

SARURE

**Regional actions to introduce innovation to the Regional Actions to Innovate
Operational Programs**

**Warmia and Mazury action plan for the development of innovation in rural
areas**

Project: **Save Rural Retail**

Interested partner organization (s): **Local Action Group "Southern Warmia" Association**

Country: **Poland**

NUTS2 region: Warmian-Masurian Voivodeship

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Part 1 Definitions and dictionary

1. **ROP WiM 2014-2020** - Regional Operational Program of the Warmińsko-Mazurskie Voivodeship for 2014-2020 (ROP WiM), sent by the decision of the European Commission no. C (2015) 904 of February 12, 2015 and the resolution of the Board of the Warmińsko-Mazurskie Voivodeship no. 16/150/15 / V of March 24, 2015,
2. **PR WiM 2021-2027** - Regional Program of Warmia and Mazury for 2021-2027 - at the time of writing this Action Plan, the program was only in the consultation phase.
3. **Specification of the Program** - Detailed Description of the Priority Axis of the Program.
4. The ROP W&M Managing Authority - pursuant to Art. 9 sec. 1 point 2 of the Implementation Act - Board of the Warmińsko-Mazurskie Voivodeship.
5. **Beneficiary** - an entity referred to in Art. 2 point 10 of the general regulation and the entity referred to in art. 63 of the general regulation.
6. **Co-financing** - EU co-financing or national co-financing from the state budget, paid on the basis of a project co-financing agreement or a decision on project co-financing.
7. **Project** - an undertaking aimed at achieving the assumed goal defined by indicators, with a specified beginning and end of implementation.
8. **SME** - enterprise belonging to the sector of small and medium-sized enterprises.
9. **BEI** - business environment institution.
10. **LAG - Local Action Group** - A non-profit association associating representatives of 3 sectors - public, economic and social. The organization works for the broadly understood development of rural areas. We cooperate and support local producers, including by organizing joint promotional campaigns.

Part II Scope and framework

The Regional Operational Program for the Warmińsko-Mazurskie Voivodeship for 2014-2020 (ROP WiM) was the third ROP for the region. The program consisted of twelve priority axes.

Thanks to the Regional Program of the Warmińsko-Mazurskie Voivodeship for 2014-2020, the region's economy was to be more competitive. That is why the most money was allocated to supporting entrepreneurship, innovative projects combining the spheres of business and science. Almost half of the money from the Program was directed to enterprises, especially small and medium-sized ones. The aim of this operational program was to increase the competitiveness and improve the quality of life of the inhabitants of the Warmińsko-Mazurskie voivodship by better use of the region's potential and removing barriers hindering economic development. At the time of drawing up this Action Plan, most of the funds allocated to this ROP have already been used and there is little chance of introducing real changes to the instrument itself. However, it gave us a very good view of the problems faced by entrepreneurs, especially retailers, in our region. Due to the change in the conditions of applying for funds under axis 1 Smart economy of Warmia and Mazury, measure 1.5 Modern companies, sub-measure 1.5.2 Recreating the economic heritage of the region and additional funds transferred from activities that are not of interest, we applied for these funds to implement our actions .

The Regional Program of the Warmian-Masurian Voivodeship for the years 2021-2027 - at the time of writing this Action Plan, PR WiM 2021-2027 was in the phase of consultation with working groups. According to the schedule, a ready document is to be prepared by the end of May 2021. As part of our participation in working meetings, we proposed more emphasis on including retail entrepreneurs working in rural areas to broadband Internet.

The Warmian-Masurian Voivodeship is one of 16 voivodships and is situated in the north-eastern part of the country.

The capital of the voivodeship and the seat of the voivodeship self-government authorities is Olsztyn.

The area of the voivodeship is over 24.17 thousand km², which is 7.7% of the territory of Poland, and the number of inhabitants as at the end of 2019 was over 1.42 million people. The average population density is slightly below 60 people per km² and is one of the lowest in the country (average population density in Poland - 123 inhabitants / km²). The population density in the voivodeship's rural areas is even lower and amounts to approximately 25 people per km².

The poviats are divided into 116 communes, including: 16 urban communes, 34 urban-rural communes and 66 rural communes.

Following the provisions of **Warmińsko-Mazurskie 2030 Strategy for socio-economic development**, we read:

- In 2011-2017, the overall GDP per capita value in the voivodship grew slightly slower than the national average. The share of own incomes of Warmińsko-Mazurskie communes in the total incomes of communes in Poland decreased, and the region's share in the total population of the country decreased slightly.

- In 2017, Warmia and Mazury belonged to the group of provinces with the highest unemployment level. A particularly unfavorable situation occurs in almost the entire northern belt of the voivodship.
- In 2017, in the Warmińsko-Mazurskie voivodship, there were 61 natural persons running a business per 1,000 inhabitants. A lower value of the indicator was recorded only in the Podkarpackie Province..

According to the data of the Central Statistical Office included in the study "National economy entities in the REGON register in the Warmian-Masurian Voivodeship. As of the end of 2019" in the Warmian-Masurian Voivodeship at the end of December 2019, 131.9 thousand were entered in the REGON register entities of the national economy, which constituted 2.9% of entities registered in the country. This number does not include persons running individual farms in agriculture, or entities with the status of local units (plants, branches, branches, etc.). Taking into account the legal form, 71.6% of all registered entities were natural persons conducting business activity. At the end of December, the REGON register contained 94.5 thousand. such entities. Companies were a significant group of entities. At the end of December 2019, there were 15.2 thousand registered in the voivodeship. companies. In the REGON register there are 8.6 thousand. commercial companies and 6.6 thous. civil partnerships. Among the commercial companies, there were 7.0 thous. (81.6%) limited liability companies, 1.0 thous. (11.0%) general partnerships, 0.1 thous. (1.1%) joint stock companies.

In addition, 5.1 thousand were registered in the REGON register. associations and social organizations, 0.7 thous. foundations, 0.5 thous. cooperative and 1 state-owned enterprise.

In 2019, as in the previous year, the majority of the total number of entities (95.9%) was constituted by the private sector (126,537 entities). Over 74% of entities in this sector are natural persons conducting business activity. Private sector entities most often operated in the following sections: trade; repair of motor vehicles (19.3%), construction (14.2%), manufacturing (8.2%), professional, scientific and technical activities (8.1%) and real estate services (8.0%).

The structure of entities by size classes shows that the vast majority, similarly to the previous year, were entities employing up to 9 people (96.0% of the total number of entities). The share of entities employing 10–49 persons amounted to 3.2%, and of entities employing more than 50 persons - 0.8%. Entities employing up to 9 people most often operated in the section: trade; repair of motor vehicles (18.8% in this group of entities), construction (13.9%) and real estate services (9.5%). In the group of entities employing from 10 to 49 people, education units (21.3% in this group of entities), industrial processing (16.3%) and trade (15.6%) were dominant, while entities employing 50 people and more were most often involved in manufacturing (25.5% in this group of entities), education (19.4%), public administration and national defense (11.3%).

In the Warmińsko-Mazurskie voivodship, the number of entities diversified. As of the end of 2019, the largest number of economic entities operated in Olsztyn (17.9%) and Elbląg (9.9%). The smallest number of entities operated in the following poviats: Węgorzewski (1.4%), Gołdap (1.7%) and Nidzicki (1.8%).

The level of entrepreneurship in a given area is evidenced by the entrepreneurship indicator, which can

be expressed in the number of economic entities per 1000 inhabitants of a given area. In 2019, there were 93 entities of the national economy per 1,000 inhabitants of the Warmińsko-Mazurskie Voivodeship (in 2018 - 89). In Poland, this indicator was higher and amounted to 117 (in 2018 - 114).

Part III Purpose and rationale for the action plan

The aim of the action plan is to identify how the knowledge gained during the SARURE project can be used to promote entrepreneurship development and to improve the policy instruments supporting entrepreneurship development available in the Warmian-Masurian Voivodeship.

The observed process of market globalization is conducive to business mobility, which in turn determines the specific behavior of retail entrepreneurs operating in our local communities.

Support for economic development and entrepreneurship seems to be the basic method of finding a balance between the benefits of economic development and the protection and maintenance of "local identity" by economic entities. Managing economic policy and development in a bottom-up manner, thus becoming one of the most important areas of activity of various institutions, organizations, and various groups of entities operating in our region.

One of the fundamental challenges and, at the same time, criteria that should be used to improve the effectiveness of support for entrepreneurship development is the involvement in this process, in particular, of regional authorities, retail entrepreneurs themselves and their associations, as well as business environment institutions.

It seems that retail entrepreneurs, with the support of business environment institutions, should become in the future those who will have a major impact on the direction, scope and forms of activities for economic development undertaken in the region, while the social and local government sectors should support, within its possibilities, the development of this sector.

The authors of the plan emphasize the need to take into account the voice of retail entrepreneurs as an important element of the economic system that undoubtedly influences the development of the region.

Part IV Recommended actions

ACTION 1:

Name of action: **PROFESSIONAL BUSINESS ENVIRONMENT INSTITUTIONS - SUPPORTING THE DEVELOPMENT OF RETAIL BUSINESS ORGANIZATIONS IN THE FIELD OF COOPERATION, DEVELOPMENT AND ORGANIZATION OF SALES**

1. **Relevance to the project** (please describe how this activity derives from the project, and in particular from the interregional exchange of experiences. Where did the inspiration for this activity come from?)

Retail sales support program - Sligo City (Ireland) - We were very interested in the Good Practice of our partner from Ireland, because it easily allowed retail entrepreneurs to increase their sales and promotional reach. Our partner carried out audits in the stores of entrepreneurs participating in the project and, with the help of an external expert, helped them in many areas, e.g. staff management, sales goals, employee development, effective promotion, product layout in the store. Following such a good example, we want to introduce a similar, slightly modified solution in our area.

The problem of the Warmińsko-Mazurskie Voivodship is, in the opinion of entrepreneurs, the insufficient number of specialized business support and innovation centers in the Warmińsko-Mazurskie Voivodship - this is confirmed by the fate of the competitions announced as part of the ROP WiM 2014-2020 - sub-measure 1.2.3 Professionalization of innovation center services. No application was submitted in the 6 announced and conducted competitions, in five of them only one was submitted. Other sub-measures 1.3.1. Incubating enterprises 1.3.6 Modern services provided by business support institutions also faced similar problems. Unfortunately, these sub-measures were addressed to a very narrow group of entities (BEI, business incubators, technology parks). The limited availability made it impossible to apply for these funds not only to professional financial / tax / investment consulting companies but also to organizations associating entrepreneurs.

It is believed that the consequence of the above may be the low readiness of entrepreneurs to effectively use the funds of the Regional Program of the Warmińsko-Mazurskie Voivodeship for the years 2021-2027. Experiences related to the implementation of ROP 2014-2020, which was focused on R&D works, industrial research, infrastructure of scientific units, but in the context of the lack of strictly investment projects not burdened with the issues of R&D / innovation / heritage restoration / building network connections, etc. unfortunately, it largely exceeded both the needs and possibilities of entrepreneurs from the region. The vast majority of entrepreneurs sought support for the purchase of machinery, equipment, construction of industrial / office / commercial facilities and for more effective promotional methods, ensuring the possibility of reaching a larger group of recipients with the product, especially on local markets. There was also a visible lack of an intermediary institution offering a wide range of substantive support.

2. **Type of action** (please describe in detail the content of the action 1. What specific actions are to be implemented?)

As part of this action, we want to support the development of an organization associating retail entrepreneurs in terms of their needs. Starting from industry cooperation, returnable and non-returnable sources of investment financing, promotional activities, market research. In our opinion, it is necessary to introduce a system solution, not a design one. We want support for such organizations to be continuous and not end with the end of a specific project. We want this organization to use the experience of our Irish partner directly. Only in a more systemic and not action-oriented way. Retail entrepreneurs from our region could report on an ongoing basis to undergo an "audit" performed by experts who are part of the organization. Then, a report would be prepared, the main goal of which would be better staff management, more specific and achievable sales goals, personal development of employees, more effective promotion, modern layout of goods in the store, other forms of sales (internet, marketplace, assisted sales) to increase the level of sales. In addition, the organization will want to provide intermediary services, as an expert, substantive support, promotional support for entrepreneurs who want to use the funds of PR WiM 2021-2027. Maintaining retail trade in rural areas requires continuous systemic support by such organizations.

3. **Stakeholders involved** (please identify the organizations in your region that are involved in Action 1 and explain their role)

Marshal's Office of the Warmińsko-Mazurskie Voivodship in Olsztyn (as the Managing Authority of the Regional Operational Program of the Warmińsko-Mazurskie Voivodship for 2014-2020).
Warmia and Mazury Regional Development Agency SA. in Olsztyn (as an Intermediate Body)
The Regional Chamber of Commerce for Natural and Traditional Food as an organization associating producers with experts.

4. **Timeframe** (please specify planned timetable for action 1)
January 2021 - December 2022

5. **Costs** (please estimate the costs related to the implementation of action 1)

The cost of the Action has been estimated at EUR 10,000 for the period of 2 years.

6. **Sources of funding** (please describe how Action 1 will be funded. Is this done through the policy instruments outlined in Part II):

The main policy instrument financing this action is the Regional Operational Program of the Warmińsko-Mazurskie Voivodeship for 2014-2020 (ROP WiM) Axis 1 Smart economy of Warmia and Mazury, measure 1.5 Modern companies, sub-measure 1.5.2 Recreating the economic heritage of the region.

As an additional source, we will use Measure 19.2 Leader, RDP 2014-2020.

ACTION 2:

Name of Action: INFORMATION AND COMMUNICATION TECHNOLOGIES IN THE ACTIVITY OF SMES - ONLINE RETAIL DEVELOPMENT

1. **Relevance to the project** (please describe how this activity derives from the project and in particular from the interregional exchange of experiences Where did the inspiration for this activity come from?)

Distribution channels based on networks and social networks - Local food nodes and REKO - Sweden and Finland - Good practice that gave us a clearly defined goal that we want to achieve in our area was presented by our partners from Sweden and Finland. The idea of creating a network (internet, application) connecting producers and consumers is brilliant in its simplicity and we want to transfer it almost unchanged to our area.

In our region, producers are very territorially dispersed. The smaller the manufacturer, the greater the costs of acquiring customers and distributing goods. This is especially related to the time that must be spent on "non-production" activities, i.e. transport, sales. Producers prefer to concentrate on the production process rather than on accompanying activities. In addition, in the years leading up to 2020, a clear trend of "buying online" could already be observed. The epidemic situation in 2020 intensified this trend to unimaginable limits. A large part of the population is more interested in online shopping than in-store purchases. It is in this trend that we see an opportunity for further development of entrepreneurs from rural areas.

2. **Type of action** (please describe in detail the content of the action 2. What specific actions are to be implemented?)

Our Action is to directly transfer the experience of our partners from Sweden and Finland. As part of the campaign, we want to support an organization that aims to use information and communication technologies in retail. The main goal of this action is to create a place on the Internet (website / application) where potential customers can easily and intuitively reach the retail offer of producers from our area. However, for these very producers, it should be ensured that their product availability increases beyond the local market. An additional effect is the reduction of financial and time outlays for non-production activities, such as searching for customers, transport. A website / application run by an external organization will allow direct contact between the manufacturer and the customer, the ordered and paid products will be transported from the manufacturer to specific collection points, where they will be safely handed over to customers.

3. **Stakeholders involved** (please identify organizations in your region that are involved in action 2 and explain their role)

Marshal's Office of the Warmińsko-Mazurskie Voivodship in Olsztyn (as the Managing Authority of the Regional Operational Program of the Warmińsko-Mazurskie Voivodship for 2014-2020).
Warmia and Mazury Regional Development Agency SA. in Olsztyn (as an Intermediate Body)

Regional Chamber of Commerce for Natural and Traditional Food
SMEs from the Warmińsko-Mazurskie voivodship

4. **Time frame** (please specify the planned timetable for action 2)
January 2021 - December 2022

5. **Costs** (please estimate the costs related to the implementation of action 2)

The initial cost of the Action was estimated at EUR 5,000 for the period of 2 years. The costs mainly include the start-up period, website / application development. Considering that we want to apply the same solution as in the Good Practice of Sweden and Finland, further development of the website / application will be financed from voluntary contributions from entities using the tools

6. **Sources of funding** (please describe how action 2 will be funded. Is this done through the policy instruments outlined in Part II):

The main policy instrument financing this action is the Regional Operational Program of the Warmińsko-Mazurskie Voivodeship for 2014-2020 (ROP WiM) Axis 1 Smart economy of Warmia and Mazury, measure 1.5 Modern companies, sub-measure 1.5.2 Recreating the economic heritage of the region.

As an additional source, we will use Measure 19.2 Leader, RDP 2014-2020.

Date: 02/26/2021

Name of the organization: Local Action Group "South Warmia" Association

Signatures of relevant organizations: Marshal Office of the Warminsko-Mazurskie Voivodeship

Signatures of relevant organizations: Regional Economic Chamber of Natural and Traditional Food in Olsztyn