

Project for the economy of small European islands

Entrepreneurship on small islands : a challenge for their future

The islands have always appeared as miniature worlds where it is easier to observe the relationship between the availability of resources and their role in economic activity & development.

The island , whose remoteness and isolation inspire a large majority of our citizens carries over - visibility of strengths as much as weaknesses in many field and contributes to the islands being demonstration areas where successful experiments strongly gain visibility.

Apart from the 25 largest European islands, where hundreds of thousands of people live, there are more than 2,400 small and medium islands permanently populated. In these territories , related insularity difficulties lead to the development of innovative activities and situations that allow the maintenance and development of human communities living there by creating jobs.

After a decline often initiated since the nineteenth, recent decades , have seen a change in the economy : reduction of primary activities (agriculture , fishing, forestry) in favor of new tourism-related activities and the discovery of heritage, all these contributing to halt the decline of the islands and even to reverse the trend and regain the population.

Many are made by new entrepreneurs who rely on short circuits with high added value and best use of resources with the objective to avoid burnout : obvious condition for long-term activity on these finite territories. From a country to another one, taking account of the insularity is different ; despite this, economic revival is observed on many islands, with new entrepreneurs starting activities.

Aims of the project

- Identification of entrepreneurship mechanism in small European islands including: existing assets and constraints (economical, legislative & regulative, social..);
- Pooling, implementation and promotion of best practices and favorable mechanism for enterprises;
- Awareness of local, regional, national & European government to improve rules and support mechanism for the economy of the islands.

For this, linking island stakeholders : twinning , exchange trips , workshops, island conferences etc. seems to be a very good way to achieve such goals.

A very good existing tool would be an Interreg - Europe project

Major axes of the project

1 Comparative analysis of the situation of economic activities on the islands :

- insular over-costs;
- specific impacts of laws and regulations on island situation;
- compensation mechanisms existing on different Regions &/or Countries (ie VAT rate..., support to transport, solidarity mechanism, contribution of public electricity services).
- The impact of this mechanisms will be analyzed regarding the main economics components:
 - Primary activity: agriculture Fishing Activity
 - Secondary activity : production transformation
 - Tertiary activity: tourism, services, transport, cultural activities ...

The project would be to call out specific contractors and consultants to carry and produce reports, 2 ways to discuss:

- To ask to the lead partner to supervise each theme
- To set up a working group, each partner could supervise a theme

My personal preference goes to the second way.

2 Analysis and comparison of significant economic successes and failures over the past 10 years ;

In order to get significant data allowing identification of positive and negative factors, each partner in its Region/Country, will identify and each main economic component:

- 3 example of business success
- 2 example of business failure

Analyze the reasons why it's a success or a failure, in both cases what to do or what to avoid will be the main questions.

Same way to do the job either:

- To ask to the lead partner to supervise each component
- To set up a working group, each partner could supervise a component

3 Displaying the results and promoting entrepreneurship

Share and promote, best success stories and situations, successful experiences, identification of limiting factors and strengths an assets

The producible could be: the promotion and evaluation could take place during 2 years after the 3 first years of the main entrepreneurship project.

- Handbook explaining the main results and giving suggestion to :
 - improve regulations,
 - improve support mechanisms
 - set up compensation mechanisms

For this, it's just to let know the results of the consultants and thematic working groups and Bring to the knowledge of policy makers and economic actors of the results obtained with proposals for improving the conditions for a sustainable and successful economy of the islands,

- **web site** (usual tool during the program)
- **educational program** on entrepreneurship for pupils on the islands
- **“island destination”** could be a promotion program under “ESIN flag” giving a better visibility of European small islands dynamics (could be: a book, TV programs, Radio programs etc.)
- **Label** “produced on islands: valuation of island products (to a better added value and sustainable management of island resources).

National small islands networks interested: after 2014 ESIN AGM and 2015 exchanges:

- | | | |
|----------------------------|-----------------|-------------------|
| • AIP | France | Denis Bredin |
| • FÖSS | Finland | |
| • Åland | part of Finland | Christian Pleijel |
| • Irish Island association | Ireland | |

- Scottish Island Federation Scotland
- SRF Sweden Anna-Karin Utbult Almkvist

Other national or regional small island network may join the project, a final decision is expected by November 2015,

The first interreg Europe call was in 2015 june -july: 237 applications were submitted a new EU interreg Europe call is expected in early 2016.

I suggest we plan to prepare an application (first draft) by December 2015.

First suggestion for financial and program elements

Preparation cost : 15 000 € this would be refunded if application successful,
lost if unsuccessful,

Global financial structure: **five year program**

Option 1 NGO is lead partner : ie AIP it may be declared as public body as gathering elected mayors and different members of executive commits

	UE grant 75%	partners contribution : 25%	Total 100%
Total estimates :	1 170 000	390 000	1 560 000
Consultants/contractors	715 000		
Internal staff	645 000		
Travel accommodation	200 000		

Option 2 lead partner is public : University, regional or local council...

	UE grant 85%	partners contribution : 15%	Total 100%
Total estimate :	1 326 000	234 000	1 560 000

Partners contribution needed first approach

	Financial or (staff equivalent) contribution 25%:	EU grant 75%
Lead Partner:	28 000/ year total 140 000	420 000
Each partner :	10 000/year total 50 000	150 000
Total partner	5x 10 000 250 000	750 000

With an annual input of 10 000 (staff equivalent to be justified), with 5 partners + AIP bringing 28 000€, we could have a 1 560 000 €

imputation	common cost	lead partner	partner 1	partner 2	partner 3	partner 4	partner 5	Total
preparation cost		15 000,00 €						
administrative management								585 000,00 €
reporting		120 000,00 €	10 000,00 €	10 000,00 €	10 000,00 €	10 000,00 €	10 000,00 €	
comptabilité		125 000,00 €						
suivi contracts		120 000,00 €						
coordination		120 000,00 €	10 000,00 €	10 000,00 €	10 000,00 €	10 000,00 €	10 000,00 €	
frais généraux								
contractors								615 000,00 €
surcoûts	140 000,00 €							
local situation	140 000,00 €							
case study	335 000,00 €							
workshop	travel accomodation							200 000,00 €
start meeting		6 000,00 €	6 000,00 €	6 000,00 €	6 000,00 €	6 000,00 €	6 000,00 €	
surcoûts		6 000,00 €	6 000,00 €	6 000,00 €	6 000,00 €	6 000,00 €	6 000,00 €	
local situation		6 000,00 €	6 000,00 €	6 000,00 €	6 000,00 €	6 000,00 €	6 000,00 €	
case study		6 000,00 €	6 000,00 €	6 000,00 €	6 000,00 €	6 000,00 €	6 000,00 €	
final results	20 000,00 €	6 000,00 €	6 000,00 €	6 000,00 €	6 000,00 €	6 000,00 €	6 000,00 €	
workshop	staff (nbre days) 1 day = 300€							39 000,00 €
start meeting		1 200,00 €	1 200,00 €	1 200,00 €	1 200,00 €	1 200,00 €	1 200,00 €	
surcoûts		1 200,00 €	1 200,00 €	1 200,00 €	1 200,00 €	1 200,00 €	1 200,00 €	
local situation		1 200,00 €	1 200,00 €	1 200,00 €	1 200,00 €	1 200,00 €	1 200,00 €	
case study		1 200,00 €	1 200,00 €	1 200,00 €	1 200,00 €	1 200,00 €	1 200,00 €	
final results		1 200,00 €	1 800,00 €	1 800,00 €	1 800,00 €	1 800,00 €	1 800,00 €	
results								
site web	20 000,00 €							
teaching	20 000,00 €	10 000,00 €	10 000,00 €	10 000,00 €	10 000,00 €	10 000,00 €	10 000,00 €	80 000,00 €
label	20 000,00 €							
handbook	20 000,00 €							
Total	715 000 €	546 000 €	59 400,00 €	59 400,00 €	59 400,00 €	59 400,00 €	59 400,00 €	
Grand Total								1 558 000 €

Global cost for entrepreneurship 5 years project