



## Regions are to attract the investors

### 4 investors

**Priority 1** Socio-economic development

**Measure 1.1** Fostering of socio-economic development and encouraging business and entrepreneurship





## Short summary of the project

The cross-border regions in many countries are having extra challenges for economic development. After the fall of Soviet Union the business has moved to capital regions, creating social tension on cross-border areas. Cross-border regions are bringing unique possibilities to international big companies and also to SMEs to utilize the positive advantages available from both sides of the border.

The first problem concerns the fundamental differences in the labor market from different sides of the border. At the EU side there is very high unemployment rate, officially more than 13%. The unemployed in the region are former employees of industrial enterprises, so they are not very suitable for private entrepreneurs. On the Russian side, this border region is experiencing a labor shortage, as is developing rapidly at the expense of investments in the automotive sector and logistics.

The second problem relates to the logistics sector. Most of the goods are transported by sea to the port of St. Petersburg. Due to the congestion of the majority of cargo delivery times are unpredictable. This is a very great risk to many manufacturing companies in the region. In addition to manufacturing facilities, unpredictability terms of cargo handling at the port of St. Petersburg affects the activities of firms engaged in international trade.

The Project will contribute in development and improvement the consultancy services, which will be provided to investors. The Project will set up the preconditions for the development of the business support infrastructure (business incubators and industrial parks) in cooperating regions.

## Overall objective

To foster the socio-economic development of the cooperating regions by improving the competitiveness of the cooperating regions to attract the principal foreign investors.

## Specific objective

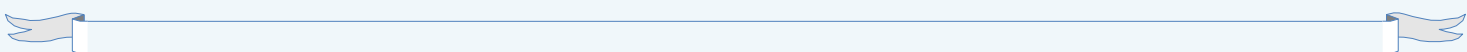
- ✚ To increase the awareness of the investors on the business environment in cooperating regions
- ✚ To set up the comfortable conditions for investors to start the business
- ✚ To provide the infrastructural pre-conditions for effective starting of the business operation for foreign investors

## Beneficiary

**Foundation Ida-Virumaa Industrial Area Development** (Estonia)

## Partners

- **Estonian Chamber of Commerce and Industry** (Estonia)
- **Public Institution of Leningrad region "Leningrad regional business support center"** (Russia)
- **Municipal Fund "Ivangorod Centre of sustainable development"** (Russia)





## Expected results

- **Promotion:**
  - Marketing **seminars** for representatives of industrial and logistical companies in St. Petersburg and Tallinn;
  - **Exchange visits** of interested entrepreneurs to target regions: Ivangorod and St. Petersburg, Narva and Tallinn;
  - Dissemination of advertising and promotional materials;
  - Promotion video about Narva industrial and logistics park.
- **Equipment and infrastructure:**
  - The building of the **business incubator in Ivangorod** at Kotovski Street 19 is **repaired**;
  - Study is done for the building at Tekstilshchikov 3 **in Ivangorod** and **project documentation completed for** creation an **industrial business incubator**;
  - **Detailed planning** is completed and **installed** for industrial area of 82 **ha in Narva** (Kulgu industrial park); according to the detailed planning at least **35 new plots of land** are allocated for industrial and logistical companies;
  - **Project for construction of technical infrastructure** for Kulgu industrial park has been elaborated;
  - **Construction project** for a **manufacturing business incubator** with the total area of 1 200 m<sup>2</sup> on the territory of Kadastiku industrial park (Narva) is prepared;
  - **In** the existing border **business incubators 10 new office work places** are equipped for incubating entrepreneurs: 5 in Ivangorod and 5 in Narva;
  - **Two sets** of modern **IT-solutions for distant incubator services** are bought for Ivangorod and Narva incubators.

## Final beneficiaries

- Local inhabitants of the border region
- **Start-ups** will have the opportunity through incubation services to reduce the risk associated with starting a business
- **Industrial enterprises** in the field of metalworking, automotive components, electronics and wood

## Duration

**20** months

## Budget

Total budget: **371 716, 00** EUR

Programme co-financing: 334 544, 40 EUR (90%)

Project co-financing: 37 171, 60 EUR (10%)

## Contact Person

**Mr. Vadim Orlov**

vadim.orlov@ivia.ee

+372 56 25 7649

