

## Sarah Fenwick EU Business Grants Part I

I'm going public to warn other entrepreneurs about the pitfalls and to campaign for change and improvement in the way the ministry of commerce interacts with private businesses.

It starts six years ago in 2009, when I was down on my luck and temporarily unemployed in my professions as a marketing communications expert and journalist.

I'm a Cypriot citizen and EU citizen and decided to look for other types of opportunities to improve my career. Never one to give up easily, I heard about some EU grants offering five million euros in financial resources to women entrepreneurs, and since my goal was always to own a business doing what I love, I scraped together 1000 euros to pay a consultant to do the paperwork and submit my business plan to the ministry of commerce.

I have plenty of experience in business and would have submitted it myself but the budget paperwork appeared complex and it was all in Greek. I speak and fully understand the language as my mother is Greek-Cypriot, but didn't want to take any risks and the government's documents were too complicated to leave anything to chance. The applications were only accepted in Greek, which is why Cypriots like me whose Greek was not 100% fluent (and there are thousands, particularly those who lived abroad for years) would need a consultant to fill in the paperwork.

I had originally budgeted for the full 100,000 euros allowed, which the government would fund by 50% with a grant, but somehow, due to a complicated procedure I didn't understand fully, the budget submitted ended up being under 20,000 in total. My consultant told me it was because I would be working from a home office, and despite my explanations that online marketing and journalism are done from wherever there is an Internet connection, this flexible services approach was not a business model that would be understood by the ministry and I would just have to accept their decision.

Then, I waited. And waited. And waited, getting on with my productive work with CyprusNewsReport.com and working as a marketing consultant and jazz singer. Since the grant hadn't come through yet, I could not see the reason to commit financial resources like getting a bank loan - which the consultant had suggested to do on the basis of the prospect of receiving the grant.

After many months, I contacted the ministry directly to ask what the status of my application was, and after many more months, received an official response that was quite unclear to me. The letter was in Greek and said that I'd received enough points to be accepted in the grant scheme but since there was not enough money for all the successful applicants, other candidates were put ahead of me based on this internal points system.

This was a further blow because it meant another unforeseen delay without any kind of firm deadline to start processing the business plans. Wisely, at the time, I decided to see how things would play out before committing resources to the project and risking financial exposure.

At this point in the story, let's look at what constitutes mal-administration according to the European Commission. It's a short list, and I can say, the ministry's personnel had dotted every 'i' on this list so far, even at this early stage:

- unfairness,
- discrimination,
- abuse of power,
- lack of or refusal to provide information,
- unnecessary delay,
- incorrect procedures.

### Unfairness

Why did some business plans get more points and what were the criteria? I asked but got no clear answers, and was left with the feeling that the process was unfair.

What kind of budgeting was being done, was it politically motivated due to better-connected businesses, or was it merit-motivated?

What kind of direct experience did the ministry's personnel have in business? Were they qualified by experience to judge an entrepreneur's situation? Is it fair to new businesses to put up so many potential pitfalls right from the very beginning? No, obviously not.

### Discrimination

The rules were many, complex and only in Greek. I asked for them in English, which is a reasonable request since English is an EU working language and Cyprus is an EU member state, but was told that they simply didn't exist. Why not? This is an EU grant, let's remember, and discrimination comes in many forms, such as deliberate exclusion by way of language barriers.

### Abuse of power

By making the procedures unnecessarily complex and non-transparent, the ministry is keeping the power to itself and abusing its position as the fund's administrator. Even worse, they are rigging companies for failure by tying their hands in miles of red tape.

### Lack of or refusal to provide information

At no point did I feel reassured that I was getting the full story and clarity on the rules. This will become apparent in the next part of the story to be published shortly.

## Unnecessary Delays

This is perhaps the most destructive part of the story; unnecessary delays have dogged this entire process. It took over two years to get from submitting the application at the beginning of 2010 and receiving the first confirmation that my business plan had been accepted into the scheme in October 2012. The ministry was very passive, and only informed me about the status of the application when I pressed the issue with phone calls and emails.

Given the speed at which markets change, businesses have to move at 100 miles per hour and with the state moving at 10 miles per hour, roadblocks are created that can only serve to cause accidents and casualties along the way. The economy suffers accordingly.

## Incorrect procedures

By forcing entrepreneurs to wait during the time they were unemployed - and it was a condition that you had to be unemployed - this created more uncertainty, delays and financial difficulties. These were the very things that the grants were supposed to mitigate.

Sarah Fenwick is a marketing communications consultant, jazz singer and journalist, not necessarily in that order. She has co-founded [CyprusNewsReport.com](http://CyprusNewsReport.com) and [Jazz Arts & Communications](http://JazzArts&Communications.com).