

Regional Policy Recommendation Template
LITHUANIA

1. GENERAL INFORMATION

Project:	Inter Ventures
Partner organisation:	Klaipėda City Municipality Administration
Other partner organisations involved (if relevant):	Klaipėda ID

2. POLICY CONTEXT

A. Main features and envisaged improvement of the policy instrument	
Policy instrument addressed	Klaipėda economic development strategy (KEDS)
Body responsible for addressed policy	KEDS Economic development council
What influence does your organization have over the targeted Policy Instrument?	
<p><i>Klaipėda city municipality administration (further – KLAMUN) has an influence for the quality of administration of KEDS implementation. This role consists of the following duties: collect information from partner organisations, monitor the status of strategy implementation, analyse the implementation of strategy indicators, prepare documents, organize partner meetings. Furthermore, KLAMUN is also responsible for implementing 47 of 109 KEDS measures. This means that KLAMUN team is additionally responsible for the implementation of the strategy within the Klaipėda city municipality administration - internal communication with the departments, strategy's actions, and collection of data required for reporting and submission to the strategy management team.</i></p> <p><i>Klaipėda ID team plays role in implementing KEDS as well. Klaipėda ID is responsible for implementing 26 of 109 KEDS measures. It is important to mark that Klaipėda ID team has a main role in organising KEDS marketing activities, as they are the leader of KEDS Marketing Council.</i></p>	
Evaluation of the current operation of the policy	
<p><i>Klaipėda City Economic Development Strategy 2030 (KEDS) is a product of co-operation between the Klaipėda City Municipality, the Port of Klaipėda, Klaipėda University, Klaipėda Free Economic Zone, the Association of Klaipėda's Industrialists and Klaipėda Chamber of Commerce, Industry and Crafts. Over 300 experts representing various sectors in Klaipėda were involved in the process as well as international consultants Ernst & Young Baltic. KEDS is a long-term solution, which will map the economic development of the city for the next decade and serve as a framework for the development of the whole Klaipėda region.</i></p> <p><i>Strategic partners concentrated on a coherent vision towards economical specialization of the city, targeting on new FDI, strengthening high value-added industries and growing labour pool. The city focused on the blue growth and becoming a global-level city of blue economy and fast solutions. A panel of partners agreed on the implementation plan and over 100 initiatives that will propel city and business growth. The strategy defined priority sectors that will be key for the growth of Klaipėda: marine economics, bio economics, advanced industrial economics, creative and service economics.</i></p>	

The seven KEDS partners communicate regularly in the Implementation Steering Group and the Economic Development Council. The Implementation Steering Group is responsible for overseeing the implementation of the strategy, auditing measures and actions, and the Economic Development Council is responsible for taking key decisions on strategic issues.

In general, KEDS is functioning properly and responsible partners are implementing the measures. However, there were moments when the strategy partners felt that the implementation of some measures had stalled. At that time, additional meetings and workshops were organized to improve cooperation and to check if the measures need to be adapted due to changed economic, strategic or other circumstances.

The project measures and actions are currently being evaluated in order to update them (changing the wording, owner of the measure, adding or removing indicators or combining several measures), as changes have naturally taken place during the three years of the strategy, on the basis of which it is worth updating the strategy. Changes include the country's economy, legal framework and national strategies, which also have a natural effect on the region's economy and development.

At the same time, because of Inter Ventures project activities and findings on Regional Situation Analysis more attention is paid to the internationalization of SMEs, as there were no specific measures to promote the internationalization of SMEs. KEDS has several measures to promote SMEs, but internationalisation was singled out as a vital area for business growth as it meets several key goals of the strategy - export promotion, FDI growth, and growth of the number of SMEs.

What kind of change do you want to achieve in the addressed Policy Instrument? How would influence/improve the targeted Policy Instrument?

We plan to improve KEDS by adjusting several strategy actions relevant to SME development. The main goal of making these changes is to develop more strategic actions to focus on the development of SME internationalization activities. Currently despite several strategic actions to promote the development of SMEs, none of the actions is specifically aimed at the internationalization of SMEs.

Current measure 1.3. *“Develop an ecosystem conducive to small business”* covers activities focused on SME development: improving Klaipėda ID and turning it into a center of multifunctional services for business, evaluating and developing the potential of existing business incubators, establishing a business development accelerator, supporting the conversion of co-operative premises, organizing entrepreneurship promotion events, creating a start-up funding mechanism, preparing and disseminating information on SME funding sources.

The goal is to add an action 1.3.1. *“To turn Klaipėda ID into a center of multifunctional services for business”* to the KEDS measure 1.3. *“Develop an ecosystem conducive to small business”*. Klaipėda ID should become a full-fledged partner of self-government, business enterprises and investors, coordinating the areas of promoting entrepreneurship, SME competitiveness and integration into international value chains. NEW indicator **“Number of activities or projects promoting internationalization, pcs.”**

The inclusion of this indicator is significant in promoting internationalization activities and projects, as these activities are directly related to the promotion of exports, growth of jobs, development of the SME sector, attraction of international foreign investment.

If you would like to change your original Policy Instrument, please explain the reasons behind the modification! Please justify why the initial policy instrument can no longer be influenced!

n/a

3. PLANNED ACTIONS

Action 1

Action title:	<i>Improve SMEs internationalization actions</i>
Nature of the action	
<p>Content of the action is to add to the KEDS measure 1.3. <i>“Develop an ecosystem conducive to small business”</i> action 1.3.1. <i>“To turn Klaipėda ID into a centre of multifunctional services for business”</i>. Klaipėda ID should become a full-fledged partner of self-government, business enterprises and investors, coordinating the areas of promoting entrepreneurship, SME competitiveness and integration into international value chains. NEW indicator “Number of activities or projects promoting internationalization, pcs.”</p> <p>This action itself improves the Policy Instrument by creating a framework for the internationalization of SMEs and projects. Once this indicator has been set, it will automatically commit to pursuing the value of this indicator. The plan is that the implementation of this indicator will be entrusted to Klaipėda ID as the action 1.3.1. is directed to improving Klaipėda ID, whose function is to promote SMEs and provide various assistance to SMEs. The aim of this action is to include specific measures to promote the internationalization of SMEs in the package of services provided to SMEs.</p>	
Interregional exchange of experience	
<p>The action is based on Hungarian good practice <i>“The Baranya Region Industrial Development Program”</i> which aims to promote the dynamic development of the region's economy through a coordination system for local economic players and an integrated development program that spreads knowledge between business, science parks and universities, local SMEs patronage of development initiatives, promotion of cooperation between local and foreign companies, fostering partnership with the local community, communication between investors and the government and local authorities. The goal is to initiate a tool to promote projects or programs focused on the internationalization of SMEs. At the moment the decision about specific activities that would be carried out are not made, as the choice of activities will be influenced by the future economic situation - it is planned to select the most efficient activities and those that most promote the internationalization of SMEs. As Klaipėda Region has several cooperation based projects on SMEs promotion, there are no regional projects that would promote SMEs internationalisation.</p> <p>Therefore, we plan to add to the KEDS measure 1.3. <i>“To develop an ecosystem conducive to small business”</i> an action 1.3.1. <i>“To turn Klaipėda ID into a centre of multifunctional services for business.”</i> Klaipėda ID should become a full-fledged partner of self-government, business enterprises and investors, coordinating the areas of promoting entrepreneurship, SME competitiveness and integration into international value chains. This action would have the following indicator: “Number of activities or projects promoting internationalization, pcs.”</p> <p>The inclusion of this indicator is significant in promoting internationalization activities and projects, as these activities are directly related to the promotion of exports, growth of jobs, development of the SME sector, and attraction of international foreign investment.</p> <p>Next step would be to refine, develop and launch specific programs and projects that promote the internationalization of SMEs and benefit both the promotion of inter-institutional cooperation itself, the strengthening of SME communities and the development of SMEs and successful</p>	

internationalization activities. Klaipėda ID would be owner of these activities and would monitor this indicator.

Action 2

Action title:	<i>Promoting SMEs of the Blue Economy sector</i>
Nature of the action	
<p>The aim of this action is to specify KEDS measure 1.3. "Develop an ecosystem conducive to small business" action 1.3.4. <i>"Establish a business development accelerator - a structured multi-month program for which selected start-ups, with the help of leading business representatives from Klaipeda regions, should realize their ideas and launch new products on time"</i> as follows:</p> <p>1.3.4. <i>"Establish a Blue Economy sector business development accelerator - a structured multi-month program for which selected start-ups, with the help of leading business representatives from Klaipeda regions, should realize their ideas and launch new products on time"</i>.</p> <p>By specifying the measure to the areas of the Blue Economy, more attention would be paid to the promotion of KEDS growth areas important for the economic development of Klaipeda city and Klaipėda Region. However, Blue Economy sector is a priority noted in KEDS.</p> <p>This action itself improves the Policy Instrument by creating a specific and very relevant direction of the accelerator for the growth of Blue Economy sectors.</p> <p>Directing the accelerator directly to the promotion of businesses in the Blue Economy sector would not only encourage the creation of these businesses, but also improve the growth rate of businesses in the Blue Economy. Promoting internationalization is one of the activities of the accelerator, so this activity is naturally related to the Inter Ventures project.</p> <p>Accelerator is planned in KEDS and the owner of this action is Klaipėda ID.</p>	
Interregional exchange of experience	
<p>Building on the Spanish good practice "<i>Creative Accelerators for Sustainable Tourism (CAST)</i>", which aims to form a network of international business incubators and accelerators for SMEs and start-ups in the tourism, cultural and creative industries sector, to promote SME and start-up incubation and acceleration activities contribute to the growing number of start-ups and SMEs, it is proposed that:</p> <p>To specify KEDS measure 1.3. "Develop an ecosystem conducive to small business" action 1.3.4. <i>"Establish a business development accelerator - a structured multi-month program for which selected start-ups, with the help of leading business representatives from Klaipeda regions, should realize their ideas and launch new products on time"</i>, focusing on a specific Blue Economy business development accelerator to promote products that aims to promote the Blue Economy:</p> <p>1.3.4. <i>"Establish a Blue Economy sector business development accelerator - a structured multi-month program for which selected start-ups, with the help of leading business representatives from Klaipeda regions, should realize their ideas and launch new products on time"</i></p> <p>Spanish Good practise gave us an idea of purifying the direction of the accelerator and narrowing the scope of business areas that could participate in the accelerator. As in Spanish GP there are mentioned business incubators and accelerators for SMEs and start-ups in the tourism, cultural and</p>	

creative industries sector, the decision to narrow the SMEs to Blue Economy sector would be extremely useful for economy of Klaipėda region and KEDS implementation.

Action 3

Action title:	<i>Promote SMEs internationalisation activities</i>
Nature of the action	
<p>Content of the action is to give a financial support for the development of SMEs, with a stronger focus on internationalization activities. During 2020 Klaipėda City Municipality Administration reviewed the priorities and criteria for the selection of SME projects and singled out the priority focused on internationalization activities - the development of market activities. This priority is directly aimed at SMEs seeking to expand into new markets or new market segments. Under this priority, the municipality provided financial support to an SME that develops wooden luminaires and supplies mainly to foreign markets (UK, USA, etc.) and wanted to expand production by purchasing additional machines for production. With the development support, SMEs will not only be able to increase their production volumes, but also expand their product range, thus possibly expanding their target customer base.</p> <p>Inspired by information we gained during the Inter Ventures project, Klaipėda City Municipality Administration sees a possibility to add new priorities to support SMEs internationalisation, like: participation in international B2B forums, business exhibitions; export experts services on market research, etc.</p>	
Interregional exchange of experience	
<p>The inspiration came from project activities – Regional Situation Analysis, Good Practises which revealed the examples of supporting and financing tools operated by the project partner cities (Xpande in Burgos for example) and led to additional tools of supporting the improvement of capacities of companies interested in internationalization.</p> <p>There is a plan of few steps, that have to be taken to create a specific priorities and criteria to SMEs financial support contests that would be designed to further encourage the internationalization of SMEs:</p> <ol style="list-style-type: none"> 1. To analyse the Regional Situation Analysis again and identify specific actions to help shape proposals; 2. To shape proposals of new priorities and criteria and represent them to SME council; 3. After the discussion in SME council and final decision to prepare the documentation for contests; 4. Announce financial support for SMEs contests. 	