



Action Plan of the Interreg Europe Project KISS ME

Knowledge and Innovation Strategies involving SMEs in the context of
Interreg

HAMAG - BICRO



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1. Executive Summary

With priority axis 1 and thematic objective 3, the INTERREG - Programme INTERREG V A Hungary - Croatia focuses on economic development and enhancing the competitiveness of SMEs in the border region.

To reach the specific objective fostering value added business co -operations between SMEs operating on different sides of the border, the programme introduced a special SME scheme – B Light Scheme. The objective of this SME scheme is to foster operating linkages between SMEs operating on different sides of the border by supporting joint SME development projects in the CBC programme with built-in special local mechanisms for project generation and management assistance.

The KISS ME project partner HAMAG – BICRO is the lead partner of this B Light Scheme. As a lead partner and agency specialized for SME development and support, HAMAG – BICRO analysed the policy instrument in the first years of implementation and resulting from analyses and the extensive knowledge sharing process during the implementation of the first phase of KISS ME project, now suggests improvements for future similar grant schemes. This is especially important since cross -border SME projects are fairly new in the area.

Suggested improvements for future similar grant schemes are elaborated in this Action Plan. This Action Plan presents the work that has been done in the first phase of the project and contains measures on how to optimize economic development and the competitiveness of SMEs in the border region of the Interreg V A Hungary Croatia programme area.

The Action plan contains three actions:

- 1) Set of extensive training modules provided for SMEs in the programme area
- 2) Extensive partnership enhancement activities
- 3) Enhanced project management of the SME support Grant Scheme project

All actions will be conducted within the current Program implementation timeframe and continued in the future Interreg Cooperation Programme Hungary-Croatia.



2. General Information

Project	<i>KISS ME</i>
Partner Organisation	<i>HAMAG - BICRO</i>
Other partner organisations (involved if relevant)	<i>N/A</i>
Country	<i>Croatia</i>
NUTS2 region	<i>Kontinentalna Hrvatska</i>
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3. Policy Context

The Action Plan aims to impact:

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

Name of the policy instrument addressed:

CBC Programme INTERREG V A Hungary - Croatia: Priority axis 1, thematic objective 3: economic development and enhancing the competitiveness of SMEs in the border region.



4. Actions

4.1. Action 1: Set of extensive training modules provided for SMEs in the programme area

4.1.1. Background

Thus far, the results of the implementation of the B Light Grant scheme have shown that there is a tremendous interest for small and medium enterprises (SMEs) cooperation within the programme area on both sides of the border. On the official online project platform, where entrepreneurs interested in co-operation can register and publish their company details 249 companies were registered, of which 124 were Croatian and 125 Hungarian. The website offers an opportunity for SMEs to express interest in potential partner characteristics, as well as project ideas. However, given that this is a completely new approach to fostering international co-operation between entrepreneurs, it became evident that it was necessary to raise the quality of the projects, primarily through entrepreneurial education in various aspects and more intensified phases of collaborative project preparation. The proposed enhancements of the B Light Grant scheme concerning these sets of extensive training modules provided for SMEs in the programme area are based on a number of projects from the KISS ME partner regions identified as good practices within the interregional learning process. These projects include, for example, the projects Mental border obstacles (Swedish-Norwegian border), DigiPro and EnerPRO (Dutch-German border region). Additionally, based on the statistical analysis and the exchange of experience during the interregional project meetings, it was concluded that entrepreneurs in border regions also experience cultural and linguistic differences as severe barriers hindering them from working across the border. Analysing the quality of the project proposals submitted within the current B Light scheme, we have detected lack of specific knowledge connected to product development process, internationalization, market penetration, joint project implementation and soft skills needed for successful elaboration of project proposals and implementation of projects. On the other hand, during the study visits to our project partners on Kiss Me project, we have seen that beneficiaries of some “good practice” projects (DigiPro and EnerPRO f.i.) possess high level of above mentioned specific skills and knowledge, which helps them to elaborate and implement good quality projects with high potential for market success. Also, during the Kiss Me project meetings and experience exchange, we have jointly detected that entrepreneurs in border regions experience cultural differences that prevent them to successfully expand their businesses across the borders.



We believe that continuous training on these specific skills could raise internationalization capacity of the entrepreneurs in the programme area and help them to grow their businesses.

4.1.2. Action Description

Project partners (Regional Development Agencies in Croatia and Hungary) with the engagement of external experts will organise the SME trainings and education workshops, regularly. The envisaged trainings and education workshops will enable business representatives to improve their entrepreneurial and intercultural competences in order to better cooperate with international partners and thus, expand their business environment. The envisaged trainings and workshops for SMEs will focus on the following fields:

- product/service/technology development process,
- internationalization, market penetration,
- joint project implementation,
- awareness raising on cultural differences, and
- soft skills needed for successful elaboration of project proposals and implementation of projects.

Local project partners, with enrolment of external experts, when necessary, should conduct these trainings and workshops.

4.1.3. Players involved

Regional development agencies on both sides of the border, current B Light project partners, would be in charge of the workshop implementation within their respective regions. Furthermore, external experts would be hired as lecturers/ instructors of the workshops. The lead project partner (currently HAMAG – BICRO) would be in charge of the coordination of activities and keeping track of the assessed indicator fulfilment.

The Joint Secretariat, Managing Authority and National Authority would have a controlling and advisory role.

Other organizations within the border area, including business incubators, technology transfer departments, faculties and universities, would be actively involved in this activity and could



help to invite SMEs in their network to these trainings and workshops-

4.1.4. Timeframe

The implementation of these activities would begin during 2019 and would continue throughout the next Programme period.

INTERREG V A HU:HR	2019 - 2020.
INTERREG VI A HU:HR	2021 – 2027.

STEP	INDICATIVE TIME
Preparation of training materials & logistics	Q1 2020 – Q3 2020
Promotion	Q3 2020
Trainings	Q4 2020 – Q4 2021

4.1.5. Costs and Funding Source

In the current implementation of the B Light Project there are still resources available that can be used for the intended purpose. As most training contents and materials will be developed and elaborated in the current Programme period, in proportion, costs for the next Programme period would be considerably smaller.

FUNDING SOURCE	COST €
INTERREG V A HU:HR	70.000
INTERREG VI A HU:HR	150.000

4.1.6. Expected impact / Potential for improvement

By implementing the above mentioned activity, the SMEs capacity for international cooperation, in the border regions of Hungary and Croatia, would significantly improve.

Subsequently, the development of innovative products and services would strive as well as further internalisation of their business.

The Key Performance Indicator (KPI) is the number of companies in the border area with increased capacity for cooperation, innovation and internationalization.



4.2. Action 2: Extensive partnership enhancement activities

4.2.1. Background

Several analyses revealed that entrepreneurs within the Programme area have financial, innovation and networking problems. Weak internationalisation is one of the most crucial hindering factor which is especially true for the SMEs of the Programme area with no major improvement in the past years. Also, generally, entrepreneurs in the border region only have a weak intention for cooperation with other SMEs across the border.

Additionally, there is a general lack of large enterprises in the area, making the development of SMEs crucial to generate economic growth and employment in the region. Unfortunately, most SMEs are oriented towards their local market and do not show much interest for internalisation or finding partners outside their local environment.

Besides decreasing cultural and linguistic barriers hindering SMEs from engaging in CBC (tackled by Action 1), it is therefore crucial to make SMEs aware of the benefits of CBC and illustrate its potential for funding, innovation and internationalisation. Within the interregional learning process of the KISS ME project, it became evident that all partner regions face difficulties in attracting SMEs to participate in CBC. Moreover, it seems especially difficult to attract new SMEs, which have not yet engaged in CBC, and leads to the fact that the same SMEs, which have already participated earlier, keep engaging in CBC regularly. The consortium referred to this as “Interreg Family”. In order to broaden this “Interreg Family” and ensure that more SMEs can benefit from CBC, extensive partnership enhancement activities are needed.

4.2.2. Action Description

Project partners (Regional Development Agencies in Croatia and Hungary) should organize a set of local level b2b/ matchmaking events, where potential SME partners should be attending. In order to attract a number of SMEs, the Regional Development Agencies could use their network. The aim of this action is to facilitate quality partnerships between SMEs.

A matchmaking event is a quick and easy way to meet potential cooperation partners. It could be designed as a sort of “Speed Dating”: entrepreneurs meet and greet several other entrepreneurs at high speed. A couple of minutes are usually enough to build connections and fathom out the possibility of possible partnerships. Then the bell rings and the next talk starts. Additionally, interested SMEs will publish their cooperation profiles online which will be extensively promoted and visited before and after particular event. This will ensure that the



participants can easily access the necessary contact details and professional profiles. In order to show the participants the potential of CBC, good practices and concrete examples of successful projects could be shown to the participants during the matchmaking events.

4.2.3. Players involved

Regional development agencies on both sides of the border, current B Light project partners, would be in charge of the organisation of b2b events within their county areas, in addition to regular activities informing and motivating SMEs to participate in the events. The lead project partner (HAMAG – BICRO) would have a crucial role in coordinating of activities as well as keeping track of the assessed indicators fulfilment.

The Joint Secretariat, Managing Authority and National Authority would have a controlling and advisory role.

Other institutions for encouraging entrepreneurship will be contacted for event promotions, partner searches and project PR.

4.2.4. Timeframe

The intention is to organise this events continuously throughout the current and next Programme period.

INTERREG V A HU:HR	2020.
INTERREG VI A HU:HR	2021 – 2027.

STEP	INDICATIVE TIME
Preparation of IT infrastructure & logistics	Q4 2020 – Q2 2021
Promotion	Q3 2020 – end of the grant scheme
B2b meetings	Q4 2021 – end of the grant scheme

4.2.5. Costs and Funding Source (if relevant)

In the current B Light project budget there are still resources available that can be used for this purpose.

FUNDING SOURCE	COST €
INTERREG V A HU:HR	21.000
INTERREG VI A HU:HR	80.000



4.2.6. Expected impact / Potential for improvement

Implementing these activities would greatly contribute to solving the problem of finding foreign business partners which many small entrepreneurs within the Programme area are facing. Additionally, it would help the SMEs within the area with the great difficulty primarily caused by the lack of information on company for potential cooperation, their competences and potential project ideas. Such events would offer better security and familiarity for SMEs and would also serve as a meeting place for project idea development.

The KPI is the number of companies in the border area which have found a cooperation partner for product development, entering new markets, or making use of available funding sources.

4.3. Action 3: Enhanced project management of the SME support Grant Scheme project

4.3.1. Background

During all KISS ME meetings a higher level of project management on other partner project was evident. Such meetings offered great insight into little changes in project management that can go a long way. In the example of the DigiPro project, we have seen that it is possible to use simpler application forms, tailored to entrepreneurs, speed up the process of reporting, simplify the reporting process, and use external project proposal evaluators. As Croatia and Hungary are newer members in the European Union and in some areas lack in experience, exchanging experience and learning from the border regions which have implemented Interreg A and/or other CBC instruments for several years now, was very fruitful. With regard to the Interreg CBC Croatia-Hungary programme there is still room for improvement concerning the project management.

4.3.2. Action Description

Possibilities for improvement of the project management were identified. This means, particularly:

- Further enhanced evaluation process with high level of transparency and professionalism
- Decentralization of external support for the preparation of project proposals and implementation of the projects (each SME applicant should get a certain amount of funds to be spent on project preparation and implementation – e.g. the engagement of external consultants)



- Enhancement of the project implementation, through the development of on-line tools for efficient communication, reporting and coordination, project submission and evaluation. An existing on-line platform needs to be developed to include additional functionalities related to communication between users, JS and the lead user, and to simplify the process of submitting project applications through that platform as well as feedback to users.
- Continuous training of staff working on project implementation, primarily in terms of strengthening competences for project idea development, evaluation of project proposals and other aspects of international co-operation in the SME business, by external experts for specific areas.

4.3.3. Players involved

Partners involved in the B Light project implementation as well as future project partners, the Joint secretariat, Managing Authority and Nation Authority of the Programme.

4.3.4. Timeframe

The intention is to continuously work on this action throughout the current and next Programme period.

INTERREG V A HU:HR	2019 – 2020.
INTERREG VI A HU:HR	2021 – 2027.

STEP	INDICATIVE TIME
Enhanced evaluation process	Q2 2019 – Q2 2021
Decentralization of external support	New programme period
Development of on-line tools	Q1 2021 – Q3 2021
Training of staff working on project implementation	Q1 2021 – Q3 2021

4.3.5. Costs and Funding Source (if relevant)

There are no additional funds required to carry out activities in the current Programme period. The funds for the next period are related to the cost of training of project partners, for example on-line project management tools.

FUNDING SOURCE	COST €
INTERREG V A HU:HR	N/A
INTERREG VI A HU:HR	50.000



4.3.6. Expected impact / Potential for improvement

By implementing the above mentioned activities, the overall project management of B Light will be improved, with particular emphasis on the procedures, manuals and other documentation related to implementation, staff training on the day-to-day implementation of the project and the implementation process - given the extremely large number of partners involved implementation.

The KPI is the number of improved implementation procedures, number of developed online tools, number of employees / number of training for staff directly involved in project implementation (increased capacity).

5. Conclusion

The B Light project is a great starting point for the internalisation of SMEs in the Hungarian-Croatian border region, the programme area of the CBC Interreg Hungary-Croatia Programme. The interest of the entrepreneurs within the area in the B Light scheme is significant and the planned funds of the project will be fully utilised. As with all beginnings, it is not easy to assume and fully grasp all obstacles immediately. The interregional learning process and the exchange of experience with other European border regions within in KISS ME project helped to evaluate the scheme and its challenges, and rendered some interesting approaches from the partner regions which could help to improve the B Light Scheme in the Croatian-Hungarian border region. The activities proposed in this action plan present the results of the improved understanding of the needs of the parties involved in the project implementation of B Light. The proposed actions will lead to concrete enhancements for the project partners and SMEs included in the current B Light project as well as in future projects. Through the experiences and insights obtained during the KISS ME meetings, some of the actions crystallised as logical solutions to current issues.

With regard to the next programming period 2021-2027, which has not started yet, the Managing Authority and the Joint Secretariat of the programme express their intention to continue and fully implement the proposed actions with regard to the B-Light Scheme once the decision about its continuation has been made by the future programme bodies.



Date: 28.06.2019.

Signature: Mario Turalija, Deputy President of the Board of Directors

Ante Janko Bobetko, Member of the Board of Directors

Stamp of the organisation (if available):