

How to boost Arts & ICT **ACTION PLAN SERIES**

Koprivnica | Croatia

RegionArts
Interreg Europe

ENTER
KOPRIVNICA



European Union
European Regional
Development Fund

GENERAL INFORMATION

ACTION PLAN

PARTNER ORGANISATION

ENTER KOPRIVNICA

OTHER PARTNER ORGANISATIONS INVOLVED

PORTO POLYTECHNIC INSTITUTE

ASTER STOCK JOINT CONSORTIUM

BALTAN LABORATORIES

BUSINESS AND CULTURAL DEVELOPMENT CENTRE

SERN (STARTUP EUROPE REGIONS NETWORK)

UNIVERSITY OF LAPLAND

MOLISE REGION

COUNTRY

CROATIA

NUTS2 REGION

NORTHERN CROATIA

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EXECUTIVE SUMMARY

Today's state of art is such that solo artists, first of all fine artists, cannot normally make money only from art (most of them), but have to decide to work in some of the industries where their pronunciation is not complete. Their presence is most noticeable in marketing departments, graphic department, PR, digital content creation and other places.

In addition, artists are in most cases subcontracted for the job they perform and their contribution is not recognize as important. Often this sector is misunderstood and is inclined to attack in the sense of criticism by politics, employers and peoples.

The ICT sector in Croatia in the last decade is the fastest growing sector and the export promoter that employs more than 28,000 people. The problem is there is not enough educated population that could work in this sector (leading mobile operators, software companies, digital marketing agencies, computer programming companies and others). Although the indicators and tendencies of good Croatian ICT industry are still lagging behind the EU average.

In the last decade there has been an increasing recognition of the importance of the artistic and creative processes as catalysers of innovation, especially in ICT that intersect in many fields with processes that artists use.

This document is Action Plan **"Boosting innovativeness in the City of Koprivnica"** created by ENTER Koprivnica. It includes two actions; one to stimulate cooperation between ART & ICT (through Creative and Digital information Hub) and show the possibilities of these cooperation and encourage inter-sectoral cooperation.

Through another action of this Action Plan ENTER will influence on local policy instrument - City of Koprivnica Development Strategy 2030. ENTER Koprivnica will implement and monitor the Action Plan in 2021-2023 through RegionArts project.

SUPPORT LETTER



Subject: Interreg Europe Project PGI05301: Endorsement Letter Action Plan

Dear Sir / Madam,

City of Koprivnica, as the Managing Authority of the City of Koprivnica Development Strategy until 2030 for the City of Koprivnica, expressed from the onset the necessary support to the City of Koprivnica to be an actively engaged in the Interreg Europe Project "RegionArts: Enhancing SME growth by the integration of Artists in ICT projects".

We had the opportunity to become a member of the Local Stakeholders Group, and subsequently participating in 3 meetings of the Local Stakeholders Group organized by the local partner and 2 interregional events (2nd, 3rd October 2018 Bologna, 18th-21st November 2018 Eindhoven) organized by the partnership.

Within this framework, it was possible to follow and enthusiastically participate in the development of the project and to be aware of the quality of the work developed. The action plan results and brings together the contributions of all the stakeholders involved and constitutes a working tool of great value for the development of this municipality and inherently the region in question.

With this mind, we endorse the action Plan submitted by the Enter Koprivnica in the framework of the Interreg Europe project RegionArts.

Sincerely yours,

KSENIJA OSTRIZ
Deputy Mayor of the City of Koprivnica



POLICY CONTEXT



Enter decided to influence on City of Koprivnica Development Strategy until 2030 which is aligned with National, Regional and County strategy and Competitiveness and Cohesion Operational Programme.

The Region Arts project focuses on the Interreg Europe thematic objective "Supporting the capacity of the SMEs to engage in growth in regional, national markets in innovation processes" which is directly relate to Investment priority 3d from the Croatian Operational programme competitiveness and cohesion 2014 - 2020: Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes. Targeted objectives under these priorities are 3d1: SMEs' development and growth improved in domestic and foreign markets and 3d2: SMEs' innovativeness enhanced. Some of the proposed actions under these objectives are complementary with Region Arts project activities: improvement of SME business development and technological readiness, improving the competitiveness and efficiency of enterprises through ICT; internationalisation of growing and innovative SMEs; supporting innovation in SMEs. Unfortunately, during the preparation of the Action Plan, it has been identified that Policy Instrument selected in Application Form will be difficult to influence. Reasons for that is the end of the programming period (where none of the relevant documents are produced and adopt) and COVID-19 pandemic (which caused that all funds are reallocated to mitigate COVID-19 consequences). Nevertheless, it is important to mention severe consequences of earthquake recovery which hit Croatia in 2020. Therefore, Enter decided to influence on City of Koprivnica Development Strategy until 2030 which is aligned with National, Regional and County strategy and Competitiveness and Cohesion Operational Programme.

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 addressed:

City of Koprivnica Development Strategy until 2030

PEER REVIEW SUMMARY OF REVIEWED MEASURE

Enter Koprivnica decided to influence on City of Koprivnica Development Strategy until 2030. City of Koprivnica Development Strategy is aligned with National Strategy even though this is not national policy instrument, influencing on it will have overall impact on national level.

When applying for the project, Croatia was divided into two regions - Adriatic and Continental. According to the national classification of spatial units for statistics HR NUTS 2021., from 1.1.2021. Croatia is divided into 4 regions NUTS 2. All regions except the City of Zagreb are below 60% of the EU-27 average GDP per capita. According to this document, City of Koprivnica, as a part of Koprivnica-Križevci County belongs to Northern Croatian region. The regions do not have any administrative functions, but they are divide by the National classification for statistics of spatial units, by their geographical coverage. Northern Croatia consist of 5 counties and has population of 842.773 people and the level of GDP per capita measured by the purchasing power standard (PPS) in relation to EU-27 average is 47.12%.¹

Overall, Croatian economy is orientated towards service-based model which accounts for around 70% of total gross domestic product. After a prolonged recession, the economy began to recover in 2015, driven by export growth, due to the better integration of companies in the European and global market after accession to the EU. The gradual increase in employment and wages encouraged the recovery of personal consumption, and an increase in private investment

was achieved followed by the simultaneous deleveraging of companies. Total expenditure on research and development in GDP over the past ten years has remained below 1% of GDP, and in 2019 exceeded this limit for the first time. Positive trends have unfortunately been interrupted by the outbreak of a crisis caused by a pandemic. The decline in business sector investment in research and development is particularly unfavourable for overall innovation, as companies' investment in R&D is most often associated with applied research and development of new products that are more likely to result in innovation. In addition, Zagreb was hit by the strongest earthquake in the last 140 years and led to large direct damage estimated at more than 86 billion kuna. At the end of the year, an even stronger earthquake hit the Banovina, leading to the loss of human lives and great material damage.²

When the COVID-19 pandemic reached Croatia, the economy was in a more resilient position than it had been at the onset of the 2008 global financial crisis. The pandemic caused the greatest global health threat since the First World War, the greatest economic decline since the Second World War and the greatest crisis in Croatia since the Homeland War. GDP growth turned negative

in the first quarter as both domestic and external demand contracted. It is expected to be even more negative in the second quarter. Overall, real GDP is expected to contract sharply in 2020 (close to 11%) and to partially recover in 2021, leaving output below its pre-crisis level. Domestic demand is expected to be the main driver of both the drop in GDP in the first half of 2020 and its recovery thereafter. Croatia's sizeable tourism sector, accounting for the majority of services exports, is expected to remain depressed throughout 2020 and to only gradually recover in 2021, owing to remaining disruptions in international travel. Overall, exports are expected to take longer to recover, also given the worsened global outlook and uncertainties surrounding global trade.³

Currently in Croatia, there is no structured and defined support in institutional framework regarding the integration of artist and artistic process in SME development and growth, let alone in ICT SMEs. There is no systematic support from institutional level to foster collaboration between artist and ICT SMEs. However, there are funding opportunities that entrepreneurs in cultural and creative industries can use and entrepreneurs in ICT, which came from Creative Europe fund, Ministry of Culture and Media, Ministry of Economy and Sustainable Development and HAMAG-BICRO. What is important to say there is not any call that is aimed at fostering collaboration of ART and ICT sector.

Referring to the all above stated, Enter Koprivnica decided to influence on **City of Koprivnica Development Strategy until 2030**. City of Koprivnica Development Strategy is aligned with National Strategy even though this is not national policy instrument, influencing on it will have overall impact on national level. By the National strategy, Croatia will focus its National and European sources of funding on fostering the competitiveness and innovation of the economy

and society, recovery and strengthening resilience to crises, green and digital transition and balanced regional development.

Enter has great opportunity for influencing on it because City of Koprivnica Development Strategy (for period 2021-2027) document is in development and Enter Koprivnica is member of working group. Aldijana Matić Horvat (CEO of Enter Koprivnica) and Sanja Premec Sušan (Associate expert for PR and communication) from Enter are members of working group that is working on new Strategy. Their role in the whole process is to propose and adopt activities, measures, goals as well as define target group to which the activities are direct. Working group includes entrepreneurs operating in the City of Koprivnica, City of Koprivnica authorities, local

public institutions and schools. The first meeting of the member group was held in April 2021, and the guidelines on which the development of the strategy will be based were adopted.

According to the currently valid City of Koprivnica Development Strategy, Enter Koprivnica is a company that is in charge of implementing the activities from this Strategy intended for the development of entrepreneurship. It is expected that the same responsibilities will remain in the period 2020 – 2030.

Due to the COVID-19 pandemic situation, due to the fact that the Operational program has not been developed and adopted

(and even if it was Enter as Business Support Organization cannot have significant impact on it) Enter decided to act locally. By influencing on the Koprivnica Development Strategy Enter will influence on National strategy.

Below are the calls through which certain activities of ART and ICT companies can be funded, as well as the activities of BSO that could finance activities aimed at entrepreneurs to help them grow and develop.



Currently in Croatia, there is no structured and defined support in institutional framework regarding the integration of artist and artistic process in SME development”.

Creative Europe fund 2014-2020 gives significant contribution to the financial, cultural and creative industries. For that period is provided 1.46 billion euros, which is the largest support for cultural and creative industries in the world through 2 sub programs: Culture sub-program and media sub-program. Croatia have at disposal 10,7 billion euros, but still lags behind in terms of accepted project proposals that could be funded by the EU. While comparing the total amount with allocated but unpaid funds, Croatia is in 25th place with an average utilization of 9.1% while 19.4% is the average of the EU.

EMAP- European Media Art Platform - The basic purpose of the programme is to enable European artists to collaborate on diverse projects and consequently to create closer bonds between European new media organizations. The aim is to offer artists facilities and conditions for developing interdisciplinary artworks and fostering greater efficiency when dealing with the international media market and the art world. Budget for the project 1.800.000,00 EUR.

Since the pandemic start, Ministry of culture and media in collaboration with HAMAG-BICRO and Ministry of finance started a **Loan guarantee program for entrepreneurs active in the CCI industries**. The program envisages app 40.000.000 EUR loan with a guarantee for 100% of the loan principal, which means a maximum of € 800,000 per beneficiary. The warranty can last for a minimum of 1 year and a maximum of 5 years within which it is possible to grant up to 1 year of grace. The term of the loan is 6 months. The interest rate is define by the commercial bank, but it must not exceed 2%. Loans are intend exclusively for financing working capital.

Ministry of Culture and Media announced **Public call for encouraging entrepreneurship in cultural and creative industries for 2020, for production distribution, availability and access to cultural and artistic contents in the new circumstances of COVID-19**. The aim of the Public Call is to encourage activities aimed at adapting business models for the production and distribution of cultural and artistic content in order to facilitate the availability of COVID-19 in the new circumstances and provide access to a wider range

of users and audiences. Grants are granted up to 85% of the eligible costs of the proposed project. The lowest individual support will amount to app 4.000,00 EUR, and the highest to app 46.600,00 EUR.

Providing high-quality services to SMEs through Business Support Institutions (BSOs). The purpose of this Call is to provide effective assistance with the aim of strengthening the position of SMEs in the market in order to reduce the asymmetry of information among SMEs, and to facilitate access to business knowledge and skills, partners and information key to growth and business development and to improve economic success, and the survival rate of SMEs. Total amount of available resources for this call is app 3 mil €, SMEs can apply with the projects of total minimum value of app 13.000 € and maximum value of 80.000 €. Co-financing rate is 15%.

The Ministry of Culture and Media has published an Open (permanent) call for project proposals (grants) entitled **Art and Culture Online**. The mentioned Open Call "Art and Culture Online" aims at increasing the social inclusion of people over the age of 54 and under the age of 25 by participating in artistic and cultural activities online. This call will finance activities for the preparation and implementation of participatory cultural and artistic activities via the Internet aimed at social inclusion of members of target groups. Applicants can be civil society organizations (associations working in the field of culture and arts, art organizations). The share of funding for each project is 100% of eligible costs, of which 85% is provide from the European Social Fund, while the mandatory share of national co-financing 15% to be provided by the Ministry of Culture and Media from the State Budget of the Republic of Croatia. The minimum amount of requested grant may be app 13.300,00 EUR, while the maximum amount may be app 66.600,00 EUR.

Services for SMEs through BSO was open call for project proposals (grants) that was publish by the Ministry of the Economy and Sustainable Development. The purpose of the Call is to provide support for the establishment of new companies, facilitate the operation of active companies and strengthen institutions that support entrepreneurs in order to contribute to creating a more favourable environment for growth and

development of entrepreneurship in the Republic of Croatia. The awarded grants will co-finance project activities informing SMEs in the field of BSO activities, upgrading existing BSO websites and connecting entities in the field of BSO activities. Total amount of available resources for this call is app 3.037,00 EUR, The lowest amount of support that can be award to an individual project is app 13.318,00 EUR, and the highest is app 80.000,00 EUR. Co-financing rate is 75% of eligible costs. In 2019. inspired by the project Region Arts and various examples of good practice seen through implementation of the project, Enter applied for call for proposal "Services for SMEs through BSO". This application was developed and submitted and it is in implementation phase since March 2020. The application lists various workshops and informing important for the CCI and entrepreneurs generally. Some of them were conference on presenting new business models and digitization of business, conference on use of digital programs, informing about funding opportunities etc. Web tool is also create on the Enter's website (where entrepreneurs can check the profitability of their business ideas and possibility of internationalization of business). Enter received grant of HRK 600.000,00, approximately € 80.00,00.

Ministry of Economy and Sustainable Development has published an Open call for project proposals (grants) **„Inovation in S3 areas“**. This Call encourages SMEs to commercialize product / service innovation exclusively in accordance with the identified priority thematic areas and crosscutting themes of the Smart Specialization Strategy (S3). The award of grants will support innovative SMEs that are focused on the production and marketing of innovative products / services, which will contribute to increasing exports and thus the competitiveness of the Croatian economy in the global markets. Total amount of available resources is app 85.000.000,00 EUR. The minimum amount of funding is app 99.885,00 EUR and maximum of non-refundable funding is app 2.663.605,65 EUR per SME.

Ministry of Economy and Sustainable Development has published an Open call for project proposals (grants) **“Innovations of newly established SMEs - Phase II”**. The call was aimed at newly established micro, small and medium enterprises with the aim of encouraging them to successfully

launch products and services with growth and export potential that are new to the market, with emphasis on radical innovation and significant improvement in commercialization of products and services. This Call will encourage the innovation of newly established SMEs to introduce innovations that result in a product / service that is new to the market. Total amount of available resources is app 20.000.000,00 EUR. The minimum amount of funding is app 20.000,00 EUR and maximum of non-refundable funding is app 186.452,00 EUR per SME.

Ministry of Economy and Sustainable Development has published an Open call for project proposals (grants) **“Improving the competitiveness and efficiency of SMEs through information and communication technologies (ICT)”**. This Call will contribute to resolving the identified weaknesses in SMEs, related to the insufficient application of information and communication technologies in business processes in order to increase their competitiveness. The award of small value grants encourages SMEs to apply information and communication technology to optimize business processes, integrate business functions, effectively organize workflows, improve interaction with customers and suppliers, and improve the market position of companies. Total amount of available resources is app 7.085.191,00 EUR. The minimum amount of funding is app 10.650,00 EUR and maximum of non-refundable funding is app 133.180,00 EUR per SME.

Ministry of Economy and Sustainable Development has published an Open call for project proposals (grants) **“Commercialization of innovation in entrepreneurship”**. The aim of the public call is to support projects aimed at new products and services with higher and high added value that have a positive effect on business results and growth of companies and with market potential at the international level. Total amount of available resources is app 15.200.000 EUR. The minimum amount of funding is app 101.217,00 EUR and maximum of nonrefundable funding is app 1.012.170,00 EUR per SME.

Ministry of Economy and Sustainable Development has published an Open call for project proposals (grants) **“www Vouchers for SMEs”**. By awarding vouchers through this Call for Proposals, SMEs

are encouraged to apply and improve network solutions in presenting and selling their products and services. This call will contribute to resolving the identified weaknesses of SMEs related to the insufficient and inadequate implementation of e-commerce and m-commerce network solutions in order to better market their position. Total amount of available resources is app 4.053.333,00 EUR. The minimum amount of funding is app 1.998,00 EUR and maximum of non-refundable funding is app 13.318,00 EUR per SME.

Few bodies at national level have influence on policy.

The Ministry of Economy and Sustainable Development is the main body responsible on national level, which means for both Croatian regions: Continental and Adriatic. This is the authority body for the implementation of the OP Competitiveness and Cohesion, specific priority 3 "Business Competitiveness" and announces calls for proposal, which are fund by European regional development fund.

HAMAG-BICRO is the Croatian Agency for SMEs, Innovation and Investments established by the Government of the Republic of Croatia with the purpose of enhancing SME development and promoting investment and innovation. The agency is an independent institution under the supervision of the Ministry of Economy and Sustainable Development.

Besides mentioned ones, there are other institutions involved as coordinators for the measure on local level. These are **development agencies, incubators and other support institutions that operate on county or municipality level**. Those organisations act as promoters of some measures and they find SMEs, which apply for the measure. In their interest is attract SMEs for the measure, because it affects development of their local area (county, city) in which they operate. One of the main factors of the measures' success is willingness of SMEs to participate in the measure. In case of ENTER Koprivnica Ltd., City of Koprivnica (which founded ENTER Koprivnica Ltd.) is co-financing employees' wages and in return, the City expect growth in SME development.

Although they do not have a direct influence on the policy instrument, there are few associations in Croatia that deal with inter-sectoral activities.

KONTEJNER | bureau of contemporary art praxis is engaged in curatorial work, organization of art festivals and other public events, and in education and social theory. Main field of interest is progressive contemporary art which investigates the role and meaning of science, technology and the body in our society.

Radiona.org - Zagreb Makerspace is association for Development of 'do-it-yourself' Culture - Makerspace for the purpose of strengthening the visibility of open source culture and self-sustainable production, as well as with the aim of connecting the fields of art, science and technology, more precisely STEAM areas (Science / Technology / Engineering / Art / Mathematics). The goal of the association is to create new realities of networked and collaborative intermedia and new media practices in accordance with DIY (do-it-yourself) and DIWO (do-it-with-others) cultures.

Croatian Cluster of Competitiveness of Cultural and Creative Industries was the first to map cultural and creative industries and emphasize their importance for the national economy. Founded on the initiative of the Ministry of Economy and Sustainable Development to protect cultural and creative potentials as important resources of our country. The cluster intertwines the economy, public administration and the scientific research sector and is divide into 12 sectors by activity.

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INTRODUCTION TO ACTIONS

Our purpose through this process is building capacities of SMEs, trying to influence on policy makers (there is greater possibility to influence on them on local level) and to be intermediary among policy makers and SMEs that came from these two sectors.

By participating in exchange of experience activities ENTER got opportunity to learn about other partners good practices and to get insight how other countries deals with the topic.

While implementing project there were several challenges that came up:

- 1) People are not aware of benefits that could come up from these kind of collaborations
- 2) Policy making is centralized on national level, without any possibility of direct influence on changing it
- 3) There are no funding opportunities for supporting ART & ICT collaborations

Other two challenges came up while developing Action plan:

- 1) End of the Programming period
- 2) Coronavirus pandemic

Our purpose through this process is building capacities of SMEs, trying to influence on policy makers (there is greater possibility to influence on them on local level) and to be intermediary among policy makers and SMEs that came from these two sectors.

Through process of exchanges of experience, ENTER and other partners got opportunity to learn from good practices of other regions. Partners in the project and regional stakeholders were involved during that process, participating in workshops, learning, networking, exchanging know how and getting familiar with the different working models across the Europe. ENTER Koprivnica recognized Region Arts project as opportunity for learning from other partners who shared their experience and together with them face the challenges while implementing project. Other thing that was learned through whole process is about benefits of these cross-sectoral collaborations.

At the national level, several projects and examples support inter-sectoral activities of ICT and artists. It is important to point out that examples of co-operation are not encouraged and recognized by government bodies but by universities, associations and private companies and artists. The results of the co-operation are a joint elective course attended by students of the areas of art, science and technology at several faculties, workshops, projects and events.

In the European Union, there is a recognized need for cooperation between two seemingly incompatible sectors with the aim of creating innovation. There are also initiatives in other countries that encourage cooperation, but Croatia is unfortunately not among them. Despite the above, in the EU this is a new area and it is still working on it.

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PICTURE 1. SWOT DIAGRAM

Swot diagram shows insight into the current situation in Croatia. It shows:

- What is developed cultural scene, ICT sector
- Where do we need improvement (funding measures that would finance cross-sectoral collaborations, create awareness to reduce prejudice of one sector to another, organize events where two sectors will meet and connect),
- Where are opportunities (interdisciplinary cooperation, participation in educational programs)
- What are threats (collaboration will not result in innovative products or services, authorities will not recognize such initiatives as worthy of funding).

By participating in exchange of experience activities ENTER got opportunity to learn about other partners good practices and to get insight how other countries deals with the topic. Particularly interesting to ENTER are those ones from the Italian partners (ART_ER) Digital Innovation Hub, Incredibol and Finland partners (University

of Lapland) GET 10. Since ENTER is managing Incubator of Creative industries in Koprivnica (and these GPs connect technology, education, building capacities, and interdisciplinary collaboration), it was interesting to learn how they combine all these elements through their activities.

While in that process, ENTER came up with some solutions:

- 1) Stimulating cooperation between ART & ICT through workshops with results of incremental, gradual, continuous improvements on existing services / products (Creative and Digital Information Hub)
- 2) Introducing stakeholders with the partners GPs with the aim of recognizing funding opportunities through calls (Grant for stimulating interdisciplinary cooperation between the ART and ICT sectors)



ACTION

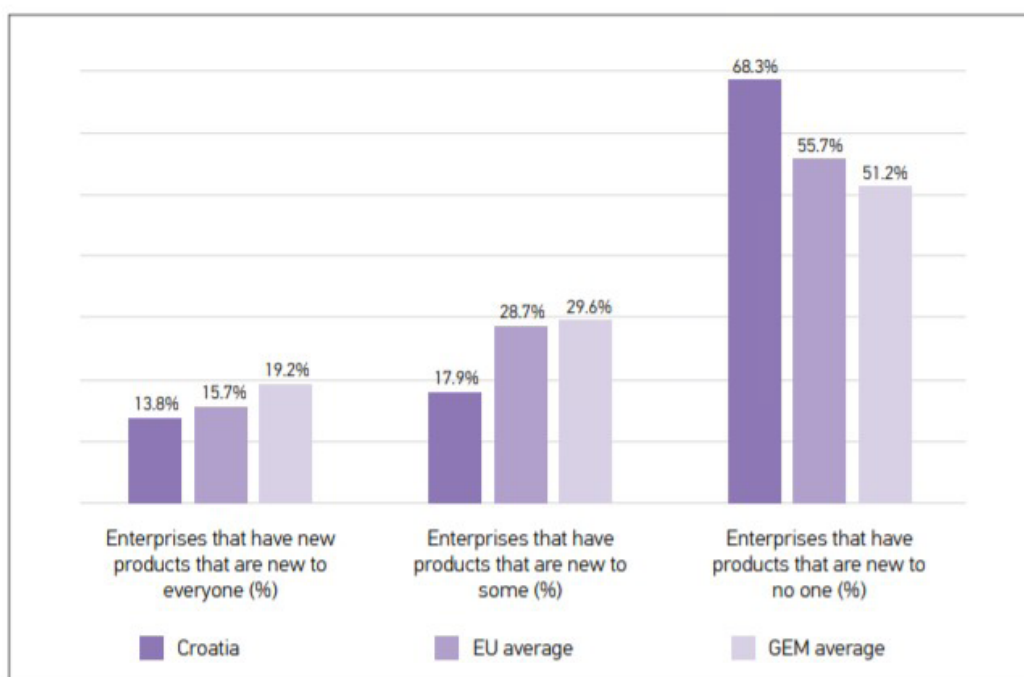
**Creative and
Digital Information Hub**

Action 1 “Creative and Digital Information Hub” will have focus at stimulating cooperation between ART & ICT through workshops with results of incremental, gradual, continuous improvements on existing services / products through different activities that will complement this action.

Later on background of the action, activities under the action, involved players, timeframe, risks and outlook of the action will be described.

Below are present Growing enterprises in Croatia according to the new product development criterion in 2018 and findings regards that.

GRAPH 1. GROWING ENTERPRISES IN CROATIA ACCORDING TO THE NEW PRODUCT DEVELOPMENT CRITERION IN 2018



Source: “GEM Croatia”, CEPOR - SMEs and Entrepreneurship Policy Center, 2019

TABLE 1. INNOVATIVE CAPACITY OF ENTERPRISES IN CROATIA ACCORDING TO THE NEW PRODUCT DEVELOPMENT CRITERION FROM 2014 TO 2018

Criterion for categorisation of growing enterprises*	2014	2015	2016	2017	2018
Enterprises that have new products that are new to everyone (%)	8.2	8.8	10.9	14.2	13.8
Enterprises that have products that are new to some (%)	19.1	19.4	17.2	14.1	17.9
Enterprises that have products that are new to no one (%)	72.7	71.8	71.9	71.7	68.3

*Data refer to “established” businesses
Source: “GEM Croatia”, CEPOR - SMEs and Entrepreneurship Policy Center, 2019

Data in Table above shows a positive trend: a slight decrease in the number of enterprises with products that are new to no one, increase in the number of enterprises with products that are new to some. When this is compared to the average of the EU countries that were included in GEM research (55.7%) and the average of all countries included in the GEM research (51,2%) it is visible that Croatia with 68,3% has significantly more enterprises with the product that are new to no one (Graph 1).⁴

THE BACKGROUND

Digital Innovation Hub is a new dynamic model for companies. It fosters innovation and economic development because of involvement of whole ecosystem (universities, municipalities, industry, BSOs, SMEs).

While implementing project activities ENTER got opportunity to get familiar with situation in Croatia regards multidisciplinary collaborations between different sectors such as ART and ICT, and see the condition in other EU countries. Through exchanges of experience, ENTER was introduced with good practices from other regions, and the one from **ART_ER “Digital Innovation Hub”** was interesting to Enter because it is about digitization and supporting SMEs in transitioning towards a new production model: Industry 4.0. After introduction with this GP in Thessaloniki, ENTER decided to research the topic further and was talking with the Marcella Contini who is Head of Industria Policies DPT, CAN Emilia Romagna. Presented activities were recognized as the ones that would fit in ecosystem in Croatia, particularly in ecosystem where ENTER operates.

Digital Innovation Hub is a new dynamic model for companies. It fosters innovation and economic development because of involvement of whole ecosystem (universities, municipalities, industry, BSOs, SMEs). This is one-stop-shop for everyone who wants to grow, internationalize, be competitive and be innovative. It is a place where multidisciplinary collaborations are recognize as drivers of innovation.

Another interesting GP was represent by the partner **University of Lapland “GET 10”**. Lapland University of Applied Science is organization in charge of this project. Practice was based on workshop-like training events on need around themes of management, work culture, communication, space solutions, utilizing new technologies and organizational restructuring. This is an effective way to bring together ICT, ART, design and other creative industries and to show them advantages of multidisciplinary collaborations. Given that digitization is necessary if the business wants to be competitive this networking and workshop with digital focus is nice example how to do it.

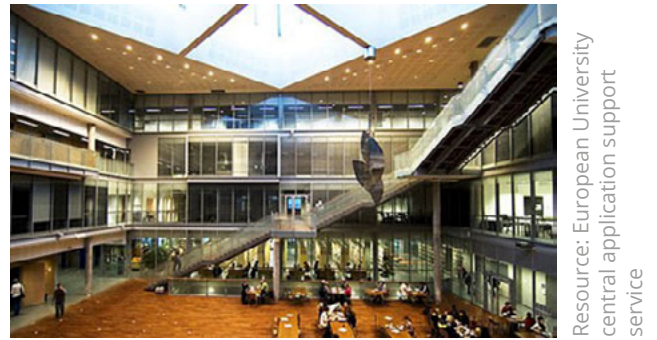
Creative and Digital Information Hub unites both of these good practices. It is a place where information related to digitalization can be obtained, place that enables connecting with experts and decision makers, and it is also a place where ICT and ART sectors learn and work on establishing cross-sectoral cooperation. All that, with the aim of achieving competitiveness, introducing innovation, growth and development of the company's business. Through activities of the Hub, Enter will have chance to see changes in CCI sector at local level, will gain a better insight into the needs of the IT and ART sectors, will be able to respond to their problems more easily and quickly and will be able to transfer their needs to the institutions responsible for directing funds.

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PICTURE 2. CNA DIH



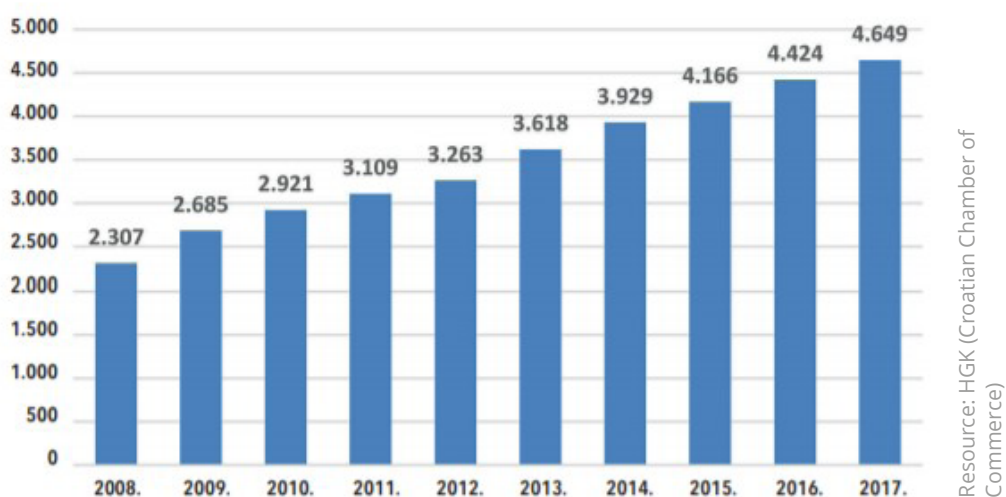
PICTURE 2. LAPLAND UNIVERSITY OF APPLIED SCIENCE



Entrepreneurs are used to working independently, not engaging in collaborations especially outside the activities of their own sector. It is especially difficult to achieve cooperation in the two observed sectors of ICT and Art. One of the reasons this is so, is because they do not have enough knowledge about the benefits that come from such collaborations. They are also unaware of the possible innovations that could result from engaging in such collaborations. There is no funding for these collaborations. Building capacity workshops are one way how the prejudices of one sector towards another can be removed, also learning about the potential of these collaborations and the possibilities of innovating one's own business and gaining competitiveness in the market.

Compared to 2008, the number of ICT companies in Croatia today has almost doubled (6,136), the number of employees has increased by 45% (from 26,970 to 39,062). Exports have increased by 90% (from 4.4 to 8.3 billion), revenues increased by slightly less than 30% (from 29.86 to 38.33 billion), and value added was created by almost 50% (from 7.6 to 11.3 billion). In some segments of the ICT industry, such as programming or data processing, where Croatian companies have achieved great global success in recent years, exports have grown almost 7 times since 2008, the number of companies more than 100 times, and the number of employees has tripled.⁵

GRAPH 2. NUMBER OF ICT COMPANIES IN CROATIA, 2008 – 2017.



ACTION

This action strives to provide entrepreneurs with as much information as possible in one place to make their business easier, so establishing Hub as a place where they can get all the information is more than essential.

Action 1 **“Creative and Digital Information Hub”** will have focus at stimulating cooperation between ART & ICT through workshops, education and dissemination / raising awareness activities. Hub will be “one-stop-shop” where SMEs and start-ups can get access to equipment, experts and knowledge.

Through this action goal is to create systematic ecosystem by involving relevant support organizations for Building capacities for introducing innovation in company comprises several steps:

- 1) Detecting SMEs who have capacities (financial, operational...) for introducing innovation in their company
- 2) Creating online and offline materials for building capacities of those detected SMEs
- 3) Creative workshops organized for the purpose of building innovation capacity of detected SMEs

TARGET GROUP:

- a) SMEs from ART & ICT sector with the capacity for introducing innovation in their company
- b) BSO staff (BOND members)

OUTPUT EXPECTED:

- 20 beneficiary SMEs using hub services
- Number of workshops - 3

AREA OF IMPLEMENTING ACTION:

This action will be implement at the local area – City of Koprivnica.

EXPLANATION OF THE ACTION:

One of the problems described before is that Croatian companies are not aware of benefits that could come up from collaborations among different sectors. Mainly, they have products or services that are new to no one. Because of that, idea is to detect SMEs who have capacities like financial, operational and desire to be involved in innovation process.

SMEs will be divided according to the activities of the ICT and ART areas, ENTER will contact and examine their possibilities for involvement in capacity building activities. Simultaneously, online and offline materials for building capacities will be developed. After that, creative workshops will be organized for building innovation capacities of detected SMEs.

Inspired by the exchange of experiences and examples of good practice under the project RegionArts, the activities of the action will be also carried out through the **Creative and Digital Information Hub**. Creative and Digital Information Hub will be develop for introducing digitization into SMEs business.

Digitalization, cross sectoral cooperation and innovative approach to business poses difficulties for local firms due to limited financial resources, lack of managerial skills, employee qualification, general knowledge and time. Especially in this COVID-19 pandemic times is crucial that SMEs digitize their business as much as possible.

This action strives to provide entrepreneurs with as much information as possible in one place to make their business easier, so establishing Hub as a place where they can get all the information is more than essential.

Since Enter is managing Incubator of Creative services in the City of Koprivnica Hub will be additional service. Hub will be developed by Enter's team who will closely work with local authorities, SMEs, different stakeholders. The Hub will not be formally established or have a legal form, but is an additional service, which means that through this service all users will be provided in one place with a database of experts who can help them digitize business, timely information on funding opportunities, B2B meetings, conferences, education and workshops led by experts.

Main steps necessary to carry out the action are:

- 1) SMEs will be invited to state whether they have the needs, desires and capacities to participate in activities of introducing innovation into their business
- 2) Best practices will be observed to see on different examples how hubs function, then hub will be established and while contacting SME its activities and purpose will be present to SMEs.
- 3) Enter team will explore how to achieve innovativeness in business and after that online and offline materials will be created for building capacities of those detected SMEs
- 4) Creative workshops organized for building innovation capacity of the detected SMEs. Online materials will be shared through BOND - Network of BSO at National level

Through all this process, Enter will be in touch with local authorities and will share with them all necessary information.



Inspired by the exchange of experiences and examples of good practice under the project RegionArts, the activities of the action will be also carried out through the Creative and Digital Information Hub”.

Enter Koprivnica is a part of the working group for the Development of the new City strategy until 2030 and constantly discussing about measures that are very important to be a part of it. One of the goal is to continue to encourage innovative entrepreneurship, work on promoting entrepreneurship, stimulate cooperation between different sectors etc.

Enter Koprivnica, under the working group presented good practices presented under exchange of experience that are a part of the RegionArts project. This good practices (ART_ER “Digital Innovation Hub” from Emilia Romagna and University of Lapland “GET 10) was

inspiration to create an Action 1 that can reinforce the strategy and the design of it.

In the current City strategy there is a goal called „Create a stimulating business environment for the economic success of SMEs“. Under this goal there are mentioned several measures and some of them strongly encourage business environment and stimulate interest for innovative entrepreneurship through establishment of business support centres, establishment of an entrepreneurial service centres, implementing trainings, conferences, and providing mentoring support.

Further, under the official 2030 National Development Strategy there is mentioned strategic goal 1. Competitive and innovative economy under which is stated that in order to increase competitiveness economy, measures will be taken and policies will be implemented that will increase innovation through stronger creation and transfer of knowledge, interaction between scientific research, creative and manufacturing sector. This includes the establishment of digital innovation centres, centres of competence and technology transfer centres.

Because local strategies need to be in line with the national, our thoughts were that establishment of Digital and creative information HUB can have a concrete impact on the City of Koprivnica Development Strategy until 2030 in a way that it will represent a place where innovative SMEs can become more competitive using the services of it, especially mentoring support and trainings.

The main prerequisite for Creative and Digital Information Hub establishing is to achieve competitiveness of the SMEs through collaboration with different stakeholders such as industry, universities, research and technology organizations, chamber of commerce, cluster organizations, development agencies, regional governments... One of the targets of Creative and Digital Information Hub is providing information to SMEs on trends in industry 4.0 and digitization processes as well as transmitting their needs to the ecosystem. As BSO ENTER will use gathered ecosystem members (SMEs, city authorities...) under Creative and Digital Information Hub, shared with them created material and conduct building innovation capacity workshops.

Created online and offline materials will be available to the beneficiary SMEs at the local area. It is important to say that online materials will be also distributed through **BOND - national network of BSOs**, in that way materials will be available to the interested SMEs in whole Croatia. Here is an explanation. In Croatia every BSO (Incubator, Technology Park, Development agency...) is in charge in their own territory, so for the example; if Enter wants to spread its activities on the area beyond its scope to increase reach, smart way to do that is by connecting with BSO that operates on that area. Another reason why reaching SMEs is complicated is that many of SMEs does not have accessible public contacts. In some cases they are registered (by national activity classification) for several activities and they do not perform every of them. For example, even if they are registered for the ICT, they are doing something else. That is why will be necessary to connect with other BSOs because they can detect what are real activities SMEs perform.

Through the RegionArts project there will be detected at least local 20 SMEs and at least 3 innovative trainings will be conducted with the aim of increasing innovation, supporting multispectral cooperation and creative entrepreneurship. That kind of HUB doesn't exist in the region, and based on the current local and adopted national strategy, this kind of services are needed and can have a direct impact on innovative entrepreneurship.

Result of the action will be:

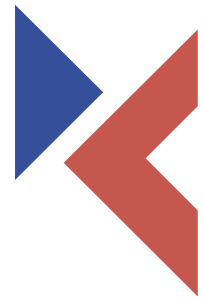
1. Established a Digital and creative information HUB, a place where detected entrepreneurs can find useful information about new trends in business, innovation, cooperation with other sectors, online materials, mentoring services etc.
2. Created materials that will be conducted under Digital and creative information HUB
3. Conducted creative workshops (at least 3) specially designed for creative SMEs, who have capacity and willingness to cooperate with different sectors in order to become more innovative and competitive.
4. Influencing on a creation and a design of a measure under the policy instrument (through the working groups where ENTER is a part of) that will be more aligned with the innovation ecosystem, supporting multidisciplinary approach, reinforcing SMEs to be more innovative and to get familiar with the innovation process.

This Digital and creative information HUB will be managed by the staff under the Incubator of creative industries (ENTER) who will continuously work on it in order to ensure sustainably.

This action will serve as a tool for stimulating cooperation between ART & ICT through building innovation capacities workshops with result of incremental: gradual, continuous improvements on existing services / products.

It is expected that in this way the SMEs will realize the importance of interdisciplinary cooperation and through them create innovative products and services. The results of this action will be monitored during whole process of implementing, will be disseminated to the local authorities and will serve to them as roadmap of what SMEs and start-ups need to be innovative.

PLAYERS INVOLVED



Organizations involved in the development and implementation of the action plan are:

a) ENTER Koprivnica Ltd. – detect SMEs, develops online and offline materials, contacts with the SMEs and other BSO, coordinate and organize building innovation capacity workshops

b) BSO from BOND network - will receive materials for distributing to SMEs on their area

After creating online and offline materials Enter Koprivnica will actively participate in coordinating and leading innovation capacity workshops. Enter will also distribute those materials through national network of BSOs, in that way SMEs on national level will have chance to be introduced with such approach to business.

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TIMEFRAME, COSTS and FUNDING SOURCES

01/09/2021 – 1/11/2021 - Detect SMEs who have capacities (financial, operational...) for introducing innovation in their company – this will be done at the local level, SMEs will be contact and invited to state whether they have the needs, desires and capacities to participate in activities of introducing innovation into their business. At the same time, hub will be establish and while contacting SME its activities and purpose will be present to SMEs. The activity includes also announcements through social media, newsletter and website.

01/10/2021 – 31/01/2022 - Online and offline materials will be created for building capacities of those detected SMEs

1/2/2022 – 1/3/2023 - Have creative workshops organized (onsite or online) for building innovation capacity of the detected SMEs. Online materials will be shared through BOND - Network of BSO at National level. This activity also includes announcements on social media and website. This activity is planned for a longer period of time due to the larger number of SMEs planned to be involved in the work. This may create challenges in finding suitable timeframes, therefore sufficient time is planned.

1/3/2023 – 1/6/2023 – Results of the action will be monitored and disseminated with the authorities at local level

COSTS

For creating materials and organizing / holding workshops – 20 000 HRK estimated

For detecting SMEs – 0 HRK since contacting SMEs will be done with the involvement of the internal resources

For announcements through social media – 0 HRK since it will be done through Enter's website, Facebook, Linked-in, Instagram

For sharing materials through BOND – Network of BSO – 0 HRK since this activity will be done with the involvement of the internal resources

For monitoring and disseminating results – 0 HRK since this activity will be done with the involvement of the internal resources

FUNDING SOURCES

Creating online and offline materials will be funded from Enter Koprivnica budget and resources.

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RISK ANALYSIS



Several risks could put in danger implementation of this action:

I. The **first** risk is that the detected SMEs will not want to be involved in building innovative capacities and introducing innovations into its enterprises. This risk will be eliminated by sharing information about benefits cross-sectoral cooperation through ENTER and City of Koprivnica website, posts on the social networks.

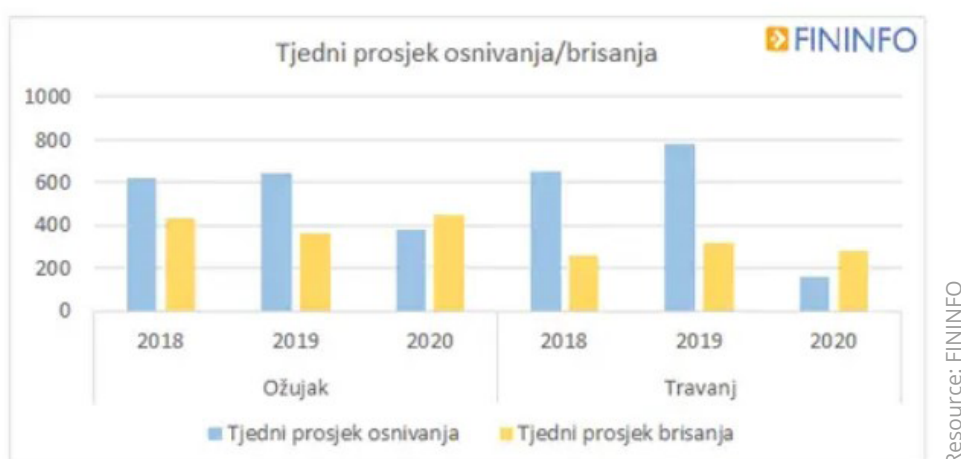
II. The **second** risk refers to the fact that the created materials will not meet the needs of detected SMEs. The second risk will be eliminated by researching the detected companies and the materials will be created in accordance with market conditions, business trends and ideas for improving business processes.

III. **Third** risk is a state of the economy caused by the corona virus and companies may not have capacities and wishes for these kind of investments. Mitigation of the consequences of this risk is the most difficult to influence, and its impact is the largest and can affect the previous two risks. SMEs are already affected by pandemic, and not recovered from the first wave in the first half of 2020, and what is worst is that the future is uncertain.

Even the Commission Summer 2020 Economic Forecast says that the coronavirus pandemic will have a more significant impact on the economic activity in 2020, as the lifting of lockdown measures is proceeding at a slower pace than predicted.⁶ The pandemic affects the business of SMEs in such a way that they give up investments and invest only in what is necessary for the functioning of the business. Worst scenario is that SMEs stop working and close their businesses.

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PICTURE 4. WEEKLY AVERAGE OF ESTABLISHMENT / DELETION SMES BY FININFO



The figures indicate a reversal in the relationship between established and deleted entities. In 2018 and 2019, in the observed period, the average number of establishments was higher than the number of deletions. In 2020, in the same period (March, April), the situation was reversed, i.e. there was a negative increase in entities, which means that the “birth rate” of business entities for the first time in the observed period is lower than the “mortality rate”.

OUTLOOK

By implementing this action Enter Koprivnica will influence one of the main challenges detected which is that people are not aware of benefits that could come up from these kind of collaboration.

By detecting SMEs with the capacity for introducing innovation in their company, Enter will organize creative workshops through which will build innovation capacity of detected SMEs. This will be done by gradual, continuous improvements on existing services / products since this are challenging times where would be unrealistic to expect completely new service or product.

Although this action will be implemented at the local area, BSOs on country level will receive materials for implementing this on country level. Results of this action will also be present to the authorities on local level, which could give local authorities some directions in which way they should encourage innovativeness and inter-sectoral cooperation in SMEs that work on local area.

Created material will serve to other SMEs outside the local area (which will be distributed to them by BSO operating on their territory) and help them to find path to embrace innovativeness as part of everyday thinking.

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The background features a dynamic composition of overlapping geometric shapes in red, white, and blue. A large, thick blue diagonal band runs from the bottom left towards the top right. To its left, a red shape contains a white triangle pointing right. To its right, a white shape contains a red semi-circle. The overall effect is modern and energetic.

ACTION

**Grant for stimulating
interdisciplinary cooperation
between the ART and
ICT sectors**

This will be new City measure that will contribute to the strengthening of small and medium companies in City of Koprivnica.

Action 2 is “Grant for stimulating interdisciplinary cooperation between the ART and ICT sectors”.

Later on background of the action, activities under the action, involved players, timeframe, risks and outlook of the action will be discuss.

This action refers to addressing authorities of City of Koprivnica to include new measure named “Grant for stimulating interdisciplinary cooperation between the ART and ICT sectors” in the Program of measures for encouraging the development of entrepreneurship in the City of Koprivnica. This will be new City measure that will contribute to the strengthening of small and medium companies in City of Koprivnica. It will contribute to the development of the entrepreneurship at the local level while influencing the development of entrepreneurship at national level since Program of measures comes from City of Koprivnica Development Strategy which is aligned with National Strategy.

Enter will also influence on the City of Koprivnica authorities to put this measure in the new City Development Strategy for the next programming period.

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THE BACKGROUND

It will help cultural and creative start-ups and professionals in connecting and developing their business ideas through local support that could affect national level too.

Good practice presented by ART_ER “Incredibol! – Bologna’s Creative Innovation” inspired this action. Incredibol! is project which lasts from 2010. that fosters the development of CCI organizations in Emilia-Romagna through tailor-made initiatives and public-private partnerships. Incredibol helps cultural and creative start-ups and professionals in developing their business ideas through a tested support path. One of their actions: a yearly call for proposals to access grants and boost their activities influenced second action of Enter.

Incredibol played a relevant role in drafting the regional political trajectories for CCIs, It was also awarded ad a “good practice” by Eurocities (2014), ETF (2015), URBACT (2017), Cities of Service (2018), Culture 21 (2019) and this project has been transferred to other territories.

Given that the cooperation between the ICT and ART sectors in not funded through grants in Croatia, on the example of Italian partners, Enter realized that such a grant would be an additional motive for the involvement of the ART and ICT sectors in joint projects. Enter sees Incredibol and activities under this project very adaptable to the local territory, because activities of the Incredibol can be adjusted accordance with the need and expectations of the local area, Incredibol is a scalable model that can be adapted to the other realities with different needs and resources and it also involves a wide range of stakeholders.

“Grant for stimulating interdisciplinary cooperation between the ART and ICT sectors” that will be part of the Program of measures for encouraging the development of entrepreneurship in the City of Koprivnica will be directly connected with the City of Koprivnica Development Strategy. It will help cultural and creative start-ups and professionals in connecting and developing their business ideas through local support that could affect national level too. Enter sees it as great opportunity for entrepreneurs working in ICT and ART sector, to encourage them to collaboration, inspire them to expand their views and create something innovative.

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TABLE 2. FINANCIAL RESULTS OF THE BUSINESS OF ENTREPRENEURS BASED IN KOPRIVNICA IN 2018

Opis	2017.	2018.	Index
Broj poduzetnika	-	736	-
Broj dobitaša	490	535	120,4
Broj gubitaša	167	201	102,5
Broj zaposlenih	8.725	8.942	101,4
Ukupni prihodi	5.608.780	5.689.723	100,6
Ukupni rashodi	5.340.644	5.373.303	109,2
Dobit prije oporezivanja	293.114	339.464	115,8
Gubitak prije oporezivanja	24.977	23.044	92,3
Porez na dobit	37.150	56.571	152,3
Dobit razdoblja	257.164	282.365	109,8
Gubitak razdoblja	26.177	22.516	86,0
Konsolidirani financijski rezultat – dobit (+) ili gubitak (-) razdoblja	230.987	259.849	112,5
Izvoz	1.852.313	1.926.943	104,0
Uvoz	1.274.232	1.344.468	105,5
Trgovinski saldo	578.081	582.475	100,8
Bruto investicije samo u novu dugotrajnu imovinu	236.825	197.597	83,4
Prosječna mjesečna neto plaća po zaposlenom	6.404	6.230	97,3

Resource: Fina – Financial Agency, Registar of annual financial reports

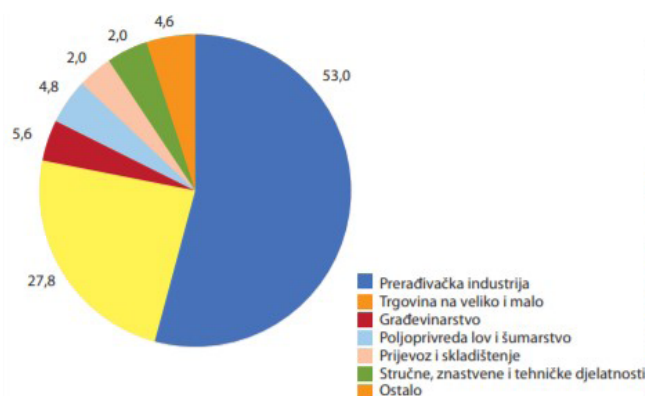
In 2018, Koprivnica entrepreneurs generated HRK 5.7 billion in revenue in 2018 and reported a positive consolidated financial result in the amount of HRK 259.8 million, which is 12.5% more than in 2017. According to the consolidated financial results in the period from 2008 to 2018, Koprivnica entrepreneurs operated with a loss (net) only in 2009 (HRK 242.6 million), and achieved the highest net profit in 2015 (HRK 397 million).

TABLE 2. FINANCIAL RESULTS OF THE BUSINESS OF ENTREPRENEURS BASED IN KOPRIVNICA IN 2018

Naziv grada	Broj poduzetnika			Broj zaposlenih		Ukupni prihod		Neto dobit/neto gubitak	
	Broj	Rang na razini RH	Rang po žup. sjedištima	Broj	Rang na razini RH	Iznos	Rang na razini RH	Iznos	Rang na razini RH
Koprivnica	736	23	15	8.942	15	5.689.723	17	259.849	16

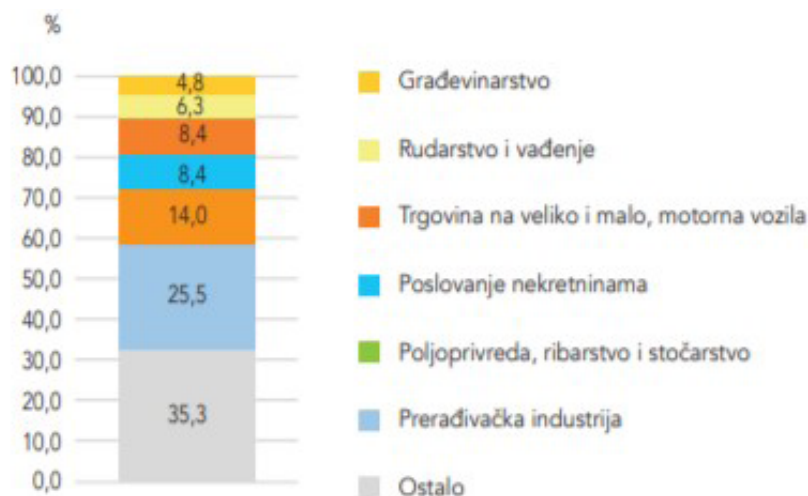
Resource: Fina – Financial Agency, Registar of annual financial reports

In the ranking of cities and municipalities in the Republic of Croatia, entrepreneurs operating in Koprivnica are on the 23rd place in terms of the number of entrepreneurs (736). On the 15th place in terms of the number of employees (8,942), on the 17th place in terms of total revenue (5.7 billion kuna) and in 16th place in terms of net, profit (HRK 259.8 million).⁷

GRAPH 3: SHARES OF ECONOMIC BRANCHES IN KOPRIVNICA-KRIŽEVCI COUNTY ACCORDING TO TOTAL REVENUES IN 2010 (%). 53,0 % MANUFACTURING, 27,8 % WHOLESALE AND RETAIL TRADE, 5,6 % CONSTRUCTION, 4,8 % AGRICULTURE, HUNTING AND FORESTRY, 2,0 % TRANSPORT AND STORAGE, 2,0 % PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES, 4,6 % THE REST

Resource: Croatian Chamber of Commerce

GRAPH 4: THE MOST IMPORTANT ECONOMIC BRANCHES IN KOPRIVNICA-KRIŽEVCI COUNTY (STRUCTURE OF GROSS VALUE ADDED IN 2015)



Resource: Croatian Chamber of Commerce

The processing industry is dominant in the city of Koprivnica with a share of 53%, followed by wholesale and retail with a share of 27.8%, agriculture with a share of 4.8% and construction with a smaller share of 4.65%. The smallest share on the stated the chart refers to transport and storage activities and professional, scientific and technical activities in the city of Koprivnica in 2010. It should be note that the business result of the total economy is particularly affect by the business of five large entrepreneurs.⁸

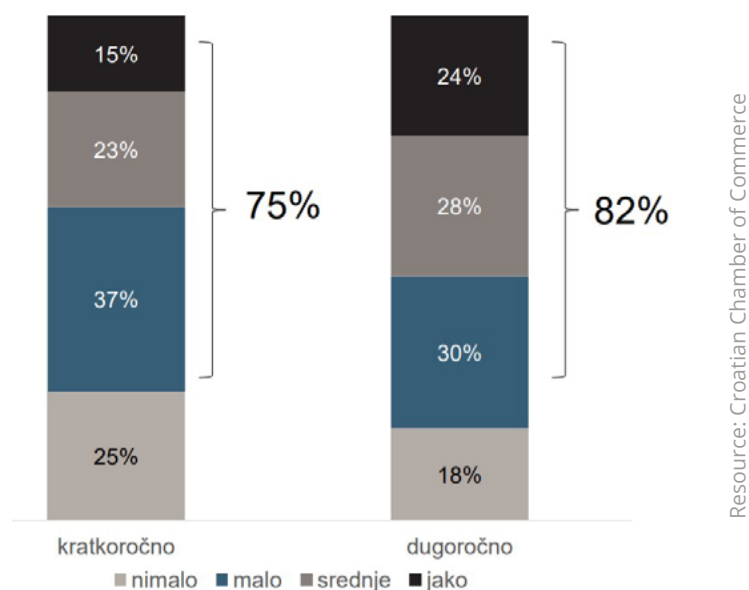
The above graphs show the state of SMEs in Koprivnica, the most represented activities as well as financial results, their revenues and net profit. From what has been shown, it can be read that the situation was favourable before the beginning of the corona virus pandemic. After the start of the pandemic, there is no data at the city level but at the state level. Below are the results of the research conduct by the Croatian Chamber of Commerce on difficulties in business associated with the occurrence of coronavirus in Croatia and the world. Research was conduct on 1076 member companies of Croatian Chamber of Commerce in 2020.

Results show economic branches in which more than 50% of companies state that they have strong and medium consequences of pandemic on business:

- Travel agencies (as much as 69%)
- Providing accommodation, preparing and serving food (hotels, restaurants ...) (62%);
- Transport and storage (51%)

Economic branches in which more than a third of companies have strong and medium consequences of pandemic on current business are:

- Wholesale and retail
- Agriculture, forestry and fishing
- Arts, entertainment and recreation
- Other service activities

TABLE 4: NEGATIVE EFFECTS OF CORONA VIRUS ON BUSINESS

Short-term negative consequences expect 75% of companies, with 15% expecting a strong impact on business. Long-term negative consequences expect 82% of companies with almost a quarter (24% of them) expects a strong negative influences on business in long-term.⁹

With all of the above in mind, it is clear that SMEs will need a greater stimulation to invest in activities outside their regular business. Given that state budget funds are spending on mitigating the effects of the coronavirus pandemic, bottom-up approach should apply to support SME innovation. This means that local authorities should support SMEs operating in the local area by encouraging innovation processes, production and cross-sectoral cooperation. This method could be one of the solutions that will accelerate the recovery of the economy, generate new cooperation and innovative products and services.

ACTION

Enter become familiar with the needs and problems of the ART sector. Therefore, this grant would be a perfect tool to overcome the limitations of both sectors and to encourage them to work together and achieve innovation.

This action refers to addressing authorities of City of Koprivnica to include new measure named "Grant for stimulating interdisciplinary cooperation between the ART and ICT sectors" in the **Program of measures for encouraging the development of entrepreneurship in the City of Koprivnica**.

By including this Grant into Program of measures, Enter will influence addressed policy instrument; City Development Strategy (since Program of measures comes from City Development Strategy until 2030).

Namely, there are several reasons for this decision:

- Activities of Action Plan are aiming to achieve SME competitiveness by introducing innovation in SMEs business. By increasing innovativeness of SMEs at the local level, the innovativeness of SMEs at the national level will be increased
- The City of Koprivnica has vision "Small town of high quality of life, Koprivnica. Natural, advanced, creative, innovative", so the activities of city authorities are aimed at reaching mentioned goals
- ENTER can influence on Program of measures for encouraging the development of entrepreneurship in the city of Koprivnica
- Enter can influence City Development Strategy which is harmonized with the National strategy, and therefore with the EU regulations
- Create funding opportunities for interdisciplinary cooperation of different sectors (such as ART and ICT) which may lead to creating innovations in business
- The mentioned measure and the previously mentioned activities under action 1 will be presented later to the Ministry of Economy and Sustainable Development
- Operational programs and measures are adopted at the state level, the regions do not have an administrative function
- The programming period is coming to an end, all funds are intended to mitigate the consequences caused by the coronavirus pandemic

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TARGET GROUP:

City of Koprivnica authorities

OUTPUT EXPECTED:

New city measure that will contribute to the strengthening of small and medium companies in Koprivnica

AREA OF IMPLEMENTING ACTION:

This action will be implemented at the local area – City of Koprivnica.

EXPLANATION OF THE ACTION:

Policymaking is centralized on national level and ENTER Koprivnica do not have possibility of direct influence on changing policies. This year, which is the last in the programming period, is also a big problem. After a 7-year programming period and a crisis caused by the coronavirus pandemic, due to which all funds are aimed at mitigating the consequences caused by the pandemic, it is difficult to have any impact on any policy, whether local or national.

ENTER Koprivnica was established by the City of Koprivnica and it operates at the city territory managing two incubators (Business incubator and Incubator of Creative Industries). ENTER Koprivnica systematically participates in City activities related to strengthening and encouraging entrepreneurship and through this project has realized the importance of artistic and creative processes as a catalyst for innovation. Therefore, learned in the exchange of experiences wants to apply at the local level and present it to policy makers at the national level.

This is the reason why partner Enter decided to have influence at the local level on City of Koprivnica authorities and create new measure (Grant for stimulating interdisciplinary cooperation between the ART and ICT sectors) that will help SMEs achieve new perspective and competitiveness. Specifically this measure refers on SMEs working in ICT and ART sector, since this is the target group of project Region Arts. Given that Enter manages an Incubator of Creative Industries, it has daily insight into the problems faced by entrepreneurs operating in the ICT and creative sector and

through communication with participants of ART sector, Enter become familiar with the needs and problems of the ART sector. Therefore, this grant would be a perfect tool to overcome the limitations of both sectors and to encourage them to work together and achieve innovation.

Every year City of Koprivnica announce public call through which SMEs from City of Koprivnica, are awarded with non-refundable subsidies from the "Program of measures to Encourage the Development of Entrepreneurship in the City of Koprivnica". This program come out from the City of Koprivnica Development Strategy and it implements measures aimed at:

- Strengthening competitive performance of entrepreneurs in the market
- Better information in entrepreneurship
- Improving availability conditions financial resources and the use of the EU funds
- Use of entrepreneurial space and information infrastructure for implementation entrepreneurial ventures
- Raising the level of entrepreneurial culture and solving social problems by applying entrepreneurial principles

The purpose of the Program is to create a favourable entrepreneurial environment for action, developing an entrepreneurial climate and providing prerequisites for entrepreneurial development in the area of the City of Koprivnica.

This measure (Grant for stimulating interdisciplinary cooperation between the ART and ICT sectors) will be used for stimulating cooperation between ART & ICT and included in Program of measures for encouraging development of entrepreneurship in the City of Koprivnica. This will be influence on addressed Policy Instrument City of Koprivnica Development strategy until 2030, since Program of measures for encouraging development of entrepreneurship in the City of Koprivnica is based on City of Koprivnica Development Strategy until 2030.

TABLE 5. EXAMPLE OF THE MEASURE: “GRANT FOR STIMULATING INTERDISCIPLINARY COOPERATION BETWEEN THE ART AND ICT SECTORS”

MEASURE	Grant for stimulating interdisciplinary cooperation between the ART and ICT sectors
GOALS	Encouraging cooperation between two sectors (ART & ICT) in order to achieve innovations in everyday business through cross-sectoral cooperation. SMEs and associations work on the same project with goal of achieving innovativeness in business (marketing, sales, product / service development)
CARRIER	City of Koprivnica
USERS	SMEs and associations operating at local level
IMPLEMENTATION	A grant will be allocate for the development of a new or upgrade of an existing product or service, the introduction of innovations in the field of marketing and sales. Innovation manifests itself as result of incremental, gradual, continuous improvements on existing services / products or as result of very new product /services.

ENTER will organize stakeholder meeting to present outputs and results of the project Region Arts to the City of Koprivnica authorities.

ENTER will influence on city authorities to include this measure (Grant for stimulating interdisciplinary cooperation between the ART and ICT sectors) in the Program of measures for encouraging development of entrepreneurship in the City of Koprivnica.

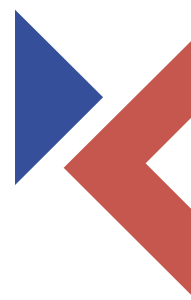
PICTURE 5. CITY OF KOPRIVNICA VISION “SMALL TOWN OF HIGH QUALITY OF LIFE, KOPRIVNICA. NATURAL, ADVANCED, CREATIVE INNOVATIVE”.



Resource: Koprivnica.hr

In the development strategy of the City of Koprivnica for the period 2015-2020 was present town vision “Small town of high quality of life, Koprivnica. Natural, advanced, creative innovative”. The analysis of the strategy was prepared following three main categories for achieving growth in the European Union: inclusive, smart and sustainable growth.

PLAYERS INVOLVED



Organizations involved in the development and implementation of the action plan are:

- a) ENTER Koprivnica Ltd. – create and proposes a measure, organize stakeholder meetings with the City of Koprivnica authorities
- b) City of Koprivnica authorities – participates on LSM, adopts the proposed measure into Program

ENTER Koprivnica will create measure that facilitate cooperation between Art and ICT sector at the City of Koprivnica level. In parallel, will propose measure to City of Koprivnica authorities at the local stakeholder meeting. After finishing both actions ENTER will organize LSM with the Ministry of Economy and Sustainable Development where the results of both actions will be present.

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TIMEFRAME, COSTS and FUNDING SOURCES

1/09/2021 – 31/12/2021 – Consultation with the City authorities

01/09/2021 – 31/12/2021 – Drafting, finishing, proposing and adopting measure (Grant for stimulating interdisciplinary cooperation between the ART and ICT sectors) to the city authorities

1/12/2022 – 1/6/2023 – Monitoring of adopted measure (monitoring how many SMEs applied for a subsidy). Finalisation of monitoring of the action plan implementation, discussing results of the action with the Local authorities and disseminating results with the Ministry of Economy and Sustainable Development

COSTS

Consultation with the City authorities – 0 HRK, since the LSM will not imply any costs

Drafting, finishing, proposing measure - 0 HRK, since it will be done with the involvement of the internal resources

Adopting measure - 6.500,00 EUR, this will be the amount for the whole measure (this amount will be divided for smaller grants, for example approx. 650,00 € per grant

Monitoring of the measure and Action Plan implementation, discussing results with LSG and Ministry

FUNDING SOURCES

Measure “Grant for stimulating interdisciplinary cooperation between the ART and ICT sectors” will be fund from the City of Koprivnica budget

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RISK ANALYSIS



There are 3 risks that could put in danger implementation of this action:

- I. The **first** risk relates to the change of local government after the local elections in May 2021. This risk is hard to influence on, but ENTER as company owned by the City of Koprivnica will have stakeholder meetings with the local authorities and inform them about lessons learned from the project and relevance of future actions.
- II. The **second** risk refers to lack of understanding related to the subject of the measure. Enter will present learned in exchanges of experience and show why this measure could bring innovativeness that Koprivnica aims for.
- III. **Third** risk is a state of the economy caused by the coronavirus. As said before mitigation of the consequences of this risk is the most difficult to influence, its impact is the largest and can affect the previous two risks. As in the case of risk number 2, ENTER will share learned in EoEs and try to convince the authorities in importance of encouraging of these inter-sectoral collaborations.

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OUTLOOK

By implementing an action Enter Koprivnica will influence on one of the main challenges detected - there are no funding opportunities for supporting ART and ICT collaborations.

Although this will be at the local level, it will be great example and will be present to the Ministry of Economy and Sustainable Development (who is policy maker and have influence on creating calls from Operational program).

It will show the open minds of local authorities and ability to adopt state of art business models that could lead to innovativeness. For local SMEs this will be way to participate in processes and collaborations in which they would not otherwise participate (due to of lack of knowledge about benefits and lack of funding resources).

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COMMUNICATION PLAN



Actions of this action plan are aim at the two specific target groups – SMEs and City of Koprivnica authorities. While implementing actions all the communication will be direct towards them.

For the action **“Creative and Digital Information Hub”**, communication will be direct towards the SMEs (ICT and ART). They will be inform about how and when to access created materials and participate in building innovation capacity workshops.

This will be done by:

a) Newsletters – 2 - one in semester 8 (1.12.2021 – 31.5.2022), one in semester 9 (1.6.2022 – 30.11.2022)

b) Articles on ENTER website, City of Koprivnica website – 2 articles (one in semester 8, one in semester 10)

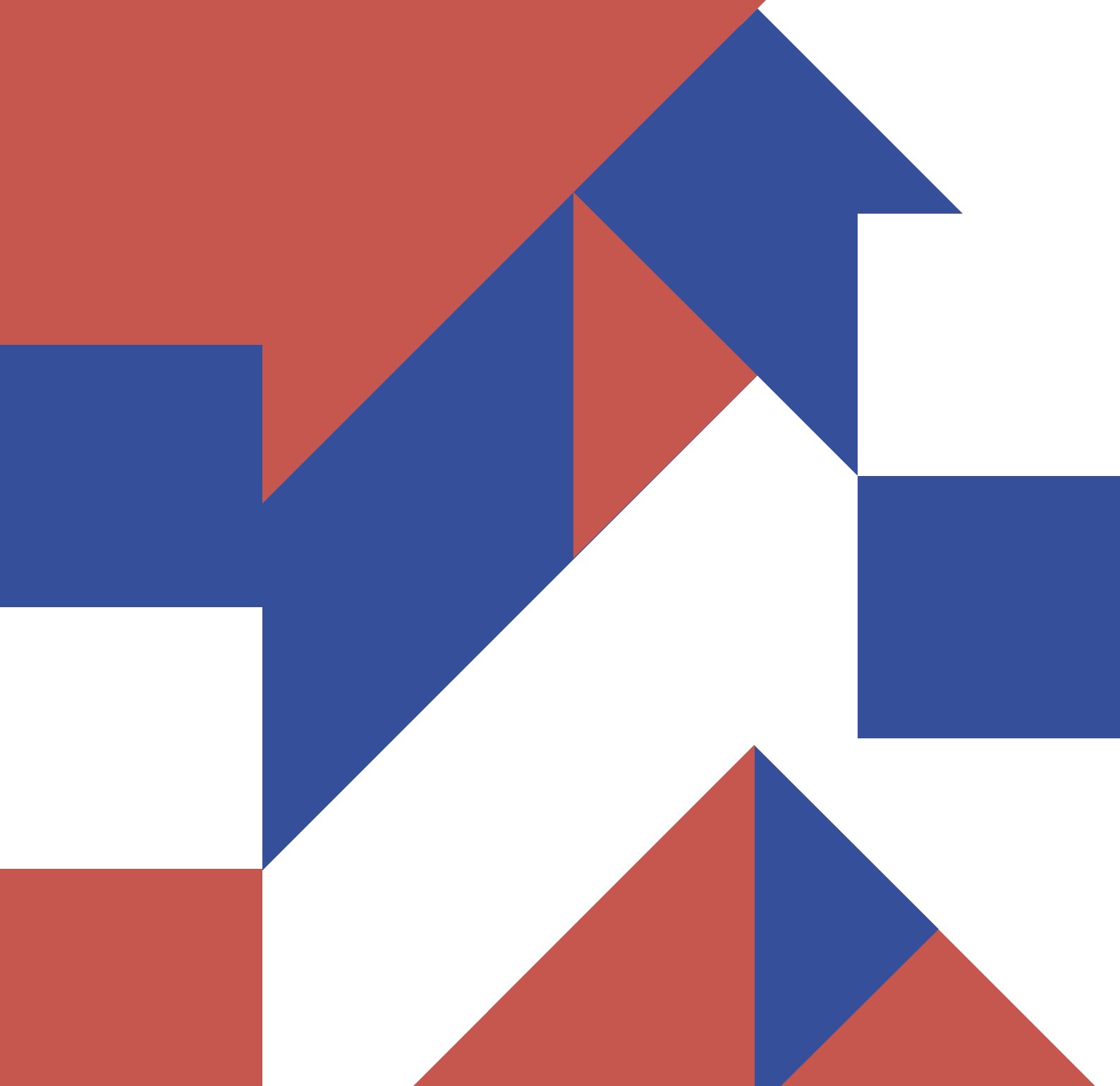
c) Posts on social networks (Facebook, LinkedIn) – at least 2 posts about progress of Actions

d) Email communication with other BSO at national level, arranging with them distribution of created materials at national level

Second action **“New City measure that will contribute to the strengthening of small and medium enterprises in Koprivnica - Grant for stimulating interdisciplinary cooperation between the ARTs and ICT sectors”** is aim at the authorities of City of Koprivnica.

Since authorities of the City of Koprivnica will be introduce with the first action, the second one will be discuss with them from the beginning of implementation. Through local stakeholders meeting authorities will get insight in developing of the Action 1, they will be regularly inform about participants and progress of implementation of Action 1.

MONITORING AND IMPACT OF ACTION PLAN



The team of Enter Koprivnica who will actively participate in implementing these actions will monitor the implementation of previously mentioned actions. There will be reports at the end of every semester about meetings held and done activities.

The monitoring period is 01.12.2021 – 1.6.2023. During this period, the progress made in the achievement of the objectives will be report to the project partners, and in the last period (1.12.2022. – 1.6.2023.) monitoring of the action plan implementation will be finalised.

Although Actions will be implement at the local level, this will be great example of how innovativeness can be achieve through small steps. Later on, results of the actions will be present to the Ministry of Economy and Sustainable Development (who is policy maker and have influence on creating calls from Operational program).

Created material will serve to other SMEs outside the local area (which will be distribute to them by BSO operating on their territory) and help them to embrace innovativeness as part of everyday thinking.

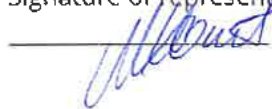
SIGNATURE OF ACTION PLAN

I hereby confirm that Enter Koprivnica as a partner of the Innova-FI project with this Action Plan has defined priority actions target towards the improvement of policy planning and its instruments that are essential for promoting financial instruments for innovation.

Date:

11.10.2021.

Signature of representative:



Stamp of the organisation (if available)

 **Enter Koprivnica**
d.o.o.
Koprivnica

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