

INSIDE OUT EU PROJECT

Region: Värmland (SE)

Partner: Värmland County Administrative Board

ACTION PLAN: VÄRMLAND COUNTY ADMINISTRATIVE BOARD



Inside Out EU
Interreg Europe



European Union
European Regional
Development Fund

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PART 1 – GENERAL INFORMATION

Project	Inside Out EU
Partner Organisation	Värmland County Administrative Board Karlstad University
Other Partner Organisations Involved	Karlstad University
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PART II – POLICY CONTEXT

- Investment for Growth and Jobs Programme
- European Territorial Cooperation Programme
- Other regional development policy instrument

NAME OF POLICY INSTRUMENT ADDRESSED

ERDF for North Middle Sweden (Transnational component/article 70)

Regional business development checks from the Swedish Agency for Economic and Regional Growth

We want to influence the ERDF for North Middle Sweden by using the transnational component/Article 70, which is a part of the ERDF for North Middle Sweden. This transnational component makes it possible for partners from Värmland to apply for funding for working with an actor in another country. The component is not used today, which we want to influence in the positive direction.

In order to relate the choice of our actions to needs discovered in the region (related to the regional diagnosis done in the beginning of the project), and from our learning experiences within the project, we have chosen not to only focus on the initial policy instrument addressed - the ERDF for North Middle Sweden, but also on a national policy instrument called Regional business development checks for internationalisation.

For preparing businesses to use the transnational component/Article 70 in ERDF North Middle Sweden, we will use the Regional business development checks for internationalisation as a first step to give small businesses a chance to find contacts in Europe. The aim is to make the businesses and the programme prepared for transnational cooperation so they can be ready to use the transnational component/Article 70 for financing within the ERDF for North Middle Sweden.

These two policy instruments, the ERDF for North Middle Sweden with the transnational component/Article 70 and the Regional business development checks for internationalisation, have previously been used very separately, but we can see that they can have much greater impact and we can get new synergies if we can combine them. Both these policy instruments support business and promote internationalization

PART III – DETAILS OF THE ACTION ENVISAGED

Action 1 Regional Export Cooperation

As an action in the Inside Out EU project, Värmland County Administrative Board and Karlstad University want to support businesses that are in contact with the newly established Regional Export Cooperation Centre in Värmland. We would like to support them in using the two policy instruments, the ERDF for North Middle Sweden with the transnational component/Article 70 and the Regional business development checks for internationalisation. Using the two

instruments more efficient, will be a way for the businesses to connect with international partners and networks and take their business abroad. The policy instruments are today not used in an efficient cooperative way.

In order to get businesses to use the two policy instruments, Värmland County Administrative Board and Karlstad University aim to establish relevant linkages between the newly established Regional Export Cooperation Centre in Värmland, and other actors within the region that has competence, capacity, networks etc. for improving internationalisation for businesses. We have got inspiration from experiences given by Overijssel in the Netherlands, Go4Export, in how they have organised themselves. We would like to further explore these experiences, implement similar connections and develop the concept so it fits our region and policy instruments.

Together with the Regional Export Centre we will carry out several activities aimed at the businesses, related to the two different policy instruments. This will create added value both for the Regional Export Centre and to the businesses. The implementation of the two policy instruments both aims at reaching regional growth and internationalisation.

The Background

We would like to influence our two policy instruments through the national initiative “Regional Export Centres” which is part of Sweden's export strategy. In charge of the initiative is the government agency named the Swedish Agency for Economic and Regional Growth, located under the Ministry of Enterprise and Innovation.

In this Regional Export Centre initiative, all regions in Sweden have been invited to start up their regional centre under the framework of the national Regional Export centre initiative. There was no funding for setting up the Regional Export Centre in Värmland from the start. The initiative was taken about at the same time as Inside Out EU started. We have therefore worked with Region Värmland and other stakeholders to design the Export Centre in Värmland in line with what we have learned from "Go4Export" already from the beginning of the project. The Regional Export centre in Värmland is now running within an ERDF North Middle Sweden project, Verksam Värmland 2.0, which started 2019-01-01 and will go on until 2022-04-30.

When Regional Export Centre Värmland became a project (Verksam Värmland 2.0), we jointly decided that for practical reasons it should be run by a small group of core actors; Region Värmland, EEN, Almi and Business Sweden. For this action in our Action plan, this means that the other stakeholders; Värmland County Administrative Board, Karlstad University, The Border Service -Grensetjänsten Norway Sweden, Compare, Värmland's European Office (within the framework of Digital Well Arena), will find ways to bring our cooperate strengths and contacts to the Regional Export Centre in the best way.

We see that one important action to improve the two policy instruments is to link the Regional Export Centre to other business support actors in the region so we together can help the businesses in using the ERDF policy instrument or the business checks for internationalisation, or both instruments together. This will help them to start exploring new markets abroad, finding contacts etc. The implementation of the two policy instruments both aims at reaching regional

growth and internationalisation. They are today not used in an efficient cooperative way, therefore we see the need of connecting actors within the region that deals with regional growth and internationalisation of business with their different tools.

The main idea for this action comes from "Go4 Export" in the Netherlands, where they have built up a strength in the region by bringing many actors together that provides comprehensive support for businesses in different ways. This is something we have not done yet in Värmland and that we now want to develop.

Already when the partners in the Inside Out EU Project met in Hamar, Norway, in June 2017, to present our regional diagnosis, we heard about the idea from Province of Overijssel, the Netherlands, to establish a new tool for regional cooperation with involvement of several relevant actors. During the study visit in Overijssel in January 2019 we could see the result of this idea in what has become the concept "Go4Export". In Värmland we see the need for establishing a similar concept for cooperation and will as our first action in the action plan develop this together with our stakeholders.

Our stakeholders have always been invited to participate in our Inside Out EU meetings and when they have been unable to attend, we have informed them afterwards. They have been very interested in how they do in other regions of Europe. The combination of the two policy instruments is made possible thanks to the stakeholder group.

Actions

1. The first step is to organise the actors involved in business support in Värmland. Something we have learned from taking part in the Inside Out EU project and from all the study visits, is that we share the challenge to organise the different support organisations (regional, national and local) efficiently and well defined for the SMEs receiving the support.
2. We have set up dates during 2019 and 2020 to meet with all the players involved, with the intention to have a common view on how we should interact on a regular basis. We intend to meet once a month.
3. To support businesses that are in contact with the Regional Export Cooperation Centre in Värmland in using the two policy instruments, we will connect the Regional Export Cooperation with the "Digital Well Arena (DWA)". DWA is a unique platform for smart specialisations in Värmland. The intention with this platform is to become the leading arena for innovation and co-creation of digital health services with systematic user-interaction. Concrete support from the Regional Export Cooperation will be to enable companies in this area to be innovative and to reach new markets with the help of the two policy instruments.
4. During the time frame for the action plan we count on supporting at least 5 companies reaching new markets, 2 new international cooperation's have been established and 3 new projects have been funded in line with the specialisation.

Players involved

Collaboration between the following organizations:

- Compare (Cluster, consisting of around 100 companies in the digital sector in Värmland).
- Karlstads universitet (Grants and Innovation Office)
- Värmland County Administrative Board (International Secretariat)
- Region Värmland (Regional Export Centre)
- European Office Region Värmland (European Office)

Representatives from these organizations will meet at least once a month through physical meetings or Skype meetings. During these meetings, the actors will have an overview of initiatives that the different organizations has received, updating each other about their own activities, business intelligence for programs, networks, projects etc.

Timeframe 1 July 2019 – 31 Dec 2021

2019: We have set up dates during 2019 to meet with all the players involved, with the intention to have a common view on how we should interact on a regular basis. We intend to meet once a month.

2020: We will set up dates during 2020 to meet with all the players involved, with the intention to more concrete support the businesses in using the policy instruments. We intend to meet at least once a month within the group. In addition, we will have meetings with the businesses depending on how much support they need.

2021: During the timeframe for the action plan we count on supporting at least 5 companies reaching new markets, 2 new international cooperation's have been established and 3 new projects have been funded in line with the specialisation.

Costs

Meeting costs, staff costs. Some of these costs are in the beginning be financed by the ongoing project Verksam 2.0, funded by the Regional Development fund and Digital Well Arena, funded by Vinnova.

Funding sources

- The framework "Regional Export Centres" which is part of Sweden's export strategy and funded by the government agency named the Swedish Agency for Economic and Regional Growth.
- Verksam 2.0 which is an ERDF North Middle Sweden project under which Värmland's Regional Export Centre runs under in the coming three years

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- Region Värmland will take the costs for a having another working meeting in the Netherlands
 - The program “Steps to Export” will be funded by national funding applied for in order to enable growth on a regional level in Värmland.
 - Digital Well Arena is a newly established regional excellence cooperation and has got national funding (a ten year long program) from Vinnova, Sweden’s Innovation Agency, in the purpose of building international linkages in the specific area of expertise (to become the leading arena for innovation and co-creation of digital health services).
 - ERDF–funded new project using the transnational component”, to be established in cooperation from the support given of the new group

Action 2 SMEs + Trainees exploring new markets

Värmland County Administrative Board and Karlstad University would, together with the stakeholder Region Värmland, like to test opportunities for more involvement of students and traineeships in developmental issues in specific interested companies in Värmland. We were inspired by the Export Development Program (in the Netherlands) who supports students thesis works, followed by an employment as a trainee to support the SMEs in reaching new markets. In order to manage this action we need to set up a model for how SMEs in Värmland can explore new markets through student- and traineeship involvement, and to establish an organisation for the “match-making” of companies and students.

The background

In the SWOT-analysis for North Middle Sweden related to the ERDF Operational Program it is stated that it is desirable to profile leading universities and increase collaboration with operators from the business community. In seeking new opportunities for increased collaboration, we have been inspired by the “Export Development Program” as it has been developed during the years from a cooperation between Provincie of Overijssel and Saxion University of Applied Science. In Värmland we have examples of interactions and collaborations between student programs and cluster organisations, as well as between individual students and specific companies. But we have not tried the model used in Netherland of supporting SMEs in their aim of reaching new markets, by connecting to resources of competence and trainees from an International Business School. Therefore, our intention is to implement a model for how SMEs in Värmland can explore new markets through student- and traineeship involvement as it has been developed in the “Export Development Program” (developed through a cooperation between Provincie of Overijssel and Saxion University of Applied Science).

For now, our action is concentrated to the Netherlands, but the model can be used also for other Inside Out EU regions. The pilot will last for two years with the Netherlands, then the model can be used in any country. The new thing in the model is that with the help of Dutch trainees you get a door opener towards the new country and the region. This is paid for with the business checks for Internationalization.

Region Värmland was granted extra funds for 2019 in the form of business development checks from the Swedish Agency for Economic and Regional Growth. The distribution consisted of SEK 3 million for digitization and SEK 2 million for internationalization. During the years until 2019 it was Värmland County Administrative Board that managed these checks, but the responsibility has now moved to Region Värmland, which also is an important stakeholder in the Inside Out EU project. In autumn 2019, the Region Värmland will apply for new funds for the fiscal year 2020. Parts of these funds can be used for realising our action about “SMEs + Trainees exploring new markets” in Värmland.

Actions

- Värmland County Administrative Board participates in the project "Inside Out EU" with a focus on SMEs and internationalization. Region Värmland is a stakeholder and participates with the business development checks as a tool for developing SMEs and its international investments in new markets. The multilateral cooperation within Inside Out EU has contributed to creating interest between the regions of Overijssel and Värmland in the work on the internationalization process.
- At an initial stage, representatives of the regions will meet and discuss a possible future cooperation. It is primarily Värmland companies that want to / wish to establish themselves in Overijssel, which with the help of the checks should be able to temporarily employ talented Dutch university students. Students' project employment becomes an important part of their academic degree. The idea is that students in international trade become project employees and perform market analyses, product safety surveys, retail contacts and more.
- From Region Värmland, the desire is to apply for additional funds for internationalization from the Swedish Agency for Economic and Regional Growth for 2020 and to target part of this money primarily to Overijssel and, secondly, the whole Netherlands. The purpose of this extra investment is to promote trade between the Netherlands and Sweden or more specifically between two regions. The trading exchange also follows the exchange of knowledge between actors and authorities with the hope of long-term cooperation and possibly a "friend's country" cooperation. The funding can be in place from 1 January 20120.
- The goal is that during 2021 at least two Dutch students will be in temporary employed in a Swedish company (in Värmland) that wants to start making business with the Netherlands.

Players involved

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- Region Värmland is the coordinator of the Regional Export Cooperation and in charge of the tool (national policy instrument) to support companies with “internationalisation checks”.
 - Karlstad University, by Grants and Innovation Office the cluster organisations in Värmland. We are also involving
 - Värmland County Administrative Board, as facilitators and evaluators.

Timeframe 1 July 2019 – 31 Dec 2021

2019: Develop a Model for how SMEs in Värmland can explore new markets through student- and traineeship involvement.

2020: The funding is in place and we will inform companies about the opportunity to apply for this money

2021: The Action is up running and at least two companies in Värmland have employed a Dutch student as a door opener into the Netherlands

Costs

100000 Euro for Internationalization checks that companies in Värmland can apply for to hire a student from Overijssel, so they can work in the company and help establish contacts in the Netherlands.

Funding sources

Business checks for Internationalisation

Action 3 Navigator Scaleup for importing export competence

Värmland County Administrative Board and Karlstad University are inspired by Navarra GEX (Export Grouping) program for developing a group of companies sharing interest in the same international market. We have learnt about the benefits from Navarra when a group of companies support each other and share the cost of a manager that leads the interest of the group in reaching a common market. We want to develop a similar program and in the same time make some further developments with the model defined by the *Navigator Scaleup*. We want the model to be used on a national level in Sweden but also with intentions to find ways of having connections to other regions in Europe. Navigator Scaleup is a model for supporting SME to grow and is previously known as the Business Generator, an EU-funded Project that became the winner of the European Enterprise Promotion Award (EEPA 2017). A possible opportunity that we want to test is if we could make use of Article 70 in the ERDF-program (our chosen policy instrument to influence) when implementing a program like the Navarra GEX program. The article states that you can include expertise from a region outside your own if your region can

benefit from the specific involvement. In the long run we can see the possibility to have internationally situated “Navigators” that supports SME companies with guidance to new markets.

The background

As stated in the ERDF Operational Program for North Midsweden, it is important to *increase international involvement, exchange and presence in order to strengthen competitiveness in trade and industry*. In the program there is a tool that can be used, the Article 70 in which the following is defined: *The managing authority may accept that an action is taken outside the program area but within the Union, provided that: A) The input is useful for the program area. B) The amount granted through the program for action located outside the program area does not exceed 15% of support from ERDF*. However, from what we have seen so far, the opportunity to make use of this article 70 in order to increase international involvement is not really used. During the first phase of the Inside Out EU project we have raised the awareness of this opportunity, by organizing seminars and by requesting information from the Managing Authority on how to set up a project involving Article 70. In the phase two of the Inside Out EU project we want to support the development of a program, inspired by the GEX program in Navarra and by making use of Article 70 in order to “import the export competence” from the specific region/country the group of companies (in a GEX-program) would like to reach.

During the first phase of the Inside Out EU project we have also learnt that we share a common challenge with the rest of our partners in Europe, which is to find ways of finding funding as well as an institutional structure on a regular basis for what have been run as a successful project. In Värmland we had the project *Business Generator* funded by the ERDF Operational Program, and it has shown impressive results on how to support SMEs to reach growth and to overcome the barrier to even dare to try exporting. The model is that SMEs gets individually matched support by a constellation of four people, each of them representing different competencies, networks and skills. By giving external expertise and above all, connecting the needs of the company with the right networks, amazing results has been shown to happen.

As in Navarra, Värmland share the same situation that the size of most SMEs is the major handicap when going international. We learned about the GEX program during the study visit in Navarra in October 2018 and was impressed by the way the program supported in setting up export groups. Small and medium sized companies work together on previously detected business opportunities in a given foreign market. The group of companies get some support from ERFD-funding but are also investing something on their own, to recruit a manager leading the internationalization process. Why we strongly believe in this way of working is also due to the experience we got from the Inside Out EU project, that new combinations of cooperation are very important in order to be competitive in the long run. It is a commonly used strategy to organize SME cooperation from which sector they belong to and by organizing together with larger companies within cluster organisations. But in these cluster contexts we often see that SMEs compete with each other. So, the idea of organizing smaller groups of companies that have defined their own specific niche and that do not compete with each other, we believe is a successful way of working. From the Navarra GEX program we learned about three key ideas which are leading the process on how to be successful when setting up one group of companies in a GEX program: 1) It is important to start from the demand and not from the offer. 2) It is

important to focus on how to discover sufficient and tangible “market niches”. 3) A common view has to be worked out, on how to structure a “joint market platform” around market opportunities.

What we now want to try in our action plan is to find a group of companies that share some interest in reaching a new market and that are willing to take part in a new program, planned to be financed by the ERDF OP, activating the Article 70 in order to recruit the external expertise. We also depart from the three key ideas mentioned above, and accordingly we must – for example – start with an investigation on demands to meet, and not only focus on what the companies involved has as offers today to a new market they want to reach. They need to adapt to the demands, define their market niches and to structure a joint market platform. By using the Navigator model in combination with the GEX program model, we foresee that the group of companies share a managing team of four people, representing different competencies, networks and skills. At least one of these four people should be recruited based on the expertise in knowing the market (a specific region or a country) that the group of companies wants to explore and have access to when doing international businesses.

From the investigations done so far in the region of Värmland, and from discussing different opportunities with the stakeholders in the Inside Out EU project we have targeted an opportunity in the cultural and tourism business sector. They can have in common the interest to be exposed to a new market, and they can be specific in their niches and do not necessary compete with each other. This in combination with a new initiative from Region Värmland, wanting to take the lead in being a national pilot in Sweden for increasing the direct support to SMEs in cultural sector (by having some extra national funding for this), has led to our main idea of starting with the establishment of a GEX program for SMEs in cultural and tourism business.

This model is now going to find new ways of being upscaled on a national level. In order to reach that goal, initial discussions have started with a group of stakeholders representing different actors on a national level.

Actions

1. Apply for national funding in order to give extra support to SMEs in cultural business. This will be done by Region Värmland.
2. Apply for an ERDF-funded project using the Article 70 for involving international export expertise when setting up a Navigator to the GEX program. Part of this action is also to decide who the project owner will be initially when trying this new program as a project to start with.
3. Together with stakeholders identify potential companies to take part of such a program, targeted to the cultural and tourism sector.
4. Establish a suitable Navigator to the specific GEX program in place. In order to do the best match-making we will also make use of the networks of stakeholders established by the Inside Out EU-project.
5. In order not to only create another successful project we want to establish a national stakeholder group in Sweden, dealing with Navigator Scaleup as a concept to be further developed and used nationally, and with the potential to connect to a national

GEX program with international involvement. We believe that in order to find sustainable ways of working efficiently together internationally, we need to reach beyond the regionally situated success stories. Our aim is therefore to get national attention and commitment to work across different national agencies, with the intention to find new ways of supporting SMEs to growth internationally.

Players involved

- Värmland County Administrative Board
- Karlstad University

The two partner organisations in Inside Out EU will facilitate the development of a project applied for from the ERFD OP North Middle Sweden, involving Article 70. Involvement of regional stakeholders will be managed, as well as establishment of a new national stakeholder group (in this we need to involve both the Swedish Agency for Economic and Regional Growth and the Swedish Innovation Agency and other national Agencies). We will work together with the driver of the current development of Navigator Scaleup, and with the network potential from stakeholders and partners within the Inside Out EU project.

Timeframe

1 July 2019 – 31 Dec 2021

Costs

It will be part of the activities in this action to calculate on costs and to apply for funding to be able to cover the costs.

Funding sources

National funding for increased support to SMEs in cultural business. ERDF funding, Operational Program North Midsweden to establish a GEX program involving Article 70 which will allow for covering costs for involving external expertis from another country.

Date: 28 June 2019

Policy and decision makers in Värmland are aware of this action plan. We will not have a signature from someone specially selected.