



Trend Chart on Innovation in Europe

GR 14

General presentation of the measure/scheme/action/regulation

Country

Greece

Geographical coverage, national or regional (state region)

(National)

Title of the measure

Support of New Entrepreneurs for the Establishment of SMEs / Ενίσχυση Επιχειρηματικών Σχεδίων για την Δημιουργία Νέων Επιχειρήσεων

Information Source/Reference

Hellenic Organisation of SMEs & Handicraft (EOMMEX)

Overview (nature, main goals)

This program was introduced in 1994, within the sub-program 4, of the Operational Program for Industry. The particular action is addressed to new entrepreneurs (less than 5 years since the establishment of their company) and includes financial support to SMEs for advisory and techno-economic services and financial support for the implementation of their business plans. Although covering all the 13 administrative Greek regions, it operates through a system of 9 regions, following the regional administrative offices of EOMMEX.

Action Plan objective addressed by measure

III.3. Start-up of technology-based companies

Administering agency

[Hellenic Organisation of Small - Medium Sized Enterprises and Handicraft SA / EOMMEX](#)

16, Xenias Str., Greece

Phone: + 301 74 91 100

Web Site: www.eommex.gr/english/home/index.htm

Name of the manager(s) responsible for the implementation of this measure with address, fax, phone

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Description of Scheme

General Information

Reference to legal basis (e.g. act, public document, ...)

Operational Program for Industry, Ministry of Development - Sub-programme 4.

Does the measure receive central funding or regional funding?

Central

Start date

1994

Expected date of completion

30/6/2000

Previous measure (name, date, links with the current measure)

None.

Reasons for launching/modifying the new measure

To decrease unemployment by developing new businesses dexterity.

Have any of the main features of the measure/scheme/action/regulation changed during its implementation

Yes. In December of 1997 the number of eligible sectors was increased to include software production including the tailor made programs, internet providers, websites production, photography and car repair.

What is the predominant role of the government?

Provider of co-funding, facilitator, administrator. It should be mentioned that already 2 o

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the 3 incubators are in operation.

Target Group

Who are the target groups of the measure?

SMEs/Industrial SMEs

Organisation and Implementation

Organisation and Structure

The duration of Operational Program for Industry is 5 years 1995 - 1999. It was planned that the sub-program 4.2 action 6 (4.2.6) could be evaluated 4 times per year (December, March, June and September) during the operation period and submission dates were open. The described process changed due to budget constraints and the evaluation process has taken place once a year. The evaluation process is under the responsibility of the regional offices. The proposals are sent to offices of other regions in order to be evaluated. The advice-giving is made by the Advisory Committee of the regional office and the approval by its Manager. If the proposal concerns the region of Attica, South and North Aegean the approval is made by the Manager of the relevant Central Office of the EOMMEX. Regional offices monitor the project implementation, and check the company and the project progress before payments. The criteria for the budget distribution to the regions are: · Indicator of local business activity of Ministry of National Economy (VARL) · Number of proposals and total claimed budget in the specific region · Number of proposals and total claimed budget of the previous runner-up cases in the specific region Up to now 1.075 SMEs completed successfully their participation to the programme and 220 still run (1.292 totally).

What are the criteria for eligibility?

The target group of the action must fulfil the following criteria: a. New entrepreneurs, preferably less than 45 years old, who are going to create a new productive company, c. they had established one during the last three years or a group of at least three new entrepreneurs, who establish a new company by themselves or with the collaboration of local development agencies, b. The innovative business plans, which concern innovative products, or innovative production process, or embody high-tech and know how, and also contribute to local development, have priority, c. The entrepreneurs should have active participation in the management of their companies, d. The total budget for the eligible cost should not be more than 50 mil Drachmas (147 thousand Euros), e. The company could submit up to three proposals during the measure.

What is the mode of delivery of the measure?

The measure is delivered as a grant. The public contribution is 50 % of the eligible cost. The entrepreneur contribution should not be less than 30% of the total budget. The programme subsidises the SMEs by three instalments (35% - 35% - 30%).

Financing : Overall budget allocated to the measure

Its initial budget in 1995 (CSF II) was 16,76 mil Euros (5,7 bil Drachmas), which after 6 amendments reached 66,5 mil Euros (22, 6 bil Drachmas), in order to cover a reasonable share of the increasing demand. The public contribution is 11,300 bil Drachmas (33,2 mil Euros).

Financing : expenditure per year

1996: 35,5 mil Euros (11,7 bil Drachmas), 1997: 20,9 mil Euros (6,9 bil Drachmas).

Financing : other budgetary sources (additional financing)

None.

Results

Result Measurement

What are the main indicators for the measurement of the results ?

The main indicators are: a. Absorption, b. New jobs creation, c. Financial indicators of the new companies, d. Contribution to local economy. Thus, the high absorption of the programme (82% up to 11/2000), the 4.403 new jobs created, the participation of new entrepreneurs, the organised workshops of EOMMEX, and the turnover of subsidised companies up to now illustrate a success story. On the other hand, the real success is more complicated and includes many qualitative parameters and the contribution to the local economy that are not available.

Where an evaluation has taken place, what were the main results achieved?

EOMMEX monitors the measure internally, but there is no external evaluation.

If no official evaluation has been undertaken, have there been any indicators of success?

The success is mainly reflected by the continuous increases of the total budget. It is believed that this programme meets the needs of new entrepreneurs. It is essential to be stressed that the average of the subsidised investments is 15 mil Drachmas (44,1 thousand Euros). It should be mentioned that many projects, after the delays of the grant could be accomplished with a lower budget than the proposed, due to the improved but cheaper technology (i.e. expenditure for computers).

Observations

According to EOMMEX, the most important measure, which was introduced, was the implementation of workshops. They estimate that workshops are more important than subsidies, because they support companies through the difficulties of the initial stage. A network with 30 centres / clubs of new entrepreneurs (almost one in each prefecture) was established with the co-operation of local authorities. Essential features are the business trips abroad in order to create contacts with foreign companies. The regional structure of EOMMEX helped the diffusion of information.

Which mechanisms seem to be less successful in the measure?

This was a pilot programme and that means that there was lack of expertise (there were many delays in the beginning). The initial total budget was not enough and EOMMEX's search for supplementary grants delayed the programme. This was a reason for many projects not to be implemented even though passing the eligibility criteria (the positive answer from EOMMEX came very late and the entrepreneur had already been financed from other sources or abolished the plans).

Are there any other measures planned or in operation as a follow up to this measure? Direction of the planned measures? Objectives? Target groups?

The CSF III is estimated that it will finance the follow up of this programme.

