

EU Danube Region Strategy

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SUPPLY CHAINS & FINANCE



EmBRACE

Croatia, Bosnia and Herzegovina, Montenegro

HAMAG-BICRO - Croatian Agency for SMEs, Innovations and Investments

Basics

EmBRACE



Acronym: EmBRACE

Name: Enhancing MSEs sustainaBle gRowth And CompEtitiveness

Country: Croatia, Bosnia and Herzegovina, Montenegro

Scoring: 46/50

Project Coordinator:



HAMAG-BICRO



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Key Project Data:



2021-2027



11.764.706 EUR | Funded by Interreg VI-A Programme



Interreg Co-funded by the European Union

IPA Croatia - Bosnia and Herzegovina - Montenegro

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About the project

The **SPF EmBRACE project** is a Small Project Fund (SPF) that offers support to micro and small enterprises (MSEs) and enhances the competitiveness of micro and small sized enterprises (MSEs) in the border regions.

Information about **Small projects (SP)** within the SPF EmBRACE:

- All SP are in the **eligible program area**
- Small Project duration: **6 to 12 months**
- Support will be given for the development and adaptation of **business models, products, services and processes**; developing **pilot actions and new business solutions**; enhancing **MSEs cross-border business cooperation**



Program area of EmBRACE

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INNOVATION

EmBRACE is making a significant step forward in **cross-border cooperation**. By requiring projects to address joint business, it supports the co-creation of **market-oriented innovations between enterprises across borders**.



SUSTAINABILITY

The project promotes **environmentally responsible implementation practices**. Eligible sectors are **aligned with sustainable economic priorities**, ensuring that the fund's impact aligns with EU strategic goals.



SCALABILITY

EmBRACE is encouraging the **creation of meaningful, yet replicable, scalable and manageable partnerships** among MSEs. The pilot scheme is designed to be replicable in future programming periods.



Steinbeis
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Interreg Programme
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REPUBLIC of CROATIA
Ministry of
Economy



Baden-Württemberg
Ministry of Economic Affairs,
Labour and Tourism

Methodology

Methodology applied to the SPF EmBRACE project

The EmBRACE project uses **standardized costs (SCO)** according to the option calculated as up to **40% of eligible direct staff costs** and covering all other project activities of the Small project Fund beneficiary (SPFB) except staff costs. Therefore, the budget of the SPFB consists of two cost categories:

- a) staff costs
- b) other costs calculated as a flat rate (office and administrative costs, travel and accommodation costs, external expertise and services costs, equipment costs)

Methodologies applied to the Small Projects (SP)

The Small Projects operate on a **reimbursement basis**, meaning that final recipients must pre-finance their activities, and the funds spent are reimbursed after the submission and evaluation of project progress reports. The reporting process varies depending on the type of Small Projects as defined in first Call for applicants:

- a) SPs not exceeding 100.000 € (i.e. those using a lump sum) will submit a progress report after each of the 3 milestones and proven results. Milestones will be defined during precontracting.
- b) SPs exceeding 100.000 € will submit progress reports on a 4-month basis. SPFB will review the reports on SP implementation progress, ask for completion if needed and approve them.

The maximum allocated amount of EU funding per Small Project is 200.000 €, regardless of the number of applicants.

Work packages

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Two main work packages structure the project implementation:

Work Package 1 – management costs

This work package ensures the successful setup of the Small Project Fund (SPF) scheme and the overall coordination of project implementation including promotion and project visibility.

Objective: Establish the foundation for the successful implementation of the EmBRACE pilot project and provide technical assistance for small projects.

Activities:

- Activity 1.1: SPF scheme management activities
- Activity 1.2: SPF promotion and dissemination activities

Work Package 2 – Small Project Fund

This work package provides direct support to cross-border MSE partnerships.

Objective: Providing support to joint small development projects of the micro and small enterprises and providing assistance to the micro and small enterprises in project implementation and coping with cross-border business cooperation technicalities

Activities:

- Activity 2.1: Activity of contracting and implementation of Small Projects

Indicators and Impact

The EmBRACE project is measuring results and outcomes through Program Result Indicators and Program Output Indicators. The project counts the number of:

Solutions taken up or up-scaled by organizations

SMEs introducing product or process innovation

Enterprises supported and those receiving grants

Pilot actions developed jointly and implemented

Jointly developed solutions

Unlock
the change
EmBRACE it!

EmBRACE



The EmBRACE project has multiple positive effects on the border area of Croatia, Bosnia and Herzegovina and Montenegro.

The programme area includes **12 counties** in Croatia, the Brčko District and **109 municipalities/cities** in Bosnia and Herzegovina, and **12 municipalities** in Montenegro.

Concrete Impacts and Added Value:

- Better socio-economic situation
- Improving cross-border business cooperation and economic integration
- Raise competitiveness, sustainable growth and subsequently job creation
- Enhance entrepreneurial skills, digitization and technological advancement in the MSEs
- Increased resilience of the regional economy

Barriers

Administrative challenges:

- Different regulations of different countries
- Need for constant compliance with EU legislation

Solution:

Additional resources and attention

Interest centralization:

- Low interest for option where the project value is less than 100,000 €

Solution:

The proposal for the next call is to proceed without the option for small projects that do not exceed 100.000 €

Tips for other projects

Focus on digitalization and sustainability:

- Both are crucial factors for ensuring long-term success and resilience in an ever-evolving market
- Better support of projects that focus on technological advancements, digital transformation, and sustainable practices
- Better adaptation to future challenges

Increase available funding for Small Project Funds:

- Support of a larger number of high-potential projects
- Enhance the overall impact and contribute to fostering innovation and growth within small businesses