifically for countryside economy (traditional and innovative branches)), we are additionally facing the fact that national as well as local policies and actions connected to fostering of entrepreneurship in rural areas show some weaknesses and poor understanding of needs of the countryside SMEs and start-ups as well as little understanding of necessity of specific support measures for countryside.

In Slovenia, surveys indicate that people in Slovenia are less likely than the EU average to value and respect entrepreneurs⁴. Consequently, less people in Slovenia pursue business opportunities or have very high entrepreneurial intentions⁵. One way

³ Entrepreneurship for self-employed in Slovenia, OECD 2015

⁴ Rebernik et al., 2014a; GEM, 2013

⁵ Rebernik et al., 2014a



to address this is to actively promote entrepreneurship through schools and education and in the media. However, these activities are not systematically done in Slovenia⁶.

Based on the statistical data in Gorenjska region we have rather big number of the micro enterprises that have no possibilities to grow (especially due to the fact that there is no specific support measures – connected to start-ups, as well as financial means are not available. The same goes for consolidated businesses (which need to rely on their good relationships with banks). GEM data for Gorenjska region are not available.

We prepared our own distribution of the entrepreneurs in initial phase and consolidated SMEs based on locally available data. Data for 2015 shows that over 50% of the SMEs are micro businesses – start-ups with no employees or with one employee (with rather low incomes) which shows that entrepreneurship starts mostly due to necessity not the idea.

Due to the fact that Gorenjska region has no specific support measures connected to entrepreneurship (except one-stop shop) SMEs and start-ups usually try to find support either within existing support organizations within One Stop Shop or outside the region (at technology park in Ljubljana) or in other facilities in capital city.

Additionally, since the region has no advanced cooperation between research (schools) and SMEs, SMEs usually also look for support in the capital city (neighbouring region). Entrepreneurial training is only sporadic, there is no constant program for entrepreneurship for start-ups or SMEs except in one local community (where they put a lot of effort to develop their own program for start-ups). In coworking centres (3 smaller in the region), trainings are not for entrepreneurs only.

⁶ Rebernik et al., 2014a; GEM, 2013 and Entrepreneurship for self-employed in Slovenia, OECD 2015



Financial means are not available (especially that goes for start-ups). We also have the guarantee scheme but it is not working (SMEs are not asking for support), they rather use connections to their commercial banks.

Beside mentioned hinder backs there is urgent need to reduce barriers (also from bureaucratic point of view) and to in a one way or another find the possibilities for different support to start-ups and SMES (including trainings, access to research and innovation, etc. (now not existing)).

Strategic objectives of development policies:

- ✚ Contribute to the development of support measures for start-ups and SMEs (one-stop shop)
- ✚ Contribute to the development of innovation in SMEs and start-ups (smart specialization networks)
- ✚ Contribute to the development of specific trainings (needed for specific branches and its interlinkages)
- ✚ Contribute to the development of the value chains (especially in the countryside and in connection with smart specialization)
- ✚ Contribute to the development of cooperation between research and SMEs
- ✚ Through CLLD contribute to the development of local employment initiatives including cooperation between public, private and NGO sector.
- ✚ Contribute to the development of the social enterprises, associations and other forms of untraditional entrepreneurship in the countryside (based on the emerging public needs)



2.4.1 Entrepreneurship in rural areas

Gorenjska is predominantly rural, since there is no specific policies connected to entrepreneurship on the regional level. Local communities are trying the best but due to limited financial resources their support to entrepreneurs is sporadic (based on yearly budgetary constraints) and mainly include the smaller support for new employment of personnel, smaller subsidies for trainings, fairs, etc.

SMEs in rural areas are quite traditional. Their products and services are mainly connected to traditional raw materials (coming from countryside e.g. milk, meat, wood) or traditional industry (iron, textile, leather...) very rarely we can see innovation connected to emerging business of the future (e.g. ICT...). And even less we can see the start-ups on existing SMEs cooperating with research in finding new products/services.

Based on the fact of almost non existing support measures It is necessary to start comprehensive action to align resources of the development organizations (e.g. development agencies) and local communities for joint program for entrepreneurship, having in mind also the possibilities given by national level (favourable loans at National fund...)

Strategic objectives of rural development policies are as follows:

- ✚ Establishment and development of value chains
- ✚ Specific support to supplementary activities on farms and rural SMEs (limited range)
- ✚ Support to innovation in agro-food sector



2.4.2 Conclusion of entrepreneurship in Gorenjska region

Gorenjska region have rather good entrepreneurial culture despite the fact that the only existing support mechanism is the one-stop shop. All other measures given by the state are very difficult to reach (access to finances, access to technology park, there is no constant entrepreneurial trainings available...) There is also lack of entrepreneurial trainings for start-ups and young in schools from basic level (primary schools) to faculty level. There are only few educational programs where entrepreneurial training is part of the obligatory program.

The main obstacles to further develop entrepreneurship in the countryside is for sure:

- ✚ Lack of appropriate specialized support measures for entrepreneurship in the countryside (especially in connection with the innovative services/branches (Energy, environment Eco industries, ICT, social innovation)
- ✚ Very low possibility to access to finances
- ✚ Due to future loss of structural funds (even less possibilities for national support measures)

The main recommendation for the region would be:

- ✚ To align resources and knowledge of local communities and support organizations in the region and work on the joint program of support to entrepreneurship
- ✚ To support social innovative and 'green' orientated enterprises
- ✚ To align resources and knowledge and try to influence the state to improve existing national measure (guarantee fund) and to learn from existing local loan scheme (that works well in 4 local communities)
- ✚ To start negotiation with the state regarding the future programming period – including specific support to rural SMEs



- ✦ To better exploit the existing support within national rural development program (support to supplementary activities on the farms and limited range of SMEs in the countryside)



3 Part II - Policy context

The economic crisis has highlighted the structural weaknesses of the Slovenian and regional economy. Problems with the efficiency of the financial sector, especially the banks in the predominantly state-owned state, have also come to the fore.

In order to maintain and increase the competitiveness of the economy, it is important to strengthen the healthy core represented by the industry as a generator of innovation, growth and employment. It is also necessary to strengthen the development capabilities of the economy through support for entrepreneurship, in particular small and medium-sized enterprises and innovation.

The latest data available show that the economy has not fully recovered from the crisis, while the predominant industry and services show first good results and growth. In the region, we have over 19.000 companies in different forms in which worked 69.000 people. Most of the companies are micro and SMEs, while the number of big companies is very small. Most of the companies are rather non-innovative with no research/development units. The companies predominantly work in automotive industry, ICT, traditional industry (e.g. wood...) and services (tourism...), while new products in the agriculture sector are connected mainly to rather well developed supplementary activities on the farms and some successful entrepreneurs (predominantly in milk and meat production). Their cooperation with research sector is rather scarce and very sporadic.

From the policy point of view in Slovenia exist only national policy, since Slovenia does not have regions, while in local communities' support to start-ups and SMEs is not the main goal.



- Operational Programme for the Implementation of the EU Cohesion Policy 2014-2020 support innovation, internationalization, smart specialization, One stop shops and other support mechanism (e.g. Technology parks)
- National Smart Specialization Strategy - S4 defines three key priorities where Slovenia has strong competencies and capacities, and addressing social challenges (the market): development of new materials and technologies; tools, components and technologies for management of processes and systems; solutions for the electrical and electronic components and devices. Projects will need to follow the societal challenges (trends and potential markets) of the future. These are sustainable energy, sustainable building, sustainable mobility, resource efficiency, health, food, environment, inclusive and safe society.
- Rural Development Plan 2014-2020 supports value chains, innovation and directly supports innovative activities and services in rural SMEs and on farms with supplementary activities
- Regional Development Programme of Gorenjska Region 2014-2020 puts innovation and support to innovation, smart specialization and cooperation with research on the first place
- Decree on the Implementation of Community Led Local Development - CLLD 2014-2020 develop value chains and contribute to development of innovation and support to start-ups.



The Action Plan aims to impact:

1. Investment for Growth and Jobs Programme
2. European Territorial Cooperation Programme
3. Other Regional Development Policy Instrument

Further details on the policy context are presented below:

1. Action Plan will have impact on **Operational Programme for the Implementation of the EU cohesion Policy**. The current OP is a centralized programme for territorial development of Slovenia, covering all 11 thematic objectives. The OP strategy has been built on the analysis of needs, disparities and growth potential and lessons learned in previous programming period. The analysis of Slovenia's progress towards the 2020 national targets reveals certain gaps, especially in terms of boosting growth of employment rates, reducing the number of people at risk of poverty or social exclusion, strengthening efforts in the area of research and development and promoting energy efficiency.

The RURAL SMEs project concerns Strategies for the Development of Entrepreneurship and Innovative Small and Medium Enterprises (SMEs) in rural areas. The project affects directly to priority axe number three 'Dynamic and competitive entrepreneurship for green economic growth':



1. Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators;
2. Developing and implementing new business models for SMEs, in particular with regard to internationalization;
3. Social innovation, transnational cooperation and contribution to thematic objectives.

The program period is ending and the request for improvement of policy instrument does not seem sensible at the moment. Most of the funds for implementing action of the OP, that might be influenced by RURAL SME-s good practices have already been used and contracted, therefore there is no possibility to influence OP in this programming period

- The Action Plan will have influence on Operational Programme for the Implementation of the EU Cohesion Policy 2014-2020 in the **priority 2.9 Social inclusion and poverty reduction, measure 2.9.7 Investment under CLLD strategies** where the strong emphasis is on job creation via promoting entrepreneurial activities and innovative development partnerships: the action support activities contributing to enhancing entrepreneurship, creativity and innovation, and support is expected for activities designed to increase entrepreneurship, creativity and innovation, and activities that contribute to the creation of conditions for the implementation of entrepreneurial initiatives, such as: development of activation tools, establishment of informal networks for promoting entrepreneurship,....In this programming period, based on OP 37 local action groups (LAG-s) were formed in Slovenia, thus covering the whole territory. Local action groups were



formed in areas with common local needs and challenges with the common objective of realising local development needs.

BSC Kranj is authorized operator (lead partner) of CLLD funds – Community Led Local Development (CLLD) – Local development strategy of Local Action Group Gorenjska Košarica⁷ covering 70 % of the Gorenjska region.

Local development strategy of LAG Gorenjska Košarica has a specific goal to promote better economic and social inclusion of the society, where creation of entrepreneurial activities and innovative development partnerships are supported. Promoting dynamic competitive business development with support of innovative development and integration into value chains and development of new innovative sustainable green products / services goes in hand with proposed actions of the Action Plan.

The new business opportunities in the countryside has to be further fostered and developed. Specific emphasis has to be on support for creation of innovative start ups and SMEs in the rural area.

On the basis of the data there is a lack of content and financial mechanisms for start-ups and also lack of entrepreneurial culture, more aggravated in the rural areas. The programme should be better developed in themes that concerns the creation of entrepreneurial activities and innovative development partnerships and specific measures and services for encouragement of the entrepreneurship in rural areas.

⁷ <https://www.las-gorenjskakosarica.si/>



Especially is important to tackle the issue of young entrepreneurs in countryside where specific attention need to be given to the young with potentials, women and other vulnerable groups, that are facing threat of social exclusion, have little or no opportunities for the development of own entrepreneurial ideas due to lack of knowledge or skills, needed for successful start-ups.

The proposed action is of the strategic importance as it addresses mainly rural areas of the region in a sustainable way. The action will be funded from current LAG strategy Gorenjska košarica (BSC Kranj is responsible for LAG Gorenjska košarica and responsible for implementation of the local strategy).



4 Part III – Details of the actions envisaged

BSC Kranj and the regional stakeholders aim therefore to improve the implementation of the above priority by preparing new project and initiative based on policy learning from the partner regions within the project Rural SMEs and from programme Interreg Europe data base. Since the OP is not part of jurisdiction of regional level (no regional policy level in Slovenia) BSC Kranj and regional stakeholders from LAG area Gorenjska košarica (14 local communities) can empower regional environment and start new practices support measures mainly through project development and implementation that are financed CLLD funds that are managed locally by BSC Kranj (based on the CLLD strategy/its priorities/measures).



4.1 Action to be supported in programming period 2014 - 2020

On the regional level the following idea for project are realistic and have strong support in the region:

Action 1: Promote and encourage the entrepreneurship and self-employment and support innovation of start-ups

<i>Policy context</i>	Investment for Growth and Jobs Programme/ Operational Programme for the Implementation of the EU Cohesion Policy 2014-2020
<i>Background and relevance to the project</i>	<p>The idea behind the action stems from the needs of the region, which are evident from the SWOT analysis and good practices that we have studied within the project Rural SMEs and other knowledge obtained on the Interreg Europa Learning Platform.</p> <p><u>NEWBIZ</u> promote and encourage the entrepreneurship and self-employment and support innovation of start-ups, development of entrepreneurial skills of young entrepreneurs and upgrade the knowledge of start-ups.</p> <p>The selected measure supports the development of innovative approaches for potential start ups entrepreneurs in LAG area (CLLD) 14 municipalities in statistical region/Slovenia and use parts of good practice NEWBIZ as starting point for project that will be developed and will be supported by CLLD funds – LAG Gorenjska košarica).</p> <p>The practice NEWBIZ will contribute to the strategic objectives of the Gorenjska region to establish and develop the entrepreneurial spirit and contribute to the knowledge and innovation in start-ups.</p>



<p><i>Nature of the action</i></p>	<p>The municipalities in Gorenjska region (CLLD LAG area) do not have a lot of locally focus incentives or call for proposals connected to development of entrepreneurship start-ups, especially among young.</p> <p>Within the activity the establishment of support measure contributing to the development of the innovative support measure for potential start-ups with special emphasis on young coming from rural areas is foreseen.</p> <p>The participant in the measure will exchange information, seek connections, be involved in trainings etc. The action will be working towards:</p> <ul style="list-style-type: none">✦ Raising awareness and knowledge among potential start-ups for innovation in the business✦ Improving the possibilities for start-up of their own business and obtain knowledge for successful start up <p>The activity will be financed on the basis of the prepared project idea by BSC KRANJ and will be financed via call for CLLD funds (that are managed by BSC KRANJ) .</p> <p>The flowing task will be supported:</p> <ul style="list-style-type: none">✦ Development of the model (framework, know how, organisation...)✦ Call for innovative potential start-ups to join the approachImplementation of the program including evaluation.
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<i>Players involved</i>	<p>Lead partner:</p> <ul style="list-style-type: none">✚ BSC KRANJ <p>Partners:</p> <ul style="list-style-type: none">✚ Municipalities,✚ Chambers of Craft,✚ Chamber of commerce, Academia.
<i>Timeframe</i>	<p>2018-2020: Development of project idea</p> <p>2020-2023: Implementation of project idea</p>
<i>Indicative costs</i>	<p>Salaries of employees in beneficiary institutions, external expertise for development and implementation of approach/model</p> <p>Indicative of the project budget is € 100,000.</p>
<i>Indicative funding sources</i>	<p>The project idea will be prepared and the funding will be requested within:</p> <ul style="list-style-type: none">✚ Decree on the Implementation of Community Led Local Development - CLLD 2014-2020 <p>The proposed action will indirectly influence the OP for implementation of Cohesion policy, because the point 9.7 supports investment under CLLD strategies with specific objective to improved economic and social inclusion in areas of local action groups (LAGs). BSC Kranj is managing the CLLD funds for LAG Gorenjska košarica.</p> <p>Program founding scheme (ERDF) (CLLD funds, priority 9.7. OP</p>



	for implementation of cohesion policy), private and public contribution of project partners will be required for implementation of the action.
<i>Expected impact</i>	For preparation of application form the change of policy will not be required, because the policy instrument is already giving support to innovate project ideas where stakeholders from LAG area from can participate.
<i>Indicators</i>	↓ No. of young, potential entrepreneurs participating in the approach/model



5 Monitoring the implementation and impact of the Action Plan

A periodic review of the implementation of the Action Plan will be carried out annually and will be implemented by Regional agency of Gorenjska region, which, as part of its tasks and on the basis of its findings, may also propose amendments to the Action Plan.

Table 3: Table to monitor the implementation of the action plan

Action	Activity /Indicator	Measurement	Category of region	Target value 2023	Data source
Action 1	No. of unemployed/potential entrepreneurs included in the approach/model	Number	LAG (CLLD area 14 local communities)	min 5	Monitoring (data of the project)
	No. of newly establish enterprises in rural area over a period of 12 months after the closure of the project	Number	LAG (CLLD area 14 local communities)	min 1	Monitoring (data from AJPES)



Date: 17.12.2019

Signature: 



Stamp of the organisation (if available): _____