

**ACTION PLAN OF COMPETE IN PROJECT**  
**Competitive territories through internationalization:**  
**SMEs competitiveness in globalised regions**



## Part II - Policy context

- Policy instruments addressed

Two policy instruments are addressed:

- 1) **ERDF Regional Operational Plan 2014-2020, Axis 3 Competitiveness and attractiveness of the productive system, Investment Priority 3b Development and realization of new attractiveness models devoted to the SME, regarding in particular internationalization - Specific Objective 3.4 Increase of the internationalization level of the productive systems - Action 3.4.1 Projects for promoting export devoted to enterprises and their association identified at territorial or sectorial level.**

In the 2014 - 2020 programming period, for the first time ever, actions and supports for SMEs internationalisation were included by the Emilia-Romagna Region into its ERDF Regional Operational Plan 2014-2020, which is the policy instrument addressed.

Significantly, as soon as the Regional Government entered into office at the end of 2014, it set a twin set of ambitious goals: raising exports' contribution to regional GDP until 63% in 2023; raising the number of regional businesses active on foreign markets from roughly 22.000 to 30.000 and further integrating Emilia-Romagna economy into international value chains, leveraging both on its consolidated vocations and specializations and on the emerging sectors identified in the regional S3 strategy.

### 2) **Regional Plan for productive Activities 2012 - 2015 - Operational Programme 4**

Beside with ERDF resources, Emilia-Romagna Region has been supporting the internationalisation of SMEs since 2001, counting on Region's own resources, earmarked to the Regional Plan for Productive Activities (hereafter RPPA), whose first edition dates back to 2001.

The Operational Programme 4 Internationalisation of the productive system under the RPPA is addressing the internationalisation of the regional productive system through a number of dedicated support measures, targeting both single SMEs and groups of SMEs, either directly or indirectly, i.e. via the specialist support provided by business support organisations (such as regional Chambers of Commerce, entrepreneurial organisations or Internationalisation Consortia). Further to that, the programme also supports the internationalisation of the regional fairs system through the promotion of the internationalisation of the main regional fairs linked to regional productive specialisations and excellence and with priority sectors identified within the Smart Specialisation Strategy. Support is also provided to CLUST-ER(s), which are voluntary associations comprising SMEs and research centres active in the S3 sectors.

### **Part III: Local Action Plan: challenges, objectives and actions**

#### **1. Regional context and definition of the initial problem/policy challenge**

- *Main needs to be addressed, opportunities, challenges, weaknesses*

Expected results for Specific Objective 3.4 are, on one side, to increase the number of newly exporting companies by 5%/year, with a priority for manufacturing companies operating in priority sectors of Emilia-Romagna S3. On the other, to increase stability and relevance of foreign activities of regional SMEs raising the contribution of regional exports above 40% of GDP (target for 2023 is 61, 80%).

Such policy objectives were adopted against a backdrop in which Emilia-Romagna is already the leading Italian region as to the export/per capita and greatly contributes to the national export performance. Actually in 2017 the region's exports increased to 59,9 billion euro (+6,7% over 2016), accounting for the 13,4% of national exports, with an increasing weight to non EU-Countries (43% of total exports in 2017).

The growth trend further expanded in 2018: Emilia-Romagna productive system exported goods and services for almost 63.5 billion, with a +5,7% annual increase, raising its contribution to national exports to 13,7% and making it the second Italian exporting Region in absolute figures.

Further, very significant sectorial performances have to be adequately emphasized: regional exports of tiles and ceramics represents 94% of the national, exports of meat and meat products represent about 38% of the national total, while about ¼ of national exports of agricultural machinery, other general purpose machinery, wearing apparels is coming from Emilia-Romagna.

Against this very positive export performance, it has to be highlighted that less than 600 companies account for about 42% of regional exports, while more than 10.000 micro-businesses account for only 10% of overall exports. Overall, only about 25.000 businesses (out of 407.000 registered companies in Emilia-Romagna) are exporting on a regular basis.

The challenge is to increase the number of regularly exporting SMEs and further diversifying both the export markets and distribution channels.

The following measures by Emilia-Romagna Region supporting SMEs internationalisation already consider the costs for setting-up and/or revising websites in foreign languages, for devising an on-line promotion strategy/web-marketing plan through specialist support as eligible:

- a. Call for systemic promotional projects, measure 4.1 of the RPPA 2012 - 2015, and whose core aim is to contribute to the internationalisation of specific regional economic sectors/filières, identified in the S3;
- b. Call for non-exporting SMEs and for SMEs participation to international fairs, launched under action 3.4.1 of ERDF ROP 2014 -2020, and whose core aim is to support single non exporting SMEs in approaching/developing their export capabilities;
- c. Call for export consortia, co-financed under action 3.4.1 of ERDF ROP 2014 - 2020 in 2017, 2018 and 2019, while from 2013 until 2016 it has been co-financed under measure 4.2 of the RPPA 2012 - 2015, and whose core aim is to support the promotional activities carried out by regional Consortia of SMEs for Internationalisation.

None of the above mentioned Emilia-Romagna support measures however is addressing the full range of technical supports, advices, consulting services needed by SMEs to start and/or improve cross-border on-line selling (e-commerce).

- *General and specific objectives*

General objective of our Action Plan is therefore to broaden the range of Emilia-Romagna tools supporting the internationalization of SMEs through the definition and implementation of support actions/measures facilitating cross-border e-commerce.

The Specific Objectives are the following:

- take stock of the experiences and practices developed by the Chamber of Commerce of Spain in cooperation with the Chamber of Commerce of Valencia and IVACE in the framework of the XPANDE DIGITAL initiative;
- broaden the scope of the envisaged support action - which is available to Valencian SMEs through XPANDE Digital - with a view to encompass not only digital marketing actions but also further technical support services, advices and consulting needed by SMEs to start and successfully manage cross-border e-commerce initiatives;
- integrate the envisaged new regional support actions with other existing regional tools/measures and in coordination with supports being implemented at the national level in Italy;

- b) minimize the costs of investments for Regional SMEs in digital marketing actions - which represent a major and constant part of the costs entailed by e-commerce - as they could benefit from collective digital marketing investments covered by ICE.

### 3. LAP and Policy Instrument impact

- *How the LAP will address Policy Instrument*

With reference to the ERDF Regional Operational Plan 2014-2020, first of all it has to be highlighted that the whole programme is in an advanced stage of implementation: as of 10th June 2019, about 480 out of overall 481 million (ERDF + National co-financing) have already been committed (96%), while payments reached more than 145 million (30% and well above the N+3 threshold).

With specific reference to Priority Axis 3 Competitiveness and attractiveness of the productive system, 109, 2 million (90,6%) out of the 120,5 million earmarked to Priority Axis 3 have already been committed to the seven actions and four Investment Priorities addressed. Further 3 million have been committed to a new call under action 3.4.1 dedicated to non-exporting SMEs and to promote SMEs participation to international fairs, which is open for applications until 19 July 2019. Therefore, no new support measure will be financed under Action 3.4.1 and no requests for formal modification of the ERDF OP will be submitted to the EC at this stage of implementation.

However, lessons learnt from the COMPETE IN cooperation will not be lost. There is a general agreement with Emilia-Romagna Region to experiment the envisaged new measures/line of action with regional resources available in the present RPPA and with the regional resources that will be made available for the new edition of the RPPA, which will be approved by the new Regional Government, due to take office after elections on 26<sup>th</sup> January 2020.

### 4. Actors and stakeholders

- *List and roles of main actors and stakeholders involved for the implementation of the LAP*

#### ART-ER:

- ✓ technical support for the implementation of LAP actions;
- ✓ monitoring of the implementation of LAP actions and reporting;
- ✓ liaising with Local Stakeholder Group Member organisations;
- ✓ technical relations with ICE, NETCOMM, Polytechnic of Milan, Chamber of Commerce of Valencia;

## 5. Details of the actions envisaged

Three actions are foreseen:

### 1) Introduction of new eligible expenditures under the 2019 regional call for systemic promotional projects.

*Activities and timeframe:*

- Presentation of key elements of the new features of the call for systemic promotional projects to the LSG (April 2019);
- Fine tuning of the call based on the feedback by LSG (April 2019);
- Launch of the regional call 4.1 RPPA for systemic promotional projects, with the introduction of new categories of expenditure based on the Xpande Digital initiative and based also on inputs from the National Trade Agency, so as to support collective investments by SMEs in digital marketing (open from 13<sup>th</sup> may until 31<sup>st</sup> July 2019);
- Assessment of applications (from August to October 2019);
- Award of Contributions (November/December 2019);
- Implementation by beneficiaries (from date of submission throughout 2020);
- Monitoring by Emilia-Romagna Region and ART-ER (throughout 2020 until 31 March 2021).

*Resources needed to implement the action:*

The action is going to be covered by internal regional and ART-ER resources.

### 2) Definition of a new regional measure/action supporting digital exports of single and/or networks of regional SMEs and coordination with national level support measures

*Activities and timeframe:*

- Definition of an agreement with the Italian National Trade Agency (ICE) ideally covering training of SMEs in digital marketing, the definition of eligible expenditures for the new regional measure/support action and how regional SMEs could benefit from existing agreements between ICE and the major marketplaces, e-commerce platforms and e-tailers operating in the most important foreign markets (October - December 2019);

Date: 7<sup>th</sup> January 2020

Name of the organisations:

Emilia-Romagna Region - Service for Attractiveness and Internationalisation -  
Directorate General Knowledge Economy, Labour and Businesses

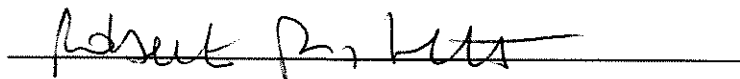
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**ART-ER S.cons.p.a.**  
**Il Procuratore**  
**Roberto Righetti**

