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ATM for SMEs
Interreg Europe



Regional Action Plan

ATM for SMEs project

Fejér Enterprise Agency

2017

The project is implemented through the Interreg Europe programme co-financed by ERDF.

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Project Partner / Contractor Fejér Enterprise Agency

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List of changes in August 2019 (upon the clarification request of the JS):

- Actions 1, 2 and 8 of the original document were deleted – they can be implemented only on central (national) level, and have very few connections with the policy instrument. Moreover, these actions are targeting the next programming period, so the implementation can't start during the project's lifetime.
- One new action was added, which actually led to the change in the policy instrument. This action (new assessment methodology adopted by the policy maker) was first reported on the iOLF reporting tool, but it was not included in the Action plan.
- One new section was added: Endorsement of the policy maker

1. GENERAL INFORMATION

Introduction of the project partner and the regional situation. The actions and results of the project.

The “ATM for SMEs” project is implemented in the framework of the INTERREG EUROPE programme. The aim of the project is to prevent the lack of access to credit and financial exclusion, which represents a serious obstacle to business creation, through the exchange of local policies, innovative solutions and good practices.

The "ATM for SME"s consortium is lead by Fejér Enterprise Agency (HU), and is characterized by a balanced proportion of managing authorities and microfinance institutions, and a European level advisory partner.

The main activities in the project:

- **interregional learning process:** study trips, policy exchange events
- **local adaptation of the lessons learnt:** local stakeholder meetings and regional action plans. Improvement of 9 local policies.
- **Joint EU level studies** on the utilization of public money and on the conditions to create better access to finance for priority groups

Project information:

Number of partners: 10

Countries involved: Hungary, Germany, Poland, Italy, Spain, Norway, Croatia, Belgium

Main outputs: 9 regional action plans, 6 study trips, 9 improved policies, 6 new projects generated

Project duration: 4/2016 – 3/2021

ERDF funding: 1.341.720 €

The background of the project

The lack of access to credit and financial exclusion can be a serious obstacle to business creation in many European regions. Microfinancing of SMEs and support to social entrepreneurship is an already tested and proven tool which can contribute to a high level of quality and sustainable employment, reducing disparities and poverty; and thus contributing to the realization of the « Inclusive growth » priority of the Europe 2020 strategy.

There is a wide variety of microfinance programs across Europe, however, there are significant differences in how these microfinance initiatives reach their target groups. In some regions, paths have been built between the microfinancing institutions and their target groups (especially people who are in a disadvantaged position at the labour market), in other regions the outreach of the microfinancing programs needs improvement. We can see several innovative local solutions which help startups meet the adequate financing and also promote the creation of entrepreneurship.

Therefore, the “ATM for SMEs” project is aiming at improving the access to microfinance in the participating regions by sharing and exchanging the local knowledge on innovative solutions.

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Results of the project – state of art of the project implementation

According to the Interreg Europe programme requirements, the project implementation is divided into two phases: the first phase (0-36 months) is focusing on the interregional learning process. The partners are engaged into an intense learning activity in order to learn the experience and knowledge accumulated in the regions. The most important output of phase I is the regional action plan, to be prepared by each regional partner. In Phase II (37-60 months), the partners will monitor the implementation of the action plans.

Actually, the partners have concluded the most intense period of interregional learning, and have participated at 5 study trips. The most important results of these study trips:

- 90 good practices presented and discussed during 5 thematic workshops. Each workshop featured an important theme, such as: microfinance as an employment tool; involvement of priority groups (with special regard to gender equality); enhancing the social outreach of microfinance and mitigating the negative effects of financial exclusion; promotion of microfinance programs; social and technological innovation in microfinance (contributing to the implementation of “Digital Agenda for Europe”); sustainability and efficiency of microfinance programs. Each workshop included guest speakers and representatives of the partner organizations presenting on successful tools, initiatives and local approaches. The workshops also included interactive sessions with partners and policymakers, panel discussions, interactive joint in-depth work in smaller group settings
- 5 policy exchange seminars on the different approaches of promotion of microfinance in the relevant regional/national strategies. The partners discussed the following strategies: enterprise development strategy of the City of Offenbach; Cooperation platform for business development in the Follo Region; Youth Self Employment Programme of Burgos City; and the Regional Operational Programme of Sardinia.
- 5 interactive seminars on success stories: the partners met entrepreneurs who demonstrated the success and efficiency of the identified good practices
- 5 site visits: the partners will go to the location where the good practice was implemented to have an in-depth understanding on how that measure was planned, implemented and utilized.

The experiences of the study trips were discussed also on local level, during the stakeholder group meetings. The partners summarized the lessons learnt at each study trips in the exchange reports. These exchange reports are an important source of the Regional Action Plan of Fejér Enterprise Agency.

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The goal of the Regional Action Plan

According to the Interreg Europe Programme Manual (v.3), each region involved in the cooperation project produces an action plan, specifying what will be done in the region to ensure that the lessons learnt from the cooperation project are put into action.

Produced by each region, the action plan is a document providing details on how the lessons learnt from the cooperation will be implemented in order to improve the policy instrument that is addressed within their region. It specifies the nature of the actions to be implemented, their timeframe, the players involved, the costs (if any) and funding sources (if any).

Fejér Enterprise Agency

FEA is the leading non-profit economic development organisation in the Central Transdanubian region. It operates two client centers in the biggest cities of the region: in Székesfehérvár and in Veszprém, offering board range of enterprise development services (microcredit products, consultancy, mentoring, business development services, enterprise promotion e.g. promotional videos).

FEA was established in 1991 by 47 founders. The founders include the local government of Székesfehérvár, the General Assembly of Fejér County, several chambers, banks, enterprises and private people.

The mission of FEA is to provide high-level, easily accessible financial, advisory and training services in Hungary to start-ups and existing micro and small enterprises operating in the Transdanubian region in order to improve their skills and abilities which enable them to make their financial situation, social standing and living conditions better.

The main objectives of the Foundation are:

- to facilitate the establishment and development of micro, small and medium-sized enterprises in order to enhance their ability to provide employment for themselves or for others; and
- to boost economic activity.

In order to fulfill its social mission and to realize the goals set by the founders, the Foundation performs concentrated business development activity, which basically focuses on the following main fields:

- Business Development Services
- Training programmes to disseminate entrepreneurial knowledge
- Microcredit programmes to finance enterprises

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FEA is also the lead partner of the Hungarian Microfinance Network®. The purpose of the Network is to align the activities of the actors signing the consortium contract in order to promote microfinance all over the country.

In 2015, FEA developed a new strategy to face the challenging microfinance environment in Hungary. In addition to microcredit activities, which have decreased dramatically due to the adverse regulatory framework, FEA offers both business development services for microentrepreneurs and training activities, in particular e-learning programs. FEA signed an agreement with Universidad de Cádiz in Spain to develop e-learning courses that will be taught starting from Q4 2016.

As for microcredit, FEA's portfolio currently includes several loan types, but only 3 of them are active:

1. National Microcredit Fund (OMA)
2. FEA Growth Scheme: Fehérvár Investment Loan /Fehérvár General Purpose Loan
3. FEA Investment Loan /FEA General Purpose Loan

Regional situation

Fejér county is situated in the Central Transdanubia region, in the middle of Transdanubia, Hungary's most developed area. Due to its location on the line connecting western areas and on Budapest-Székesfehérvár-Balaton axis it plays economically important role. Industrial activity is decisive in the economic structure of the county.

In Central Transdanubia, there is a developed network of commercial banks, savings banks and other financial institutions. The most important players are credit institutions (banks, savings and credit cooperatives, branch offices of foreign banks and specialized credit institutions).

All major banks operating in Hungary are represented in the region. Before the economic crisis, the ratio of bank branches per 1.000.000 inhabitants was 380 in Hungary – positioning the country in the middle of the country rank in Europe. Since 2010, this ratio decreased significantly as many banks downsized significantly their networks. According to our estimation, this affected every third bank branch in the Central Transdanubia region. However, remote banking services and ATMs are still widely accessible.

In Central Transdanubia Region, there are 3 local enterprise agencies (1 in each county):

- Fejér Enterprise Agency (FEA)
- Veszprém County Enterprise Agency
- Komárom-Esztergom County Enterprise Agency

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The main fields of activity of these agencies are the following:

- Microcredit programmes to finance enterprises
- Business Development Services
- Training programmes to disseminate entrepreneurial knowledge

Description of the development need

There are significant differences in the number of enterprises, their performance and the unemployment rate between the developed northern part of the country and the less privileged southern areas, struggling with high level of social exclusion. In this part of the county, the human resource positions are weak and significant groups are at risk of poverty. The level of atypical employment is low all over Fejér county and selfemployment or social entrepreneurship are usually not an “option” for unemployed or disadvantaged people (mostly because of the lack of information or non adequate support). Lack of access to credit, equity or quasiequity is one of the main obstacles to business creation, especially in the rural areas or among people who have disadvantaged position at the labour market.

Special areas that need to be improved, in order to create a more inclusive society and sustainable economic development in Fejér County:

- reducing territorial differences in the county in terms of unemployment level and social inclusion
- increase the human resource positions and the employability of disadvantaged groups (especially in the South)
- promoting selfemployment and (social) entrepreneurship among unemployed, women and young
- improving the access to financing for startups and selfemployed
- promoting adequate, efficient and accessible enterprise development services

2. POLITICAL AND TERRITORIAL CONTEXT – INTRODUCTION OF THE RELATED INTEGRATED TERRITORIAL PROGRAMME

The Integrated Territorial Programme (ITP) of Fejér County

The Territorial and Settlement Development Operational Programme (hereinafter referred to as TOP) aiming to support economic development and an increase in employment in the region provides an opportunity for implementing developments identified on the basis of the needs and requirements of the regional actors. The use of the dedicated budget of the TOP being at the disposal of the counties as per Government Decision No. 1702/2014. (XII.3.) is based on the regional development concepts and programmes of the counties. At the same time, the focus of these programmes and regional strategies goes beyond the scope of objectives and interventions that can be implemented from the TOP sources.

In order to make the use of sources more effective it was necessary to prepare a document that underpins the structure, expected outcome and scheduling of the use of the available dedicated budget of the TOP in line with the local needs in the budgetary period 2014-2020. This document is the Integrated Territorial Programme (hereinafter referred to as ITP).

The main priorities of the Integrated Territorial Programme of Fejér County include the following priorities:

- (1) Local and regional economic development and job creation;
- (2) Development of local public services;
- (3) Social inclusion, elimination of segregation and human resources development;
- (4) Support of local communities by rehabilitating disadvantaged areas and via community programmes;
- (5) Implementing local and regional programmes boosting employment.

The measures concerning the “ATM for SMEs” project fall under priority 5 (Support of local employment promotion initiatives).

In addition to the centrally determined criteria, the ITP also sets up territorial assessment criteria for the evaluation of the projects applying for ERDF/ESF funding in the framework of the TOP. Some of these criteria evaluate the impact on the local economy, employment and enterprise promotion.

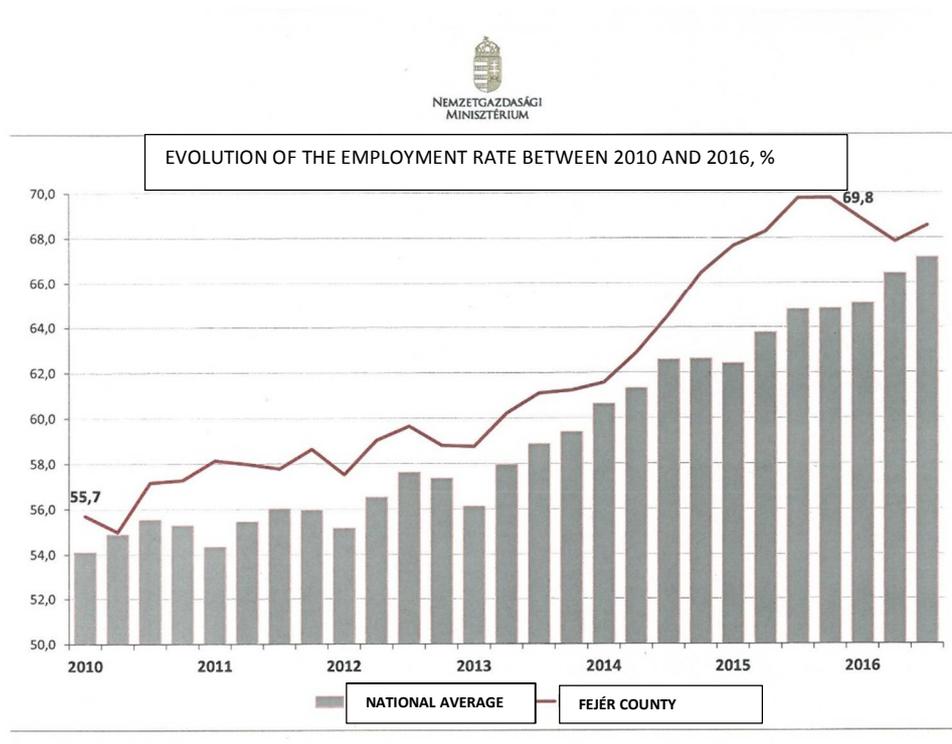
Assessment criteria II. 8 “Contributing to the improvement of the conditions of access to work” connects most closely to the “ATM for SMEs” project, which will be introduced under “Territorial Context”. One of the outcomes of the “ATM for SMEs” project is a proposal

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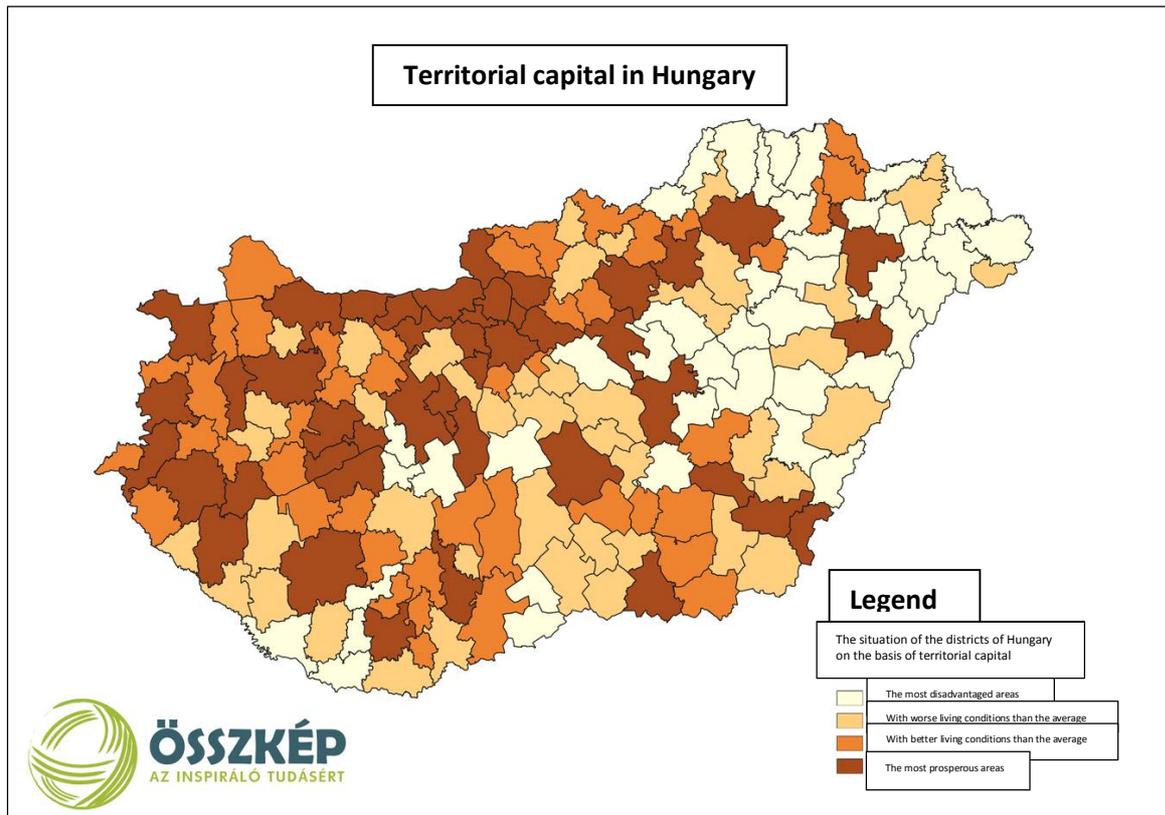
concerning the further development and clarification of assessment criteria II.8 (in other words, a methodology supporting the evaluation of the social and regional impacts of enterprise promotion programmes will be prepared), which will also be accepted by the General Assembly of Fejér County.

Territorial Context

The employment rate of Fejér County is higher compared to that of the national average, therefore, it is an achievable goal to maintain this position until 2020.



At the same time, extensive, disadvantaged peripheral areas and internal peripheries can be found in Fejér County, which significantly fall behind from a social, employment, economic and infrastructural aspect compared to the county average (the northwest regions, the agglomeration of big towns, as well as the areas belonging to the agglomeration of Budapest are typically more developed, whereas the southern and peripheral areas struggle with various economic and social problems, and the rate of financial exclusion is also higher).



Data source: Oláh-Szabó-Tóth (ed.) 2017: Dimension of territorial capital in Hungary

The economic development relying on cheap industrial labour preserved the economic structure of the more developed region of the county for a long time, whereas stagnation began in the internal peripheries and certain fields and sectors started to experience specific recession. It is true for the whole county that the expansion of employment, which began in 2009, has typically achieved quantitative results. The lack of economic restructuring considerably delays the qualitative breakthrough, the appearance of innovation, the expansion of qualified employees as well as the shift towards generating higher added value. After nearly 20 years, this field has also started to see some changes. The county seats and the region of Mór has been hit by the precursor of the fourth industrial revolution, which generates new challenges for both the labour market and the whole of the economy, further diversifying the economic and employment situation of the county.

At the moment, the need to make up for the manpower acutely missing from the economy, and the lack of less qualified job-seekers requiring integration in the labour market, employers and innovation as well as the “abundance” of properties that can be used for brownfield investments are present simultaneously in the county.

On the basis of all this it is an objective of the ITP of Fejér County to broaden labour market opportunities in order to boost employment so that the chances of the underemployed, inactive or unemployed groups will increase. The same purpose is served by the creation of

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social enterprises and social co-operatives in the areas that have fallen behind, as well as the alignment of the training system to the market. The number of employed people can be increased and the earning ability of the population can be improved through the popularization and spread of atypical forms of employment (telework) and self-employment, and by facilitating the access to finance for start-ups and self-employed people, especially in regions that have fallen behind or that are difficult to reach. The rate of Roma population is not particularly high in the county. However, in those settlements where there is Roma population the issue must be handled in a complex manner in order to close the gap. The introduction of special training areas as well as innovative forms of employment are required in the regions and settlements that have fallen behind in order to close the social gap. The county-specific and regional economic and employment pacts play an extremely important role in promoting the labour market. Acquiring economic and entrepreneurial knowledge and following up on it continuously are essential for start-ups or already existing enterprises (for example family businesses). There are additional potentials in teaching job-search techniques as well as extending careers guidance (Source: Integrated Territorial Programme of Fejér County 5.0, January 2017).

Specific interfaces of the “ATM for SMEs” project

Within the scope of the No. TOP-5.1.1-15-FE1-2016-00001 project called “The improvement of co-operations and services concerning employment and economy in Fejér County”, as well as the local employment collaboration projects managed under the TOP-5.1.2 measure (in Fejér County there are 8 district pacts) there is an opportunity to start innovative projects in the field of business development, which also include improving the access to finance.

The comprehensive objective of “Increasing the competitiveness of city regions having different needs and compensating the competitive disadvantage of the regions to be developed” of the Employment Strategy of Fejér County prepared within the scope of the TOP-5.1.1 measure states that the labour needs of micro and small enterprises must also be served adequately in order to increase the quality of life in the county in view of the fact that the human resource reserves of local enterprises operating in agriculture and the tertiary sector are running out due to the vacuum effect generated by the industrial labour shortage as well as the multiplying effect of the programme aiming at the increase of the minimum wage, whereas the rate of production is already well behind that of the services when compared internationally. The related programmes facilitating the transition into self-employment and entrepreneurship could help this even in the short run.

One of the key projects of the TOP-5.1.1 measure included in the Employment Strategy of Fejér County is the Corner Stone project, which aims at supporting small and medium-sized

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enterprises operating in Fejér County in order to strengthen the local economy. Due to their size and local roots, they are more open to atypical forms of employment. At the same time, these enterprises have very little information about the available labour market and investment incentives schemes and financing programmes. That is why it is connected to goals such as

- supporting the human resource development and expansion of SMEs, facilitating generational renewal,
- expanding and integrating the available services supporting self-employment and the transition into agricultural entrepreneurship,
- differentiating labour market services and expanding atypical employment in order to mobilize groups that are difficult to employ.

The key project is connected to the microfinance programmes available in the county, the enterprise promotion programmes of the towns of county rank as well as the SME consulting services provided by the members of other pacts.

Another closely related key project of the TOP-5.1.1 measure is the Social Enterprise Development Centre Project promoting the creation and capacity building of the cooperation network of social enterprises operating in Fejér County. Supporting the improvement of social economy, the incubation and further development of social enterprises, assisting the sustainability of existing social enterprises, enhancing the transit of their employees to the open labour market are missing activities in the county. The integration of disadvantaged job-seekers and inactive workers into the open labour market may only be possible within the scope of long-term programmes offering complex services (Source: Employment Strategy of Fejér County, 2016). Microfinance schemes available in the county may also contribute to the achievement of this.

Since the implementation of the key projects will actually begin in 2018, an opportunity presents itself to improve the efficiency of SMEs by integrating the good practices learnt about in the course of the learning process of the “ATM for SMEs” project.

3. INTRODUCTION OF THE REGIONAL ACTIONS

Below we describe the actions recommended by the Lead Partner and the Local Stakeholder Group for implementation in the Central Transdanubian Region following the intensive inter-regional learning phase of the project, during which the participants familiarized themselves with the good practices, policies and experience of the partners.

The actions were developed on the basis of the tried and tested and successful initiatives of the partners. It is important to note that the actions developed by us do not only fall within the scope of the project partner (FEA), since the Manual of Interreg Europe also emphasizes that the Regional Action Plan should be implemented with institutional collaboration in the region. Thus, the actions were also developed for partner institutions and the affiliated organizations of the local advisory groups after discussions with the concerned organizations.

The datasheets of the actions also include specific details in order to facilitate the implementation: duration, person in charge, planned budget and the source for the implementation.

In phase 2 of the “ATM for SMEs” project the partners will only work on the implementation and monitoring of the Regional Action Plan. Although the full implementation of the Action Plan is not expected by the Interreg Europe programme (and taking into consideration the many external factors it would not be realistic either), the partners must verify the efforts made in order to start the implementation, and must follow up on the status of the implementation of the specific actions regularly.

Policy instrument addressed by the actions: Integrated Territorial Programme of Fejér County (ITP)

As described in the Application form, the change in the policy instrument should be achieved by Action 1 – creation of a new assessment methodology. The other actions foreseen were inspired by the interregional learning and exchange of experiences during the “ATM for SMEs” project meetings; they were not foreseen in the application phase. Even though these actions are in initial phase, a positive impact can be expected on the policy’s (Integrated Territorial Programme of Fejér county) main goals.

Thus, the improvement of the policy instrument is twofold:

- Change in the policy instrument, already documented and reported (Action 1)

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- Additional projects (Actions 2-6), which were inspired by the learning from the partners. These projects, even though some can't be funded directly from the policy instrument, can still help the implementation of the ITP as a synergistic project, which contributes to the better realization of the policy (fulfilling the indicators, achieving the targets set). The impact of these projects to the policy instrument will be measured and reported in the monitoring reports of Phase 2 implementation of the "ATM for SMEs" project.

ACTION NO. 1

Change in the management of the policy instrument – New methodology for assessment criterion II.8 of the ITP of Fejér County.

This action was first reported on the iOLF reporting tool as part of the „Policy change” implemented.

1) BACKGROUND

A) Describing the situation and needs

The intention to create new jobs and to boost employment is of great importance for both EU level (Investment for Growth and Jobs) as well as national and regional (ITP of Fejér County) programmes.

International experience and also the experience gained in the “ATM for SMEs” project supports that the **job creating capacity of small and medium-sized enterprises plays a significant role in achieving a permanently high employment level**. In addition, new and innovative forms of social entrepreneurship and the support of family enterprises can also lead to new employment possibilities and the growth of local economy.

In order to utilize the economic and employment potentials of SMEs, it is necessary provide adequate support to these enterprises, with special attention of the start-ups and other target groups.

It is important that these aspects are taken into account when selecting and supporting new projects in the framework of the ITP of Fejér County. This can ensure that the multiple social and economical effects of enterprise development can benefit the local economy at the maximum level.

Despite the fact that Fejér County is economically more developed than the national average, there are **significant differences in the number of enterprises, their performance and the unemployment rate** between the developed northern part of the country and the less privileged southern areas, struggling with high level of social exclusion. In this part of the county, the human resource positions are weak and significant groups are at risk of poverty.

The **level of atypical employment is low** all over Fejér county and self-employment or social entrepreneurship are usually not an “option” for unemployed or disadvantaged people (mostly because of the lack of information or non adequate support).

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Lack of access to credit and business development support are one of the main obstacles to business creation, especially in the rural areas or among people who have disadvantaged position at the labour market.

B) Relevant experience gained within the scope of the project

There are 2 main fields where the policy instrument and the "ATM for SMEs" project meet:

- introduction of innovative and flexible forms of employment
- empowering the start-up and family-owned enterprises, giving them better access to financing and business development services.

The relevant GPs identified in the framework of the "ATM for SMEs" project:

- Addressing the target group of potential entrepreneurs: ES Fund TISE (Partner 9) - Providing loans to social enterprises through the establishment of a successful partnership
- Identifying the main factors which can be an obstacle to enterprise foundation: Strengthening vulnerable micro-enterprises (Partner 10) and CEEI Burgos risk assessment methodology (Partner 3)
- Promoting entrepreneurship: Sodebur microcredit facility (Partner 3) - establishment of a successful partnership between a public authority and a business incubator specialized in the delivery of microcredit to support start-ups, unemployed people and rural development in Burgos Province
- Developing the skills necessary for self-employment and entrepreneurship: Cash on start (Partner 9) - delivering comprehensive support for entrepreneurial initiatives with the objective of raising the level of economic activity and employability while promoting innovation in microenterprises
- Business development services to SMEs in less developed regions, tailor-made support to micro entrepreneurs: Promoting the transition into self-employment, combined financial incentives with training and other business development services (Partner 5 and Partner 7)

For additional information about the good practices please visit:

<https://www.interregeurope.eu/atmforsmes/library/>

2) DETAILED DESCRIPTION OF THE ACTION

A) Goal

The purpose of the action is to realize a change in the management of the policy instrument “ITP of Fejér County” by introducing a new methodology for the assessment criterion II.8 - Enhancing the conditions of employability.

B) Activities planned within the scope of this action

The policy instrument defines the “Territorial Assessment Procedure” to evaluate the projects from Fejér County applying for ERDF/ESF funding in the framework of the Territorial and Settlement Development Operational Programme. The local assessment procedure is based on the assessment criteria defined in the policy instrument.

The criterion no. II.8 – Enhancing the conditions of employability – assesses the impact of the project proposals on local employment and enterprise development. The criterion includes assessment factors such as atypical employment, support to startups, promotion of enterprise development, labour market inclusion of disadvantaged people.

The policy instrument has been improved by the ATM for SMEs project through change in the management of the policy instrument. The lessons learnt from the interregional cooperation can improve the assessment procedure by adding a new methodology to assess the impact of the project proposals on the conditions of employability at local level. The new methodology can focus on enterprise promotion among disadvantaged groups and delivering the tailor made services to them, level cooperation with other local actors in order to support the target groups to become entrepreneurs, contribution to a more inclusive local community through supporting the local enterprises.

The new methodology contains evaluation criteria which can be a basis when analysing new project and proposals, in the framework of the ITP of Fejér county. The set of criteria is as follows:

1. Addressing the target group of potential entrepreneurs.
2. Identifying the main factors which can be an obstacle to enterprise foundation.
3. Promoting entrepreneurship.
4. Developing financial awareness.
5. Developing the skills necessary for self-employment and entrepreneurship.

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6. Business development services to SMEs in less developed regions, tailor-made support to micro entrepreneurs.

The policy change is fully due to ATM for SMEs. In the new methodology paper - annex to the ITP of Fejér County, there is a clear reference to the "ATM for SMEs" project and in particular to the Action Plan which influenced the amendment of evaluation methodology.

The new methodology focuses on enterprise promotion among disadvantaged groups and fostering the cooperation with other local actors in order to support the target groups to become entrepreneurs.

The Municipality of Fejér County as the body responsible for the policy instrument studied and discussed the new methodology developed by the Lead Partner, and on the municipal assembly of 15 February 2018 it approved the document (Resolution no. 9/2018. (II.15.) of the Municipality of Fejér County).

C) EXPECTED RESULTS (QUANTIFIED)

The impact of the policy improvement can be traced through the implementation of the project "Improvement of employment and economic cooperation and services in Fejér county" (hereinafter: funded project) and its sub-projects (low-scale actions which were developed in course of the implementation of the funded project). The project was launched in 2016, and received dedicated funding from the ITP. At the beginning, the key activities and subprojects were not defined, they were defined later, during 2017-2018.

The improved assessment criterion was applied during the selection procedure and in the course of realization of the sub-projects.

Results achieved and beneficiaries concerned:

- Promotion of enterprises: as part of the funded project, the Social Entrepreneurship Center was established, with the cooperation of FEA. The Center offers overall support and microfinance for the social enterprises. The number of clients is (currently): 10

- Addressing the target group of potential entrepreneurs: FEA, the member of the consortium implementing the funded project, launched the National Student Entrepreneur Contest in March 2018. The number of high school students who got involved in the competition: 600

- Skill development for self-employment and entrepreneurship: in the framework of the funded project, 100 people were trained until 31.10.2018. The training included a special module for enterprise development, based on the entrepreneurial courses of FEA.

- Providing tailor-made support to micro entrepreneurs: in the framework of the funded project; a sub-project named "Foundation stones" project is being realized, offering special support to the local SMEs to grow and be part of the main supplier chains in the region. The "Foundation stones" project is still ongoing, the estimated number of SMEs involved is 30.

3) IMPACT OF THE ACTION ON THE POLICY INSTRUMENT

The action was accepted by the policy maker (General Assembly of Fejér County) and the new assessment methodology was adopted (Resolution no. 9/2018. (II.15.) of the Municipality of Fejér County).

4) PLAYERS INVOLVED

The promoter of the change is the partner in the ATM project: Fejér Enterprise Agency. The body responsible for the policy instrument, which approves and adopts the change, is the General Assembly of Fejér County.

5) TIMEFRAME

The action started in Q4 2017. The official approval of the new assessment methodology happened in January 2018. The impacts can be measured till 2021.

6) COSTS

Not relevant – there are no direct costs associated to this action.

7) FINANCING

Not relevant.

ACTION NO. 2

Continuation of the Interest Subsidy Scheme of Székesfehérvár-based enterprises

1) BACKGROUND

A) Describing the situation and needs

In 2015, Fejér Enterprise Agency launched the “Interest Subsidy Scheme of Székesfehérvár-based microenterprises” (ISS) in collaboration with the Municipality of Székesfehérvár. On the basis of the No. 702/2015. (X.29.) Decision of the General Assembly, the two organizations entered into a contract to provide subsidized interest on 30 October 2015, which contract forms the basis of launching the scheme.

The purpose of the program is to provide favourable investment and working capital loans for microenterprises employing maximum 9 people, having their seat and plant in Székesfehérvár. Due to their size, they are generally excluded from the loan products offered by commercial banks and the various interest subsidy schemes, however, they can obtain microloans from FEA. According to the rules of the ISS, if an enterprise has a seat and plant in the administrative area of Székesfehérvár, and performs its development in Székesfehérvár, it can receive a subsidized rate of 4% over the duration of the loan (from the Interest Subsidy Fund set up by the Municipality of Székesfehérvár), thus the interest to be paid is only 2.5%. Start-ups receive an additional 1.5% subsidized rate in the first three years of the duration of the loan, which means that the initial interest rate for them is 1%.

The financial assistance is coupled with the following business development services of FEA: counselling, teaching entrepreneurial knowledge, assistance in creating an image for the enterprise.

The scheme, which has been running for more than two years, has managed to address the smallest but viable enterprises of Székesfehérvár, thus the initiative has achieved its goal.

In view of the great demand for subsidized microcredit and the needs of businesses, the further development of the Interest Subsidy Scheme of

Székesfehérvár-based microenterprises and the creation of a new urban economic recovery fund are justified.

B) RELEVANT EXPERIENCE GAINED WITHIN THE SCOPE OF THE PROJECT

The project partner of the “ATM for SMEs” project, Zala County Foundation for Enterprise Promotion (ZMVA) was the first to launch a similar product. In 2015, the Municipality of Zalaegerszeg and Zala County Foundation for Enterprise Promotion (ZMVA) established a mutual interest subsidy scheme connected to the microcredit scheme of ZMVA to support micro and small enterprises operating in Zalaegerszeg.

Elements of the good practice of Partner 5 which inspired the development of this action:

- cooperation with the Municipality: good example how an external financial tool can contribute to the realization of the city’s economic goals
- financial model of a mixed grant scheme – funds from the ZMVA and interest subsidy from the Municipal budget
- eligibility of local enterprises: how this tool can help especially the micro and small enterprises of Zalaegerszeg

For additional information about the good practices please visit:

<https://www.interregeurope.eu/atmforsmes/library/>

2) DETAILED DESCRIPTION OF THE ACTION

A) GOAL

The purpose of the action is to continue the already existing Interest Subsidy Scheme of Székesfehérvár-based microenterprises, and to establish a non-profit economic recovery fund, which would also stimulate the job-creating investments implemented in Székesfehérvár with grants.

B) ACTIVITIES PLANNED WITHIN THE SCOPE OF THE ACTION

Based on the results and mechanism of the ISS, a new non-profit economic recovery fund will be separated from the budget of the Municipality within the scope of the action. The fund will also support the local developments and job-creating investments of enterprises having a seat in Székesfehérvár with grants and refundable credit.

The project is implemented through the Interreg Europe programme co-financed by ERDF.

The General Assembly of the Municipality decides on the size of the fund, the maximum loan amount and the conditions thereof, as well as the conditions applicable to the grant.

For the ISS programme to be successful, its arrangement to be smooth, and the loan application and assessment to be fast and client-friendly, it is essential that Fejér Enterprise Agency should be the operator of the economic recovery fund.

At the same time, the process aiming at the assessment of loan and subsidy applications would entirely fall within the competence of the committee set up for this purpose by the Municipality managing the fund, and FEA would only participate in the process as an operator.

The non-profit nature of the fund means that the earnings may not be used for other purposes, but will be used to replenish the fund after the handling costs, costs related to decision-making, etc. have been deducted.

C) EXPECTED RESULTS

Based on the success of the ISS, there will be great demand for the loans and subsidies of the fund among micro and small enterprises operating in Székesfehérvár. The size and conditions of the fund, as well as the loan product and grant are still at the draft stage, therefore specific data required to quantify the results are still unavailable. On the basis of the experience of the ISS, the following estimation may be made with regard to the results of the programme:

- number of new microcredit clients/year
- HUF microloans disbursed /year
- HUF grant/year

3) PLAYERS INVOLVED

Name and activities of the institution(s):

Municipality of Székesfehérvár: in its yearly budget, the Municipality sets up a separate fund for economic development and regulates the utilization of the fund, the procedures of credit assessment and the payment of the loan.

Fejér Enterprise Agency (see the introduction in Part 1)

4) IMPACT OF THE ACTION ON THE POLICY INSTRUMENT

The action is tackling the priority 1 – Local and regional economic development – of the ITP, which includes various measures to strengthen the local economy and foster the development of local businesses.

The project is implemented through the Interreg Europe programme co-financed by ERDF.

The continuation of the subsidy scheme, based on other partners' successful practices, can lead to the creation of more new enterprises.

However, this action cannot be directly funded from the ITP, since in 2019, the funding budget dedicated to priority 1 has been consumed and no other allocations are foreseen to this priority.

Despite of this, the action can still help the implementation of the ITP as a synergistic project, which contributes to the better realization of the policy. The body responsible for the policy instrument is aware of this action, and the appointed contact person confirmed that the realization of the action would have synergistic effects with the goals of the ITP.

By the end of phase II of the ATM project, the LP can prepare a monitoring report on the action plan realization, the knowledge transferred to local level, and the connection points with the ITP. This can ensure that the learning from ATM project and the results of the action can be preserved at local level.

5) TIMEFRAME

The timeframe for the operation of the Fund is 10 years. The action can start in Q2 2020.

6) COSTS

The estimated costs for the operation of the Fund for the intermediary organization (FEA):

million HUF

Year / Budget category	2020	2021	2022	2023	Total
Internal costs	4,2	4,8	5,3	5,3	28,3
Staff costs	3	3,5	4	4	21
Operational costs	0,6	0,8	0,8	0,8	4,3
Equipment / Investment					0
Administration	0,5	0,5	0,5	0,5	3
External costs	3,5	3,5	3,5	3,5	21
Promotion	1,5	1,5	1,5	1,5	9
Meetings					0
Trainings	2	2	2	2	12

The project is implemented through the Interreg Europe programme co-financed by ERDF.

Other external expertise					0
Total	1,2	0,6	0,6	0,6	6

7) FINANCING

The action can be financed from the budget of the Municipality of Székesfehérvár, since funding from the ITP is not available any more.

ACTION NO. 3

Improving the business development services of FEA

1) **BACKGROUND**

A) Describing the situation and needs

Fejér Enterprise Agency is a determinant organization dealing with business development in the Central Transdanubian region. In the past 26 years it has helped start-ups and small enterprises with services adapted to the current economic situation and needs. It has also contributed to the establishment of an enterprise-friendly business environment with recovery activities in Székesfehérvár and its wider vicinity.

So far, FEA has provided several thousand clients with high-level services, among which subsidized microloans are especially important. In addition to providing financial assistance, FEA offers its clients complex business development services. The clients are provided with professional help and services by the Foundation or a qualified partner company in the following fields: management consulting, monitoring national and international tenders, preparing tender documents, managing tenders, debt management, legal consultancy, developing marketing strategy, formation of corporate image, making marketing films, website development, business software development and distribution, estate agency activities, developing e-learning curriculums and course management.

The satisfaction of clients verifies that the Foundation accomplishes its mission successfully. Several studies have found that FEA is capable of improving the living conditions of the entrepreneurs turning to it significantly. Even the smallest microenterprises were able to increase their number of employees by 2 people on average within 2 years. They also managed to increase their sales revenues and launch new investment projects. Approximately 80% of the clients experienced the improvement of their living conditions as a result of the microcredit scheme of FEA.

On the basis of the needs assessment conducted among the clients, it is essential to expand the business development services of FEA, and to support the management of micro and small enterprises with wide-ranging, tailor-made services. There is also demand for supporting companies other than start-ups with customized services (e.g. in case of generational renewal).

B) Relevant experience gained within the scope of the project

During the study trips of the “ATM for SMEs” project the partners could meet several microfinance institutions (MFI) that provide a wide range of business development

services to satisfy the needs of their clients. This way they can support the launch or development of the enterprises of the clients in different ways, and they can also contribute to the successful outcome of the microcredit transaction (the proportion of businesses unable to pay back the loan decreases). Last but not least they also contribute to the sustainable operation and diversification of the MFI.

SODEBUR, an organization introduced by PP3 – CEEI Burgos, also offers complex services in order to facilitate the social and economic development of the province of Burgos. It mainly provides microloans to SMEs, but also deals with investment promotion and rural development as well, which is also a priority for FEA. SODEBUR is similar to FEA in terms that it was founded by the provincial government and it works for the development of the province and the cities – the same for FEA in Fejér County.

SODEBUR identified the main sectors with growth potential Burgos province and they developed special support for these emerging sectors (renewable energy, social economy, tourism, industrial infrastructures) and they are not only offering financial services, but also generating cooperation between companies.

From FEA's point of view, studying the "industrial infrastructure" services of Sodebur was highly interesting, for the following aspects:

- promotion of brownfield investment possibilities
- cooperation of the municipalities in Burgos province, in order to generate development projects
- helping the local SMEs in the construction and infrastructure development industries, to be able to grow (with financial and business support) and participate in local projects

For additional information about the good practices please visit:

<https://www.interregeurope.eu/atmformses/library/>

2) DETAILED DESCRIPTION OF THE ACTION

A) GOAL

The purpose of the action is to further improve the business development services of FEA so that it can provide tailor-made services to the target SMEs during the entire corporate life cycle.

B) Activities planned within the scope of the action

The project is implemented through the Interreg Europe programme co-financed by ERDF.

Within the scope of the action the following activities will be added to the business development services of FEA:

- **Supporting corporate landmarks:** due diligence services, company valuation in connection with generational renewal or the appearance of a new owner or management
- **Optimizing management:** analysing costs, revenues and market. Developing a comprehensive package of proposals in order to minimize costs and maximize sales revenues.
- **Investment promotion, counselling:** promoting the faster utilization of Hungarian investment areas and the settlement of working capital. The service wishes to tackle the problems of settlements and industrial parks related to the utilization of premises that are suitable for business purposes by providing assistance to sell greenfield areas, or by contributing to the structural change of properties formerly used for industrial purposes. Preparing high standard publications and promotion videos in foreign languages, conducting market research and mediating business partners.
- **E-learning:** adding additional e-learning curriculums focusing on specific aspects of company management (e.g. marketing, promotion) to the existing course on Entrepreneurship. Experts talk about the latest and most current information in an easily understandable manner in short videos.
- **Complex promotion and marketing services:** company image formation, website development and making marketing videos with the help of the latest technology. Assistance provided for the partners to find their way among the latest marketing tools (home page, mobile applications, social media, etc.). The creation of a tailor-made, ideal marketing mix.

C) Expected results (quantified)

The customer base and the sales revenues of the clients are expected to increase as a result of the planned services. This way their employment potentials will also grow, and they will contribute to the improvement of the employment and economic situation of their operating field.

The planned utilization of the services (following the introductory phase):

- **Supporting corporate landmarks:** approximately 20 clients/year
- **Optimizing management:** approximately 50 clients/year
- **Investment promotion, counselling:** approximately 40 clients/year
- **E-learning:** 2 new courses/year with 100 participants per course
- **Complex promotion and marketing services:** approximately 40 clients/year

3) PLAYERS INVOLVED

Name and activities of the institution(s):

Fejér Enterprise Agency (see the introduction in Part 1)

4) IMPACT OF THE ACTION ON THE POLICY INSTRUMENT

The action is tackling the priority 5 – Improvement of employability – of the ITP, which includes innovative measures to increase employability and the promotion of various forms of self-employment and business creation. The improved business development services, based on other partners' successful practices, can lead to the creation of more new businesses (compared to what was planned in the ITP).

However, this action cannot be directly funded from the ITP, since in 2019, the funding budget dedicated to priority 5 has been consumed and no other allocations are foreseen to this priority.

Despite of this, the action can still help the implementation of the ITP as a synergistic project, which contributes to the better realization of the policy. The body responsible for the policy instrument is aware of this action, and the appointed contact person confirmed that the realization of the action would have synergistic effects with the goals of the ITP.

By the end of phase II of the ATM project, the LP can prepare a monitoring report on the action plan realization, the knowledge transferred to local level, and the connection points with the ITP. This can ensure that the learning from ATM project and the results of the action can be preserved at local level.

5) TIMEFRAME

The timeframe for the activities described in section 3 is 6 months, starting in Q1 2020.

6) COSTS

We tried to give an estimation for the costs concerning the technical assistance activity of FEA. The services will be partially free of charge for the enterprises. Some services will only be granted for the microcredit clients, other enterprises will have to pay for them.

million HUF

Year / Budget category	2020	2021	2022	2023	Total
Internal costs	3,5	3,9	3,9	3,9	21,7
Staff costs	2,2	2,6	2,6	2,6	14,4

The project is implemented through the Interreg Europe programme co-financed by ERDF.

Operational costs	0,8	0,8	0,8	0,8	4,3
Equipment / Investment					0
Administration	0,5	0,5	0,5	0,5	3
External costs	5,5	5,5	6	6,2	33,8
Promotion	1,5	1,5	1,5	1,5	9
Meetings					0
Trainings	2	2	2	2	12
Other external expertise	2	2	2,5	2,7	12,8
Total	3,5	3,9	3,9	3,9	21,7

7) FINANCING

The action will be financed from FEA resources, since funding from ITP 2013-20 is not available.

ACTION NO. 4

Improving the employability of women, thus contributing to the strengthening of the competitiveness of the SME sector

1) BACKGROUND

A) DESCRIBING THE SITUATION AND NEEDS

The low enterprising spirit and migration from the county are big problems in Hungary and in Fejér County, too. The low innovation potential of the operating enterprises reduces the chances of survival and weakens their competitiveness. The lack of appropriate labour is posing more and more serious challenges, which also hinders the development of SMEs. According to the Women in Work Index (2015), the situation of female employees and entrepreneurs has improved recently (Hungary is 18th among the 33 OECD countries examined). However, their rate of employment is still significantly behind compared to that of men, which is why they are clearly an important target group when it comes to the expansion of labour market potentials.

56.7% (5073 people) of the job-seekers registered by the employment departments of the competent district offices of the Government Office of Fejér County are women, whereas 43.3% (3872 people) of the registered job-seekers are men (2016). In terms of the proportion of genders, 57.8% (484 people) of the people at entry level are women, while 42.2% (353 people) are men. The conventional services provided to SMEs do not reach a wide range of microenterprises run by women. The specific objective of 2.2 The expansion and integration of available services facilitating self-employment and the transition into agricultural entrepreneurship of the Employment Strategy of Fejér County includes the “mapping of shortage areas of services facilitating self-employment and the transition into entrepreneurship, the development of new services and information publications promoting the transition into entrepreneurship of young people and women, as well as ensuring related trainings and knowledge transfer”. According to the Survey on the social impacts of microcredit activities conducted among the clients of Fejér Enterprise Agency (2014), “a big proportion of the key target groups – women and people living in small settlements – reported on the improvement of their living conditions as a result of microcredit. Thus, the target group of FEA is reached. Hereinafter the proportion of the target groups must be increased among the clients.”

The labour market potentials of women could be improved significantly by delivering the appropriate information efficiently, by increasing self-confidence, with the introduction and dissemination of services based on novel solutions, as

well as through the reduction of the existing prejudices, in other words, through the application of a complex approach.

B) RELEVANT EXPERIENCE GAINED WITHIN THE SCOPE OF THE PROJECT

One of the project partners of the “ATM for SMEs” project, Zala County Foundation for Enterprise Promotion (ZMVA), was the first to launch a similar product (WomEntEmpo) in the region near the Hungarian – Austrian border.

From FEA’s point of view, studying the WomEntEmpo project implemented by ZMVA was highly interesting, for the following aspects:

- The pilot project Implemented by ZMVA for women entrepreneurs in order to balance the roles played in the business and the family is complementing a sectoral programme seems to have great added value.
- Both mobile applications for more efficient access and applied new web-based technologies for more efficient availability introduced by ZMVA are services that could complement the services provided by RVA.
- The launch of virtual incubation for women start-ups is a highly innovative initiative.

For additional information about the good practices please visit:

<https://www.interregeurope.eu/atmforsmes/library/>

2) DETAILED DESCRIPTION OF THE ACTION

A) GOAL

The purpose of the action is to improve the labour market potentials of women through the tailor-made application of new innovative methods, thus contributing to the increase of the chances of survival of SMEs operating in the region, and strengthening their competitiveness.

B) ACTIVITIES PLANNED WITHIN THE SCOPE OF THE ACTION

- Providing training, advisory services for women entrepreneurs, women intending to set up an enterprise and businesses wishing to employ women, specifically tailor-made to their needs. At least 20 enterprises and 150 people are planned to be reached with the activities.
- Familiarizing the professional decision-makers with the opportunities and possible results so that the SME sector can become stronger with the

The project is implemented through the Interreg Europe programme co-financed by ERDF.

improvement of the employment situation. In the programme, thinking together, as well as creating and trying out novel activities play an important role in enhancing the employment potentials of SMEs. As a kind of preventive activity this gives a new perspective to young women being in this life situation.

- The application of new web-based technologies for more efficient availability and wider accessibility.
- The creation of an expert's platform to manage the programme professionally and to develop joint methodologies and strategies.

C) EXPECTED RESULTS

- Special, tailor-made training materials, novel advisory and training methods;
- The launch of virtual incubation for women start-ups;
- Implementing a pilot project for women entrepreneurs in order to balance the roles played in the business and the family (complementing the EFOP-1.2.9-17 Women in the family and the workplace programme);
- Developing and introducing mobile applications for more efficient access;
- By raising the awareness of professional decision-makers, the integration of novel services aiming at women into the "mainstream" SME development programmes.

Below there is a summary of the results achieved so far within the scope of the No. TOP-5.1.1-15-FE1-2016-00001 project called "The improvement of co-operations and services concerning employment and economy in Fejér County":

Statistics on 2nd September 2019	Project No. TOP-5.1.1-15-FE1-2016-00001	
Aid instrument	Total	Of which women
Number of participants in labour market programmes	746	412
Number of participants in training programmes	95	73
Number of participants receiving subsidized employment	359	185
Number of participants receiving support for entrepreneurship	106	45

3) PLAYERS INVOLVED

Name and activities of the institution(s):

The project is implemented through the Interreg Europe programme co-financed by ERDF.

Management of TOP-5.1.1 project in Fejér county: a consortia of the Fejér County Government (the Policy Responsible Body), the Government Office of Fejér County, ECHO Innovation Network.

Fejér Enterprise Agency: runs the programme. Provides microfinancing for female entrepreneurs, start-ups run by women and employers who wish to hire female employees.

4) IMPACT OF THE ACTION ON THE POLICY INSTRUMENT

Within the scope of the No. TOP-5.1.1-15-FE1-2016-00001 project called “The improvement of co-operations and services concerning employment and economy in Fejér County”, financed by the ITP women are one of the key target groups reached by labour market programmes. These programmes contribute significantly to the success of action no 45 (Improving the employability of women, thus contributing to the strengthening of the competitiveness of the SME sectorBrownfield reutilization fund for the county) and helps to achieve its main goal (to improve the labour market potentials of women).Fejér Enterprise Agency can provide microfinancing for female entrepreneurs or for those women involved in the labour market programmes that are planning/willing to run their own businesses (start-ups).

The link of the measures that are intended to implement in the framework of this action and the information provided on the project called “The improvement of co-operations and services concerning employment and economy in Fejér County” TOP-5.1.1-15-FE1-2016-00001 is as follows:

Women are one of the key target groups of both the TOP-5.1.1 project and the measures to be implemented within the frame of this action. Further to this, women that participate in training programmes of the TOP-5.1.1 project will have a higher chance to get access to microfinancing provided by RVA. This means that there are complementary measures that can be built upon each other within the frame of the two programmes.

This means that the action is partly supported by the policy instrument (TOP) itself.

5) TIMEFRAME

The timeframe for the programme is 3 years (2018-2020).

6) COSTS

The costs concerning the operation of the programme by FEA and the consortia managing the TOP-5.1.1 project:

million HUF

Year / Budget category	2018	2019	2020	Total
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The project is implemented through the Interreg Europe programme co-financed by ERDF.

Internal costs	5	5,7	5,7	16,4
Staff costs	3	3,5	3,5	10
Operational costs	1	1,2	1,2	3,4
Equipment / Investment	0	0	0	0
Administration	1	1	1	3
External costs	8,5	8,5	8,5	25,5
Promotion	2	2	2	6
Meetings	0,5	0,5	0,5	1,5
Trainings	6	6	6	18
Other external expertise	0	0	0	0
Total	13,5	14,2	14,2	41,9

7) FINANCING

FEA resources (e.g. income from the business development services)

ACTION NO. 5

Brownfield reutilization fund for the county

1) BACKGROUND

A) DESCRIBING THE SITUATION AND NEEDS

The strong territorial concentration of the industrial companies in Fejér County contributes to the emergence of disadvantages within the county. Due to the concentration, there is a labour shortage in the industrial centres of the county and labour surplus in the regions to be developed. It is essential to transform the local supporting environment for industrial development in compliance with the new quality needs generated by the fourth industrial revolution. In the county there are under-utilized/unused properties suitable for industrial and/or commercial functions (these may be empty, unused houses, former farm-buildings, or even complete manors, farms, plants, etc.), which are typically in poor shape and, in many cases, are affected by environmental damages. At the same time, the resources, co-ordination and basic clusters related to brownfield investments are missing. In 2018 Fejér Enterprise Agency launched its investment map service. Within the scope of the TOP-5.1.1 employment co-operation project of the county, a basic cadastre of brownfield properties available in Fejér County will be prepared in the second half of 2019. As part of the Territorial and Settlement Development Operational Programme (TOP), the deconcentrated network of incubators and industrial parks will expand in the county. Considering the interoperability of the positions, employers are increasingly expecting competences and not qualifications from the would-be employees. On the basis of the initial experience gained from the dual training introduced in the technical and economic field, it is necessary to provide an opportunity to include other professional fields in some alternative forms, involving all the district offices of the county (Source: Employment Strategy of Fejér County).

The future of under-utilized areas is an important issue for economic policy, regional development and town planning. Their utilization could be a tool for reducing regional differences and improving spatial structure, may serve long-term development goals, and with the replacement of greenfield investment areas they could promote the shift towards sustainable development.

B) RELEVANT EXPERIENCE GAINED WITHIN THE SCOPE OF THE PROJECT

During the study trips of the “ATM for SMEs” project, the partners learnt about SFIRS SpA, (Società Finanziaria Regione Sardegna SpA) a regional financial institute presented by PP6

The project is implemented through the Interreg Europe programme co-financed by ERDF.

Sardinia Region, which operates a regional fund for the re-industrialization of deserted or under-utilized industrial areas, thus contributing to the strengthening of the competitiveness of the specific region.

From FEA's point of view, studying the fund and its services provided by SFIRS SpA was highly interesting, for the following aspects:

- There is a lack of similar funds operating in Fejér county and even in Hungary.
- SFIRS SpA introduced an innovative solution since the Regional Fund for Re-industrialization in Industrial Areas is a financial engineering instrument, according to EU Regulation n. 1083/2006, art.44, offering a combination of different financial products such as financial leasing, lease-back and mortgage loans.
- SFIRS SpA explained some critical aspects that should be taken into consideration such as the slow implementing process, also related to the regulatory framework to be applied (e.g. modification of selection criteria in accordance with the principles of the Small Business Act).

For additional information about the good practices please visit:

<https://www.interregeurope.eu/atmformes/library/>

2) DETAILED DESCRIPTION OF THE ACTION

A) GOAL

The purpose of the action is to support the utilization and change of function of brownfield areas via a separate revolving fund, with special regard to the regions of the county being at a disadvantage, thus contributing to the improvement of the employment situation.

The aim of setting up the cadastre is to support the the regeneration and reutilisation of brownfield sites in Fejér county

B) ACTIVITIES PLANNED WITHIN THE SCOPE OF THE ACTION

Within the scope of the No. TOP-5.1.1-15-FE1-2016-00001 project called "The improvement of co-operations and services concerning employment and economy in Fejér County" the main data that will be included in the cadastre are as follows:

- List of abandoned or under-utilized industrial, commercial, military or agricultural sites or empty buildings with a potential for reutilization with the following key data:
 - address and parcel number of the site,
 - at least one photo / site,
 - recommendation for the reutilization and potential economic function.

The project is implemented through the Interreg Europe programme co-financed by ERDF.

Development of (brownfield) industrial areas and urban areas within the frame of the policy instrument

The main priorities of the Territorial and Settlement Development Operational Programme include: 1) economic development and job creation; 2) improvement of the framework conditions of entrepreneurship.

Policy measures related to the above objectives include support to the development of brownfield industrial sites.

Under this measure the ongoing projects are as listed below:

Operation name	Total eligible expenditure (HUF)
Development of road connection and public utilities of the industrial site in the City of Bodajk	99 999 922
Development of the industrial area in the southern part of the City of Dunaújváros	250 000 000
Development of industrial area in the City of Rácalmás	100 000 000
Development of road connection of the industrial site in the City of Mór	109 852 714
Development of road connection of the industrial site in the Municipality of Kőszárhegy	159 882 450
Development of industrial sites in the City of Polgárdi	250 000 000
Development of the industrial site in the City of Gárdony (Agárd) - stage 1	495 695 985
Development of the Eastern industrial area in the City of Bicske	395 992 549
Industrial area development in the City of Enying	494 162 080
Industrial area development in the City of Sárbogárd	573 294 055
Development of an incubation unit in the Municipality of Daruszentmiklós	69 994 988

The project is implemented through the Interreg Europe programme co-financed by ERDF.

Development of an incubation unit in the city of Bicske	124 936 982
Development of an incubation unit in the Municipality of Seregélyes	199 844 830
Rehabilitation of brownfield areas in the City of Ercsi (former Officers Club)	150 000 000
Rehabilitation of brownfield areas in the City of Mór	273 000 000
Rehabilitation of brownfield areas in the City of Gárdony (Agárd) - stage 1	374 931 264
JÖVŐSTART Enterprise Development Centre and incubation unit in the City of Sárbogárd	381 960 039
Total*	4 503 547 858

* approx. 13 745 415 EUR

Summing up the above, the link of the measures that are intended to implement in the framework of these actions and the information provided on the project called “The improvement of co-operations and services concerning employment and economy in Fejér County” TOP-5.1.1-15-FE1-2016-00001 is as follows:

Both the brownfield cadastre and the development of brownfield sites to be implemented within Territorial and Settlement Development Operational Programme (TOP) contribute to database and infrastructural background of launching the brownfield reutilization fund.

The Fund supports the implementation of business plans targeting the reutilization of brownfield properties (buildings or lands).

The activities to be financed within the scope of the Fund may be performed with the help of the following tools:

- Financial leasing in order to reutilize under-utilized/unused brownfield areas
- Providing mortgage in order to purchase unused brownfield properties
- Lease agreements for businesses whose development programme focuses on innovation, internationalization or building on local resources

Businesses whose business plan focuses on the reutilization of unused brownfield areas constitute the target group of the Fund.

C) EXPECTED RESULTS (QUANTIFIED)

The project is implemented through the Interreg Europe programme co-financed by ERDF.

At least 50 sites will be included in the cadastre

Expected results of the developments performed from the Fund:

During the reutilization of brownfield areas existing buildings and (production) infrastructure are put into service and the utilization of additional greenfield areas decreases.

The employment situation improves with the creation of new jobs.

A healthier environment is created for the surrounding population.

Results coming from the mediation of the Fund (calculated with a fund of HUF 200 million):

- 10 financed business plans aiming at reutilization
- 300 hectares of reutilized brownfield area
- 30 new businesses that have settled down in the area

3) PLAYERS INVOLVED

Name and activities of the institution(s):

Setting up the cadastre of brownfield investment sites in Fejér county: a consortium of the Fejér County Government (the Policy Responsible Body), the Government Office of Fejér County, ECHO Innovation Network.

Fejér Enterprise Agency: intermediary body of the fund. See the description of the organization in Part 1.

4) IMPACT OF THE ACTION ON THE POLICY INSTRUMENT

The action is tackling the priority 1 – Developing the regional economic environment to boost employment – of the ITP.

Both the cadastre of brownfield investment sites and the development of industrial sites contribute significantly to the success of action no. 6 (Brownfield reutilization fund for the county) and helps to achieve its main goal (to support the utilization and change of function of brownfield areas and contributing to the improvement of the employment situation).

This means that the action is supported by the policy instrument (TOP) itself.

5) TIMEFRAME

2018-2023

The project is implemented through the Interreg Europe programme co-financed by ERDF.

Setting up the cadastre of brownfield investment sites in Fejér county: 2018-2019

Setting up the Fund: 2019-2023

6) COSTS

The costs concerning the operation of the Fund by FEA (*million HUF*):

Year / Budget category	2018	2019	2020	2021	2022	2023	Total
Internal costs	3,1	3,3	3,5	3,5	3,7	4,1	21,2
Staff costs	1,8	2	2,2	2,2	2,2	2,6	13
Operational costs	1	1	1	1	1,2	1,2	6,4
Equipment / Investment	0	0	0	0	0	0	0
Administration	0,3	0,3	0,3	0,3	0,3	0,3	1,8
External costs	4	3,5	3,4	3,4	4,3	4,7	19
Promotion	1,5	1	0,7	0,7	1	1	5,9
Meetings	0,5	0,3	0,3	0,3	0,3	0,5	2,2
Trainings	1	1,2	1,2	1,2	1,5	1,5	7,6
Other external expertise	1	1	1,2	1,2	1,5	1,7	7,6
Total	7,1	6,8	6,9	6,9	6,9	8,8	40,2

7) FINANCING

The action can be financed from FEA resources.

ACTION NO. 6

The creation of a Convergence Microfinance Fund in Fejér County

1) BACKGROUND

A) DESCRIBING THE SITUATION AND NEEDS

There are significant territorial differences within Fejér County. The underdeveloped southern region of Fejér County together with the bordering north part of Tolna County and the north-east of Somogy County is one of the homogeneous internal peripheries of the country, where the centres have weak employment function, the economic structure is unfavourable, and the internal relationships are feeble. The southern parts of the county were already without a centre during the 20th century, which still has an impact on the development of the region. The social-economic backwardness of the Sárbogárd and Enying districts can be connected to the traditionally agricultural role of the region. The population has been migrating from the region for decades due to the fact that the national economic importance of the agricultural economy and employment and its income generating capacity have been decreasing continuously. The reduction of the regional differences is of great importance, which is also stressed in the regional development documents of the county. One of the highlighted strategic objectives of the comprehensive goal of Regional Development Concept “C” of the county is to close the gap in the peripheral and rural areas, mainly in the southern part of the county, which goal is also included in the ITP of Fejér County. International experience proves that **the job creating capacity of small and medium-sized enterprises** can greatly contribute to this. In order to utilize the hidden economic and employment potentials of SMEs, **a complex set of tools** must be developed for **enterprise promotion**. An efficient element of this set of tools is the microcredit scheme – giving preference to social goals over profit oriented aspects – promoting self-employment, job creation and job retention. In case of programmes financed from public moneys the **non-profit attitude** is important because this is what mostly ensures the positive social impact of the microcredit. This loan provision must be coupled with an intensive and efficient advisory, mentoring and assistance activity, as well as high-level business development services.

At the moment there are no microfinance funds financed from public moneys and mediated by specialized non-profit microfinance organizations in order to support the transition of the target group into entrepreneurship and self-employment in Hungary. The so-called local enterprise agencies (LEAs) – like Fejér Enterprise Agency – are suitable for this, however, their opportunities are rather limited under the present conditions.

B) RELEVANT EXPERIENCE GAINED WITHIN THE SCOPE OF THE PROJECT

The good practices identified within the scope of the project and studied by the partners included one facility, the SODEBUR microfinance facility, which is financed from local (provincial) sources, and microfinance is also combined with investment promotion and other entrepreneurial advisory activities.

SODEBUR identified the main sectors with growth potential Burgos province and they developed special support for these emerging sectors (renewable energy, social economy, tourism, industrial infrastructures) and they are not only offering financial services, but also generating cooperation between companies.

From FEA's point of view, studying the municipal cooperation behind the services and financial measures offered by Sodebur was highly interesting, for the following aspects:

- cooperation platform of the municipalities in Burgos province, in order to generate development projects
- financial model of the SODEBUR facility (provincial sources, with the cooperation of the local municipalities)
- helping the local SMEs in the construction and infrastructure development industries, to be able to grow (with financial and business support) and participate in local projects

For additional information about the good practices please visit:

<https://www.interregeurope.eu/atmformses/library/>

2) DETAILED DESCRIPTION OF THE ACTION

A) GOAL

The purpose of the action is to set up a **Convergence Microfinance Fund in Fejér County** in order to support self-employment and the transition into entrepreneurship, mainly focusing on the regions at a disadvantage (districts belonging to Sárbogárd and Enying), in particular the unemployed and start-ups.

B) ACTIVITIES PLANNED WITHIN THE SCOPE OF THE ACTION

The development of legal and financial framework, selection of the financial intermediaries: when establishing the conditions and operating mechanism of the programme, the professional directives ("Roman Directives") of the Committee of

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the European National Microfinance Networks (MicroFINET) published for political decision-makers must be considered.

The Convergence Microfinance Fund of Fejér County would be a **separate revolving fund** managed by Fejér Enterprise Agency. Its recommended size is HUF 200 million.

Pursuant to the “Roman Directives” **the microcredit would be provided by a non-profit microfinance institution, Fejér Enterprise Agency**, which is interested in maximizing positive social impacts and not in making profit and minimizing losses.

Launching microcredit schemes: the manager of the Fund is Fejér Enterprise Agency. Each and every step of the credit transaction (from the initial provision of information through the credit application to the final settlement) would take place in the CREDINFO on-line credit information system developed in Hungary, which system has been used by the majority of LEAs for years, and has gained international recognition due to its innovative nature. The system is extremely user-friendly. It makes credit application simple and fast even for those who find it difficult to find their way around the financial world.

Developing the services related to microcredit: in addition to granting micro loans, Fejér Enterprise Agency also provides mentoring and other business development services. In the field of social microcredit, due to the social characteristics of the target group (presumably less educated groups), special attention must be paid to training and the development of entrepreneurial skills. The development of the following related services is justified:

- teaching entrepreneurial knowledge within the framework of e-learning
- mentoring, tailor-made counselling, following up on the transition into entrepreneurship
- entrepreneurial counselling in legal, taxation, etc. issues
- business development services: income enhancement, due diligence services, promotion packages, application consultancy

The action may be aligned with the training and wage support financed from the TOP provided within the scope of the employment co-operations of the concerned districts, as well as with other related programmes, in particular with convergence programmes financed from the Human Resources Operational Programme.

C) EXPECTED RESULTS (QUANTIFIED)

The expected impacts of the programme:

- It affects the efforts aiming at the creation of sustainable local society and economy favourably. The purchasing power will increase in the settlements.

- The social microcredit scheme helps to retain the inhabitants in the small villages and reduce migration therefrom, since sustainable entrepreneurial programmes may be implemented with its help.
- The social microcredit scheme also provides an opportunity to finance the social businesses of smaller communities, which receive greater attention within the EU.
- The programme may contribute to closing the gap in the southern region.

Results coming from the microcredit fund of the county:

- 40 new clients (calculating with an average loan size of HUF 5 million)
- 30 new jobs created
- 150 people: number of entrepreneurs and family members concerned, whose living conditions are improved by the microcredit

3) PLAYERS INVOLVED

Municipalities of the settlements concerned: Sárbogárd and Enying.

Fejér Enterprise Agency: intermediary body of the fund. See the description of the organization in Part 1.

8) IMPACT OF THE ACTION ON THE POLICY INSTRUMENT

The action is tackling the priority 1 – Local and regional economic development – of the ITP, which includes various measures to strengthen the local economy and foster the development of local businesses.

The creation of the Convergence Fund, based on other partners' successful practices, can lead to the creation of more new enterprises. The impact of the action can be traced by the number of new businesses created and new employment possibilities.

However, this action cannot be directly funded from the ITP, since in 2019, the funding budget dedicated to priority 1 has been consumed and no other allocations are foreseen to this priority.

Despite of this, the action can still help the implementation of the ITP as a synergistic project, which contributes to the better realization of the policy. The body responsible for the policy instrument is aware of this action, and the appointed contact person confirmed that the realization of the action would have synergistic effects with the goals of the ITP.

By the end of phase II of the ATM project, the LP can prepare a monitoring report on the action plan realization, the knowledge transferred to local level, and the connection points with the ITP. This can ensure that the learning from ATM project and the results of the action can be preserved at local level.

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4) **TIMEFRAME**

The payment period of the investment loan is 15 years. In case of the asset loan, the payment period is 5 years.

5) **COSTS**

The costs concerning the management of the Fund by FEA:

million HUF

Year / Budget category	2018	2019	2020	2021	2022	2023	Total
Internal costs	3	3	3,4	3,4	3,6	4,4	20,8
Staff costs	1,8	1,8	2,2	2,2	2,2	3	13,2
Operational costs	1	1	1	1	1,2	1,2	6,4
Equipment / Investment	0	0	0	0	0	0	0
Administration	0,2	0,2	0,2	0,2	0,2	0,2	1,2
External costs	3	2,5	2,7	2,8	3,1	3,1	20,2
Promotion	1,5	1	1	0,8	0,8	0,8	5,9
Meetings	0,5	0,5	0,5	0,5	0,5	0,5	3
Trainings	1	1	1,2	1,2	1,5	1,5	7,4
Other external expertise	0,5	0,5	0,5	0,8	0,8	0,8	3,9
Total	6	5,5	6,1	6,2	6,7	7,5	41

6) **FINANCING**

The action can be financed from the budget of the municipalities concerned.

4. ENDORSEMENT OF THE POLICY MAKER

The Fejér County Government, as body responsible for the policy instrument, was involved in the action plan making from the beginning. As member of the local stakeholder group, they also participated at intense stage of the interregional learning, the representative of Fejér County Government was invited and took part at one study trip, and the exchange reports on the study trips' experiences were discussed at the stakeholder sessions. The appointed contact person from Fejér County in the process of the action plan development was Gábor Kígyóssy.

The steps of the action plan development, and the final document were discussed mainly at the stakeholder group meeting. There were also 2 face-to-face meetings with the representative of the policy maker, in order to ensure the better integration of the actions planned.

- Stakeholder group meeting on 11/09/2017

The LP drafted the structure of the action plan and the selected good practices, learnt from other partners that can be utilized when planning the local actions. The LP already showed some examples for actions. The stakeholders agreed that they will suggest other actions to be included.

- Bilateral meeting on 19/10/2017

The LP share a more developed version with the representative of the Fejér County. They discussed the single actions and their possible regional impact. Gábor Kígyóssy proposed 2 new actions which are directly related to the policy: local fund for brownfield developments, and supporting the employability of women through business development services and financing. He noticed that the action plan should work on the aspect of territorial impairment as well: though Fejér County is small, there are significant differences between the north and the south part.

- Bilateral meeting on 25/02/2018

During a meeting with the expert, the LP and the representative of Fejér County, the LP shared a pre-final action plan containing all the actions envisaged. The 8 actions planned include 3 national level initiatives, 3 county level actions and 2 actions concern the city of Székesfehérvár. All actions are connected to the TOP, though the local level actions can have only synergistic effects. The participants shared their thoughts and comments, mostly regarding the implementation of the actions.

- Stakeholder group meeting on 14/03/2018

The LP shared the action plan which can be considered final. If some other interesting point comes up from the transnational learning, it will be included but the structure of the actions can be considered final. The stakeholders agreed on the actions proposed, and they received the whole document for studying.

- Stakeholder group meeting on 26/06/2018

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After including some minor comments to the action plan, the LP presented the final version and the partners approved it. The stakeholders issued a letter which says that they agree on the content of the document, they endorse the efforts of the LP, and they are committed to the implementation of the planned actions. They agreed that the eventual corrections (based on the JS requests) can also be included to the document.

- Stakeholder group meeting on 21/02/2019

The LP shared the experiences of reporting the policy change – the approval of the development of the policy (1 new assessment methodology to the TOP) was a lengthy process and the questions arose from the JS may concern also the other actions in the action plan, when it comes to implementation.

So far, there is only a declaration from the appointed contact person (representative of the policy maker) in which he expresses the approval of the final action plan, together with the other members of the stakeholder group.

As we stated at the description part of the single actions, by the end of phase II of the ATM project, the LP can prepare a monitoring report on the action plan realization, the knowledge transferred to local level, and the connection points with the ITP. This can ensure that the learning from ATM project and the results of the action can be preserved at local level.

As the representatives of Fejér Enterprise Agency, we approve the Regional Action Plan:

Székesfehérvár, 31 October 2019



Tibor Szekfü
managing director



Péter Vonnák
project manager - "ATM for SMEs"