



FRIDGE

Development of food industry SME competitiveness for better potentials in growth

Report on self-assessment of the regional policies

Regional Council of South Ostrobothnia

April 2020



Regional Policies to support SMEs of food and drink sector in South Ostrobothnia, Finland

This study is based on two pillars:

1. **Main financial instruments and policies** that support SMEs of food and drink sector and especially those that promote competitiveness and exports.
2. **Supporting strategies**
3. **Key actors of the support system** whose position and interactions are critical for the subject of the project (competitiveness and exports of regional food and drink companies)

1. Main Financial Instruments supporting Entrepreneurship in food sector in South Ostrobothnia

Entrepreneurship and RDI in Finland and South Ostrobothnia are financially supported by:

European Fund and Programmes

- Structural Fund Programmes: European Regional Development Fund and European Social Funds
- European Agricultural Fund for Rural Development: Regional and Local (Leader) funding opportunities.

National Funds and Programmes:

- Business Finland
- Other Financial Instruments

1.1. Sustainable Jobs and Growth - Structural Funds Programme for Mainland Finland 2014-2020

There is one programme in Finland that is in accordance with the objective 'Investment in growth and jobs' and it is being carried out separately in mainland Finland and Åland. The purpose of the programme, named '**Sustainable growth and jobs 2014 - 2020**' is to implement the aims laid out by ERDF and ESF. Finland is also participating in cross-border regional cooperation programmes (Interreg).

Sustainable growth and jobs 2014 - 2020 - Finland's structural funds programme' has five priority axes and 13 specific objectives. Each project must deliver at least one of these specific objectives.

1. Competitiveness of SMEs (ERDF)
2. Producing and using the latest information and knowledge (ERDF)
3. Employment and labour mobility (ESF)
4. Education, skills and lifelong learning (ESF)
5. Social inclusion and combating poverty (ESF)

Geographically the programme is divided to four areas (NUTS 2): Eastern Finland, Northern Finland, Southern Finland and **Western Finland**. Each area has their own development priorities and the areas are further divided to NUTS 3 regions. South Ostrobothnia is one of the seven NUTS 3 regions in the Western Finland.

In addition to the priorities of the structural fund programmes, programme funding can also be directed at specific horizontal themes. The project activities must be in accordance with the specific objective described above but they may focus on one or more specific themes. The themes are: Baltic Sea Strategy, Gender Equality, Transnational cooperation, Low-carbon approach, Non-discrimination, Social innovations and Sustainable development.

1.1.1. Western Finland's development priorities

A regional plan of the South and West of Finland for the structural fund period of 2014–2020 is implemented in Western Finland. The Sustainable Growth and Jobs 2014-2020 Structural Funds Programme of Finland steers the selection of development projects and investments, but smart specialisation policies of each region, which have been presented in regional strategies, have a key role also.

There are seven regions in Western Finland which all have development priorities approved by their regional management committees. In addition to the regional funding of Western Finland, projects may also be funded with national development programmes. At the time being the funding under the national development programmes has already been used.

In Western Finland, the purpose of the Structural Fund Programmes of the EU is to diversify the economic structure and to increase the number of growing and innovative businesses aiming at the international market. Businesses are encouraged to develop new products and services, particularly for the increasingly international market, and to introduce innovations that promote productivity. Small and medium-sized enterprises (SMEs) are also supported in developing their potential for growth and new business activity, specialising and increasing network-like cooperation. The Innovative Cities (INKA) programme has a key position in the development of the products and services of SMEs and measures that expand the innovation base.

In order to decrease energy consumption and greenhouse emissions, the programme aims at increasing the proportion of renewable energy and the use of local energy sources and boosting energy and material efficiency. In particular, the promotion of bioeconomy is part of the measures used to promote the aim for low-carbon economy in Western Finland. Energy efficiency and smart use of resources are also priorities of the programme. Structural and functional changes must be endorsed in urban regions, as these not only promote the low-carbon economy but also open up pioneering markets to the businesses in the region.

In Western Finland, funding from the Structural Fund Programmes of the EU is used to finance employment policy measures particularly targeting young people, the long-term unemployed and immigrants. Promoting the employment and preventing the social exclusion of young people are

key challenges throughout Finland. The aim is to ensure that the qualitative and quantitative supply of education and demand for labour force are in balance. As many young people as possible will begin studies leading into a qualification immediately after basic education and will transition to the labour market as smoothly as possible after vocational training or higher education. Professional competence of those in danger of social exclusion and different learners will also be ensured.

Funding from the Structural Fund Programmes of the EU will also be used to decrease social inequality, for example by affecting education and opportunities for employment, supporting social networks and those in a vulnerable position, and developing equal access to and quality of services. Particular attention will be paid to promoting the health and well-being of the unemployed and those with partial work capacity. Working and integration into the labour market are the primary and most sustainable methods for combating poverty, inequality and social exclusion.

Regional management committees

A regional management committee coordinates and reconciles structural fund activities in the region. The committee also follows and monitors the methodological implementation of structural fund programmes. The regional management committee includes representatives of various central organisations, businesses, and authorities and the largest municipalities in the region. The minutes of the committee's meetings can be accessed in the section on the priorities of each region.

Five objectives:

1. Competitiveness of SMEs (ERDF)

The competitiveness of small and medium-sized enterprises is to be promoted through the development of non-material models of action for companies and company networks based on the growth company programme for South Ostrobothnia. ERDF investment support can be granted mainly for projects that support the goal for low carbon emissions. It can also be granted for projects carried out by new companies which are aimed at the international market, or projects carried out by SMEs with great innovative value.

2. Producing and utilising new knowledge and skills (ERDF)

The emphasis is on the development of concentrations of research, expertise and innovation linked with the implementation of the strategy for higher education in South Ostrobothnia, as well as projects for learning environments, piloting, demonstration, and development that support business activities in the region.

3. Employment and mobility of labour (ESF)

Developing and producing models and individual support measures for the advancement of employment as a collaborative effort of different players. Special attention is paid to transitions of those under the age of 30 who are qualifying for a profession, or who have recently qualified, as well as to those over the age of 54. Actions to prevent unemployment from being prolonged are also an area of focus. Improving the skills and well-being at work of employees of microenterprises and SMEs.

4. Training, professional skill and lifelong learning (ESF)

Promoting students' readiness for life at work and entrepreneurial attitudes at all levels of education. Collaboration between education and the world of work is to be strengthened and educational arrangements supporting multiprofessionalism and special teaching arrangements are to be developed.

5. Social participation and fighting poverty (ESF)

Development of services that promote participation and resident-oriented methods of action from the point of view of readiness for work, including measures aimed at supporting life management and possibilities for getting employment. Another aim is to strengthen multidisciplinary collaboration among the third sector, business, municipalities, and educational institutions, for instance.

1.1.2. Development priorities in South Ostrobothnia – Regional Strategy of South Ostrobothnia 2018-2021

The priorities for development activities in South Ostrobothnia are set in a regional strategy that was approved first time on 17 March 2014. Since then the strategy has been updated and covers now timeline from 2018-2021. The regional strategy guides the allocation of Structural Fund money in the region.

There are four thematic objectives in the regional strategy:

1. Regenerative Local Industry and Commerce.

Sub-objectives:

- Sustainable food systems and new solutions for bioeconomy
- Smart and energy efficient systems
- Regenerative service and experience production
- Supporting businesses to regenerate

Responsible parties: Companies; producers of business services; development organisations; the Centre for Economic Development, Transport and the Environment for South Ostrobothnia; universities, educational establishments

Financing: National corporate financing; Business Finland; ERDF; Rural Development Programme; ESF; international funding

2. Future Competence Requirements

Sub-objectives:

- Building a High-Quality "Turning Information into Action" Innovation Chain in the Selected Focus Areas
- Developing an Activating Educational System (Building individual and flexible learning paths, Building an educational system that will match future needs, Improving the entrepreneurial skills and way of working)

Responsible parties: Universities, educational establishments, colleges for free adult education, development organisations, companies, municipalities, Employment and Economic Development Offices

Financing: National, ERDF, ESF, international funding

3. Healthy People and Communities

Sub-objectives:

- Increasing Inclusion and the Ability to Function
- Developing the Production of the Services Promoting Well-being
- Improving the Magnetism and Living Environment of the Area

Responsible parties: Municipalities, educational establishments, colleges of free adult education, Employment and Economic Development Offices, companies, organisations, development organisations, event organisers, the Regional Council of South Ostrobothnia

Financing: National, ESF, rural development programme

4. Integrated Regional Structure and Environment

Sub-objectives:

- Strengthening Transport Connections and Development Corridors
- The Future Logistics Centre as the Facilitator of the Region's Competitiveness
- Protecting Natural Resources and Cementing Energy Know-how

Responsible parties: Municipalities; the Regional Council of South Ostrobothnia; the Centre for Economic Development, Transport and the Environment for South Ostrobothnia; companies; the Finnish Transport Agency; the Rengonharju Foundation; organisations for research, development and innovation; educational establishments; landowners; operators in the forest and energy sectors; counselling organisations

Financing: National and international funding, ERDF

1.1.3. Structural funds program budget and management in South Ostrobothnia

The structural funds program is divided to three different categories:

1. ERDF funding to improve competitiveness of SME's (managed by the Center for Economic Development, Transport and the Environment in South Ostrobothnia),
2. ERDF Development & investment projects for producing and utilising new knowledge and skills (managed by the Regional Council of South Ostrobothnia)
3. ESF European Social Fund projects (managed by the Center for Economic Development, Transport and the Environment in South Ostrobothnia)

Regional management committee in South Ostrobothnia also coordinates and reconciles the funding activities under the structural funds. There are 26 members in the regional committee.

Total budget for Structural Funds directed to South Ostrobothnia in the ongoing program period is 43 MEUR (including EU and state subsidies).

1.1.3.1 ERDF: Competitiveness of SMEs

Objectives:

The competitiveness of small and medium-sized enterprises is to be promoted through the development of non-material models of action for companies and company networks based on the growth company programme for South Ostrobothnia. ERDF investment support can be granted mainly for projects that support the goal for low carbon emissions. It can also be granted for projects carried out by new companies which are aimed at the international market, or projects carried out by SMEs with great innovative value.

- Generating new business
- Promoting growth and internationalisation of enterprises
- Promoting energy efficiency in SMEs

Managing authority: Centre for Economic development, Transport and the Environment in South Ostrobothnia

Means of support:

- Only direct funding for SMEs (no development projects of business environments/ecosystems)
- Support for development activities (product development, new business model development, international skills, market reach, new management models) – maximum support 50 %
- Support for investments (investments for new material and energy efficient systems, technologies and production lines) – maximum support for small enterprises 20 %, medium-sized enterprises 10 %.

Budget in 2014 – 2020: 14 million euros

- Since 2014:
 - 105 SMEs have received funding

- Average budget of funding: 95 000 euros
- 120 new jobs have been created
- 30 SMEs have started to export or extended their markets
- 40 SMEs have grown substantially

Money still left about 4 million euros (can be applied until end of 2020)

1.1.3.2 ERDF: Producing and utilising new knowledge and skills (ERDF)

Objectives:

The emphasis is on the development of concentrations of research, expertise and innovation linked with the implementation of the strategy for higher education in South Ostrobothnia, as well as projects for learning environments, piloting, demonstration, and development that support business activities in the region.

- Development of the centres of research, expertise and innovation on the basis of regional strengths
- Strengthening innovation in enterprises
- Developing solutions based on renewable energy and energy-efficient solutions

Managing authority: Regional Council of South Ostrobothnia

Total budget 2014-2020: 14 million euros

Means of support:

- Development project – maximum support 70 % of total project budget
- Investment project for equipment– maximum support 50 % of total project budget
 - Cannot be funded without a development project

Since 2014:

- 51 development projects, 6 investment projects (IoT laboratory, Frami Food Lab, Biogas environment), 9 Business Finland research projects
- Average budget of project 200 000 euros
- Actors: universities, R&D organisations, Business development organisations, vocational schools
- 700 SMEs have been involved in the projects
- 50 SMEs have started collaboration with RDI organization to develop their business
- 30 New businesses have started & 30 new jobs created

Last calls will be in March 2020 and some bits might be left for fall 2020.

Preparations for next program period are ongoing and there is high debates nationally about the how the money should be divided between the regions (south and west vs. east and north).

1.1.3.3 European Social Fund in South Ostrobothnia

Objectives:

Employment and mobility of labour

Developing and producing models and individual support measures for the advancement of employment as a collaborative effort of different players. Special attention is paid to transitions of those under the age of 30 who are qualifying for a profession, or who have recently qualified, as well as to those over the age of 54. Actions to prevent unemployment from being prolonged are also an area of focus. **Improving the skills and well-being at work of employees of microenterprises and SMEs.**

Training, professional skill and lifelong learning

Promoting students' readiness for life at work and entrepreneurial attitudes at all levels of education. **Collaboration between education and the world of work is to be strengthened and educational arrangements supporting multi-professionalism and special teaching arrangements are to be developed.**

- Improving the availability and quality of education in growth sectors and sectors affected by structural change

Social participation and fighting poverty

Development of services that promote participation and resident-oriented methods of action from the point of view of readiness for work, including measures aimed at supporting life management and possibilities for getting employment. Another aim is to strengthen multidisciplinary collaboration among the third sector, business, municipalities, and educational institutions, for instance.

Managing authority: Centre for Economic development, Transport and the Environment in South Ostrobothnia

Total budget: 14,5 million euros

Since 2014:

- 31 projects
- Average budget of a project: 350 000 EUR
- 400 SMEs have participated in the projects
- Projects to teach digital skills for SMEs (utilization of IoT, automatization and robotics)

Last call for projects in this program period will be in June 2020.

1.2. Rural Development Programme for Mainland Finland 2014-2020

Rural development in Finland is based on two parallel programmes: the Rural Development Programme for Mainland Finland and the Rural Development Programme for the Åland Islands. The programme for the mainland is run by the Ministry of Agriculture and Forestry. The programme for Åland is administered by the Åland's autonomous regional government.

The programmes provide a variety of tools that can be used by all kinds of stakeholders to promote rural development. This work involves farmers, rural enterprises, rural residents and their organisations, as well as Leader Local Action Groups (LAGs) and ultimately everyone interested in the future of the Finnish countryside.

Rural development work is based on the principle that the well-being of rural Finland is vital and beneficial for the whole country.

The Rural Development Programme for Mainland Finland – the Rural Development Programme for short – is a tool for making the Finnish countryside a better place to live in.

Finland's Rural Development Strategy for the period 2014–2020 focuses on:

- Improved skills and dissemination of information, and more innovations and co-operation in rural areas.
- More effective climate change mitigation and adaptation
- Increased biodiversity, improved status of water bodies and soil in agricultural use
- Diversification of rural enterprising and higher employment, better services and improved possibilities for participation
- Improved competitiveness of agricultural production
- **Rural enterprises respond to consumer demand and values by producing high-quality food and by improving animal welfare**

The three focus areas are the following:

1. Promote bioeconomy and, as part of it, agriculture that is economically, socially and ecologically sustainable and ethically acceptable
2. **Diversify rural industries and create employment by improving the competitiveness of businesses, supporting new entrepreneurship and promoting the networking of companies.**
3. Improve vitality and quality of life in rural areas by strengthening independent local activities

The strategy is coordinated by the rural development unit of the Ministry of Agriculture and Forestry. The tools of the program are called measures, and the program is implemented through them. Such measures are associated with opportunities for obtaining support that are available to everyone.

The measures available in Finland are the following: **training and provision of information, provision of advice**, investments in physical property, **various forms of start-up support, development of economic activities and farms, development of services and villages**, environmental compensation payments, organic production, natural handicap payments, animal welfare, **cooperation and leader**.

1.2.1. Funding of the programme

During the programming period 2014-2020, more than 8 billion euros will be available for developing the countryside in a better direction. National funding comes from the budgets of the national government and local municipalities. Part of the funding comes from the European Agricultural Fund for Rural Development (EAFRD). This Fund is one of the European structural and investment funds. Private funding represents a third source of finance.

Public funding for the Rural Development Programme:

- **Knowledge transfer and information actions 80 MEUR**
- **Advice 34 MEUR**
- Investments in physical assets 1,035 MEUR
 - of which fully national additional financing 656 MEUR
- Farm and business development 402 MEUR
 - of which fully national additional financing 67 MEUR
- **Development of rural services and villages 80 MEUR**
- Environment payments 1,586 MEUR
- Organic production 326 MEUR
- Natural constraint payments 3,734
 - of which fully national additional financing 1,924
- Animal welfare 458 MEUR
- **Cooperation and innovations (incl. EIP) 160 MEUR**
- **Leader 300 MEUR**
- Technical assistance 70 MEUR

1.2.2. Programme funding and management in South Ostrobothnia

About 11 % (670 MEUR) of Finland's EAFRD budget is directed to support rural enterprises or projects that enhance the livelihood of rural areas. About 57,2 MEUR of this 670 MEUR budget is directed to South Ostrobothnia and about 6 % of the total budget is directed to LEADER funds. The budget directed to the four LEADER action groups in South Ostrobothnia is 23,8 MEUR.

In total the EAFRD budget for SO is 81 MEUR.

1.2.2.1 Regional EAFRD to support rural enterprises or project that enhance the livelihood of rural areas

Budget 2014-2020: 57,2 MEUR in total.

- Funding directed to support SMEs: 28,6 MEUR
- Funding directed to development projects: 28,6 MEUR

Managing authority: The Centre for Economic development, Transport and the Environment in South Ostrobothnia

Four development priorities:

1. **Development of the region as a Food Province**
2. Sustainable and versatile use of forestry
3. **Enhancing entrepreneurship in the countryside**
4. Improving the attractiveness of the region's countryside

Means of support:

Direct support for small enterprises with less than 50 employees_

- Starting-up business: 5000–35 000 EUR
- Investments to develop new or an already existing business: 5000–35 000 EUR
- Investments to physical property (incl. development and refining of agricultural, food and drink products and development of marketing and market reach).
 - starting from 2000 EUR (support for 20 % of total investment)
- Experiments: 2000–10 000 EUR
- Research on investment: 40-50 % of total budget

Development project and common-good investments:

- Education and advisory projects
- Promotion of cooperation
- Development of rural services and villages
- Common-good investments (75 % support)

Last time to submit funding for this programming period will be in September 2020.

1.2.2.2 LEADER funding

Budget 2014-2020: 46 MEUR of which 23,8 MEUR is EAFRD and rest other public funding from municipalities and state. Each Leader groups share is 11,5 MEUR.

Managing Authorities: 4 Leader groups with their own advisory boards

Leader Aisapari (North)

Leader Liiveri (Seinäjoki Region)

Leader Kuudestaan (East)

Leader Suupohja (South)

Development priorities:

Development priorities at **Leader Aisapari:**

1. Supporting the livelihood of the countryside
2. Strengthening the identity of local communities
3. **Nature and natural resources as corner stones of healthy food production, clean energy production, and healthy and clean living environment**

Development priorities at **Leader Liiveri**

1. Beloved home region and lively communities
2. Courageous enterprises and regenerative business
3. Healthy environment and life
4. **Supporting local food value chain**

Development priorities at **Leader Kuudestaan**

1. **Developing businesses and entrepreneurship**
2. Living, people and environment
 - a. improving the well-being of residents and environment
 - b. bringing forth and developing further the region's strengths

Development priorities at **Leader Suupohja**

1. **Enhancing entrepreneurship and creation of jobs**
2. **Bioeconomy and sustainable energy solutions**
3. Digital Suupohja region
4. Development of rural villages and rural services
5. Active rural citizens

Means of support:

Support for SMEs:

- Starting up of rural business
- Funding for investments
- Cooperation of SMEs

Development projects:

- Common-good development projects
- Common-good investments (65 % support)
- Education and advisory projects

Continuous submitting of funding. (Until end of 2020).

1.3. Business Finland funding opportunities

Business Finland is a Finnish government organization for innovation funding and trade, travel and investment promotion. Business Finland has 600 experts that work in 40 offices globally and in 16 regional offices around Finland.

Business Finland is part of the **Team Finland network** that brings together all public internationalisation services in Finland. Team South Ostrobothnia coordinator works under Center of Economic Development, Transport and Environment and offers local SMEs support and services with internationalization and growth.

Business Finland is an accelerator of global growth creating new growth by helping businesses go global and by supporting and funding innovations. Their top experts and the latest research data enable companies to seize market opportunities and turn them into success stories.

Business Finland was created on 1st January 2018 by the merger of two organizations: Finpro, which offered services for internationalization, investments and tourism promotion, and Tekes, which offered funding for innovation activities. The aim is to develop Finland to be the most attractive and competitive innovation environment in which companies are able to grow, change, and succeed.

The strategy of the organisation is two-fold:

1. Enabling companies to grow internationally
2. Creating world-class business ecosystems and a competitive business environment for Finland.

Services and programmes:

Business Finland offers various services for Finnish companies in international growth. These are for example: advising and coaching with international growth, consulting in market access to USA and China and organisation of Team Finland visits to foreign markets (business delegation trips). With international growth they also offer programmes such as: accelerator programmes in target market and soft-landing programmes to Asia and USA.

At the moment, there are 17 sectoral programmes ongoing. The typical duration of programs is 4 to 6 year. The ongoing projects are the following:

1. AI Business, 2. Batteries from Finland, 3. Bio and circular Finland, 4. Developing markets platform, 5. Digital trust Finland, 6. Entertainment Finland, 7. Experience commerce Finland, 7. **Food from Finland**, 8. FX Fighter program – industrial participation, 9. Japan-Finland gateway, 10. New Space Economy, 11. Personalized Health Finland, 12. Smart Energy Finland, 13. Smart Life Finland, 14. Smart Mobility Finland, 15. Sports Cluster Finland, 16. Sustainable Manufacturing Finland, 17. Talent Boost Finland.

1.3.1. Funding opportunities for SMEs at BF

Business Finland offers various funding possibilities for SMEs. Here are the most relevant funding schemes directed for SMEs.

RESEARCH, DEVELOPMENT AND PILOTING for SMEs and MIDCAPs

- Opportunities: Development of product or service, Testing and demonstrating functionality through a pilot, Creating new knowledge and competencies
- Both loans and grants.
 - For grants: Covering up to 50% of the total costs of SME research projects. For international joint projects, the funding can cover up to 65%. The grant for midcap companies is up to 40% of the total cost of the project.

INNOVATION VOUCHER

- For SMEs engaged in well-established business and who have a new product or service idea with international growth potential and for which the company needs external expertise.
- The innovation voucher aims to find new business opportunities for businesses to support business growth and encourage new businesses to innovate.
- 1000 EUR + VAT

INTO - Innovation expertise in support of international growth

- The Into funding service is intended for SMEs aiming to enter export markets. Startups can also apply. Applies to companies registered in Finland.
- Funding for consultancy services to strengthen innovation expertise. Possibility to acquire industrial rights or hire an expert from a research organisation or large company on a temporary basis.
- Funding will cover 50% of the project's overall budget. No upper limit is set for Into projects, but the size of the project depends on company's goals and resources.
 - The smallest possible size of project is €30,000 and the minimum grant is €15,000. Business Finland can provide a maximum of €200,000 for the purchase of expert services.

COOPERATION BETWEEN COMPANIES AND RESEARCH ORGANISATIONS

- Cooperation projects between SMEs and research organisations.
- 3 Different schemes: co-creation, co-innovation, research to business

TEMPO – accelerating internationalisation

- For Finnish startups, SMEs and mid cap companies aiming for international growth that have the desire and ability to build their expertise and solutions into an international success story in innovative ways.
- Capability development related to the company's international growth.

MARKET EXPLORER - Expertise to make progress in a new international market

- For SMEs and mid-cap companies that are seeking new international markets for their products, services, or business models. The company may be in its early stages of internationalization or already operate internationally
- 5000 – 10 000 EUR (50 %)

GROWTH ENGINES

The Finnish Government has directed EUR 60 million of capital funding for Growth Engines in 2018 (30 M€) and 2019 (30 M€). In addition, Business Finland directs its normal funding (about 200 M€ 2018-19) and services to projects that meet the ambitious and funding criteria of companies, research organizations and communities operating in Growth Engines, aiming at achieving a Growth Engine's business objective.

- Collaboration between companies of different sizes, research organizations and public actors to achieve a common concrete business goal.
- Launching a new operator, a platform company to achieve a business goal
- The construction of the platform company's business and through it generating extensive networking effects
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1.3.2. FOOD FROM FINLAND – Innovative, healthy and safe food and drink products for the international markets

The program focuses on the development and growth of the Finnish food industry and on the promotion of exports with branded products and services offering high added value.

They help Finnish food-industry companies in gaining access to the international food markets by utilizing new innovation and business know-how and research that supports the sector's competitiveness.

Services

Program operations include the supporting of food-sector ecosystems and food innovations especially aimed at consumers, expanding the know-how related to branding and international business operations, encouraging extensive cooperation and concrete and efficient promotion of exports in selected target markets. Export and internationalization services are tightly linked with Business Finland's innovation funding.

- Implementing shared stands in the most important international food-industry trade fairs for professionals
- Meeting buyers both in the target markets and in Finland
- Networking events and training and coaching days
- Retail trade campaigns
- Media events and visits
- Funding: **innovations, internationalization, enhancing know-how**
- Cooperation with universities and research organizations in Finland and abroad, especially in Asia

Food from Finland also implements targeted measures for a few product groups:

- Alcohol products
- Berries and other alcoholic beverages
- Oat products in cooperation with [Oat Cluster](#)

The program was started in 2014 and it is funded by both the Ministry of Economic Affairs and Employment and the Ministry of Agriculture and Forestry. We work in close cooperation with the Ministry for Foreign Affairs, the Finnish Food Authority, Finnish Food and Drink Industries' Federation and several other operators in the sector.

Member benefits for Food from Finland –program:

- Target market information from your selected countries (GlobalData database, covering 110 countries)
- Segment or product specific value (€) and volume in different market areas
- Market development of segments/product value and volume
- Competitors (brand owners) and their sales
- Main distribution channels for a product or product category
- Importer listings (Euromonitor) from the following countries: Japan, China, South Korea, United Arab Emirates, Singapore, Saudi Arabia, Austria, South Africa, Sweden, Denmark, Norway, Germany, Spain, Lithuania and Latvia.
- The permission to use Food from Finland –logo in your company's marketing, materials and website
- Advising

See programme for 2020: <https://www.businessfinland.fi/492059/globalassets/food/external-2020-published-plans-1.pdf>

1.4. Other financial instruments

1.4.1. Finnvera Financing and Guarantees

Finnvera is a specialised financing company owned by the State of Finland and it is the official Export Credit Agency (ECA) of Finland. Finnvera gives guarantees against political or commercial risks associated with the financing of exports.

Finnvera provides financing for the start, growth and internationalisation of enterprises and guarantees against risks arising from exports. Finnvera strengthens the operating potential and competitiveness of Finnish enterprises by offering loans, domestic guarantees, export credit guarantees and other services associated with the financing of exports. The risks included in financing are shared between Finnvera and other providers of financing.

Finnvera's operations are steered by the industrial and ownership policy goals laid down by the State. Among these goals are: increasing the number of starting enterprises; enabling financing for changes encountered by SMEs; and promotion of enterprise growth, internationalisation and exports. In its operations, Finnvera is expected to adhere to the principle of economic self-sustainability.

1.4.2. Start-up Grant for a new entrepreneur

The purpose of startup grants is to encourage new businesses and promote employment. The grant provides an entrepreneur with a secure income during the time that getting the business up and running is estimated to take – however for no more than 12 months. The startup grant consists of a basic grant, which amounts to EUR 33.66 a day. The grant is funded by the Public Employment and Business Services also known as TE-Office.

2. Supporting strategies and policies

2.1. South Ostrobothnia – Smart Outstanding - Strategy for Smart Specialisation

The strategy for Smart Specialisation for South Ostrobothnia was published in 2014. The strategy aims at the development of the region's strengths in co-operation with other European regions and utilising international networks and financial instruments. The strategy for smart specialisation contributes to the building of development co-operation with other European actors.

The strategy is tightly coupled with the combined regional plan and regional strategic programme of South Ostrobothnia and to other programme lines made in the province.

The goal of smart specialisation is to promote the regeneration of business life and to answer future skill requirements in selected thematic business sectors.

The three thematic business sectors are:

1. **The creation of new sustainable and effective solutions for food systems and the bioeconomy**
2. **The development of smart and energy efficient systems**
3. The regeneration of service and experience production

The strategy encourages companies to be more international and expansive. The strategy also identifies ways in which services offered to business operations, research and training operations could be even stronger than at present in supporting business life specialisation.

The South Ostrobothnian smart specialisation operation model is based on the learning benefits of the concentrated province, flexibility and the region's way of working, which is widely renown for being entrepreneurial and straightforward.

The strategy encourages companies and other actors to internationality and growth. The goal is to build a high-level ecosystem in selected specialisation sectors, **which especially supports the creation of new companies, growth and internationalisation**. South Ostrobothnia is committed to developing its own trade and industry through interaction with existing service and skill entities, so that the region's business life, innovation activities and internationalisation would develop as a synergic entity.

There are four strategic operational service and skill entities:

1. Start up and grow up

Seeking for firm international interaction in order to create operations and policies which support the creation and growth of new companies.

2. Go Global

Committing to sustainable bidirectional international co-operation in thematic business sectors and to the improvement of its prerequisites.

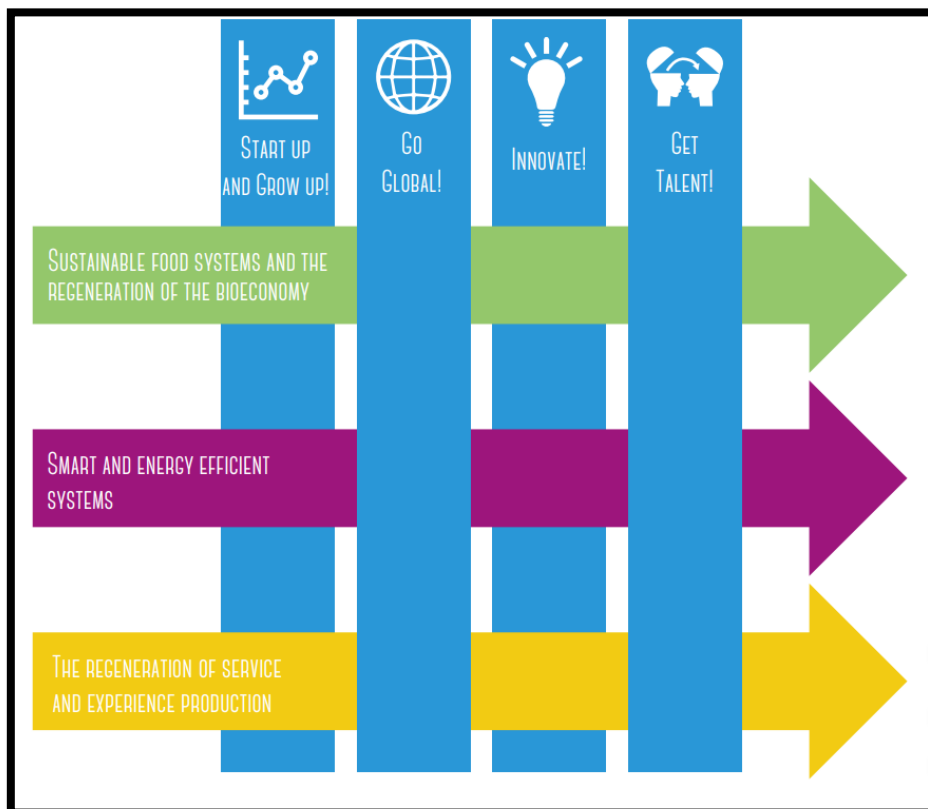
3. Innovate

Contributing to the construction of the European Innovation Union

4. Get Talent

Investing to education at all its levels as a prerequisite for the improvement for the skill level of the province and through that also smart specialization

The operation matrix for the smart specialization:



2.1.1. New solutions for sustainable food systems and the bioeconomy

South Ostrobothnia's specialisation in sustainable and efficient food systems and the new solutions for the bioeconomy is based on companies and clusters that are already partly internationalised or have strong internationalisation potential. They are challenged by international growth and new market sector recognition, as well as answering to increasing globalisation and stiffening competition. Strongly associated with this is reciprocal networking of companies and developers in the international foodstuff sector and food system themed projects.

Secondly, specialisation is based on operations, around which skill and innovation constructions have purposefully been created. The creation of new business operations is promoted with the so-called quadruple helix (users, businesses, researchers and public sector actors) based high level projects, which are constructed upon development platforms and user networks.

The role as a food province requires taking care of primary production, food industry competitiveness and profitability as well as adequate self-sufficiency protection for raw materials and high skill levels.

The strategy high-lights five potential focus sectors:

1. New systems and solutions for agrotechnology
2. Consumer oriented and unique products for the foodstuff sector
3. Food safety in the foodstuff chain
4. Food systems expert services
5. New solutions in the field bioeconomy and high added value products

The English version of the Strategy can be found in this [link](#).

2.2. Regional action plan for internationalization

South Ostrobothnia has had its action plan for internationalization since 2009. After that two updates for the action plan has been made, first in 2014 and second in 2019. The new updated action plan emphasises the need to promote the vitality of the province through increasingly close collaboration of different actors.

The strategy identifies 7 areas where internationalization should be promoted:

1. **Internationalisation of the regions business life**
2. Immigration and integration
3. **Internationalisation of research, development and innovation communities**
4. Internationalisation of education
5. Internationalisation in the Tourism and Culture sectors
6. Internationalisation of the region's inhabitants.

2.2.1. Internationalisation of local businesses and business life

Background: The numerous small and medium-sized companies are still lagging behind in the development of international business and need support to find various forms of collaboration to promote the creation of international connections.

Goal: Improve the productivity of local businesses, create new business and jobs by increasing international sales and cooperation.

Development areas:

1. Improving the international skills and preparedness for internationalisation of local businesses
2. Supporting SMEs in international networking
3. Enhancing the services that help SMEs to internationalise

2.2.2. Internationalisation of research, development and innovation community

Background: Research, development, innovation and training are the strongest drivers of the province's internationalisation that take Southern Ostrobothnian expertise abroad as well as bring knowledge, skills and development ideas to the region. The R&D and education funding that they bring with them to the province also has a financial and employment impact, particularly with respect to specialised work requiring high-level expertise.

Goal: Expanding and deepening the RDI activities within the identified growth and expertise sectors through high-level international cooperation

Development areas:

1. Diversifying the international RDI-activities (networking in platforms, applying for international funding, utilisation of professional services in application writing etc.)
2. Strengthening the cooperation within the international affairs inside the region
3. Upgrading the international skills

2.3. Strategy for Growth Entrepreneurs 2012-2020 in South Ostrobothnia

The strategy aims at creating common willingness in the region to support growth entrepreneurs and to design and start a growth entrepreneurship forum / network where the key supporting organisations will direct the actions and measures. The goals for the strategy are to enhance growth, exporting, employment and RDI-investments within the SMEs in the region. And on the other hand, to develop the support system for the SMEs and keep the growth entrepreneurship phenomena visible in media.

2.4. Hungry for Finland – Food Tourism Strategy 2015-2020

With the help of the research phase, the first FOOD&TOURISM strategy for Finland was built in co-operation with several operators in May 2014- Jan 2015. The strategy was coordinated by Haaga-Helia University of Applied Sciences and the assignment was commissioned by Visit Finland and the Ministry of Agriculture and Forest.

The aims of the strategy are:

- to build active national networks
- define the roles of operators and have shared common goals for the future
- develop food tourism with the help of best products
- to communicate widely to all participants, operators and customers about our core products and processes

The key issues in developing Finnish food tourism are:

- **Taste of place**, Finnish origin and way of life taste good
- **Pure pleasure**, pure Finnish food is good for the body and soul
- **Cool and creative from Finland**, internationally renowned culinary experience

The primary actions in promoting Finnish food tourism are:

- product development of spearhead products
- strategic partnerships
- communication

More information: http://www.e-julkaisu.fi/haaga-helia/food_tourism_strategy_2015-2020/

3. Identification of key actors

There are plenty of actors

Managing authorities:

- Regional Council of South Ostrobothnia (ERDF development funds)
- ELY-Center (ERD, ESF and EAFRD)
- Leader Groups (EAFRD Leader)
 - o Leader Aisapari
 - o Leader Liiveri
 - o Leader Kuudestaan
 - o Leader Suupohja
- Business Finland
- Finnvera

RDI and education organisations

- Seinäjoki University of Applied Sciences – School of Food and Agriculture
- University Consortium of Seinäjoki (UCS)
- SEDU Vocational School (VET)
- Foodwest Ltd.
- Natural Resource Institute of Finland
- ProAgria South Ostrobothnia
- Rural Women’s Advisory Organisation
- Chamber of Commerce
- Organisation of Entrepreneurs
- Xport Ltd.
- Viexpo
- Into Seinäjoki Business Development
- Municipal business development organisations and advisors
- Finnish Food Authority
- Finnish Entrepreneurs Training/Education Center
- Finnish Enterprise Agency

Networks and Platforms

- KERRU – Sustainable Food Systems coordination network
- Food Forum and Food Team
- Team Finland and Team South Ostrobothnia coordination
- Export Guild
- Growth entrepreneurship network
- International Excellence Forum
- S3 AgriFood Platforms
- ERIAFF network

3.1. Managing authorities

3.1.1. Regional Council of South Ostrobothnia

Regional Council of South Ostrobothnia is the managing authority of the ERDF Development Funds in the region. From time to time RCSO coordinates also other funding programs from national or regional level. During the recent years RCSO coordinated for example the regional share of a national program called Regional Innovations and Experimentations that was funded under the Ministry of Economic Affairs and the Employment.

RCSO is a key actor in strategic planning and coordinates the planning of several strategies such as the Regional strategy of South Ostrobothnia, the Smart Specialisation Strategy and the Action Plan for internationalization.

Promotion of regional interests in the national and European level is also an important aspect of RCSO's activities. At the moment, promotion of the region's food sector is among the top priorities and interests. RCSO also supports financially the EPANET network where research is directed to food sector.

3.1.2. The Centre for Economic development, Transport and the Environment in South Ostrobothnia (ELY-CENTER)

ELY-center is a key actor in the support system for SMEs with regards to funding. They are the managing authorities of three major programmes: 1. **ERDF funding directed to SMEs**, 2. **European Social Fund** 3. **European Agricultural Fund for Rural Development (EAFRD)**.

They also coordinate the Team Finland South Ostrobothnia network and help SMEs with Business Finland funding opportunities. In addition, they are involved in the strategic planning of the region.

3.1.3. 4 Leader groups

The four leader groups in region are 1. Leader Aisapari, 2. Leader Liiveri, 3. Leader Kuudestaan and 4. Leader Suupohja. Each group has their own development strategies and boards who make the final funding decisions.

3.1.4. Business Finland

Business Finland coordinates all the Business Finland funding described in the first chapter. There are local Business Finland advisors who work under the ELY-center in South Ostrobothnia. Read more: <https://www.businessfinland.fi/en>

3.1.5. Finnvera

Finnvera is a specialised financing company owned by the State of Finland and it is the official Export Credit Agency (ECA) of Finland. Finnvera provides financing for the start, growth and internationalisation of enterprises and guarantees against risks arising from exports.

More info: <https://www.finnvera.fi/eng/>

3.2. Research and Development Organisations

3.2.1. Seinäjoki University of Applied Sciences – School of Food and Agriculture

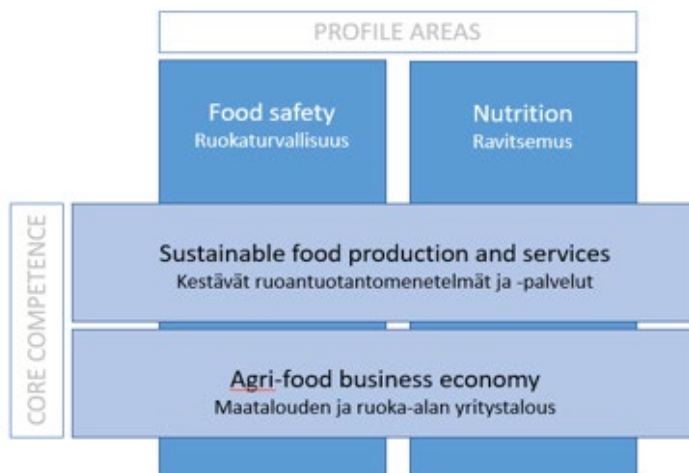
Seinäjoki University of Applied Sciences is a multidisciplinary institution of higher education and an efficient actor in education and research, development and innovation (RDI) in the region of South Ostrobothnia in West Finland. The number of full-time students is 4800 and academic and other staff members 350. Seinäjoki University of Applied Sciences has 19 Bachelor and 8 Master degree programmes.

Education - from Field to Fork concept:

- Degree programme in Agriculture and Rural Enterprises
- Degree Programme in Food Processing and Biotechnology
- Degree Programme in Food and Hospitality
- Master's Degree in Food Chain Development, Natural Resources
- Master's Degree in Food Chain Development, Technology
- Master's Degree in Food Chain Development, Tourism, Catering and Domestic Service

RDI activities around Sustainable food solutions:

The School of Food and Agriculture's research and development focuses on the following thematic areas:



The SeAMK Food Unit has an experienced and multidisciplinary food expert and TKI group. The group's particular interest is food safety. The aim is to promote food safety through research and development, both at home and abroad through international education exports, in the food value chain. Food safety covers the entire food chain from primary production to the consumer's dining table. Food safety is based on the purity of inputs, animal welfare and traceability and quality management throughout the chain. The strengths of the Food Unit in promoting food safety include: high-quality chain-wide testing and laboratory environment, microbial safety techniques, traceability of digitalisation, production of 3D production animals, and nutritional quality and hygiene aspects of the product.

The food laboratories of SeAMK create a unique multidisciplinary learning environment in the Frami-campus complex. Frami Food Lab brings together the students in the food chain under the same roof. The aim is to allow students to interact and collaborate with researchers and other partners. Also, the facilities allow companies to co-operate with SeAMK and make valuable R&D with students and university staff. The new facilities also support closer collaboration with international partners. Frami Food Lab ecosystem has been funded by European Regional Development Fund.

SeAMK Food Experts' RDI Group consists of 40 food researchers, of whom eight are PhDs and three Docents at the University of Helsinki. In addition to strong applied research, the group influences the development of the food chain by training entrepreneurs and experts, and by participating in regional, national and international work in the food sciences.

3.2.2. UCS - The University Consortium of Seinäjoki

The University Consortium of Seinäjoki is a multidisciplinary scientific network of a hundred experts from five Finnish universities. The focus areas include **sustainable food solutions**, intelligent and energy-efficient systems, welfare services and cultural experiences, and entrepreneurship, business competence and innovations.

The member universities are Tampere University, University of Vaasa/Levon Institute, University of Helsinki / Ruralia Institute, University of the Arts Helsinki / Sibelius Academy, University of Turku / Functional Foods Forum.

Research under agrobioeconomy and sustainable food solutions:

Three professorships:

1. Foodstuff development (healthy food and kids, taste and enjoyment of food, multisensory food experiences)
2. Consumer behaviour in food consumption
3. Economy of animal wellbeing and health.

Read more: <https://www.ucs.fi/en/home/>

3.2.3. SEDU VET

Sedu is the largest VET institution in the region who has study programs also for the food sector. They train cooks, food makers and bakers for the food industry.

3.2.4. Foodwest Ltd

Foodwest is a private research and development organisation working directly with food sector companies. Many nationally known food innovations have been developed in collaboration with Foodwest. They have about 35 employees and they are located in Seinäjoki. Side offices also in Tampere and Helsinki. Their new laboratory and research premises were launched in early 2020.

Foodwest works with companies to create new food-based business from raw materials to products, and from idea to launch. They have six core services:

1. Idea mining
2. Consumer insight
 - a. Wide knowledge of consumer behaviour and efficient tools for deeper understanding. Every case is tailored to specific need, to ensure that product development is built on a solid base and to minimise investment risks.

3. Product development and manufacturing
 - a. Managing the whole product development cycle. Their specialists know raw materials, manufacturing processes and food trends.
4. Quality and food safety
 - a. Helping companies to meet requirements set on products and operations. Quality and legislation apply throughout all stages of the product's journey.
5. Product data service
 - a. Product data must all be correct and organised at the commercialisation phase. They take care of the accuracy of package labelling and nutritional value calculations.
6. Manufacturing
 - a. Reliable partner in contract manufacturing and packaging. In the pilot factory they can manufacture and pack products ready for the store shelf. Services also include product development, testing of raw materials and checking of shelf life expectancy.

For more info: <https://www.foodwest.fi/en/>

3.2.5. Natural Resource Institute of Finland

The Natural Resources Institute of Finland (LUKE) has an office in Seinäjoki, where they do various research on agricultural products, organic production, food safety, wellbeing of animals etc. They are involved in various research and development projects and active member of the various networks and platforms around the food sector development.

More info:

3.2.6. ProAgria South Ostrobothnia

ProAgria is a Finnish expert organization providing an extensive network of specialists and a wide range of services to rural entrepreneurs. The entrepreneurs vary from farmers to small business owners who run businesses mainly in rural Finland. All regions in Finland has their own ProAgria Association and so does South Ostrobothnia. They help customers with investments, business management, financial management, production, sales and marketing, research and development, personnel well-being, change of ownership and environment.

ProAgria has a comprehensive and extensive expertise on rural entrepreneurship. They serve customers from several rural sectors. The sectors are e.g. agriculture, food and tourism, food preparation, foodstuff development, horses, contracting, services, and bioenergy. ProAgria assists the customers completely during the whole business life-cycle. Assistance is offered in planning a new business, business start-up, investments and business revitalisation.

More info:

3.2.7. Rural Women's Advisory Organisation – Regional Center in South Ostrobothnia

Rural Women's Advisory Organisation is a nationwide expert organisation and an extensive women's network in the rural areas. Their aim is to promote lively and active rural communities. Rural Women's Advisory Centre is the national central organisation. And they have 11 regional centres operating in connection with the ProAgria Centres. One of the regional centres is operating the South Ostrobothnia.

They have 1 300 associations at municipal and village level, who offer a wide range of activities including training courses, excursions and club meetings for over 50 000 members, making them one of the largest women's organisations in Finland.

They offer expert services, consulting, planning, advice and training in rural areas employing over 70 professionals in various fields of expertise. The core services are:

1. FOOD AND NUTRITION – Organisation of food courses and training.
2. LANDSCAPE MANAGEMENT - Offering diverse planning and expert services related to landscape and environmental management and planning.
3. ENTREPRENEURSHIP - advising enterprises in the fields of catering services, rural tourism and food processing

The regional centre in South Ostrobothnia is the coordinator of Food Province label.

More info:

3.2.8. Chamber of Commerce

South Ostrobothnia Chamber of Commerce is one of the regional private law chambers in Finland. Their member companies are specialised in high quality food production, agriculture, machinery and equipment for the metal industry, wood processing, as well as business and services. South Ostrobothnia Chamber of Commerce was founded in 1951 and it represents over 600 businesses in the South Ostrobothnia area. It is the premier business membership organisation in the region and works for the interests of the business community while also promoting economic development in the region with a range of partners and key stakeholders.

Read more: <https://etela-pohjanmaankauppamari.fi/en/>

3.2.9. South Ostrobothnia Enterprise Agency

South Ostrobothnia Enterprise Agency is an interest and service organization for small and medium-sized enterprises (SMEs) and their owners in the region. Their task is to improve the position of entrepreneurs and the conditions for entrepreneurship in Finland. The organisation offers their members lobbying and counselling service and it also works as an important community to share ideas and concerns with other entrepreneurs.

The regional Enterprise Agency in South Ostrobothnia has over 6000 members via 30 local agencies. It belongs to a national network Suomen Yrittäjät / Finland's Entrepreneurs who has 19 other regional Enterprise Agencies all over Finland.

3.2.10. Xport Ltd.

Xport is a Seinäjoki-based private consulting company who offers services for companies interested in exporting and internationalisation in the region. They have range of services who suit from small to large companies. Our services include for example: Preparing to Export, Quum Analysis, Understanding & Applying for Financial Support, Planning for Export, International Communication, 'Messuvalmennus' Exhibition Training, Export Manager and Export Assistant services (both available at an hourly rate, to suit your requirements.) Some of the Business Finland funding is also applicable for their services, such as the innovation brochure and market explorer.

Read more: <http://www.xport.fi/en>

3.2.11. Viexpo

Viexpo is another private consulting company who offers services around internationalisation and exporting in the region. The company has their headquarters in the neighbouring region Ostrobothnia and its regional capital Vaasa.

Viexpo serves small and medium-sized companies in various stages of the export path as a part of the oTeam Finland network and as the internationalisation unit of the Centre for Economic Development, Transport and the Environment in Ostrobothnia. Their services are: market analysis, consulting in various aspects of international business, translation and language services, integrated fair services, export promotion trips and export networks.

Read more: <https://viexpo.fi/en/>

3.2.12. Into Seinäjoki Business Development and Enterprise Europe Network

Into Seinäjoki is a municipal business development organisation who supports local businesses in the Seinäjoki region. One of the core competencies and focus areas within Into Seinäjoki is food sector business development and they are involved in the various food sector networks and platforms that are operating in the region. For the past few years Into Seinäjoki has also organised a national food business event: Food Business Summit that gathers experts and companies all over Finland to network and discuss the latest food trends and innovations.

Into Seinäjoki is also the host organisation for the Enterprise Europe Network and through that they help local SMEs in internationalisation and find suitable business partners from other EU countries.

More info: <https://intoseinajoki.fi/in-english/>

3.2.13. Business development organisations and officers in municipalities

There are also other municipal development organisations and advisors who work in the region supporting local SMEs with growth and internationalisation. The way of organisation varies from municipality to another. Some municipalities have their individual business advisors and some have organised their business development jointly with other municipalities.

- JPYP Business Development – services in the Lake District South Ostrobothnia (4 municipalities: Alajärvi, Lappajärvi, Soini and Vimpeli)
- Formu – Business Development services for SMEs in the municipality of Kurikka
- Alavus Business Development - services for SMEs in the municipality of Alavus
- Kauhava Development – business services for SMEs in the municipality of Kauhava
- Municipal business advisors at: Ähtäri, Evijärvi, Lapua, Ilmajoki, Kuortane, Kauhajoki, Isojoki, Karijoki and Teuva.

3.2.14. Finnish Food Authority

The Finnish Food Authority promotes, supervises and studies food safety and quality, animal health and welfare, plant health, fertiliser products used in agriculture and forestry, feedstuffs and plant protection products as well as plant reproductive material. The Authority is responsible for the management of the European Agricultural Guarantee Fund and the European Agricultural Fund for Rural Development in Finland, acts as the Finnish Paying Agency and sees to the implementation of the EU and national support schemes. The Authority develops and manages information systems, electronic customer service channels and registers. It provides information management services for the agencies of the Ministry of Agriculture and Forestry and other

government bodies. The Authority employs people from a range of backgrounds and follows flexible procedures.

The Finnish Food Authority implements the following EU programmes and systems in Finland:

- Rural Development Programme (EAFRD)
- The EU's beekeeping programme
- The Fund for European Aid to the Most Deprived (FEAD)
- The EU's scheme for registration of names
- Partly EU-funded information provision and promotion programme

The Finnish Food Authority grants funding to food chain programmes funded by the Finnish Ministry of Agriculture and Forestry that contribute to the operation and development of the food chain.

The Finnish Food Authority has 20 offices around the country. And since beginning of 2019 it is headquartered in Seinäjoki. The Finnish Food Authority was established on 1 January 2019 by a merger of the Finnish Food Safety Authority Evira, the Agency for Rural Affairs and some departments of the National Land Survey of Finland's Centre for ICT Services.

More info: <https://www.ruokavirasto.fi/en/>

3.2.15. Suomen Yrittäjäopisto – The Finnish Education Center for Entrepreneurship

The Finnish Education Center for Entrepreneurship offers various trainings and education modules for business life. They have teaching facilities in Seinäjoki, Kauhava and Teuva.

3.2.16. Finnish Enterprise Agency in South Ostrobothnia

The regional Enterprise Agency is located in Seinäjoki and offers counselling and assistance for aspiring entrepreneurs in every practical matter what comes to starting a business in the region. They help new entrepreneurs with business plans or permits etc.

More info: <https://www.neuvoa-antava.fi/in-english>

3.3. Networks and platforms

3.3.1. KERRU - Sustainable Food Systems coordination group

KERRU coordination group has been set up to coordinate activities under the first objective, sustainable food systems in the RIS3 strategy. The coordination group holds meetings 4 to 5 times a year. In the meetings various actors share their RDI activities around the topic and discuss possibilities for cooperation for future activities. All of the main organisations and actors are involved in the coordination group.

3.3.2. Food Forum and Food Team

Food Forum is a collaboration among four key actors who work within the food sector development in the region. The aim of the collaboration is to enhance the innovativeness of the sector. The collaboration is based on a signed contract of collaboration and it was created as an output from a development project AB Seinäjoki (ERDF). The idea behind the collaboration has been to continue the work and activities that were developed in the project.

The members in the forum are: Seinäjoki University of Applied Sciences, Into Seinäjoki Business Development, Foodwest, Natural Resources Institute and Ruralia Institute/University of Helsinki. The forum meets three to four times a year. The chairmanship of the Forum rotates every year.

The activities of the forum are:

1. Organisation of Food Business Summit (a yearly national event directed to food sector developers and companies)
2. Organisation of Food Business Challenge (a innovation competition for students)
3. Morning coffee sessions around AgroFood sector (approximately 1 each month)

The Food Team is a looser network that has been directed especially for food sector companies and their development. The aim of the team is to bring together companies within the food sector and enhance their exporting. Secondly the network aims at enhancing the conspicuousness of the region as a Food Province and its knowledge/know-how in food sector and all over the food value chain. Lately the team's activities have concentrated mainly on the promotion of exporting. The main identified exporting countries are China and Germany. Five to ten companies have actively took part in the network.

3.3.3. Team Finland Network and Team South Ostrobothnia

Team Finland network The network consists of the Ministry of Economic Affairs and Employment, Ministry for Foreign Affairs, Ministry of Education and Culture, Business Finland (Finpro and Tekes merged), Finnvera, Tesi (Finnish Industry Investment), Centres for Economic Development, Transport and the Environment, Finnish Patent and Registration Office, Finnish-Russian Chamber of Commerce, Finnish-Swedish Chamber of Commerce, VTT Technical Research Centre of Finland, Finnfund, Finnpartnership and Finnish Cultural and Academic Institutes. Abroad, the Team Finland network is represented by more than 80 local teams. Each local team gathers together the Finnish authorities, publicly funded organisations, and other central actors representing Finland in the particular region. In Finland, an important part of the Team Finland network consists of the 18 local teams in the forthcoming counties.

Team South Ostrobothnia. One of Finland's 15 regional teams operates in South Ostrobothnia, Team South Ostrobothnia, which forms the region's counterpart for the international network. The Team SO holds meetings very few months and organises various events and trainings for SMEs. The Team has members from all the key business development organisations in the region such as: Into Seinäjoki and EEN, Xport, Business Finland, Viexpo, Regional Council of South Ostrobothnia, The ELY-Center, SeAMK, Sedu, Chamber of Commerce and Enterprise Organisation.

3.3.4. Export Guild

The Export Guild is a network of companies who are interested in exporting and internationalisation. The network is coordinated by the South Ostrobothnia Chamber of Commerce and managed by a board of selected members. The guild meets once a month (excluding the summer holiday months). In the meetings the companies share their ideas and experiences with regards to exporting and internationalisation. They also make study visits both to locally and nationally to interesting examples of exporting. Membership in the group is voluntary and free of charge.

3.3.1. Growth Entrepreneurship Network

The growth entrepreneurship network in South Ostrobothnia includes members from the key RDI and support organisations working with SMEs. The SO Chamber of Commerce coordinates the group. The group holds meetings from 2 to 4 times a year. The group discusses issues and activities that deal with SMEs growth. For the past few years the group has organised a competition for growth SMEs called GrowthOpen, where SMEs with growth potential receive consulting from experts. GrowthOpen is a national concept that is organised also regionally. Last year there has been a special competition category for food sector SMEs.

3.3.2. International Excellence Forum

International Excellence Forum is a network of the key actors from the RDI sector working with internationalisation in various field. In the network members share their activities and experiences of the international work and cooperation. The Forum has also organised trainings for local RDI actors about the international EU funding opportunities.

3.3.3. S3 Agri-Food platform

The region of South Ostrobothnia is part of the Smart Specialisation Platform for Agri-Food (S3P Agri-Food). The most active members in the platform are RCSO and SeAMK. The key objective of the S3P Agri-Food is to orchestrate and support the efforts of EU regions committed to work together for developing a pipeline of investment projects connected to specific thematic areas of smart specialisation priorities through interregional cooperation. The S3P Agri-Food will be co-developed and co-led by the regions themselves ensuring an active participation and commitment of industry and related business organisations and clusters as well as research institutions, academia and civil society.

More info about the platform: <https://s3platform.jrc.ec.europa.eu/agri-food>

3.3.4. ERIAFF network - European Region for Innovation in Agriculture, Food and Forestry

ERIAFF is a network of European Regions who share common interest with their strategic policy objectives with regards to Agriculture, Food and Forestry. At the moment there are 43 regions in the network and South Ostrobothnia is one of the 17 founding and coordinating member regions in the network. The Regional Council is the key me

Through the network the region has been involved in various international cooperation projects dealing with food sector development. The network is strongly linked to the Smart Specialization Strategy (S3) Agrifood Platform, launched by the European Commission.

Regional Council of South Ostrobothnia is the official member in the coordination group of the network, but through a joint agreement Seinäjoki University of Applied Sciences is representing the region in the various working groups.

3.4. Matrix of Financial Instruments supporting food and drink businesses

Matrix of Financial Instruments supporting food and drink businesses in South Ostrobothnia including a utilization rate estimation until 2020.

Financial Instrument	Objective	Priority sectors	Fields/Territorial context	Structural Funds	Utilization rate estimation by food and drink businesses in South Ostrobothnia
Operational Programme for Mainland Finland 2014-2020 (ERDF Development Projects)	<p>Producing and utilising new knowledge and skills</p> <p>The emphasis is on the development of concentrations of research, expertise and innovation linked with the implementation of the strategy for higher education in South Ostrobothnia, as well as projects for learning environments, piloting, demonstration, and development that support business activities in the region.</p>	<p>Priority sectors in Regional Strategy</p> <ol style="list-style-type: none"> 5. Regenerative Local Industry and Commerce. 6. Future Competence Requirements 7. Integrated Regional Structure and Environment 	<p>Sustainable food systems and new solutions for bioeconomy</p> <p>Smart and energy efficient systems</p> <p>Regenerative service and experience production,</p> <p>Supporting businesses to regenerate</p> <p>Building a High-Quality "Turning Information into Action" Innovation Chain in the Selected Focus Areas</p> <p>Developing an activating Educational System (Building individual and flexible learning paths,</p> <p>Building an educational system that will match future need</p> <p>Improving the entrepreneurial skills and way of working</p>	ERDF	Moderate for RDI organisations

<p>Operational Programme for Mainland Finland 2014-2020 (ERDF SME support)</p>	<p>Competitiveness of SMEs</p> <p>The competitiveness of small and medium-sized enterprises is to be promoted through the development of non-material models of action for companies and company networks based on the growth company programme for South Ostrobothnia.</p> <p>ERDF investment support can be granted mainly for projects that support the goal for low carbon emissions. It can also be granted for projects carried out by new companies which are aimed at the international market, or projects carried out by SMEs with great innovative value.</p>	<p>Generating new business</p> <p>Promoting growth and internationalisation of enterprises</p> <p>Promoting energy efficiency in SMEs</p>	<p>Generating new business</p> <p>Promoting growth and internationalisation of enterprises</p> <p>Promoting energy efficiency in SMEs</p>	<p>ERDF</p>	<p>Moderate for food sector SMEs</p>
<p>Rural Development Programme (RDP) 2014 – 2020</p>	<p>Lively hood of rural areas</p> <p>National priorities:</p> <p>Promote bioeconomy and, as part of it, agriculture that is economically, socially and ecologically sustainable and ethically acceptable</p> <p>Diversify rural industries and create employment by improving the competitiveness of businesses, supporting new entrepreneurship and promoting the networking of companies.</p> <p>Improve vitality and quality of life in rural areas by strengthening independent local activities</p>	<p>Four regional development priorities:</p> <ol style="list-style-type: none"> 4. Development of the region as a Food Province 5. Sustainable and versatile use of forestry 6. Enhancing entrepreneurship in the countryside 7. Improving the attractiveness of the region's countryside 	<p>Means of support:</p> <p>Direct support for small enterprises with less than 50 employees</p> <p>Development project and common-good investments</p> <ul style="list-style-type: none"> • Education and advisory projects • Promotion of cooperation 	<p>EAFRD</p>	<p>High both for SMEs and RDI organisations</p>

<p>Community Led Local Development – CLLD / Leader Development funds</p>	<p>Community led local development of rural areas.</p>	<p>Development priorities at Leader Aisapari: 1. Supporting the livelihood of the countryside, 2. Strengthening the identity of local communities, 3. Nature and natural resources as corner stones of healthy food production, clean energy production, and healthy and clean living environment</p> <p>Development priorities at Leader Liiveri: 1. Beloved home region and lively communities, 2. Courageous enterprises and regenerative business, 3. Healthy environment and life, 4. Supporting local food value chain</p> <p>Development priorities at Leader Kuudestaan: 1. Developing businesses and entrepreneurship, 2. Living, people and environment, 3. Improving the well-being of residents and environment 4. Bringing forth and developing further the region's strengths</p> <p>Development priorities at Leader Suupohja: 1. Enhancing entrepreneurship and creation of jobs, 2. Bioeconomy and sustainable energy solutions, 3. Digital Suupohja region, 3. Development of rural villages and rural services, 4. Active rural citizens</p>	<p>Means of support:</p> <p>Support for SMEs:</p> <ul style="list-style-type: none"> Starting up of rural business Funding for investments Cooperation of SMEs <p>Development projects:</p> <ul style="list-style-type: none"> Common-good development projects Common-good investments (65 % support) Education and advisory projects 	<p>EAFRD</p>	<p>High for SMEs Moderate for RDI institutions</p>
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<p>Business Finland Funding for SMEs</p>	<p>Enhancing growth and internationalisation of Finnish Enterprises.</p>	<p>Supporting SMEs in various fields and sector. Food From Finland programme directed directly for food sector companies and their internationalisation.</p>	<p>Various support and financing possibilities and programmes. Research, development and piloting for SMEs Innovation Voucher Innovation expertise in support of international growth Cooperation between companies and research organisations Accelerating internationalisation of start-ups Market exploring in international markets Growth Engines Food from Finland</p>	<p>National funding (Business Finland)</p>	<p>Moderate for food sector SMEs</p>
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4. Concluding remarks

The support system for food sector is relatively balanced and well organised in the region. The food sector is recognized very well in the strategic/policy level and there are plenty of actors who work around the food sector development and who also address the development of the food sector SMEs. The actors are cooperating a lot with each other in various networks and are aware of each other's activities and avoid overlapping activities.

The most important funding instruments for general development of the sector are the regional ERDF, ESF and EAFRD funds. The most important funding programmes directed for SMEs are the ERDF, EAFRD and Business Finland.

Weaknesses and/or challenges related to funding / support system:

Dependency on external funding

For many of the actors the development activities are much depended on external funding (project funding), which means that without a project there is less development activities. The activities also vary from project to project and this might seem complicated in the eyes of the SMEs.

It is also a common concern in the region that the budgets of the EU funding programmes directed for the region decrease even more in the next funding period. The rural development fund, especially, has been very important funding instrument for the regions food sector and the future of the budget directed to the lively hood of rural areas still remains uncertain.

Access to funding

Even though a lot of work have been done with communicating about and simplifying the structures of the SME funding, the food sector SMEs still struggle getting involved in the projects and apply funding on their own.