



FRiDGE

**Development of food industry SME
competitiveness for better potentials
in growth**

**Regional Action Plan of Western
Macedonia**

Kozani, May 2022



UNIVERSITY OF
WESTERN MACEDONIA



1. PART I - General information

Project: **FRiDGE – Development of food industry SME competitiveness for better potentials in growth**

Partner organization: **University of Western Macedonia**

Country: **Greece**

NUTS2 region: **Western Macedonia**

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This Plan is endorsed by FRiDGE the Western Macedonia Regional Stakeholder Group (that was also involved in the elaborating period of it) and the Managing Authority of Western Macedonia ROP 2014 - 2020.





2. PART II - Policy context

2.1. Policy instrument

The Action Plan aims to impact:

Investment for Growth and Jobs program ROP of Western Macedonia 2014 – 2020 (*)

<i>Type 1: Implementation of new projects</i>	x
Type 2: Change in the management of the policy (improved governance)	
Type 3: Change in the strategic focus of the policy instrument (structural change)	
Other improvements not corresponding to types 1-3 (please comment)	

Name of the policy instrument addressed:

Policy Instrument 3: Regional Operational Programme 2014-2020 of Region of Western Macedonia

Axis 3: Enhancing the competitiveness of SMEs

Investment Priority 3.d - Specific Actions: Funding new SMEs projects to engage in growth in international markets.-

The selected policy instrument will be improved thanks to the action included in this Regional Plan, based on the exchange of experience of FRiDGE Project. This action refers to the policy instrument addressed and contributes to its direct and formal improvement as it is related to the implementation of a new project.

(*) The policy instrument remains in the new ROP 2021-2027 exactly the same as it is in the ROP 2014-2020, since the Managing Authority considers this as a "bridge" between the two programs, as the COVID19 pandemic changed totally the main focus of the policy instruments of the ROP of the Western Macedonia regarding SMEs support. On the other hand, the food sector remains still a basic pillar of the Western Macedonia RIS3 for the new period 2021-2027.



2.1.1. Short description of the policy instrument

Policy Instrument 3: Regional Operational Programme 2014-2020 of Region of Western Macedonia (RWM)

The main objective of the ROP–Axis 3 is to promote regional economic attractiveness & to increase the competitiveness of SMEs through actions proposed by the RIS3 plan (like internationalization assistance, regional structures for innovation support, direct SMEs co-financing etc.). Food & drinks sector is the most exporting one in RWM (after the fur sector) & a RIS3 priority sector.

The main characteristics of the instrument consist of activities to improve the food sector regional governance in internationalization, as a high priority among other actions of the PI 3.d. The University of Western Macedonia (UoWM) prepared an Action Plan for ROP Axis 3 structural funds, that combines the project objectives & lessons learnt, with the regional strategy on RIS3 food sector related with internationalization SME's funding.

The region faces a 65 years lack of entrepreneurial culture due to the mono-industrial heritage (power supply from lignite). As RWM has already entered the post-lignite era it should enhance the effectiveness of SMEs development plans related with food products of high quality that will be internationally promoted. RWM should reposition existing initiatives as pieces of a coherent territorial strategy based on food sector to promote the economic attractiveness of the region, in order to manage & develop in a sustainable way. Regional policy instrument improvement is under a strong political commitment.

UoWM with the assistance of the ROP 2014-2020 Managing Authority envisages the improvement of this policy instrument through the knowledge of the interregional transfer that are used for the preparation, the implementation & the monitoring of a Regional Action Plan (RAP) in lined with the approved RIS3. This strategy includes actions combining improvement of regional governance, in order to face all difficulties coming out of the remaining financial crisis, the pandemic crisis, the market globalization & the problems they are facing because of the mining activities of the Greek PPC since 1950. Through the RWM ROP 2014-2020 structural funds new projects are co-financed, while a Regional Support Structure for SMEs is also being funded to support the SMEs efforts to be innovative and extroverted. UoWM is supporting SMEs that belong to the regional priority sectors included in the RIS3 and connected with the current project main outcome.

Internationalization support of the regional food sector: An improvement of the regional governance for the specific instrument is also expected through this project, as an improvement of the governance level or ways to manage ERDF is foreseen. The RIS3 priority areas are supported by the ROP through the development of the necessary research & innovation infrastructures & support mechanisms, while other activities including the support of SMEs it is expected to be done also funded at the national level.



3. PART III - Details of the actions envisaged

3.1. ACTION 1

3.1.1. The background

This chapter includes a description of FRiDGE lessons learnt by UoWM that constitute the basis for the elaboration of the Western Macedonia Regional Action Plan.

Issue addressed

The secondary sector in the RWM relied until 2021 mostly on the mining activities and the production of electric power from lignite. Several lignite-fired power plants characterize the region as the center of electricity in Greece contributing in the local economy. On the other side, RWM is traditionally the region with the highest unemployment rates in Greece (~ 20% for 2021 & in ages 20-24 ~ 58%). Moreover, the economic crisis has pushed the unemployment indicators in very high levels & also almost all SMEs reduced their economic results due to the COVID19 pandemic between 20% and 50% (except the food sector that remained steady).

Additionally, Greek PPC that offered for many decades a relief in the unemployment indicators, has now restricted its presence in the labor market. Some branches of the food sector like fresh milk products, are recently facing problems because of the international competition and the lack of regional supporting measures. Many manufacturing food industries had to fire personnel, reduce the quality of the products or even move their premises to neighboring countries (Bulgaria) for tax reasons. In addition, RWM is getting rapidly into the post-lignite era, which is expected to generate new difficulties for non-energy connected SMEs. The general rate of creation/development of SMEs in comparison to the national level is 10% lower. Due to remaining financial & pandemic crisis the rate of creation of SMEs is negative.

Food related internationalization aspects had never been faced as a specific regional policy instrument. All big and mainly exporting enterprises from the food chain are trying to increase their exporting results, mostly on their own strengths and funds. Since a specific policy instrument for SMEs food sector is weak now in RWM, structural funds strategy for SMEs needs to be improved with new regional instruments focused on SME's needs and development support, using the knowledge from other partners' practices and prevention measures.

This issue is linked to the regional innovation strategy for smart specialization (RIS3). RIS3 plan for RWM is trying to improve the state of play for the business sectors priorities selected, which are: Eco-innovation activities in energy, Fur farming & production of leather products, Agriculture, Food & Beverages, Metal structures & Tourism. Especially for this project the policy instrument will try to assist all food sector internationalization aspects that interest SMEs, public and private sector stakeholders to improve the related regional governance.



The contribution of FRiDGE project

FRiDGE project is a frontloading project. During the first year most of the researches and studies were completed. Specifically, during the first semester partners had to complete a research based on a questionnaire that was filled in by entrepreneurs of the region, also they had to elaborate the analysis of regional food and drink industries and to complete the report on self-assessment of the regional policies. University of Western Macedonia being experienced by an former Interreg project helped all partners by providing a self-assessment tool for the regional policies properly adjusted for FRiDGE.

During the 2nd Semester UoWM was responsible for developing a comparative examination of the self-assessment of the regional policies, the territorial needs and the actual state of the food industry in order to highlight areas which should be improved, what common processes are there and incorporates good practices to indicate what should be addressed and also presented to the stakeholders and the sectoral publicity. The comparative examination was completed on time and presented to all partners. This output gave them useful feedback to be prepared for the selection of those good practices that could fit in their regional economic environment and address their policy instrument related regional problems.

Specialty Groups were also formed to elaborate the analysis of the situation in their respective topic (Investment in new machinery and production capacity to boost growth, local products reaching national and international (EU and outside) markets, improving productivity to catch up with extra-EU markets). The Specialty Group Reports aimed at providing a general insight on the current processes and developments on an international level (especially in the topic of market reach) and showing insights in which departments should EU food industries improve. Each partner participated in the given questionnaire to provide inputs for the Specialty Group Reports.

All partners uploaded their selected Good Practices in the relevant platform of Interreg Europe. All partners had the opportunity to present in detail their selected good practices to the partnership during online and onsite meetings, which were assessed by the other partners.

Regional stakeholders were strongly involved in the project's processes, either by web meetings or by communication via emails according to the application form. In addition, the UoWM project team was in close contact with the ROP 2014-2020 Managing Authority, following all critical updates of the policy instrument, mostly due to the pandemic crisis.

Good practices selected by UOWM

UoWM with the support of the regional stakeholders group evaluated all partners' Good Practices (GP) and selected 2 of them that could strongly influence the improvement of the selected policy instrument:

1st GP: Accelerating growth and internationalization among Ostrobothnian food industry SMEs

The practice presents a development project with an aim to accelerate growth and internationalization of food industry SMEs within three Ostrobothnian regions.



The aim of the project was to enhance the knowledge and know-how of small food sector SMEs on development and marketing of well-branded and high-added-value food products. The aim was also to activate and guide companies in brand marketing on social media, strengthen existing networks among companies, open new connections to various distribution channels, create new operational models for collective brands and trademarks and generally support companies in growth, cooperation and internationalization.

The most interesting and easily transferable part of this Good Practice is the action that includes organization of webinars for food markets abroad. These webinars aim at getting acquainted with the target markets. They include basic information on food exporting in specific markets. This specific action will be fully transferred and included in our Action Plan.

The entire Good Practice is very well structured and has a holistic approach of internationalization concerning marketing issues that SMEs face when going international. Taking this into account the action plan selected for the Western Macedonia has included this approach in the implementation, as well as several points of it that fit best the Greek marketing culture.

The 1st GP is the main one chosen to be transferred in the Regional Action Plan.

2nd GP: Food Forum and Food Team: Regional Food Innovation Cluster Networks in South Ostrobothnia

Food Forum and Food Team are food sector collaboration networks that operate in South Ostrobothnia Region. The aim of the networks is to enhance the innovativeness of the region's food sector and they both are outputs from a former development project funded under the European Regional Development Fund.

Both networks were created as a result from an ERDF funded project that was a collaboration project of four key RDI organizations within the South Ostrobothnian food sector.

The approach of creating small "teams" or networks derived from an earlier collaboration project considered as interesting by the UoWM, as it is a flexible way to promote collaboration in specific thematic within a wider context.

This specific aspect of the 2nd GP has also influenced the RWM Regional Action Plan.

3.1.2. Action

Promotion, Networking and Attracting New Members as Activities of the Agrifood Partnership of Western Macedonia

Introduction of the Agrifood Partnership of Western Macedonia

The Agrifood Partnership of Western Macedonia (APWM) is a civic non-profit-making organization that was established to support agri-food products of Western Macedonia. The aim of the Agrifood Partnership is the exposure and promotion of agri-food products produced in Western Macedonia into local, national and global markets, for the benefit of the local producers and local food companies. Educational and research activities are also possible activities of the Partnership.



APWM members are the Region of Western Macedonia (49%) and 28 legal or natural persons (51%) who operate in: Primary production, Production, Trade or processing of agricultural or fishery products, Processing agricultural products to a non-agricultural final product, Food and beverage sector, Trade of fresh products (food and beverages), Promoting services of local food, Non-profit making activities and services relative to agricultural sector of the region.



Αγροδιατροφική Σύμπραξη

The APWM intends to manage the next years a variety of activities, such as:

- Design and arrangement of information actions (conferences, seminars, lectures, meetings, visits and online posts) in order to raise the public awareness with regard to agri-food products of Western Macedonia.
- Design of promotion and advertising actions.
- Design of actions promoting exploitation of electronic information and communication means, social media etc.
- Website creation for the promotion of the Agrifood Partnership and its members.
- Design and arrangement of events e.g. gastronomy festivals, cultural events etc.
- Actions promoting local food products of Western Macedonia such as business missions, road shows, promotion activities in large gathering places, thematic dinners etc.
- Participation in national and international exhibitions and fairs.
- Commissioning and/or undertaking studies with a view to record, research and assessment of special topics of the agri-food sector aiming at production, quality, processing and trading improvement and also at promotion of local food products.
- Development of bilateral contacts in national and international level with actors, enterprises, organizations of Local Authorities in order to support the Quality Label «Western Macedonia».
- Coordination of the regional actors (Region of Western Macedonia, Local Authorities, Chambers, Collective Structures), producers, processors, traders in order to be established the «Basket of Goods» of Western Macedonia.

APWM acts as a regional food cluster, and it is the organization that will be implement the Regional Action Plan.

Phases - Steps of the Action Plan

Phase 1

The Managing Authority opens a call coming from the FRiDGE selected policy instrument, to fund projects like clusters and similar nonprofit organizations of the region.



This call's available funds are considered as a "bridge" between the ROP 2014 – 2020 and the new programming period, meaning that the funds are coming from the available ROP 2014-2020 budget, but the eligible proposals could be implemented and finalized also during the new programming period.

These proposals should be fully aligned with the main objective of the ROP 2014-2020 selected policy instrument – Axis 3, meaning: to promote regional economic attractiveness and to increase the competitiveness of SMEs through actions proposed by the RIS3 plan (like internationalization assistance, promoting specific RIS3 sectors, networking, supporting regional structures for innovative research activities, etc.).

All activities that are included in the following Phase 2 are eligible for funding, since the RWM ROP Managing Authority followed the exchange of experience of the project and endorsed the FRiDGE Regional Action Plan.

Phase 2

APWM submits an application to be funded by the ROP 2014-2020 call

The descriptions of the proposal sub-activities to be funded are following:

RAP Activity 1

Promotion

Sub-activities for the promotion of the Agri-food partnership:

- a. Collaboration with a Branding Agency to create the APWM full promotional identity (logos, website, social media pages, brochures, leaflets, banners etc. following a concrete communication plan).
- b. Use of social media platforms to achieve visibility and brand recognition.
- c. Participation in exhibitions, events, forums both in Greece and abroad, especially in target countries (by mid 2023).
- d. Organization of promotional events for tasting local products in other Greek Regions.
- e. Organization of webinars for food markets that have already chosen by Agrifood Partnership of Western Macedonia. These international Food Markets are in: Germany, Cyprus, Netherlands, Belgium and Great Britain. The webinars will focus on basic and important characteristics of target markets that SMEs need to know when going international.
- f. Elaboration of digital handbook including the outputs of the webinars for use by the ARWM members (the handbook will regularly be updated).

1 representative of the APWM will be designated as responsible for communicating with local and national authorities.

RAP Activity 2

Networking



Sub-activities for the networking of the Agri-food partnership:

- a. Participation to the European Cluster Collaboration Platform. The Platform (<https://clustercollaboration.eu/>) is the most recognized platform in Europe created specifically for the collaboration of clusters all over Europe.
- b. Creation of small groups within the partnership aiming at specific markets according to their interests. These groups will aim at creating contact points, through the European Cluster Collaboration Platform, in the target markets as a base for future collaboration. The networks will address issues like 1. Nutritional habits of EU regions in target markets, 2. Exchange of experience and knowledge, 3. Synergies for achieving economies of scale when exporting, etc.
- c. Participation in small groups within the partnership, each one aiming at different target markets in Greece. These networks will create communication channels and explore ways to enter in these markets for the benefit of all members of the Partnership.
- d. Creation of networking activities with academic and research institutes. Creation of groups aiming at creating communication channels with academic and research institutes.



1 representative of the APWM will be designated as responsible to coordinate the activity.

All members should participate at least in one group.

The aforementioned groups and their objectives should be reviewed and updated annually.

RAP Activity 3

Attracting new members

1 representative of the APWM will be responsible for contacting potential members and inform them on all activities and benefits of the partnership.

He/she will follow instructions provided by the Branding Agency that will support the APWM for promoting its activities.

Phase 3

The ROP Managing Authority approves the application to be funded by the ROP 2014-2020 call.

Phase 4

The APWM implements the Regional Action Plan.



Monitoring activities

Steps for monitoring the implementation of the action plan are:

1. Creation of a document template called Monitoring Report by the project team of the University of Western Macedonia.
2. UoWM will choose the members of the core stakeholders' group to form a Monitoring Team for the implementation of Action Plan during phase 2.
3. The Monitoring Team shall meet every 6 months to discuss on the progress of the Action Plan and to propose corrective actions if needed.
4. Ongoing cooperation with the members of the Managing Authority of the Region of Western Macedonia so the requirements defined in the Application Form of the project, on monitoring are met.
5. An annual Report will be elaborated on the implementation and monitoring of the Action Plan.
6. A special meeting will be organized with the participation of the Managing Authority on the outcomes and final report of Action Plan.

3.1.3. Players involved

The organizations in the Region of Western Macedonia that are involved in the development and implementation of the action and their role in the project's steps are the following:

UoWM – Elaboration and Monitoring of the Action Plan



Managing Authority of ROP 2014 – 2020, Region of Western Macedonia – Funding of the Action Plan



Hellenic Republic
Region of Western Macedonia



APWM – Implementation of the Action Plan



Αγροδιατροφική Σύμπραξη

3.1.4. Timeframe

September 2022 – July 2023

Phase 1: September 2022

Phase 2: October 2022

Phase 3: December 2022

Phase 4: January 2023 – June 2023

	2022				2023			
	September 2022	October 2022	November 2022	December 2022	January 2023	June 2023
Phase 1								
Phase 2								
Phase 3								
Phase 4								

3.1.5. Costs

Branding Agency Services: 25.000 €

Participation in promoting events: 100.000 €

Organization of events for tasting local products: 100.000 €

Webinars: 15.000 €

Networking expenses: 10.000 €

Total Cost of the FRiDGE Action Plan: 250.000 €



3.1.6. Funding sources

The action will be funded by ROP 2014-2020 of the Region of Western Macedonia (as a bridge to the same policy instrument in the new programmatic period). (Alternatively, the action could be funded or co funded by regional or other resources).



4. SIGNATURE

Stimoniaris Dimitrios
Scientific Responsible