

## Idea: Supporting the development of SMEs in the fashion and design industry

Number in the database: 158

Area number: 17

### General information (only if existing or planned)

<b>Country name:</b>	Hungary	
<b>Region:</b>	The territory of Hungary	
<b>City :</b>	n/a	
<b>Public organisation responsible</b>	<b>In national language</b>	IFKA Közhasznú Nonprofit Kft
	<b>In English</b>	<b>IFKA Public Benefit Nonprofit Ltd.</b>
<b>Department (if any)</b>	Economic Development and Innovation Operational Program	
<b>Address:</b>	1062 Budapest, Andrásy út 100.	
<b>www:</b>	<a href="https://divatdesignpalyazat.ifka.hu/">https://divatdesignpalyazat.ifka.hu/</a>	
<b>Public organisation representative:</b>	This call is published by the Deputy State Secretariat for the Implementation of Economic Development Programs under the Economic Development and Innovation Operational Program in Decree No. 1006/2016. (I.18.) On the basis of the Annual Development Framework.	

### Idea description

<b>Title:</b>	Supporting the development of SMEs in the fashion and design industry
<b>Idea objective</b>	Stimulation on innovation in design and fashion manufacture, especially for those from micro and small companies to support technological development to support them in innovation.
<b>Sharing process (max 1000 characters)</b>	<p>The supporting instrument for the fashion and design industry was implemented in Hungary on a national level. Due to the fact, that initiative has strong support from local public institutions it is possible to implement similar mechanisms on the city level. The general recommendation for multipliers is to study the way the instrument is organized and can affect business.</p> <p>Multiplication of a case study on a local level can be understood in two ways:</p> <ol style="list-style-type: none"> <li>1. using the described tool and scaling it in the same branch or other along with rules in Hungarian case,</li> <li>2. creating a new initiative using accessible funding (Structural Fund) and developing local (city-level) sectoral fund supporting ecosystems/value-chains.</li> </ol> <p>Target: The fashion and design companies that are able and willing to develop should be able to make investments which are believed to enable the actors from the sector to strengthen profitability in the medium term, develop their export and increase international competitiveness.</p> <p>In the framework of the initiative companies can be:</p> <ul style="list-style-type: none"> <li>• awarded for the project grant repayable assistance, capped with the financial resources available (between HUF 5 million and HUF 150 million),</li> <li>• for eligible projects an advance on the grant up to 100% of the refundable aid.</li> </ul>
<b>Restrictions/rules (law, skills, time, other)</b>	<p>Technology and equipment:</p> <ul style="list-style-type: none"> <li>• IT equipment (laptop, telephone, computer)</li> </ul> <p>Knowledge:</p> <ul style="list-style-type: none"> <li>• IT knowledge</li> <li>• Intermediate or advanced economic knowledge</li> <li>• Decision - making skills</li> <li>• Good communication skills</li> </ul>

<b>Procedures (if applicable)</b>	n/a
<b>Costs for public institutions (if applicable)</b>	<p>Expected costs:</p> <ul style="list-style-type: none"> <li>• financing of staff costs</li> <li>• website cost</li> <li>• costs of accounting</li> <li>• financial resources reserved for grants</li> </ul> <p>Amount of costs to be financed (in EUR):</p> <ul style="list-style-type: none"> <li>• the specific cost depends on many aspects, such as how much budget the implementing organization can provide to entrepreneurs, as well as on its market relationship maintenance</li> </ul>
<b>Expected result (if possible)</b>	<p>The economic impact of the pandemic has significantly affected the sector due to the slowdown and stagnation of foreign sales. It is expected that with this measure, the companies of the Hungarian fashion and design industry, who are able and willing to develop, will be able to make investments that stimulate the sector in the medium term. To operate profitably and change in the fierce and resource-intensive international competition, such an initiative should increase company export and increase international digital presence and awareness.</p> <p>It is also expected that supporting companies in the fashion sector will stimulate urban growth, especially by influencing local ecosystems and value chains. In this context, it encourages local public institutions to focus on the spill-over effect and create leverage with additional support, such as using public space to promote products and organize markets. Implemented at a local level, this initiative will certainly serve the development of the sector. With its realization, the popularity of this sector will increase significantly, having a recovering effect on a local economy.</p>