

**Integrated Programme "Regional Growth"**

<p><b>Name of Programme</b></p>	<p>Integrated Programme "Regional Growth"</p> <p>Modular Structure:</p> <ul style="list-style-type: none"> <li>▪ Subsidizing investments by small enterprises in rural and peripheral areas</li> <li>▪ Financing Start-up and Growth (Regional Supplement)</li> <li>▪ Regional Cooperative Networks</li> </ul>
<p><b>Timetable</b></p>	<p>2005-2008</p>
<p><b>Federal State</b></p>	<p>Freistaat Sachsen (Free State of Saxony)</p>
<p><b>Regional Implementation of Programme/Example</b></p>	<p>Entire Free State, with the exception of the two major cities Dresden and Leipzig.</p>
<p><b>Reasons for his programme/example? What's so special about it?</b></p>	<p>Basic assumptions:</p> <p>Enhancing regional potential of rural and structurally disadvantaged areas and fostering economic growth and new jobs through local SME development.</p> <p>Features:</p> <p>Content and budgetary handling of the three modules are interrelated and connected in order to initiate a maximum of subsidies as well as a flexible allocation to meet actual demands.</p>
<p><b>Description of Programme 7 Examples</b></p>	<p>Grant-subsidies ranging from 35 to 45% of the total amount of the investment and. reduction of interest rates by 0.8 to 1% combined with subsidizing cooperation/networks comprising at least 3 SME's subsidizing marketing drives with up to 80% of the actual cost as incentives for investments and cooperation to stabilize and instigate full-time jobs as well as ensure competitiveness by merger/acquisition, general growth and innovation.</p>

<p><b>Why was / is this approach successful?</b></p>	<p>Guideline and regulations based on time proven GA-law for subsidizing commercial enterprises employing more than 20 workers.</p> <p>Marketing by the regional managements as well as the regional service agencies, the Chambers of Commerce and the "Sächsische Aufbau Bank-SAB" (Saxon Bank for Economic Development).</p> <p>By subsidizing only 8.000 € for each stabilized or newly set up working place – including administration – within 2006 214 new jobs had been set up and 650 secured. Each with a 5-year warranty subscribed by the employer.</p> <p>During the same time span 376 enterprises received credits amounting to a total of 60 Mio. € - creating 1.200 additional jobs and stabilizing 2.100.</p> <p>38 cooperative networks were subsidized by 2.4 Mio. €. Interrelated financial cover of budget accounts allows for budgetary flexibility and allocation of financial resources in accordance with the actual demands. Budgetary flexibility was vital to link cooperative networks to investments made by SME's generating economic growth.</p> <p>Evaluation of the programme is scheduled for the 3rd and 4th quarter of the year in order to provide new insights and to set up as base for recommended adjustments as eventually limiting the actual requirement of the 5 year job-warranty by 2 to only 3 years.</p>
<p><b>Known obstacles and how they were passed by.</b></p>	<p>Specific problems due to a new programme consisting of an unfamiliar, untested internal structure. "Learning by doing" as basis for all problem-solving; not by the book, but by life-experience.</p>
<p><b>Plans to transfer the programme?</b></p>	<p>Implemented in all regions of Saxony, except Dresden and Leipzig. Exchange with other federal states and national government during regular GA-councils, congresses and informal meetings.</p>

<b>Internet and general/ public/internal information</b>	<p>„Jour Fixe“-meeting organized by the section/department in charge in collaboration with multipliers:</p> <ul style="list-style-type: none"><li>▪ Sächsische Aufbau Bank</li><li>▪ Chambers</li><li>▪ Regional Service Agencies</li><li>▪ Municipal and regional administrators/agencies for economic development</li><li>▪ Regional Managements</li></ul> <p><a href="http://www.sab-sachsen.de">www.sab-sachsen.de</a> <a href="http://www.smwa.sachsen.de">www.smwa.sachsen.de</a> <a href="http://www.sachsen.de">www.sachsen.de</a></p>
--	--