

SME ORGANICS

Action Plan for the North-West Region, Romania

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I. General information

Project	SME ORGANICS - Enhancing SME competitiveness and sustainability in the organic sector
Partner organisation	North-West Regional Development Agency
Other partner organisations involved (if relevant)	
Country	ROMANIA
NUTS2 region	North-West Region
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II. Policy context – Background

SME ORGANICS is an EU Interreg funded project bringing together 8 European regions, which main objective is to improve policies and programmes under the Investment for Growth and Jobs goal in order to enhance the competitiveness and sustainability of the SMEs in the organic sector. The project aims at improving the performance of the SMEs in order to enforce the growth capacity of the organic regional sector in regional, national and international markets. The interregional learning process took place within four areas of the organic value chain: production and processing, commercialization and marketing, training and advice and efficiency and governance of the organic value chain.

The Action Plan aims to impact:	<input checked="" type="checkbox"/> Investment for Growth and Jobs programme <input type="checkbox"/> European Territorial Cooperation programme <input type="checkbox"/> Other regional development policy instrument
Name of the policy instrument addressed	Regional Operational Programme

In Romania, the **Regional Operational Programme (ROP)** is the same document for all the eight Romanian regions, its allocation and implementation being performed at the level of NUTS II, the North-West Regional Development Agency being Intermediate Body for ROP in the North-West Region of Romania.

The SME Organics Action Plan targets the Priority Axis 2 the ROP 2014-2020, named *Improving the competitiveness of the SMEs*, enclosing two investment priorities:

- **Investment Priority 2.1.** – Promoting entrepreneurial culture, mainly through economic exploitation of new ideas and encouraging the creation of start-ups, including through business incubators, aiming at the Specific Objective of consolidating the market share of SMEs acting in the priority sectors identified in National Competitiveness Strategy and in the eight Regional Development Plans
- **Investment Priority 2.2.** - Supporting the creation and development of advanced production capacity and services of SMEs aiming at the Specific Objective of improving the economic competitiveness through raising productivity of SMEs acting in the priority sectors identified in National Competitiveness Strategy and in the eight Regional Development Plans.

The two investment priorities are dedicated to SMEs (IP 2.1. only urban micro-enterprises and IP 2.2 also rural SMEs) which will be supported for investments in equipment and promotion, targeting also eligible companies acting towards the end of the organic value chain within the processing industry sector, including machines and equipment, but excluding sectors such as agriculture, forestry or food processing. Business incubators are also eligible to be developed under 2.1.B.

From the NACE eligible list, SMEs acting in these non agri-food sectors could be the ones targeted in the Action Plan, in relation to the policy instrument addressed:

- Production of (organic) textiles, carpets, clothing, leather, shoes
- Wood: for construction, packaging, crafts (organic material)
- Dyes, paints and pigments production (out of organic materials)
- Soaps, detergents and other cleaning products (from organic raw materials)
- Fertilizers (including organic)
- Cosmetics and perfumes, essential oils (from organic plants)
- Ceramic tiles, bricks and other construction materials (from natural, organic materials)
- Mattress production (organic textiles)
- IT software and website development
- Testing and analysis services (for the organic sector)
- Machines and equipment for agri-food (organic) industry and beverages

By the date of the elaboration of the current Action Plan, both Investment Priorities have been closed, since for the North-West Region there has been a rate of over 300% projects submitted, which are currently evaluated and contracted progressively. A reallocation is scheduled for the end of year 2018 for the Investment Priority 2.2. to supplement the funding.

North-West Regional Development Agency is the Regional Authority responsible for the ROP policy instrument in the North-West Region of Romania, in its role of Implementing Body. In its role of PP6 within the SME Organic project, the North-West RDA will closely monitor the impact of the Action Plan on the policy instrument and will act pro-actively for the attraction of SMEs in the eligible fields of the organic sector.

As the value chain of the organic sector is mainly composed of agri-food, based almost exclusively in the rural areas, we have covered in the implementation of the project and within the Action Plan also actions and measures connected to the EARDF, creating synergies between the two EU programmes.

Such measures connected to EARDF concern the competitiveness of the processing industry, trainings connected to the particular skills required by the sector, developing the organic market, distribution and logistics, marketing, awareness raising and promotion of the sector overall.

In this sense, as there is no National Organic Action Plan in Romania, **The North-West Regional Organic Action Plan** is a premiere and aims at the sustainable development of the organic sector along the value chain over the next 5 years, by proposing concrete actions, underpinned to strategic and specific objectives.

The Regional Action Plan is also anchored in the **Action Plan for future of the Organic Production in the European Union** launched by the European Commission in 2014, being consistent with both the Common Agricultural Policy (CAP) and the Cohesion Policy of the European Union. The elaboration of the SME Organics action plan is based on the methodology of the SME Organics project, with the contribution of the most important organizations in supporting the development of organic sector in Europe, IFOAM-EU and FiBL from Switzerland, through interaction with success stories from partner regions and by the significant contribution of the members of the Local Stakeholders Group (LSG) of the project. LSG consists of representatives of 35 organizations relevant to the organic sector in the North-West Region and represents a true „**Regional Forum for the Organic Sector**”, set up along the value chain, with a significant share allocated to institutions that provide local and regional governance. The committee consists of: local public authorities, governmental rural and urban funding agencies, inspection and certification bodies for organic sector, universities, agri-food related high schools and research institutes, clusters and associations with agri-food and organic profile, LEADER Groups and not last, organic certified operators – SMEs which act as producers, processors, traders.

Part III. Details of the actions envisaged

The content of the SME Organics Action Plan is anchored in two main actions performed in Stage 1 of the project:

- 1). **Local and national exchange of information and documentation**, as for the elaboration of the regional diagnosis for the organic sector performed by analysing the statistical data, trends and potential, coupled with the needs, challenges and solutions pointed out by the representatives of the Local Stakeholders Group, along the value chain of the organic sector, stemming from local and national transfer of experience
- 2). **Interregional exchange of experience** occurred in the field visits performed in the partner regions, where representatives of the Local Stakeholders Group participated and witnessed directly the benefits of the successful initiatives and realized also the possibility of adopting and sometimes adapting the best practice to local environment.

ACTION 1. RAISE COMPETITIVENESS OF THE SMEs by ON-LINE TOOLS:

Upgrading e-Platform for matchmaking local agri-food supply to urban consumers

1. Background

During the interregional exchanges, one of the main challenges of the organic value chain was the access of the organic products to the consumers, especially to the urban ones. As in Western Europe the physical distribution chain is well developed and includes local offer from km 0, both fresh and processed, in Eastern Europe there are no distinct selling points for organic products and local products have sometimes difficulties in reaching the clients.

The following initiatives have been developed by ITC companies and represent inter-sectoral best practices on how the ITC sector can facilitate the development of the organic sector.

Distribution models such as RekoRings in Finland, the marketing platforms BioRegio Fair in Switzerland and RestauracionCollective in France (<https://www.restauracioncollectivena.fr/>) were of high inspiration for the platform www.targulagro.ro, which was previously developed from ERDF 2007-2013 by two ITC companies from the Cluj IT cluster and now is to be enriched with new functions do to the interaction occurred within the project.

The platform TargulAgro from North-West Romania uses a B2B and B2C type system developed in public cloud and available on the profile market in the SaaS system (Software-as-a-Service). The platform is addressed to agricultural producers, processors and traders, consumers, and those who have storage and conservation areas and want to offer them for rent. This virtual agricultural trade fair is designed to work in a similar way to social networks, so the manufacturer or merchant makes an account and can upload the photo of the product offered for sale, provide in-depth information, characteristics, color, variety or race, as well as the quantity offered plus the price requested.

Reko Ring model from Southern Ostrobothnia has developed into a huge network across Finland and is using social media groups to match the local producers with the urban consumers, on continuous basis, based on seasonality.

BioRegio Fair is a trading platform that developed a business model for SMEs in the agricultural sector manufacturing organic products, facilitating the sales of over 100 farmers/ SMEs from 3 regions of Switzerland, Aargau and Zentralschweiz.

	The portal Restauration Collective become main matchmaking tool between public and private clients in search of purchasing organic agri-food products and the offer consisting in organic local producers and regional associations.
2. Action description	<p>Optima Group and ArtSoft from North-West Region of Romania are the ITC companies that ensure the operational functioning and management of the platform, along with the promotion of the business.</p> <p>Following in-depth analysis of the ITC based platforms supporting the organic sector from Finland, France and Switzerland, the following objectives and actions can be further performed in order to raise the efficiency of the platform TargulAgro and to raise the competitiveness of both the ITC SMEs managing the platform and of the SMEs/ farmers selling their products using this tool:</p> <ol style="list-style-type: none"> 1). Further developing the ITC infrastructure behind the platform, extend the ITC endowment 2). Promotion of the platform to dedicated environment (both to target sellers and to target buyers, events) 3). Create on-line zone within the platform dedicated to organic products, certification logo displayed 4). Developing the report generation function, useful for policy makers and statistics 5). Improve the logistics to a successful matchmaking delivery between the producer/ seller and the client, attract/ ensure merchandize transport
3. Players involved	<p>Optima Group and ArtSoft are the ITC companies from the North-West Region of Romania that ensure the operational functioning and management of the platform, along with the promotion of the business. Both companies are active members of the SME Organics Local Stakeholders Group in the North-West Region of Romania and the representative of the Optima Group also took part in one of the field visits performed within the project.</p> <p>The companies have to objective to individually apply for ERDF funding in order to develop further their business and the on-line platform.</p>
4. Timeframe	2018-2020
5. Costs (if relevant)	200.000 euro
6. Funding sources (if relevant):	ERDF - Regional Operational Programme, Axis 2 – Competitiveness of the SMEs

<p>7. Monitoring</p>	<ul style="list-style-type: none"> - Number of SMEs applying for funds: <i>Optima Group has successfully applied for a project under Priority Axis 2.2. under ROP, in order to extend its ITC equipment and to promote the business.</i> - Increase of number of SMEs/ farmers registered on the platform - Increase of number of SMEs/ farmers trading on the platform - Increase of number of clients registered on the platform - Increase of number of clients trading on the platform - Increase of number of organic products commercialized
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ACTION 2. RAISE COMPETITIVENESS OF THE ORGANIC SMEs THROUGH COLLABORATION - Associative structures/ agrofood cluster

<p>1. Background</p>	<p>Associative structures have proven to be very effective in raising the competitiveness of the SMEs, including within the organic sector.</p> <p>In the North-West Romania the AgroTransilvania Cluster (Agro-Food-Ind Napoca Cluster - http://agrocluster.ro/), an initiative supported from ERDF funding 2007-2013, has proved to be a success story in assisting the small producers and processors to ease the access to the market through joint promotion and joint distribution model. Nonetheless, at the beginning of the SME Organics project, there were almost no SMEs members of the cluster within the organic sector.</p> <p>The manager of the AgroTransilvania Cluster and also some SMEs from the cluster are active members in the SME Organics Local Stakeholders Group in the North-West Region of Romania. They have benefited from the interregional exchange by participating to all the meetings of the regional group where all the best practices from the partner regions were shared to the members and also ensured the dissemination to all the members of the cluster. Moreover, the manager of the cluster participated to one of the field visits performed within the SME Organics project, which proved to be very impact-efficient.</p> <p>INTERBIO partner from France has facilitated within the field visit performed in the Nouvelle Aquitaine Region the presence and dissemination of two of French cluster models: Public Catering Cluster Restauration Collective and Val Bio Ovest Cluster, one dedicated to public catering and latter especially dedicated to companies from the organic sector.</p>
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	Public	Catering	Cluster	Restauration	Collective	-
	<p>http://www.restaurationcollectivena.fr/ was created in 2012 to facilitate the supporting the introduction of the organic products in public catering. The cluster is a tool for developing and organizing the reflection and action on local and quality food for catering services in Nouvelle-Aquitaine. Gathering several regional organisations, its missions are to support public catering restaurants, structure the local and organic value chains to develop a suitable supply, and promote the organic and local products.</p> <p>Bio Val Ouest - http://www.valbioouest.fr/ is an economic based cluster for organic food and farming, gathering mainly SMEs from the sector. It is mainly directed to processing industries and aims at adding value to raw organic products, answer the consumers' needs and strengthen the local dynamic. Together with local authorities, it supports project leaders by providing them ideal conditions for success, thanks to the different skills and stakeholders working together within the cluster.</p> <p>Within the umbrella of the cluster and with the support of the public authorities and certification bodies, this particular best practice form France has raised the attention of the Romanian stakeholders from the organic sector: Bio Sud Ouest France Regional brand - http://www.biosudouest.com/. Launched in 2013, by Nouvelle Aquitaine Regional together with the Region Midi-Pyrénées, the regional brand aims at promoting the local production or supply, supporting regional operators and proposing a clear identification of local organic products thanks to its label.</p>					
2. Action description	<p>AgroTransilvania Cluster is the main player in the region who can support the competitiveness of the SMEs in the agro-food sector, together with other associative organisations acting in the agro and organic sector.</p> <p>As a member of the Local Stakeholders Group, AgroTransilvania cluster, together with other organic associations from the North-West Region of Romania (Bioterra – Association of Organic Farmers and National Federation of the Organic Agriculture) and Transylvania Taste Cluster, have set the following actions/ steps for the next two years, in order to support the local SMEs from the organic sector:</p> <ul style="list-style-type: none"> - Active promotion of the organic sector: promotion campaigns, awareness in schools and kindergartens, dedicated marketing, organic offer to corporates, signalled organic booths to various events, organisation of dedicated agri-food/ organic events - Creation of a distinct Organic Division within the cluster, launching and managing all organic related initiatives of the cluster 					

	<ul style="list-style-type: none"> - Creation of an Export Help-Desk office within the cluster, to assist the cluster member SMEs in export related activities - Developing R&D Lab designed for organic related tests needed for SMEs in the organic sector - Training sessions for the SMEs in subjects likely to increase competitiveness such as marketing and promotion, sales and distribution, regulations - Regional Brand "<i>Transilvania Acasa</i>" covering also organic products and further promoted and developed
3. Players involved	<p>AgroTransilvania cluster – main coordinator of the action</p> <p>Bioterra – Association of Organic Farmers: active player in the organic sector, contribution to the organic awareness campaign through events and newsletters</p> <p>National Federation of the Organic Agriculture: active player in the organic sector, contribution to the organic awareness campaign through events and trainings</p> <p>Transylvania Taste Cluster: internationalisation and promotion of the member SMEs</p>
4. Timeframe	2018 - 2020
5. Costs (if relevant)	500.000 euro
6. Funding sources (if relevant):	<p>ERDF – Competitiveness Operational Programme, Axis 1: Research, technology research and innovation (RDI) for economic competitiveness and business development</p> <p>Local authorities funding for NGOs for events, campaigns and activities</p>
7. Monitoring	<ul style="list-style-type: none"> - Number of new cluster member SMEs from the organic sector - Number of events organised by the cluster linked to the organic sector; number of SMEs participating - Number of organic products commercialized within the cluster joint facilities

ACTION 3. IMPROVE COMPETENCES OF THE SMEs IN THE ORGANIC SECTOR

1. Background	<p>Training and Advice was one of the main four components of the inter-regional exchanges occurred within the SME Organics project. In the first three study visits, inter-regional workshops took place between all participants of the field visit, partners</p>
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	<p>and stakeholders alike. The outcomes and synergies generated were spring for new of improved local initiatives related to increasing skills of the SMEs and operators but also of the public and private experts.</p> <p>The partner FiBL from Switzerland, one of the most relevant organisation in Europe in the organic sector, has an wide offer related to trainings. One best practice particularly of importance in this project was the Organic Vinegar Course, consisting in one day seminar/workshop with practical recommendations for farmers and SME's in order to avoid quality problems. This kind of non-sophisticated and very short training has proven to be very effective in terms of impact and practical knowledge for the farmers and SMEs representative attendees.</p> <p>In Apuglia region in Italy, the SME Organics project partner CIHEAM stands as a best practice per se, through the extended physical but also on-line courses that the Institute is providing not only to students but to any interested party in the organic sector.</p> <p>In Navarra Region in Spain, INTIA, the coordinator of the SME Organics project, provides a wide range of support services to farmers and SMEs that go from agri-food technical knowledge to R&D and innovation in support for the organic sector.</p> <p>In the North-West Region of Romania, one of the best practices already shared between partner regions is the Informal Organic School of Professor Fitiu from the National Federation of the Organic Agriculture, associated professor also to the University of Agriculture and Veterinary Medicine from Cluj-Napoca. More than 1000 farmers and SMEs representatives were trained for conversion into organic agriculture and organic processing.</p> <p>Several representatives of the University of Agriculture and Veterinary Medicine from Cluj-Napoca, from various faculties, have participated to the SME Organics Field Visits in France, Spain and Italy, learning directly the importance given to the education and training in the organic sector and linking the best practices witnessed with potential actions that can be applied and initiated in the North-West Region of Romania.</p>
<p>2. Action description</p>	<p>University of Agriculture and Veterinary Medicine from Cluj-Napoca is the main player in the region when relating to education in the organic sector, within university and master studies dedicated to organic sector.</p> <p>The objective of the action is to train and to increase competences of the students and of the (future) SMEs owners and workers, for ensuring qualified human</p>

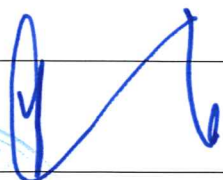
	<p>resources for the sustainable development of the organic sector in the North-West Region of Romania.</p> <p>The steps to be performed are the following:</p> <ul style="list-style-type: none"> - Extended and updated curricula for the organic courses in the university (especially for the organic master studies) - Extension of the organic courses offer to adult long-life learning - Contest events to stimulate innovation and creativity of the students in obtaining agri-food products using organic ingredients - Research, production and certification of own organic products, using the university facilities/ or the spin off and also the knowledge of the students and academia
3. Players involved	<p>University of Agriculture and Veterinary Medicine from Cluj-Napoca</p> <p>The spin-off company – Agronomia Agro Food Innovation</p> <p>Informal Organic School</p>
4. Timeframe	2018 – 2020
5. Costs (if relevant)	100.000 euro
6. Funding sources (if relevant):	<p>Public university funds</p> <p>ERDF - Regional Operational Programme: Priority Axis 1 – Promoting Technology Transfer</p>
7. Monitoring	<ul style="list-style-type: none"> - Increase number of students/ attendees at the organic courses of the University - Number of certified organic products obtained following R&D activities - Number of organic courses organised; number of attendees (LLL)

ACTION 4. RAISING THE ADDED VALUE OF THE ORGANIC PRODUCTS by developing organic processing industry/ SMEs

1. Background	<p>Out of the 3261 organic operators from the North-West Region of Romania, there are only 29 processors. While in this region 97,5% of the organic operators are producers, even above the national average, the percentage in other EU states is much lower (between 85 – 95%), as the added value obtained by processing the raw products is encouraged.</p>
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	<p>From the examples seen in almost all partner regions, the processing industry is one of the key components of the efficient development of the organic sector and is the one directly providing health benefits for the final consumer.</p> <p>Finland, organic spelta wheat mill – a joint infrastructure owned by an association was presented as best practice from South Ostrobothnia region, both partners and stakeholders visiting the infrastructure and having detailed discussions with the managing association.</p> <p>Finland, organic ice cream – a successful producer that used</p> <p>Spain, Jauregia farm and organic winery– dairy products getting organic and distributed across the proximity areas, high added value organic wine exported all over the world</p> <p>Switzerland, integrated farm - restaurant: processing agri-food products in the same locations, provide high quality menus within own restaurant and applying circular economy principles within the same farm.</p> <p>Switzerland, organic meat butchery: exclusively local processed pork meat, targeted distribution and high-class target group clients</p> <p>Poland, organic tea producer and organic juice producer, with small organic divisions but getting larger market shares each year.</p> <p>Italy, organic oil, organic pasta and organic wine – high quality products with well-developed market, both local, national and international</p>
<p>2. Action description</p>	<p>As the processing infrastructure plays a key role in the implementation of this measure, the organizations in charge of this action can be individual SMEs as presented above, the state itself by public cantinas or business/ farmers associations, cooperatives, that can develop joint infrastructures for the use of more farmers/ SMEs.</p> <p>For agri-food products, the organization in charge is the Agency for Financing Agricultural Investments, Intermediate Body for the Rural Development Plan, which is financing this kind of measure.</p> <p>For the non agri-food products, the organization in charge for the North-West Region is the North-West Regional Development Agency.</p> <p>The objective of the action is to increase competitiveness of the SMEs by raising the added value of the commercialized products, following the concrete steps:</p> <ul style="list-style-type: none"> - Develop the processing/ production infrastructure of the SMEs / public cantines / cooperatives, by accommodating organic processing - Develop the range of products produced, by including an extended portfolio of organic products

	<ul style="list-style-type: none"> - Marketing actions ment to attract clients for the processed organic products, increase awareness - Improve logistics and distribution of the organic products - Extend the organic market in order to enlarge and increase the target group (dedicated markets, organic bio-shops, on-line sells, corporate and family basket subscriptions, etc)
3. Players involved	<p>The value added of the organic products is to be raised by processing the fresh ones, in order to produce wither fresh meals (as restaurants, catering) or various packaged products. Depending on its type, the actors involved can be:</p> <ul style="list-style-type: none"> - Restaurants and catering units for the fresh meals – both public and provide as SMEs - SMEs producers of various agri-food or non-agri-food products (such as organic textiles, organic construction materials, organic dyes, etc)
4. Timeframe	2018 - 2021
5. Costs (if relevant)	2 mil EURO
6. Funding sources (if relevant):	<p>EARDF – Rural Development Programme, Measure 4.2. Processing agri-food products</p> <p>ERDF – Regional Operational Programme, Axis 2. Competitiveness of the SMEs</p>
7. Monitoring	<ul style="list-style-type: none"> - Number of companies developing organic products by accessing M4.2. EARDF and Axis 2 ROP - Number of organic products developed following the funds accessions

Date	6.12.2018
Signature	<p>MARCEL IOAN BOLOȘ</p> <p>General Director</p> 
Stamp of the organisation (if available)	