



Promoting the use of cultural heritage and resources in product development in border areas

Heritage Business

Priority 1 Socio-economic development

Measure 1.1 Fostering of socio-economic development and encouraging business and entrepreneurship





Short summary of the project

The main problems in border regions, especially their remote areas, are the same throughout all the project territory:

- 1) Decrease of population;
- 2) Low business activity;
- 3) Unemployment.

One of the measures targeting these problems is development of SMEs. In EU 20 million SMEs represent 99% of business. They are the key driver for economic growth, employment and social integration. According to researches made in Estonia and Latvia the survival rate of SMEs after 3 years is 50-57% and situation in Pskov oblast is mainly the same. Therefore improvement of competitiveness of SMEs is highly important. At the same time potential and beneficial location of project area in the cross-roads of 3 countries and rich cultural heritage (Seto, Pskov, Vidzeme, Latgale) are underutilized.

There is regional development program of Seto ethnic culture initiated in Pskov region. Current project aims at supporting and developing the achievements of this program, as well as improving skills and capacity of SME's in project area for using local cultural heritage, traditions and local resources in different business sectors.

Improvement of cross-border co-operation and trade between SMEs, exchange of experiences and know-how, promotion of entrepreneurship among school-children (providing them with opportunities to receive theoretical knowledge and practical skills) are also among the aims of the project. These measures will ensure sustainability of business growth, create pre-conditions for new start-ups and help to reduce unemployment of young people.

Overall objective

Development of competitiveness of SME's from border areas through the cross border co-operation and the use of local cultural heritage and resources in product development.

Specific objectives

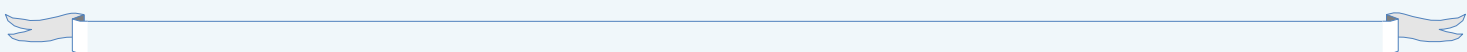
- ✚ Improvement of skills and capacity of SME's in project area for using local cultural heritage, traditions and local resources in different business sectors
- ✚ Improvement of business environment for SME's in project area through exchange of know-how and experiences
- ✚ Improvement of skills and knowledge of school-children about entrepreneurship to ensure the future sustainability of business sector and to reduce unemployment of young people
- ✚ Creation of modern public infrastructure for SME's in project area, which can be used for consultation, meetings, trainings, seminars, dissemination of information, incubation etc.

Beneficiary

The Union of Setomaa Rural Municipalities (Estonia)

Partners

- ✚ **Administration of Pechory District** (Russia)
- ✚ **Ape Municipality Council** (Latvia)



Expected results

+ Development of skills and knowledge of SME's, promotion of the use of cultural heritage in business

- 3 CBC networks created (Est-Lat, Lat-Rus, Est-Rus) between businesses participating in study tours;
- 30-40 new partnerships/joint activities initiated by SME's participating in project, skills and knowledge of ca 70 SME's improved during seminars about entering new markets and benefit from cross-border cooperation and trade;
- Skills and knowledge of 60-70 SME's improved about using cultural heritage in product development during joint trainings;
- Skills and knowledge of ca 75 businesses and NGO's improved about preparation of project application for financing;
- Cross-border Business and Co-operation Centre established in Pechory, including Business incubation centre (premises and equipment for handicraft workshop and small kitchen, office premises for simultaneous use of 6 start-ups).

+ Organization of business training course for school-children

- 15-20 teachers trained, cross-border network of teachers created;
- Pilot business training program implemented in 1 school in city of Pechory and 2 schools in Ape area; business training program improved in 4 schools in Setomaa;
- Skills and knowledge about entrepreneurship of 120-130 school-children improved;
- Cross-border network of school-children from 3 countries created.

+ Information and visibility

- Brochure about Cross-border Business and Co-operation in Pechory (activities, services, partners etc.);
- Website of Cross-border Business and Co-operation Centre in Pechory;
- Manual for SME's about possibilities in using traditional cultural heritage in business.

Final beneficiaries

- + Local inhabitants of project area (ca 370 000)
- + Local SME's (ca 7000 from South-East Estonia (Põlva, Võru counties), North-East Latvia (Ape, Aluksne and Vilaka municipalities) and border areas of Pskov oblast (Pechory, Palkino, Pskov, Põtalovo districts)
- + School children (6-9 form) interested in receiving basic skills and knowledge in entrepreneurship
- + Unemployed young people (Pechory district) in need of information about job opportunities and possibilities to start a business.

Duration

21 months

Budget

Total budget: **932 389,00** EUR

Programme co-financing: 839 147,00 EUR (90%)

Project co-financing: 93 242,00 EUR (10%)

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