



REPUBLIC of CROATIA
Ministry of Economy and
Sustainable Development



Action Plan

September 2021

Part I. – General information

Project: E-COOL – Entrepreneurial and Intrapreneurial Mindset in Young People through the Dynamisation of Competences, Teaching Methodologies and Entrepreneurial Ecosystem

Partner organisation: Ministry of Economy and Sustainable Development

Country: CROATIA

NUTS2 region: National level (all 4 NUT 2 regions – Pannonian Croatia, North Croatia, Adriatic Croatia, City of Zagreb)

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This Action plan will be endorsed by Croatian key stakeholder group whose members were involved in I. learning phase of E-cool project, as well as in the development of the Action Plan, but primarily by Ministry of Economy and Sustainable Development. Action Plan will be implemented through the European Centre for Innovation, Advanced Technologies and Skills Development (ECINTV) and Ministry of Economy and Sustainable Development is responsible for the establishment and operational functioning of the Centre. Final Decision on the establishment and organisational structure of the Centre is on the Government of the Republic of Croatia.

Part II. – Policy context

The Action Plan aims to impact:

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

Name of the policy instrument being addressed

Operational Programme Competitiveness and Cohesion 2014-2020

Priority Axis 3 Business Competitiveness

Thematic Objective 03 Enhancing the competitiveness of small and medium sized enterprises, the agricultural sector and the fisheries and aquaculture sector

Investment priority 3a and 3d

3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators

3a1 - Better access to finance for SMEs

3a2 Enabling favourable environment for business creation and development

3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes

3d1 SMEs' development and growth improved in domestic and foreign markets

3d2 SMEs innovativeness enhanced


Selected policy instrument will be improved through the implementation of the activities included in this Action Plan, based on the exchange of experience within the I. phase of E-cool Project.

Part III. – Details of the action envisaged

1. Problems being addressed through the implementation of the activity/sub-activities foreseen in the Action Plan

Activity foreseen in the Action Plan is addressing problems that have been detected within the **Operational Programme Competitiveness and Cohesion 2014-2020** (Priority Axis 3 Business Competitiveness and Priority Axis 9 Education, Skills and Lifelong Learning).

First of all, problem is unfavourable status of entrepreneurship in Croatian society and general lack of entrepreneurial skills. The percentage of 18-24 years old employees involved in education and training is only 5.9% (2011) while the EU 27 average is 35.8%. Only 2.3% of total number of employed persons is engaged in continuous



training and learning processes (EU27 average is 8.9%). SMEs have a problem with accessing sources of financing. Venture capital market is almost absent with insignificant equity at disposal and the network of business angels is weak and underdeveloped. SMEs at different stages of growth cycle need professional support provided by the business support organisations (BSOs). BSOs are often perceived as offering services that most SMEs cannot afford and have insufficient capacities to provide high quality services and up to date approach in tackling SMEs' problems. Also, the negative trade balance of the SME sector shows that it is necessary to increase their competitiveness on domestic and foreign markets. The process of internationalization requires access to information on foreign markets, a strategy for expansion into foreign markets, good publicity, sales and cooperation with foreign partners. Croatian SMEs also do not invest enough in innovation.

Results of an analysis conducted within one of the IPA projects ("Strengthening the institutional framework for the development of vocational standards of occupations, qualifications and curricula") reveal that only 1/3 of employers involved in the survey are satisfied with the level of competencies of young population and that a crucial problem is lack of practical knowledge required for certain jobs.


This problem has also been recognized in the Strategy for Education, Science and Technology adopted in 2014 which emphasizes the importance of convergence between education/training and labour market, as well as improvement of educational outcomes and skills important for facing challenges in real life and strengthening vocational education and its connection with the labour market.

Croatian Smart Specialisation Strategy for the period 2016 – 2020 (S3) recognized similar problem: profile of skills of Croatian workforce could limit the potential for research, development and innovation. Also, Croatia in comparison to other EU countries has one of the lowest levels of training and lifelong learning during employment.

S3 refers to the OECD Study according to which the lack of a skilled workforce is the second most significant obstacle for innovation, and employees often have lack of experience (80%) or the education system does not allow them to acquire the necessary skills (40%).

Also, according to "European Innovation Scoreboard" for 2020 lifelong learning is one of the indicators in which Croatia has the worst results (21 % of EU value in u 2019)

Digital Economy and Society index (DESI) for 2020, which keeps track of performance of the EU member states in digital connectivity, digital skills, internet usage, digital technology integration and digital public services, places Croatia below the EU average



(20th place). According to McKinsey analysis from 2018 digital economy is only 5% of Croatia GDP and Croatia is worse than CEE countries.

One of the problems which Croatia is facing with is an insufficient compliance of knowledge and skills gained through formal and informal education with the needs of employers. It is necessary to encourage the acquisition of practical, applicable knowledge and skills in relation to theoretical knowledge and to educate young people, courageous enough to start their own business and to take responsibility for their own future.

2. Policy instrument

Within the Operational Programme Competitiveness and Cohesion 2014-2020 it is explained how the previously mentioned problems will be addressed. The need for improving entrepreneurial skills and the status of entrepreneurship will be addressed not only through promotional activities, but also through support offered to SMEs, creation of advanced business infrastructure and associated services offered to businesses (e.g. through incubators, industrial parks). These problems will be also addressed through the activities of the of **European Centre for Innovation, Advanced Technologies and Skills Development (ECINTV)**.

This policy instrument needs to be improved especially related to the status of entrepreneurial learning as a key competence in all level of education, introducing smart skills and enhancing innovativeness which are necessary for building entrepreneurial eco-system.

S3 also reflects the needs of the business sector and labour market. S3 vision for the Republic of Croatia is to be recognized as a knowledge-based economy and a country that encourages creativity and innovation at all levels of society in order to improve the quality of life of its citizens. The main goal of S3 is to transform Croatian economy and increase competitiveness by directing capacities to the areas in which Croatia has the greatest potential. One of the specific strategic goals of S3 refers to the development of smart skills and improvement of qualifications of existing and new workforce for smart specialization.

3. Improvement of the Policy Instrument

The improvement of the policy instrument will be achieved through implementation of one activity foreseen in this Action plan. Young people will be assisted to benefit from entrepreneurial learning as a key competence, smart skills and innovativeness and its usage in practice with an aim to successfully deal with challenges in their professional career. Activity consisted of 2 sub-activities is planned to be implemented through the



European Centre for Innovation, Advanced Technologies and Skills Development (ECINTV).

For the future of Croatian economy, it is necessary to boost entrepreneurship mindset, creativity and innovativeness in youth population. So through the implementation of the Activity foreseen in the Action Plan we are planning to assist young people to benefit from entrepreneurial learning as key competence and we are planning to:

1. *Encourage interest for entrepreneurship in youth population and strengthen human capacity for entrepreneurship with the final goal to encourage as many young people as possible to start their own businesses and to find it easier to face the challenges during their professional careers*
2. *Encourage lifelong learning, skills development and competences for a digitally innovative and entrepreneurially oriented society*
3. *Encourage cooperation with EU and international partners (especially EU) in order to develop new policies that will offer solutions for challenges in the field of capacity building for entrepreneurship and encourage entrepreneurial activity and entrepreneurial eco-system in general.*

Self-defined performance indicators

- ✓ Number of students and SMEs supported to strengthen their capacities for entrepreneurship
- ✓ Number of participants of workshops, conferences and other events that will be organized, especially number of pupils, students and young entrepreneurs attending these events

4. The background – the contribution of E-cool project

This chapter includes a description of E-cool lessons learnt during the I. phase of E-cool project that constitute the basis for the design of the Action Plan.

The experiences gained within the E-cool project were very valuable because we had an opportunity to get acquainted with the practices of other countries and many of the examples of good practice which we gain insight to are transferable to Croatia. Good practices were presented to Croatian Stakeholders Group and were assessed based on three parameters: **Relevance, Transferability and Innovativeness**. All stakeholders were actively included during learning phase of the Project. One example of Good practice from Croatia “*Digital Academy for Juniors*” has been presented to the Project partners during the I. phase of the E-cool project. The owner of the Good practice is Algebra University College, also member of Croatian Stakeholders Group.

All stakeholders have been involved in the process of development of the Action plan and **Ministry of Science and Education, Croatian Chamber of Economy, HAMAG BICRO - Croatian Agency for SMEs, Innovations and Investments, Algebra University College and PAR University College** submitted concrete proposals for additional activities or for improvement of the Action Plan.

Representatives of Ministry of Economy and Sustainable Development who are in charge for the establishment of European Centre for Innovation, Advanced Technologies and Skills Development (ECINTV) participated in stakeholder meetings and followed progress in implementation of the I. phase of E-cool Project continuously.

Additional bonus are linkages established with the partners participating in the E-cool Project. Cooperation with some of them can be possible in the future, within ECINTV and on specific projects to be implemented by ECINTV or future beneficiaries of the Centre. Numerous examples of good practice presented within the E-cool project served as a source of inspiration for development of the activities that are planned to be implemented through this Action Plan. **Especially, following three examples of Good practice:**

1st Good practice: „Start-up Mixer”

Partner: PP10 The Agglomeration Opole Trust

Promotor of a good practice is Science&Technology park in Opole, Opolskie Voivodeship (STP) established in November 2012 with an aim to create favourable conditions for the development of entrepreneurship in the city of Opole (and the Opole region), with particular emphasis on the high technology sector. It aims to develop a knowledge-based economy, create effective links between science and business, and stimulate innovative entrepreneurship in an open environment of partner cooperation between science, business and local government.

2nd God Practice „Start – package on Youth business mind”

Partner: PP3 Zemgale Planning Region, Latvia

Promotor of a good practice is Dobele Adult Education and Business Support Centre. In “*Start package on Youth business mind*” students are actively involved in the entrepreneurial process. The aim is to:

- promote youth awareness of entrepreneurship
- involve them in entrepreneurship processes
- show backstage of the business (necessary education, difficulties, benefits, obstacles etc.).

3rd example of Good practice „Proactive Training”

Partner: PP6 – Puglia Region (Italy)

Promoter of the good practice is Startnet Italy from Puglia region in Italy. “Proactive Training” is a project promoting education for entrepreneurship, teamwork, and creativity among young people through a process of career guidance, self-awareness and personal skills recognition in schools. There are three main purposes of the project:







- support the development of a better career awareness in youth population during their educational path
- guide students during transition from education to work
- empower students to successfully enter the labour market, starting from middle school.

5. Activity/sub-activities to be implemented in the framework of Action Plan


Through this Action plan it is foreseen to be implemented one activity that is consisted of two sub-activities which are logically connected and complement one another.

Sub-Activity 1.1. Organization of workshops and trainings with an aim to increase entrepreneurial literacy of young people

The main idea of these trainings and workshops is that participants get acquainted with all phases of the business process from “Project idea to market”. Starting business manual can be made for that purpose. During these workshops there will be discussed issues like:

-  *How to start a business and become an entrepreneur*
-  *How to design a business project idea in team*
-  *How to develop a business plan and budget*
-  *How to develop a marketing strategy*
-  *How to find information about potential sources of funding and potential investors on domestic or foreign market*
-  *How to present successfully project or project idea to potential investor (“pitching”).*

These trainings and workshops can also include round tables with entrepreneurs where entrepreneurs could share their experiences in starting their first businesses. Successful entrepreneurs, respectable in their local communities or on national level can also be engaged as lecturers on workshops and trainings. This programme will finish with study visit to a successful company, scientific-research organisation or other institution involved in innovation, development of digital technologies or artificial intelligence. Attendance to this trainings and workshops is planned to be free of charge and will be



open to all high school and university students and start-up companies interested to participate.

Sub-Activity 1.2. Organization of conferences, round tables, innovation exhibitions, innovation competitions and other matchmaking events

Main purpose of these events is to connect young entrepreneurs/start-ups with potential investors and to present their projects. We are planning to invite high school and university students to attend these events in order to gain their first experiences of how entrepreneurship works in practice. These events will be an excellent opportunity for young people to learn in real life and business situations, and they can also be involved to work as volunteers on the organization of these events, depending on their interest.


Target group for Activity 1 and its sub-activities are young people, secondary school and university students, young entrepreneurs and start-ups. This Activity and its sub-activities will contribute to boosting entrepreneurial way of thinking in youth population and to encouragement of young people to use entrepreneurial learning as a key competence in practice. Through the implementation of these sub-activities we are planning to educate young people to be able to start their own business and/or to develop knowledge and skills that will make them desirable to future employers. To encourage young people to successfully engage in entrepreneurship it is necessary to boost development of whole character and whole spectre of characteristic, such as self-initiative, creative and innovative way of thinking, leadership skills, the ability to clearly articulate ideas, successful conflict resolution, to be ready to take responsibility, to be willing to take risk etc.

Through the media promotion of these sub-activities it is possible to raise awareness about the importance of entrepreneurship and entrepreneurial mindset for economic growth and development, to create a positive attitude towards entrepreneurship and to become familiar with basic market principles.

Players involved in development and implementation of the Activity 1 and their role

Activity 1 is planned to be implemented by **the European Centre for Innovation, Advanced Technologies and Skills Development (ECINTV).**

ECINTV is legal successor of SEECCEL (South East European Centre for Entrepreneurial Learning) and was foreseen in E-cool project application as one of the key stakeholders to be involved in the Project, regarding its relevance for policy instrument that should be improved – Operational Programme Competitiveness and Cohesion 2014-2020, Thematic objective 03. OPCC has been amended in July 2020 and this update included the change of the title and focus of the Centre. More focus is



on digitalisation, but entrepreneurial learning is still important segment of the Project and will be kept in the expanded Project concept.

Establishment of ECINTV has been explicitly recognized in the Croatian National Reform Programme 2020, Croatian Government Programme for the period 2020-2024 and this Project directly contributes to implementation of key national innovation related strategic documents, thus is crucial for promoting and supporting delivery of Digital Agenda for Europe and European Digital Strategy goals.

Activity 1 and both sub-activities are primarily focused on youth population but are entirely compatible with the activities of ECINTV and services that the Centre will provide to its future beneficiaries. Moreover, these sub-activities will be an added value for operational functioning of the Centre in the future, plus examples of good practice presented within the E-cool project were used as an inspiration during the development of the Centre and defining its future activities. It is possible that local partners and key stakeholders in Croatia become future partners of the ECINTV.

Ministry of Economy and Sustainable Development is responsible for establishment of ECINTV and defining its future activities. The scope of the project includes construction of the building and its equipping which are in final phase, as well as the establishment of institution including organisational and human capacities. Ministry of Economy and Sustainable Development is an owner of the infrastructure. Ministry will cede the building and equipment to the Centre and its organisational units.

ECINTV will operate as „one-stop-shop” institution on national level whose services will create preconditions for digital transformation of Croatian economy, lifelong learning for development of digital and entrepreneurially literate society, access to the latest knowledge and resources for testing and experimenting with digital innovation, innovation and entrepreneurial ecosystem stakeholders networking and in the particular of stakeholders focusing on digital technologies on national and European level.

ECINTV will enable innovative development in all economic sectors through quadruple helix model, will have positive impact on economic growth and development, enhance the comparative advantages of the national economy and bring benefit to whole society. The establishment of ECINTV will also contribute to implementation of Croatian Government policies to retain a highly skilled, highly educated and competitive workforce and to create a supportive environment for the development of entrepreneurship and start-ups. ECINTV will be a link between EU bodies, Croatian public authorities, digital transformation services providers and beneficiaries.



Timeframe

Implementation of the Activity 1 and both sub-activities will start as soon as ECINTV starts to operate and provide services to its beneficiaries. It is expected that the Centre will be entirely established and functional at the beginning of 2022 and till the end of the first half of 2022 at latest. Activity and its sub-activities (1.1. and 1.2.) are planned to be entirely implemented till the end of the II. phase of E-cool Project in May 2023.


Funding sources

Activity 1 is planned to be financed by European Centre for Innovation, Advanced Technologies and Skills Development (ECINTV) from Operational Programme Competitiveness and Cohesion 2014-2020 and from national budget. Ministry of Economy and Sustainable Development is responsible for establishment and further functioning of ECINTV that will be financed from OPCC 2014-2020 and national budget.

Connection of the Activity 1 with an examples of good practice presented during the E-cool learning phase

The source of inspiration for Sub-activity 1.1. is **3rd example of Good practice „Proactive Training”**, but only partially, more precisely part of the Project that refers to simulation of business in the classroom (*Simula – Impresa*). Students in classroom divide into small groups and go through different steps: they divide tasks, create a valid business idea, discover their own interests and talents and stimulate all the typical stages from creation of a business idea to marketing. Students simulate a small company and have to do the research, contact entrepreneurs, and create budget, plan for distribution and marketing tools. The main difference is that trainings and workshops in the Action Plan do not include second part of the Italian project “Proactive Training” (*Impresa in Classe*), focused on direct collaboration between secondary school students and business that involves managing a real venture by creating a product or a service together with business and where students have to deliver a “prototype” and implement advertising campaign to promote it. In the end participants participate in a competition where the best are awarded for their innovation.


Participants of trainings and workshops foreseen in this Action Plan will have lectures in classroom and will go through all stages from the development of a business project idea to the market but won't be expected to establish a company and produce a specific product that would be sold on the market. Our participants will gain practical experience through participation in the events organised in the framework of sub-activity 1.2. and they can also work as volunteers on the organization of these events, depending on their interest.



Sub-activity 1.2. is especially inspired by **1st Good practice: „Start-up Mixer”** from Poland whose promotor is Science&Technology park. Science and Technology Park in Opole created a special offer for spin-off, spin-out and start-up companies, which can start and run their business not only at their premises, but also with the use of their infrastructure. Science&Technology park established cooperation with strategic companies from Opole region and they jointly organize acceleration programs, addressed to everyone who has an idea for an innovative business, with particular emphasis on students, PhD students, start-ups as well as high school students from all over Poland. By organizing the “*Start-up Mixer Event*” four times a year, they help entrepreneurs who are beginners to raise capital and find potential investors interested in the solutions they propose, as well as create an opportunity to exist in the regional start-up ecosystem. “*Mixer Event*” is divided into two separate parts: the official part with presentations of Opole start-up companies and unofficial - based on networking, in which you can freely talk with all participants. According to the principle – “*learn from the best*” - for each “*Start-up Mixer Event*” an expert is invited – a well-known entrepreneur who shares his experience and advises start-up companies how to succeed in the regional market, how to develop innovative ideas, how to create well-known brand, talking not only about successes but also about failures.

European Centre for Innovation, Advanced Technologies and Skills Development (ECINTV) will operate in practice in a way similar to Science&Technology park. The Center will offer a possibility to companies, especially start-up to use infrastructure of the Centre and will establish cooperation with scientific-research and representatives of business community all over Croatia. Various “*match-making*” events will be organised by ECINTV: conferences, innovation exhibitions, innovation competitions, round tables with experienced entrepreneurs who will share their knowledge and experience. Especially, matchmaking events with an aim to link young entrepreneurs and start-ups with potential investors to raise capital and to offer them opportunity to present their projects or project ideas in front of interested investors (“*pitching*”). Main contribution of the learning phase of E-cool project is that we decided to include and invite young population (pupils and students) to these events and participation for them will be free of charge.

Activity 1 was also inspired by **2nd Good Practice „Start – package on Youth business mind” from Latvia**. Dobele Adult Education and Business Support Centre in collaboration with Dobele municipality is implementing a pilot project – out of school activity in which secondary schools students 16 to 19 years old from Dobele municipality actively participate. “*Start package*” is consisted of two activities: weekly meetings and excursions/meetings with entrepreneurs. During learning process, they work individually or in a group with teacher-mentor. They learn how to create their own business idea, how to develop it and make it real – “*from idea to touchable product*”.



In learning process, they use “*learning by doing*” method – they create their own student company, produce the product and after that they sell it. During excursions and meetings with the entrepreneurs, they meet experienced entrepreneurs. They can discuss about important and actual issues – for example how to start a business, how to collaborate with business partners and cooperate with employees, how to export products etc. These meetings give students inspiration, new look to things etc. As a reference point for them there is a regional exhibition – where they can present their products.

Monitoring

Project team project from Ministry of Economy and Sustainable Development working on E-cool will prepare and deliver Monitoring Report describing the progress in implementation of the Activity 1 and its sub-activities. This Monitoring report will be updated once a year. Members of E-cool project will be informed by members of project team working on the establishment European Centre for Innovation, Advanced Technologies and Skills Development (ECINTV) about the progress in the establishment and operational functioning of ECINTV.

In Zagreb, September 16 2021

Ministry of Economy and Sustainable Development
Directorate for Internationalization



Bojan Batinić
Director

