

FIN-URB-ACT Thematic Paper II

Summary Work Group on Small Scale Projects



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Topic: The paper summarises the preparatory steps for the survey of the workshop on small scale and social projects during the Aachen meeting

Date: FIN-URB-ACT Kick-off meeting Aachen (21.-23.01.2009)

Nine Cities within FIN-URB-ACT have declared that support to small projects was an important issue for their territory: Aveiro, Edinburgh, Galati, Gijón, Gliwice, Leipzig, Maribor, Reims and Rome. They consider that setting up a small business is: the only possibility for some residents to find a job and earn an income: it is generally self employment projects,

a new opportunity of local economic development that may have some potential to grow later on, and all opportunities deserve consideration.

Since they are in front line with these potential entrepreneurs, and also since few organisations are competent and or interested in these target groups, these Cities have decided that they have to design and deliver efficient support for these projects.

They generally have some experience already and they intend to pool and exchange this experience. Some are also interested in gaining a better knowledge of their small business community and intend to conduct a survey on the expectations of their SMEs and potential entrepreneurs:

Cities	Experience	Interested in survey
Aveiro	Have worked on micro-credit with the national institute for SME support IAPMEI and a bank BCI.	Yes
Edinburgh	The CCI is running a micro-loan fund (< 5000 £). A new credit guarantee scheme is being implemented and covers small projects/loans. Intend to involve local banks in small projects support to increase lever effect of public funding.	Yes
Galati	Intend to identify bottlenecks in support to new and existing activities. Need for coordination of the various training schemes that support SMEs to avoid duplication and cover all required aspects. Intend to pool all existing support schemes by preparing a description of support available for start-ups and of sources of funding.	Yes
Gijón	Have already designed and implemented many support instruments and have prepared a map of existing funding schemes. Need for coordination between local and regional support that may not be paid when businesses need them most.	Yes
Gliwice	Intend to increase the SME loan guarantee from 50 to 80% and start negotiation with commercial banks so that	Yes

	they just require the guarantee offered by the credit guarantee scheme (no additional guarantee from the entrepreneur)	
Leipzig	Are designing a leveraged micro-loan fund with local partners and national financial institution that could be considered as an example of vertical cooperation.	
Maribor	The City is implementing a support scheme for self employment through grants to unemployed people who start a new activity. Have experienced credit guarantee scheme at local level and confirm it is not sustainable (bigger critical mass required) Intend to improve access to finance for local SMEs.	
Reims	Have experience in local stakeholders networking. Intend to combine public and private funding to increase lever effect.	
Rome	Long experience in credit guarantee for small projects with a lever effect of up to 12 times.	

The Cities that decided to conduct the survey on support services expected by local entrepreneurs and SMEs aim at better targeting their support instruments and forming a link between all local organisations that can contribute to the design and implementation of these instruments.

In 2002, the European Commission /DG ENTR had had a similar survey conducted by the Austrian Institute for Small Business Research (IfGH) on 1200 businesses in the 15 former Member States + Norway: this means that an average sample of 75 businesses has been chosen in each country, with a “representative” coverage of all activities. This survey shows interesting results but cannot pretend to finely cover the specificities of all local environments. So the FIN-URB-ACT Cities have decided to take some inspiration from the above survey questionnaire (annex II of the attached document) and conduct their own survey on their target business sample. They also have decided to all use the same questionnaire so that results can be compared easily.

A copy of the survey is sent to the Cities and the work-group meeting in Aveiro will be dedicated to preparing the questionnaire that will actually be implemented in the Cities survey.

URBACT II

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