

BRIDGES project

Additional activities progress and results
1.10.2021 - 31.8.2022

Closing meeting
Helsinki, 27.9.2022

ANKO, PP5
Tasos Sidiropoulos

Activities implemented

1. Value chain mapping
2. Good practice identification and selection
3. Policy instrument improvement recommendations
4. Meetings with stakeholders

1. Value chain mapping

- **Value chain mapping timetable:** October 2021 - June 2022
- **Value chain mapping focus:** Dairy Industry & Side Streams
- **Value chain mapping results**
 - **Peaks:**

(i) Traditional production: (i.1) High-end quality traditional, branded dairy products for export; with in-shoring; (i.2) High quality sheep and goat milk production to be processed by the local dairy businesses / re-shoring.

(ii) Diversification potential: (ii.1) Exploitation of cheese production side streams / whey; (ii.2) in-shoring with expansion of the cheese industry.

- **Valleys**

(i) Cheese production is not sufficiently competitive. Productivity investments needed; (ii) The dairy industry innovation system is lagging, e.g. lack of research and skills for the exploitation of whey.

- **Near-shoring and interregionality**

(i) Improve market access for existing products; (ii) improve dairy industry innovation ecosystem, anticipations for a comprehensive development programme and clustering to support the diversification potential.

- **Linkages to the RIS3:** (i) The Western Macedonia SF foresee: dairy industry one of the prioritised sectors, funding through TO1 and TO2; funding for interregional activities possible under preconditions; (ii) Greek National Development Law; (iii) region familiar with the setting up of large initiatives and getting funded (IPCEI:s for example).

1. Value chain mapping

- Assessment

— **Resilience and transformative impact:** the transformative impact potential is judged to be positive, especially through the recognition of peaks, valleys and the requirements for improving the diversification potential. Anticipated export performance is expected to have multiplier effect on growth and employment.

— **Usefulness of the approach:** the value chain mapping allowed gaining an integrated assessment of the dairy industry's and associated side streams' state of the play in the region. Interaction with stakeholders has been stronger throughout the additional activities. Impact on the policy instrument is expected to be more effective.

— **Difficulties:** Interregional cooperation has to be more flexible and effective through financial instruments.

— **Any recommendations:** In the future, value chain analysis should be adopted and applied more intensively and for all economic sectors & their emerging potential. The approach proved a very effective methodological tool in terms of need analysis and policy recommendations.

2. Good practice identification & selection

- **Good practice selection:** November 2021 - July 2022
- **Selected good practices:** GP2, GP3, GP6, GP7
- **Reasons for selection**
 - GP2 – Covid-19 close-downs, critical for the economy; sectors/industries (dairy).
 - GP3 – Suitable for the region of Western Macedonia, as an emerging economy in terms of competences and excellence.
 - GP6 – Direct incentives for relocation of industries – Improvement of the region's attractiveness
 - GP7 – Diversification of the economy through transnational collaboration
- **To which aspect (-s) of the RIS3/ OTHER PI are the selected GPs contributing?** Innovation, competitiveness, and attraction of investments.
- **To which aspect of value chain-based development are the good practices contributing?** Product design, R&D, production.
- **Assessment**
 - Usefulness (mainstreaming) of the GPs selected,
 - Barriers, -if any of the GPs selected
 - Any recommendations

—Policy instrument improvement recommendations: June 2022 - September 2022

—List of proposed recommendations

- Tools for the identification of interregional complementarities.
- Improvement of the production capacity & branding of the cheese industry.
- Whey industry development and implementation programme.

—Reasons for selection

- Growth, production capacity scaling up
- Diversification, new products
- Innovation system, a more complete, a more effective innovation system

ASSESSMENT

— **Has the issue of increasing region’s resilience been answered? Is reasearch-to-business a plausible options for your region? What is the role of interregionality?**

- Resilience has been answered by identifying the strengths and diversification potential that can be competitively localised in the long run.
- Interregionality has four aspects: access to markets; know-how and technology transfer; bilateral or multilateral joint development programmes; attraction of investments for in-shoring & re-shoring, and attraction of investments from near - shoring (destination of other regions) potential.

— **From where to where in the VC smiling curve?**

- From waste to product
- From production to productivity improvement

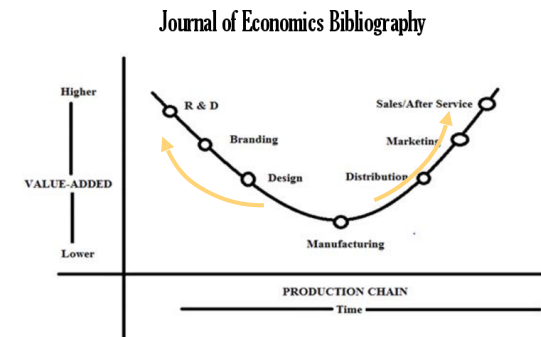


Figure 2. The Smile Curve
Source: Mudambi (2008)

— **Is there an economic model?**

- Application of value chain analysis generalised; as a tool to focus localised and interregional development funding
- Investing in economies of scale for productivity improvement
- Investing in economies of scope for radical diversification
- Project-based technology & know-how transfer for improvement of productivity
- Investing in innovation system improvement programmes for radical diversification.

4. Stakeholder meeting

INTERNAL STAKEHOLDER MEETINGS

Date (-s): 19/11/2021, 2/2/2022

Participants (departments): PP5, RIS office, Local Dairy Industry

Results: Proposed actions-activities coming from BRIDGES to be included in the new Operational Programme of WMR and RIS3.

REGIONAL / NATIONAL STAKEHOLDER MEETINGS

Date (-s): 11/3/2022, 4/6/2022

Participants (types and number of organisations): [PP5, LP, RIS Office, VTT, Local Dairy Industry, EEN], [PP5, Regional Authority of WMR, Managing Authority of WMR, RIS Office, Regional Development Fund of WMR]

Results: Proposed R2B interregional collaboration – Dairy Industry Value chain analysis.