

Good Policy Practice

Republic Agency for the Development of Small and Medium Enterprises (RARS)

The support mechanism for providing "second chance" to enterprises in Republic of Srpska/Bosnia and Herzegovina

Embracing failure to facilitate second-chance entrepreneurship in the Danube region

Objectives



- It is foreseen in the **Strategy for Development of Small and Medium-sized Enterprises of the Republic of Srpska for the period 2016-2020** adopted by the National Assembly of Republic of Srpska in 2016;
- **The specific goal:** providing a "second chance" for honest entrepreneurs whose businesses went bankrupt to help them if they want to re-establish a new business;
- **The main challenges** that were identified and with which this mechanism will tackle are the following:
 1. There is no systematically provided programmes for second-chance entrepreneurs in Republic of Srpska/Bosnia and Herzegovina;
 2. Stigmatisation of business failure and negative attitudes towards failed entrepreneurs.

Description of intervention



- **The policy initiative;**
- **Systematic solution for supporting enterprises with difficulties in business and providing "second chance" to honest entrepreneur** who have had to close their business due to problems, crisis, the lack of work, disaster or anything else that is not an illegal activity, but who want to re-establish an enterprise;
- **An early stage warning system to prevent companies from bankruptcy;**
- **Network between second-chance entrepreneurs and business support organisations;**
- **The programme will include trainings and mentoring support for second-chance entrepreneurs as well as informative campaign for promoting the concept of second-chance among entrepreneurs in our country.**

Region and implementing body



- **The main implementing body:** the Republic Agency for the Development of Small and Medium Enterprises (RARS);
- The programme will be implemented in cooperation with local development agencies, departments for economy of municipalities and cities and the Agency for Intermediary, IT and Financial Services (APIF);
- The programme will be implemented on **the territory of Republic of Srpska that is one of two constitutional and legal entities of Bosnia and Herzegovina;**
- **RARS coordinates the network of 14 local development agencies and 50 departments for economy of municipalities and cities that covers all territory of Republic of Srpska.**

Results + Public Benefit



Results

will be defined.

Public benefit

- Raising of awareness and visibility on the second chance entrepreneurship in Republic of Srpska;
- Development of specially designed programme for providing "second chance" to entrepreneurs;
- Creating a network between second-chance entrepreneurs and business support organisations;
- Creation of new businesses;
- Mitigation the stigma associated with those who have had failed businesses in Republic of Srpska.

Reasons of success + Transferability



- **Establishing an early warning system** that will be developed in cooperation with the Agency for Intermediary, IT and Financial Services (APIF). The formation of the Business Register in APIF and its connection with the register of annual accounts enables tracking of loss-making subjects and early warning of potential problems.
- On this way, **development agencies could help enterprises to overcome the difficulties in their businesses and to avoid coming into a situation of insolvency procedure.**

THANK YOU FOR THE ATTENTION!