

FoodChains 4 EU Project

REGIONAL ACTION PLAN

EURO PERSPECTIVES FOUNDATION

2019

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Part I – General information

Project: Strengthening regional innovation policies to build sustainable food chains

Partner organisation(s) concerned: Euro Perspectives Foundation

Other partner organisations involved (if relevant): University of Food Technologies

Country: Bulgaria

NUTS2 region: Yugozapaden (Югозападен)

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Part II – Policy context

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(s) addressed: Operational programme "Innovation and Competitiveness" 2014 – 2020, Priority Axis 1: Technological development and Innovation, Investment Priority 1.1. Technological development and innovation

Further details on the policy context and the way the action plan should contribute to improve the policy instrument: OPIC 2014 – 2020 is part of the implementation of the EU structural and investment funds (ESIF) in Bulgaria under the objectives for Growth and Jobs. The Regional Action Plan addresses one of the specific objectives of OPIC and namely Specific Objective 1.1.: Increased innovation activity of enterprises of OPIC 2014-2020 and in particular the thematic area identified in RIS3 - industries for healthy life and biotechnology (including food). The Regional Action Plan contributes to support for research and innovation infrastructure for business needs; fostering partnership between innovative enterprises and academia and internationalisation of innovation process in the food chain related sectors in Bulgaria. The chain includes food producers, food packaging, storing, distributing and selling food products, food waste management and service companies such as ICT, marketing, specialised consultancy and others.

The majority of the food chain companies are SMEs, employing often not more than 10 people and operate mainly in the regional market. Unlike other manufacturing sectors (e.g. ICT) they often do not have personnel that has a strong scientific background and, in many instances, they can only operate effectively in Bulgarian language. The proportion of technology-adopting enterprises, i.e. SMEs that are willing to implement existing and already tested technologies but are reluctant to explore new and emerging ones, is around 20%. More worrisome is that the percentage of SMEs that do not engage in any formal R&I activities is around 70%. This leaves only about 10% of SMEs that are carrying out innovative and researchfuelled activities. In comparison, the willingness of food SMEs to carry out risky innovation activities is lower than in any other of the high tech and emerging industry sectors, because of a conservative attitude versus their customers. This means that in essence, much of the creative potential in the sector is currently not realized. Development of structures where SMEs and academia can meet and cooperate will contribute to increased innovation activity of Bulgarian enterprises in the food chain by creating the necessary innovation infrastructure in and for enterprises.

Part III – Details of the actions envisaged

ACTION 1: Infrastructure for delivery of services for improved R&D and innovation implementation in food chain companies

1. Relevance to the project

The FoodChains 4 Europe project focuses on implementation of regional policies that stimulate the delivery of innovation to create sustainable food chains. It corresponds to the growing expectations of the European population related to food quality and sustainability in terms of processing, packaging, storage, waste reduction, distribution and retail. Innovation plays a key role in meeting these needs and fostering sustainable food chains fit for the future.

The purpose of the Regional Action Plan is to provide a framework of implementation toward achieving project objectives. The core activity of the Regional Action Plan aims to increase the food chain SMEs innovation activities in the Policy Instrument selected - OPIC 2014 – 2020, Priority Axis1: Technological development and Innovation, which is a major instrument implementing direct actions in the field of creating the necessary innovation environment and infrastructure for development of innovation; stimulating R&D activities and innovation in and for enterprises, incl. through cooperation between enterprises or between enterprises and research institutes and universities. Recently increased budget of the Priority Axes 1 with about 30 million Euro for establishment of Regional Innovation Centers aims exactly the improvement of the innovation infrastructure.

For Bulgaria the food chain sectors are of high importance and provide social and economic benefits on regional and national level. The sustainability of the sectors depends on the competitiveness of the companies in the food chain and requires innovation in all stages and aspects of the this chain. FoodChains 4 EU project focuses on innovation that contributes to the environmental sustainability of the food chain while contributing to social sustainability through increased access to high quality food.

Strengthening the infrastructure for delivery of services for improved R&D and innovation implementation in food chain companies will overcome the barriers to carry out adequate innovation activities, including: lack of time of the business owners and entrepreneurs; low innovation awareness due to a lack of information on emerging technologies, services, materials, and new consumer solutions; problems in creating adequate production and distribution networks, and in entering retail spaces; lack of qualified personnel and others.

2. Nature of the action

During the first phase of the FoodChains4EU project, the team members of EPF and UFT, Plovdiv together with the stakeholders participated actively in the interregional learning events. All the good practices and cases were gathered and presented to the Local Stakeholder Group providing

detailed information on the essence of innovation in the food chain, food quality and safety, food waste management and logistic and storage the possibility to apply part of the models on regional level.

The development of the activity has been influenced by the exchange of experiences and knowledge achieved within the FoodChains4EU project and more specifically the following:

- EPF and UFT team selected best practices that appeared most suited to the regional and national circumstances provided during the peer review in Bulgaria in October 2018 and the interregional learning events in Emilia Romagna in 2017 and Greater Manchester in 2019;
- Six stakeholder meetings, which took place in Sofia and Plovdiv. Managing authority representatives participated in the stakeholder meetings organised in May 2018 and in October 2019;
- Participation of stakeholders – representatives of Food Associations, experts in food and packaging technologies and representatives of the Ministry of Economy, in the interregional learning events organised during Phase 1 of the FoodChains4EU project implementation.

During the project it was possible to deduce that these elements that could have a direct connection with what is foreseen by the OPIC 2014 - 2020, Priority Axes 1 development lines are the type of services, needed expertise and communication between business and knowledge providers in order to boost innovation in the food chain related sectors. The Peer review in Bulgaria in 2018 highlighted some key elements in relation to the food system in Bulgaria. It is evident that businesses in the regions are willing to innovate and use governmental funding to create business success. However, there is a lack of support for these businesses within the food sector. To improve this, stakeholders should focus on market oriented innovation, and be supported by a structures such as a business hubs, technological centers or similar organisations.

The Regional Action Plan construction process was carried out in close contact with all the stakeholders, including the Managing Authority through the learning process foreseen by the FoodChains4EU project and carefully evaluating the good practices that could have a real transferability (in this moment) both on Regional (South West and South Central region) and on National level in Bulgaria. The concept of transferability makes explicit reference to the possibility of evaluating activities / actions in the field of stimulating R&D activities and innovation in and for enterprises, incl. through cooperation between enterprises or between enterprises and research institutes and universities.

The Bulgarian project partner team of University of Food Technologies conducted also an online survey to identify the needs of the food chains enterprises, beneficiaries under the programme to introduce innovative products, services and processes. Following the outcome from the peer

review recommendations the survey included questions in two main themes: level of innovation activities in the companies from food chain sectors; source of information and innovation partnerships to carry out innovation activities on company level.

The answers of the participants in the survey outlined the needs for support in the process of introducing innovative products, services and processes on a company level and confirmed the conclusions made during the Peer Review in Bulgaria that the food chain companies would welcome support functions in the R&D and innovation process provided by either business hubs or kind of innovation centers.

The development of this specific action *“Infrastructure for delivery of services for improved R&D and innovation implementation in food chain companies”*, has been influenced mainly by the exchange of experience and knowledge within the FoodChains4EU project from two partner regions advanced in supporting effective innovation infrastructure and enterprise networks. The two partner regions are Greater Manchester, United Kingdom and Emilia Romagna, Italy.

GC Business Growth Hub – Manchester demonstrates effective innovative businesses support system with number of aspects, like expert advice, providing roads to investors, give networking opportunities, create routes to market, and provide business support for start-ups and existing companies. The GC, Manchester is a community of specialists that help businesses across Greater Manchester to realise their ambitions. The community support businesses at all stages of their growth journey with a broad range of services (e.g. one-to-one and peer-to-peer business support, events, specialist programmes, training, funding). Funding comes from a variety of sources, including the European Regional Development Fund (ERDF). Local Authorities, Universities, Local Enterprise Partnerships, private providers are involved.

Emilia-Romagna Region was the first Italian region to adopt specific rulings for the production of Quality Controlled products as well as the first to adopt a law on food traceability: a region specialised not only in the production of culinary treasures, but also in food processing machinery. Indeed, the area between Reggio and Modena accounts for the highest concentration of agricultural machinery production in Italy; between Bologna and Parma, the production of industrial food packaging machines is the most competitive at global level. In the food and agriculture sector the combination of entrepreneurship and the spirit of cooperation that is typical of the Region is expressed more clearly.

At the heart of the Emilia-Romagna innovation ecosystem lies a large number of public and private actors who invest their resources and collaborate in the exploitation of research results, new knowledge development, adoption of new technologies and innovation across all economic and social sectors. In particular, the role of Emilia-Romagna's universities and research centres is crucial for development of the production system: knowledge, research and innovation are key factors for economic and production development in this region, where expertise and the diffusion of knowledge ensure competitiveness of the regional economic system in the face of change,

with enhancement of regional areas of specialisation on the world market and concurrent consolidation of native production sectors within the territory. In essence the existing partnerships and cooperation in the region demonstrates the possibility to be a frontrunner in the international food and food related technologies market through innovation and partnership networks.

The experience gained through the good practices demonstrated is transferable to the local conditions. The establishment of regional innovation centers and innovation clusters will make it possible to increased innovation activity of Bulgarian enterprises in the food chain by creating the necessary innovation environment and infrastructure for development of innovation; stimulating R&D activities and innovation in and for enterprises, incl. through cooperation between enterprises or between enterprises and research institutes.

The main idea of this action is to support number of companies, UFT and innovative clusters to participate in the tender to be opened by OPIC 2014 -2020 for establishment of Regional Innovation Centers. The support will be in a form of presenting a business model of Regional innovation center or a hub describing the type of services, necessary infrastructure and model of cooperation between businesses and the academia. The activity will be concentrated mainly in the South Central Region and than multiplied in the neighbouring regions. This is based on the concentration of SMEs from the food chain sectors as well as number of Universities and research organisations in the region. The specific steps that EPF together with University of Food Technologies is going to follow, in order for this Action Plan to really influence the increase the number of innovative SMEs in the food chain are:

- a) Development of business model presenting effective type of services, necessary infrastructure and model of cooperation between businesses and the academia in a regional innovation center and/or hub

EPF and UFT team will develop the business model following the experience gained during the implementation of Phase 1 of Food Chains 4 EU project. To introduce the business model of innovation centers/hubs is very important for the success of the action. It is obvious that a working model only can attract companies and initiate investment to introduce successful innovation proces.

- b) Set-up of working group with representatives from UFT, research institutes, Food Innovation Cluster and Association of Food companies in the region. The working group has a main objective to initiate the process of setting up the regional innovation center to boost research and development in food chain related SMEs. Specific focus will be the healthy, value added food products. The working group will make use of the knowledge and available studies to create innovative healthy food products.

EPF team together with UFT will initiate this activity. The participants are the organisations described.

- c) Organisation of thematic workshop that helps food chain SMEs to understand the importance and effect of using different and inovative methods.

The workshop aims to facilitate the co-operation between research organisations and companies and to generate new ways to improve the development work in the food chain industries.

The workshop will be organised by University of Food Technologies, Plovdiv in cooperation with Association of Food companies using the facilities of

- d) Develop a project for set up of Regional Innovation Center to be submitted for support by OPIC 2014 – 2020 or other similar funding programs.

The activity is realised by EPF, UFT and other industry experts.

- e) Support of food chain enterprises by giving opportunities to develop new products in the innovation development center

The activity will be realised by the experts and scientists at UFT, experts working with Innovation Food Cluster, other consultants.

3. Stakeholders involved

The organisations registered in the region of South West and South Central Region as well as on a National level who are involved in the planning, development, implementation and monitoring of the action plan and their current and future role are presented here:

1. Foundation Euro Perspectives as a FoodChains 4 EU project partner. The Foundation has also extensive experience in setting up technology transfer centers and innovation support structures funded under the ERDF programs.
2. University of Food Technologies, Plovdiv as science organisation and partner in FoodChains 4 EU project. UFT is important part of the innovation and knowledge environment providing education, training and support to food chain related companies .
3. Ministry of Economy in Bulgaria is the Institution creating the conditions for stable economic growth in the country. ME defines the goals that lead to competitive economy with a high value added and coordinates the activities related to innovation in the Bulgaria. The MA of OPIC is under the governance of the ME.
4. Food Innovation Cluster – provides network of enterprises with potential to innovate. It also represents companies from different steps of the value chain and are able to give

value to the integration among business and research. Their knowledge and expertise is very relevant to the project and so the results of the monitoring activity will be shared with them.

5. Association of Food Companies – with their extensive network of food chain companies the association is a natural source of knowledge for the needs and challenges the SMEs are facing. They will be the contact point between the academia and the business.

4. Timeframe

Development of business model presenting effective type of services, necessary infrastructure and model of cooperation between businesses and the academia	Up to two months after the beginning of phase 2 (February – March, 2020)
Set-up of working group with representatives from UFT, research institutes, Food Innovation Cluster and Association of Food companies in the region.	Start up to three months after the beginning of phase 2 (March – April, 2020)
Organisation of thematic workshop with participation of academia and food chain SMEs	Up to 5 months after the beginning of phase 2 (May, 2020)
Develop a project for set up of Regional Innovation Center to be submitted for support by OPIC 2014 – 2020 or other similar funding programs	Up to 6 months after the beginning of phase 2 (June – July, 2020)
Support of food chain enterprises by giving opportunities to develop new products in the innovation development center	Up to 10 months after the beginning of phase 2 (October – November, 2020) and ongoing to the end of phase 2

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

Under the OPIC 2014 -2020 in addition a budget of minimum € 30,000, 000 is approved for support the development of Regional Innovation Centers.

6. Indicative funding sources

Main funding source is the OPIC 2014 -2020.

The costs for the development of business model presenting effective type of services, necessary infrastructure and model of cooperation between businesses and academia as well as for the working group set-up are covered by EPF and UFT, Plovdiv.

The workshop organisation is covered by UFT, Plovdiv.

The development of project for establishment of RIC is organised by the experts of EPF and UFT and funded by these organisations.

7. Monitoring and risk assesment

The target value planned to be monitored in the second phase of FoodChains 4 EU project in order to reach the strategic objective of the Action Plan, Action 1 is:

- ✓ Number of supported innovative SMEs from the food chain related industries - 3 projects

Source of verification –reports of MA of OPIC with selected to realise projects for introduction of innovation companies.

Risks assesment:

Type of risk	Low	Medium	High	Prevention Measures
OPIC 2014 -2020 funds for RIC not utilised due to intended requirement for own contribution of 50% from the founders of the center and thus no new innvation projects are financed.		X		There are other measures for support of innovative SMEs and support of co-operation between SMEs and research institutions for R&DI. Developed project ideas can be submitted for support under these measures.
Capacity available at business level for R&D I	X			Set up of the working group with involvment of business representation and temathic workshop together with presence of UFT capacity, development centers and laboratories
Change of managemnt of UFT during the ellections in the beginning of 2020.		X		The activities of FoodChains 4 EU project and the Action plan development where organised in colaboration with professors from UFT which will be part of the University and accademic council also for the future

ACTION 2: Food quality and food safety as a competence

1. Relevance to the project

The FoodChains4 EU project aimed to create more sustainable food chains, including product development, processing, packaging and distribution. One of the project sub-objectives is to create an international network not only of regional authorities but also universities and stakeholders to jointly support the innovation process in the food chains. Substantial innovation driver in the food chain industries is to exchange knowledge and information on traceability, food safety and operations of the food supply chain in its entirety.

Food safety and quality is also of vital importance for the Bulgarian food chain companies and the consumers. In the South West and South Central Regions in Bulgaria there is a high concentration of knowledge institutions and SMEs active in the food chain industries. These entities have been and are active to utilize on national level both ERDF and structural financing. Based on the different high skilled actors of the substance, this can be seen as a regional competence as well. This competence should be brought out to benefit the competent actors in its full potential. Food safety and food quality is also an important and timely theme internationally, and know-how in food safety and quality has wide demand.

The action envisaged links closely with the project objectives – innovation in the food chain and will provide a platform for all the local stakeholders to be found. This will allow easy access of information in the food sector. The platform will facilitate the utilisation of OPIC 2014 – 2020 funds dedicated to Priority Axis 1: Technological development and Innovation.

It is anticipated that the platform will have positive impact on innovation activities. Stakeholders will be able not only to get professional support by academia but to view other SMEs details, easily make contact with another business and to identify potential collaborations and ideas within the food chain sectors.

2. Nature of the action

The development of the action has been influenced by the exchange of experiences and knowledge achieved within the FoodChains4EU project and more specifically two good practices demonstrated during interrregional learning events and Peer Review in Flevoland, the Netherlands and Emilia Romagna, Italy.

The action is influenced by:

- Supplier aggregation/ Supply chain network/ Agro-food cluster/FlevoFood Network (Flevoland)
- Collective catering and the valorisation of typical and quality products (Emilia-Romagna)

Supplier aggregation/ Supply chain network/ Agro-food cluster/FlevoFood Network (Flevoland)

The good practice is an example how to engage various stakeholder in the food chain, including companies, quality agencies, educational institutions, and government. All members within this particular association contribute to the mission and vision of the Flevofood network working together to create a positive impact on the regional food chains and related economy within the province.

Collective catering and the valorisation of typical and quality products (Emilia-Romagna)

In Emilia-Romagna operates "Intercent-ER - Regional Agency for the purchase of goods and services" established with regional law, which aims, with a highly developed technological platform, to streamline expenses, using tools like framework agreements, electronic markets, telematic tenders, observatory of purchases, etc. In this field, Intercent-ER establishes agreements and tenders for the management of public collective catering services.

E-R Region, Regional Authorities, and Local Health Authorities must use the agreements stipulated by Intercent-er for their purchases. Local authorities, educational Institutions and universities may instead decide whether to join the conventions or not.

The Action implementation will lead to establishment of a FoodCommunication E-Board, which is a constantly functioning internet-based platform. The platform will provide opportunity for respected specialists from UFT and partner universities, representatives of the branch organizations and businesses in the food industry as well as media to share adequate information on topics such as food safety and quality. It will also be used for support of companies in food sector for introduction of innovation and digitalisation for these two topics.

The purpose of the information communicated through the platform is to be truthful, objective and understandable, as well as to contain valorisation and recommendations provided by academicians and experts in the fields of food chain industries.

The specific steps for the implementation of action include:

1. Registration of the name of the platform (FoodCommunicationBoard.com or FCE-Board.com) for IP rights protection.

This activity will be realised by UFT, Plovdiv

2. Definition of Terms of Reference for the e-platform design

The Terms of Reference will require the platform to provide a bilingual version (Bulgarian and English working languages), respectively an option for publishing information in real time and a discussion platform with a link to most influential social networks (videos, links to television shows, a direct link to Internet forums, etc.).

The activity will be realised by the FoodChains 4 EU team of UFT and EPF

3. Development of database with stakeholders, research fellows, food chain businesses, associations in the food chain, regional authorities, etc and sending invitations to join the platform.

The members of the platform will be also invited to provide current research, analysis, author's articles, interviews, studies and other similar material of a wide variety in accordance to the topics of the platform.

The activity will be realised by the FoodChains 4 EU team of UFT and EPF

4. Launch of the FoodCommunication E-Board

The FoodCommunication Board is expected to be active from September 2020. UFT will organize in the fall the First "Annual Meeting of the Food Industry" as an opportunity to seek interaction with food and beverage producers and traders, as well as related sectors - tourism, information technology, banks, advertising, media and more.

3. Stakeholders involved

UFT, Plovdiv will lead this activity.

The FoodCommunication E-Board will be founded and developed by proven professionals who have the motivation to offer a modern vision for communication between the professional community and consumers (citizens) in the field of food.

4. Timeframe

Registration of the name of the platform (FoodCommunicationBoard.com or FCE-Board.com) for IP rights protection	Up to three months after the beginning of phase 2 (March - April, 2020)
Definition of terms of reference for the e-platform design	Start up to three months after the beginning of phase 2 (March – April, 2020)
Development of database with stakeholders, research fellows, food chain businesses, associations in the food chain, regional authorities	Up to 3 months after the beginning of phase 2 (March – April, 2020)
Launch of the FoodCommunication E-Board	Up to 9 months after the beginning of phase 2 (September - October, 2020) and ongoing to the end of phase 2

5. Indicative costs

Estimated costs for development and maintaining the platform is 15 thousand Euro.

6. Indicative funding sources

The costs for the development and implementation of the platform are covered by University of Food Technologies and EPF.

Funding sources include own budget of the two organisations

Additional financing especially on the content and consulting services can be received from private companies and other members of the platform.

7. Monitoring methodology

The target values planned to be monitored for Action 2:

- Established and operational internet-based platform, FoodCommunication E-Board;
- Engaged participants, member of the platform – 35 at the end of phase 2.

However the platform will continue to be updated beyond life of FoodChains 4 EU project and will grow to reflect new trends and businesses within the food chain related sectors.

Source of verification – internet statistics.

Date: 20.03.2020

Name of the organisation(s):
Euro Perspectives Foundation





Signature(s) of representative of the relevant organisation(s): _____