



SUPPORTING THE START-UP
OF NEW BUSINESSES

Business start-up grant

Information review: October 2015

ITALY

The practice strives to help new businesses start up in the Marche region, through retraining of employees, insertion of young graduates and inclusion of disadvantaged groups and disabled people in the job market. Particular priority is given to women and young graduates, as they represent two important target groups of the Marche region ESF ROP.

Cash contributions are set at a maximum of EUR 25 000, but this figure can increase (up to EUR 30 000) if the business employs disabled individuals on unemployment benefits or people expelled from the labour market. Half of the contribution is paid in advance, once the company is legally established.

The evaluation has shown that the 'Business start-up grant' is a useful tool for supporting entrepreneurship. In less than two years, more than 350 enterprises have been created and more than 1 000 individuals have found a job.

Name of the PES

Regional PES of the Marche Region

When was the practice implemented?

2001 – on-going

Which organisation was involved in its implementation?

Regional PES and local PES offices

Which social groups were targeted by the practice?

- ▶ All unemployed
- ▶ Job changers
- ▶ Young graduates
- ▶ People suffering from physical/mental disability or illness
- ▶ Unemployed people aged 50+
- ▶ Employers (SMEs)
- ▶ Third-country nationals
- ▶ Ex-offenders

What were the practice's main objectives?

The 'Business start-up grant' practice provides cash contributions for the start-up of new businesses in the Marche region.

The practice targets several groups under three headings: 'adaptability' (focusing on employees with atypical contracts or at risk of redundancy), 'employability' (young people, in particular young graduates) and 'social inclusion' (disabled people and people from disadvantaged groups).

What activities were carried out?

An unemployed person – or indeed anyone – who is eager to establish a new business contacts the local provincial administration. The provincial administration conducts an assessment based on a specific criteria whether the person is capable of setting up an enterprise and if he/she is in need of financial support. The criteria includes: legal nature (preference for cooperatives); profile of the applicants (priority to women); staff involved; the field of activity (preference for business services); and existing financial assets.

Provinces are responsible for selecting the beneficiaries of the start-up grant. Cash contributions can reach EUR 30 000 if the business employs disabled individuals. The minimum that eligible projects receive is EUR 5 000.

The network of local public employment services (PES) plays a key role in this practice, as they represent the main contact point for would-be entrepreneurs. They are responsible for providing information and counselling.

The grant covers various costs, such as the purchase of machinery, the purchase of patents or the renewal of installations.

<p>What resources and other relevant organisational aspects were involved?</p>	<p>Management of this regional grant is devolved to the five provinces of Marche region. Provincial administrations promote the scheme and handle its management, including the assessment of applications. They are engaged in disseminating information on the arrangements for granting assistance to potential stakeholders – including through trade associations and other stakeholder networks.</p> <p>Local PES offices (depending on the province) deal with individual case management, advice and counselling, and may also provide training for beneficiaries. Specific information points have been established in PES offices in order to disseminate information about the self-employment opportunities envisaged by the grant.</p>
<p>Source(s) of funding</p>	<p>European Social Fund</p>
<p>What were the outputs of the practice: people reached and products?</p>	<p>People reached: In all, 357 business projects were awarded the grant, out of 881 applications.</p> <p>Products: N/A</p>
<p>What outcomes have been identified?</p>	<p>Since the project is still on-going, it is not possible to determine the final outcomes or the real impact of the practice in terms of business survival rate and job retention.</p> <p>However, analysis of statistical data shows preliminary positive outcomes for the practice:</p> <ul style="list-style-type: none"> ▶ The practice has created over 1 080 new jobs in roughly 360 new businesses. ▶ Women make up about 59% of beneficiaries. About 70% of beneficiaries have had post-secondary educational attainment, in line with the expected outcomes. ▶ The majority of grant recipients were unemployed or seeking first employment (40%). Only 15% came from disadvantaged categories. The latter also faced the highest rate of subsidy withdrawal. <p>The evaluation of the practice also showed that the self-reported feeling that the new businesses would survive (survival rate) was high among beneficiaries. It also revealed that about two-thirds of the enterprises were set up in the time between applying for the grant and its award, which shows that the practice was, for most, a stimulus – rather than a strict prerequisite – for setting up a business.</p>
<p>What are the lessons learnt and success factors?</p>	<p>The main findings of the evaluation were:</p> <ul style="list-style-type: none"> ▶ Most newly created businesses are in the business services sector. ▶ Participants consider the financial assets required for access to the practice to be high, the waiting time between submitting the application and having it approved to be long, and the bureaucratic procedures (relating to the statement of accounts) to be particularly onerous. ▶ Based on the self-assessment of new entrepreneurs benefiting from the incentives, start-ups should have a fairly high survival rate, employment prospects be in line with the expected risk, and the expectation is that the businesses will generate revenue within three years of their establishment.
<p>More information on the practice</p>	<p>http://ec.europa.eu/employment_social/empl_portal/weesp/IT-1.pdf</p>



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