

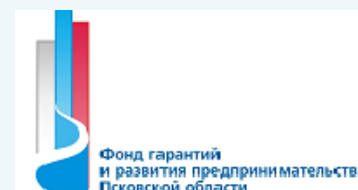


Fostering of Socio-economic Development and Encouraging Business in Border Areas

FOSTER SME

Priority 1 Socio-economic development

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





Short summary of the project

Constant economic growth is observed throughout the Programme area, though the level of entrepreneurship is still relatively low compared to the EU and RU average. The project addresses number of problems related to business development in the Vidzeme region, Võru county and Pskov region:

- 1) Insufficient quantity and quality of cross-border contacts and cooperation between entrepreneurs;
- 2) Lack of infrastructure for business promotion - facilities, skills and equipment that enable local entrepreneurs to expose their goods.
- 3) Lack of facilities and ready industrial areas owned by public sector to develop business in the region.
- 4) Lack of information on potential areas of investment for establishing or expanding businesses, poor condition of the potential areas of investment. Despite of favourable location these areas are little known as attractive area of investment;
- 5) Low awareness of entrepreneurs about regulatory framework and financial requirements for cross-border business;
- 6) Low cooperation of the authorities in the region in SME support approaches and instruments.

Border countries have similar past, history ties, common problems, people-to-people links therefore neighbouring countries are the most acceptable areas for economic co-operation which is one of the cornerstones of sustainable development of regions.

Project partners and associates are responsible for SME support and development on their respective territory. Regular activities to promote cross-border cooperation in business field have been held by partner regions organisations for almost 10 years. **Establishment of strong and continuously operating EE-LV-RU network of partner regions businesses within this project is the main activity toward realisation of the project's overall objective.**

Overall objective

To foster economic and social integration in Latvia, Estonia and Russia border areas through intense cooperation of local and regional authorities of Vidzeme region, Võru county and Pskov region for development of local SMEs opportunities and encouraging of the entrepreneurship.

Specific objectives

- ✚ To raise competitiveness of partner regions through integrated business support and experience exchange between project partners in different instruments of SME`s support improving existing skills with innovative approaches and to promote future cooperation exploiting these instruments
- ✚ To encourage the entrepreneurship of the partner regions SMEs trough joint development activities and common events – business fairs, contact events, educational info-days, regional presentations, networking, B2B contacts, in order to improve business environment and to support future cooperation.

Beneficiary

Madona Municipality Council (Latvia)

Partners

- **ANO Fund of Guarantee and Enterprise Development of Pskov Region** (Russia)
 - **Võru County Government** (Estonia)
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Expected results

✚ **Common business events**

- 4 Regional Business Fairs with 7 seminars and trainings and 3 regional presentations
- Contact events - partner search forums, B2B meetings, experience exchange meetings
- Participation in 3 National Business Fairs, smaller business fairs, 2 seasonal open air business fairs, 2 Business Forums
- Cooperation Agreement and Working plan for SME development (Memorandum) signed by heads of Partner organisations.

✚ **SME Web Tool** - business contact communication social network

✚ In-door and out-door **business fair equipment** purchased

✚ **Technical documentation for 8 investment areas**, feasibility study and marketing plan for investment areas

✚ **Brochure** in Russian and English to market investment areas and promote the region (1000 copies)

✚ **E-brochure** for SMEs "How to enter Latvian, Russian and Estonian markets".

Final beneficiaries

- **Local municipalities** of partner regions, through expected growth of tax income and creation of new working places (65 municipalities)
- **All partner regions SMEs** having access to common events, business guide, virtual business network to improve their business performance (at least 13200 SMEs)
- **Inhabitants of the regions involved** having an opportunity to start a new and develop existing business, to find new working places and improve living standards and to increase their income thus benefiting from realization of the project (942055 inhabitants)

Duration

21 months

Budget

Total budget: 1 084 938,15 EUR

Programme co-financing: 949 974,46 EUR (87,56%)

Project co-financing: 134 963,69 EUR (12,44%)

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