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Customization of the Transferred model Regional Honour Loan – Marche Region to the  
INVESTINGREEN model

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## Introduction

The employment crisis of European labor market it is one of the most serious issues founded in the area in the last 5 years. One of the most important social consequences of the economic crisis is the significant increase of poverty among working-age population, and, consequently, a decrease in overall living conditions of the lower and middle classes of the EU countries. This situation triggers, in turn, the loss of competitiveness of the global market and cause serious social and political tensions.

Given this situation, it is necessary to give a new impetus to the economy and sustain employment levels in Europe. One of the ways forward is to support the development of the start-ups.

INVESTINGREEN project generates from the will of adapting a successful model, as the Marche Region Honour Loan, that accompanies the entire process of creating and financing new businesses, to a European context, proceeding to its specification in the service sectors related to the Green economy, a sector that is currently one of the most promising in the world economy, and experimenting with the model in 4 pilot areas: 2 in Italy, 1 in Romania and 1 in Spain. The idea is to create a new methodology that, differently from the Regional Honour Loan, entails a two-step training: The training of trainers (tutors and counselors), and the training of the potential entrepreneurs, able to settle all the conditions to accompany the start-up process, make it more solid and feasible, and thus with more chances to be financed by credit institutes.

From the preliminary analysis developed in the partner countries (Italy, Romania, Spain, Bulgaria and Greece) on the critical elements for the commencement of new business in the Green industry and the training needs of professionals working in the field of Green services, it starts the adaptation of the Marche Regional Honour Loan model, used as the basis for the definition of the INVESTINGREEN methodology, bearing in mind that the action of the European project stops after the second stage of the regional process, i.e. the realization of the business plan, without providing for the funding from credit institutes. However, banks will be contacted during project lifetime and made aware of the methodology applied (Protocol of Agreement with credit institutes) in order to evaluate the feasibility of the access to credit for the new Green start up ideas selected by the project.

### 1. Origin of Regional Honour Loan: ROP ESF 2007 – 2013 Strategy

The delineation of a new strategy to create a path of support to start-ups in Italy, was founded in response to the critical situation of employment recorded in the country and, in particular, in the Marche region in the last 10 years. The idea for the Regional Honour Loan enrolled, in fact, the larger strategy of the Regional Operational Plan (ROP ESF 2007-2013) that intended to act in consequence to the result of a preliminary analysis on the regional labor market.

In particular, according to the SWOT analysis conducted, it emerged that, despite the regional context presented higher levels of occupations against the national average, with high rates of school attendance, activity rates were lower than the regional European average. The occupation percentage is lower than the EU average, while the gender gaps in employment and activity rates are still extremely high and are not congruent with the level of education of the female component of the population and the labor force. It should also be added the recognition of a continuing shortage of graduates in scientific and technical subjects. From the analysis conducted, it was found that the EU benchmark of an employment rate of 70% (and 60% for women) would be reached only with the following actions:

- increasing the participation of the population to the active working life;
- raising employment rates of over-45 people and women;
- inducing, even with the support of ERDF and national resources allocated to support regional and local development, major changes in business models and production specialization in the manufacturing industry;
- increasing the demand for skilled labor and reducing, therefore, the phenomenon of educated youth unemployment.

Consistently with the findings from the analysis of the context, the Regional Strategy has aimed to "increase the quality of work." In particular, the general objective of the Operational Plan aimed at achieving full employment, improving quality and productivity at work, while encouraging flexibility and employment security. To achieve that macro-objective, the strategy has been divided into 6 areas:

- Axis I – Adaptability
- Axis II – Employability
- Axis III – Social Inclusion

- Axis IV – Human Resources
- Axis V – Transnationality and Cross-region cooperation
- Axis VI – Technical Assistance

Against this subdivision, regional initiatives related to regional strategy have been developed. On the employability axis, it took shape the idea of facilitating access to credit for newly established enterprises, in order to support new businesses and creating new jobs.

From this context it originates the idea of facilitate the development of self-employment and the support to business through a project related to erogation of microcredit and services for the start-ups support: the Marche Regional Honour Loan.

This project, currently running its third edition and carried out successfully by the Marche region together with private partners, was selected as good practice to be submitted to a process of adaptation in a european context. The transferring partner (Marche Region), together with a consortium of italian and european partners, has proposed and prepared in collaboration with the Province of Perugia a project, submitted and approved in the framework of the Lifelong Learning Programme fo the European Commission, that focuses the action on 4 Pilot Areas (Perugia, Milano, Murcia and Romania), settling the tutoring to potential entrepreneurs for the cration of Business Plan in a precise business sector: the Green Jobs. From this idea it generates the INVESTINGREEN project, that takes up from the services erogated by the Regional Honour Loan, stopping at the phase of training/tutoring of the potential Green entrepreneurs, without foreseen the supply of microcredit, and involving, in the preliminary analysis phase and in the pilot actions, partners from Italy, Greece, Bulgaria, Spain and Romania.

In this framework, INVESTINGREEN focuses on Green Jobs, as one of the new patterns of economic development. According to the essay of Nina Netzer and Judith Althaus (EDS.), (June 2012 ,“ Green Economy - Turning Over a New Leaf towards Sustainable Development?”), the increasing importance of the economic potential of environmental technologies has fuelled the debate on the Green Economy. The United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) calls Green Growth “a strategy that seeks to maximize economic output while minimizing the ecological burdens”. A similarly strong economic focus has led to an emphasis on

Green Growth in industrialised countries in particular. According to the 2011 OECD report “Towards Green Growth” Green Growth means “fostering economic growth and development, while ensuring that natural assets continue to provide the resources and environmental services on which our well-being relies”. This emphasis on Green Growth builds on the belief that technological changes can circumvent environmental constraints (decoupling) and thus enable future growth. Consequently, a “Greening” of the existing economy would necessitate a change in production and consumption patterns.

## 2. The customization of Regional Honour Loan in the INVESTINGREEN methodology

### 2.1. The INVESTINGREEN Methodology

From the above-mentioned needs, it develops the idea of giving to the potential Green entrepreneur a support for the constitution of its new business, together with more adequate tools to have more chances to access credit in order to express the full potential of its business idea.

The goal of the initiative is to encourage the training of new entrepreneurs, with skills in the Green sector. The beneficiaries will be accompanied and they will be given all the know-how to start up a Green business, boosting the creation of jobs and increasing the entrepreneurship in the project areas, increasing, consequently, the workplaces.

The INVESTINGREEN took from the "Regional Honour Loan" the set of measures to promote a culture of entrepreneurship, to stimulate the creation of business plans (4 per each Pilot area) and encourage creation and development of new economic activities.

Inside the initiative is foreseen the realization of the following actions:

- Action 1: activities to train the trainers (counselors and tutors) Action 2: activities to train the Potential Green entrepreneurs Action 3: Procedures for monitoring and evaluation "ex post" of the training

#### **Action 1: Activities to train the trainers (counselors and tutors)**

In INVESTINGREEN methodology there will be two different modules according to the transferred competencies and the role of each figure: the counselor and the tutor.

The training will be developed in 16 hours for each module (1 for the counselors and one for the tutors) in the form of workshop.

The **counselor** attending the training activity has to be already skilled on assessing the potential entrepreneur according to their personal skills, training and prior knowledge, management skills, attitudinal skills.

The **tutor** has to be a professional with competences on start-ups and business development.

Within the Pilot Action Learning, both the counselors and the tutors will be informed on INVESTINGREEN main issues (objectives and methodologies) as well as on the added value within the project actions, that is:

- Overview Green industry especially related to services
- Elements of Green Economy
- management aspects related to Green Sector
- Fundamentals of environmental law and main national and European regulations in the field of Green economy

### **Action 2: Activities to train the Potential Green entrepreneurs**

#### **Counselor tasks**

For people interested in starting a new Green business, orientators participating to the Action 1 will be made available for consultation in the respective partner structures. They will give information on INVESTINGREEN project and they will offer individual counseling in order to evaluate the business potential and the feasibility of the business idea. The one-to-one interviews will be organized by project partner.

The guidance path can be completed with one of the following outcomes:

- POSITIVE: if – from the analysis of personal ability, management skills and previous work experience - the profile of the potential entrepreneur shall be considered suitable and the entrepreneurial project is sufficiently structured;
- PENDING: when it is necessary to further study of the subjective requirements / professional or business idea;
- NEGATIVE: when the project is difficult to implement and / or the applicant does not possess the necessary expertise, skills or experience to make it happen.

### **Tutor task**

The Potential entrepreneurs will be accompanied by professionals (tutor) to verify the feasibility of the business idea and to support the potential entrepreneur in preparing the Business Plan to be created, in order to prepare the beneficiaries to present the Plan to credit institutes for financing.

Each selected tutor will follow a maximum of 6 potential entrepreneurs, supporting them in the realization of the Business Plan. The tutor's contribution to the INVESTINGREEN methodology develops according to the following method:

#### **a. Technical support for the development and growth of the business plan**

To ease the path for the creation of a new idea for a Green business, the Tutor will train the beneficiaries during short seminars with the aim of transferring skills and means to promote growth and the development of new economic activity.

The issues addressed in training courses are as following:

- Entrepreneurial Skills
- From Idea To Project Drafting Of Business Plan
- Strategic Planning
- Marketing

#### **b. Technical Specialistic - Support**

In order to overcome any critical specifications and receive targeted insights, it will be possible to take advantage of the assistance of experts in the individual thematic reference.

This will help to respond accurately to some specific issues, such as the Green regulations, that have been detected as being problematic during the preliminary analysis made by partners (“Comparative analysis on profile and skills necessary to develop Green interprises”).

**The potential Green entrepreneur, willing to benefit from the entire training path as structured according the INVESTINGREEN project, must participate to both phases: the orientation phase (made by counselor) and the tutoring phase. This trail is compulsory for the participation to INVESTINGREEN Activities.**

### **Action 3: Procedures for monitoring and evaluation "ex post" of Beneficiaries' training**

#### **a. Monitoring and evaluation “ex post”**

At the end of this initiative, a survey will be carried out, addressed to all Beneficiaries of INVESTINGREEN, to detect the achievements and prospects of development.

## **2.2. Guideline for the training modules**

In this paragraph the main focus of the training modules will be presented. These information will allow partners to create the final training modules both for the Pilot Action Learning for counselors and tutors, and for the seminars for the potential Green entrepreneurs.

### **2.2. Pilot Action learning: counselors and tutors**

#### **1. Introduction to the INVESTINGREEN project**

##### **Objectives:**

The introductory part of the workshop will be devoted to illustrate the INVESTINGREEN project in its fundamentals.

##### **Topics of comparison:**

- **The INVESTINGREEN project: a brief Summary**
- **Project Objectives**
- **Mission**

- **Expected results and foreseen impact**
- **Measures behind the project**

## 2. **Overview on Green Industry, especially related to services**

### **Objectives:**

**To inform the councilors and tutors of the added value of the Green Businesses, both in light of Europe 2020 strategy, together with the potential of facing the climatic and ecological crisis with measures devoted to increase investments and development for a low carbon economy, able to protect and valorise the natural and human capital.**

### **Topics of comparison:**

- **Green Industry: brief introduction to the eco-sustainable, low environmental impact productions (a sample list with their environmental impact peculiarities)**
- **The Green services: the Green Manager**
- **Green industries: Some examples TO BE SELECTED ON THE BASIS OF THE PRELIMINARY ANALYSIS AT NATIONAL LEVEL** (repair, maintenance, ecodesign, wind power, photovoltaics, waste disposal and recycling, legal advice on environmental issues, rehabilitation of buildings)

## 2. **Elements of Green Economy**

### **Objectives:**

**To give information on the theoretical model for the economic development that originates from an econometric analysis of the economic system where, together with the benefits (namely: increase on the GDP) of a certain production system, it is also taken into consideration the environmental impact, that is the potential environmental damage caused by the entire cycle of processing of raw materials to the possible environmental damage that produces their final elimination or disposal. Such damages are often passed in a typical mechanism of negative feedback, decreasing GDP due to the reduced yield of economic activities that benefit from a good quality of the environment such as agriculture, fisheries, tourism, public health, relief and reconstruction in natural disasters.**

### Topics of Comparison

- Definition of Green Economy (general guidelines)
- Green Industry: employment outlook
- Green industry and attraction of investments

### 3. Management aspects related to the Green

#### Objectives:

The approach to the Green management is to "mputs the environment at the center of the cycle business formula. The payoff comes later; is not forgotten, but it is not the starting point, rather than a natural part of the business. One, not the only" (Francesco Bertolini, president of the Green Management Institute).

The aim of this module is to give the basic knowledge in order to have the necessary soft skills to manage a Green start-up.

#### Topics of comparison:

- The Green management for the companies, the Corporate Social Responsibility (CSR), the sustainability report
  - The growing importance of sustainability
  - Ethics and Corporate Social Responsibility
  - The statement of ethical values in the corporate mission
  - CSR/EWC (European Waste Catalogue): the stakeholders and the governance of relations
  - Social balance, environmental balance, sustainability balance
  - Role and function of the sustainability balance in communicating the ethic profile of the company
- The investments evaluation and the Project Financing

### 4. Fundamentals of environmental law and main national and European regulations in the field of Green economy

#### Objectives

Discuss the issues related to the various regulatory constraints that are applied to the service activities in the Green sector, with particular attention to the related activities.

#### Topics of comparison:

- Environmental legislation at regional / national level
- legislation in environmental matters at EU level

#### 2.2.3. Seminars for the Potential entrepreneurs

The following step in INVESTINGREEN Project training activities is the organization of training courses for the potential Green entrepreneurs held by the trained tutors/counselors.

Professionals trained during the Pilot Action Learning in the 4 Pilot areas, will hold a workshop for potential Green entrepreneurs on the main abilities required for the development of a start-up business.

Collective has as main objective to provide new Green entrepreneurs with practical tools to assess the profitability and sustainability of their business over time.

The mastery of techniques to analyze the market, to monitor the economic and financial flows, for the organization and management of employees can properly manage their own business and make any necessary corrective measures.

It is beyond the objectives of the training course learning the skills necessary to carry out the various activities presented and related to the Green sector, as these must already be in possession of the participants and verified during orientation.

In relation to the training aspect, at the end of the workshop, the Final Beneficiaries (potential entrepreneurs) will be able to:

- to realize a strategic, structural and operative check up to develop a business idea
- to draw up a business plan and develop an economic-financial evaluation of the business idea to present the project and manage relationships with lenders, banks, Venture capitalists and Business Angels.

- to use tools and methodologies that can support in the analysis and management of Final Beneficiaries' business project.

## Training Programme

### ENTREPRENEURIAL SKILLS module

- How to develop their technical expertise to the creation of a company
- How to develop its own managerial skills
- How to create new contacts and develop a business network
- How to organize and manage staff

### FROM IDEA TO PROJECT module.

- How to discover and identify a business opportunity
- How to use schematic tools in the development process opportunities
- How to recognise and map the stakeholders
- how to differentiate and adapt its own strategy

### DRAFTING of BUSINESS PLAN module - market choices: the analysis and positioning

- The competitive system
- How to define the target audience and the products/services
- The pricing in relation to the positioning of drafting requirements and time limits recipients:
- How to draft a business plan: typologies of composition
- Requirements and deadlines
- Target: lenders and investors
- analyzing the sections that composes the document

STRATEGIC PLANNING module: plan of investments and SOURCES of FINANCE for entrepreneurship

- The economic feasibility of the business idea
- financial economic convenience: tools and indicators
- Financial planning
- measures for self-employment and entrepreneurship
- access procedures to incentives of public support for the development of productive activities

### MARKETING module

- To promote its own uniqueness: create your Brand, Logo, and the Payoff
- Promotion channels: position, communicate and reinforce your Brand, create contacts and develop network
- Communicate online: the web marketing
- WebSite, marketing platforms, blogs
- 

### 2.2.4. Monitoring

In the project INVESTINGREEN, the tutor's task is to evaluate both in progress at the end of the path, the job of the potential entrepreneur.

In the starting methodology (Regional Honour Loan), the tutor are given a specific evaluation sheet, through which they can monitor the progress of the training and the proper implementation of the business plans of new entrepreneurs selected. The monitor will be at the end of the training of potential entrepreneurs.

In the case of final monitoring, are required to tutor the following information:

- Payee Information Detail
- Designation activity data
- tutor data
- assistance activities carried out and the level of development achieved by the business plan, with particular reference to the following aspects:
  - managing the administrative aspects

- realization of the objectives set out with the business idea
- planning of potential relationships with suppliers
- planning of financial situation
- planning of customers/ sales achieved growth
- prospects or other difficulties
- Other comments

### 2.3. Annexes

1. Public Notice of Regional Honour Loan (II edition)
2. Evaluation Report from info points
3. Annex A\_Self\_Evaluation for entrepreneurs\_1
4. Annex B\_Self\_Evaluation for entrepreneurs\_2
5. Annex C\_Self\_Evaluation for entrepreneurs\_3
6. Annex D – profile of the entrepreneur
7. Annex E – Business Plan
8. Annex F – Feasibility form