



# ACTION PLAN

## SAAREMAA MUNICIPALITY

### Estonia



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## Part I – General information

Project: **ISLANDS OF INNOVATION**

Partner organisation(s) concerned: **Saaremaa Municipality Government**

Country: Estonia (Eesti)

NUTS2 region: Eesti

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## Part II – Policy context

The Action Plan aims to impact:

	Investment for Growth and Jobs programme
	European Territorial Cooperation programme
x	Other regional development policy instrument

Name of the policy instrument(s) addressed:

### 2.1. Saaremaa Municipality Development Plan 2019–2030

In Estonia, municipality development plan is the key local level development policy instrument.

A Municipality Development Plan (MDP) is a statutory general development document to be produced by local governments and to cover their mandatory fields of responsibility. MDP outlines overall long-term development perspectives and objectives of a municipality as well as the key activities to attain the objectives.

In 2017, the local government reform took place in Estonia as a result of which 12 local governments on the island of Saaremaa (Kuressaare city and 11 municipalities) amalgamated into one municipality, Saaremaa Municipality, enhancing the whole island. Saaremaa Municipality is the legal successor of the former local governments since 2018. In compliance with the law, the merged municipality was due to produce its development plan in 2018. The island of Saaremaa has the territory of 2700 km<sup>2</sup> and 31 435 inhabitants whereas about 60% of the population lives on the southern coast and in average population density is 11.7 people per km<sup>2</sup>. Former municipalities were of different size with mostly scarce population as well as with unequal capacity for development and innovation.

Business development and innovation are not statutory responsibilities of local governments and in Saaremaa, as in Estonia in general, they have not been a priority of local authorities till recent time. In the situation of an increasing lack of skilled work force on the one hand and of good quality jobs on the other hand as well as of the rapid changes in the forms of working, Saaremaa Municipality (then Kuressaare City) joined the project Islands of Innovation to improve Kuressaare City Development Plan 2014–2020 (2030), focusing on the business environment development and innovation by learning from international experience.

During preparing the development plan in 2018 for Saaremaa Municipality after the amalgamation of local governments, the project team and Regional Stakeholder Group (RSG) got actively involved in the process by initiating the business environment, economy and the related aspects of innovation as a chapter in the Saaremaa Municipality Development Plan 2019–2030 (SMDP) for the sustainability and resilience of the island.

Development of business environment is a complex task, involving a variety of interrelated aspects of the living environment. In order to draw attention to the complexity of the issue, address business environment and innovation in a more detailed manner and form basis for a quadruple helix cooperation, Saaremaa Municipality launched in January 2019 the preparation of the supplementary to SMDP document “Saaremaa Municipality Business Environment and Innovation Development Plan 2020–2030” (BE&IDP). The document



will be completed in early 2020 and the responsible work group includes policy makers, representatives of university, business and community organisations. The project team and RSG representatives ensure transferring the knowledge gained from the project international learning process (including study visits) and they contribute to the process with their expert knowledge.

## 2.2. Implementation of the Project 2017–2019

### Learning sessions and study visits:

The project team, including RSG representatives has participated in six international learning sessions covering the following topics: approach to innovation on islands (Samsø, DK), different innovation concepts (Madeira, PT), making islands attractive for young entrepreneurs (Friesland, NL), involvement of 4-helix stakeholders and community in innovation (the Azores, PT), new business models and products/services on islands (Saaremaa, EE), summarising session (the Azores, PT). Each partner arranged study visits to a number of stakeholders to demonstrate a variety of innovative approaches to the development of islands. The learning sessions and study visits have provided a broad outlook at and understanding in the scope of innovation issues, both in theoretical aspects and their practical application by different partners.

### Regional Stakeholder Group work:

All RSG meetings have been extended meetings with the participation of community groups, young entrepreneurs, business representatives of micro and small size enterprises in particular, involving expert-knowledge on development and marketing issues for micro and small size companies as well as community initiatives.

The extended meetings have been of particular importance in the situation of the amalgamation of local governments and the discussions have provided insight in both current state of and meeting the needs for fostering innovation. To provide a comprehensive understanding and facilitate the grasp of business environment development and innovation on the island, Saaremaa Municipality Government has involved external expertise for information gathering and analysis.

During the project event on Saaremaa at the beginning of June 2019, the extended RSG carried out a TIPPING Wheel exercise on the development of business environment at the guidance of the project experts. The regional stakeholder meeting in December 2019 discussed the project Action Plan and a wider scope of action to establish steps for creating environment that facilitates bottom-up (community and businesses initiated) innovation on the island.

Saaremaa has by a desk research analysis contributed to the comparative report on the state of innovation on partner islands.

Two examples of Good Practice have been identified and included in the “The TIPPING Guide” as well as on the project website. Saaremaa is represented by:

- university - businesses - local government cooperation example on establishing the Small Craft Competence Centre in Saaremaa unit of the Tallinn University of Technology for creating and transferring knowhow in boatbuilding sector;

- a coworking space established as a community initiative for people with various fields of activity, interests, experience and background which has through evoked synergy created a cradle for new ideas and activities.

A youth survey was carried out in the cooperation of Saaremaa Municipality Government, Saaremaa unit of Tallinn University of Technology and Kuressaare Regional Training Centre (vocational school). As one of the main objectives of the project is to address the conditions for young people to lead their life on islands, the findings of the survey have been taken into consideration in the Saaremaa Municipality Business Environment and Innovation Development Plan 2020–2030 and current Action Plan.

### **2.3. Key factors for the development of business environment and innovation on the island of Saaremaa**

#### **People**

skilled workforce from a worker to a CEO and an entrepreneur, promoting entrepreneurship among the young people and throughout the life-cycle, development of the competences to apply digital skills, vocational and higher education to meet local needs, knowledge and skills empowerment, lifelong learning, strong and healthy communities, people-to-people networks.

#### **Support systems**

availability of and accessibility to R&D services, support structures for starting and developing a business, structures for product/services promotion and marketing, promoting Saaremaa as the island to live, work and study, high quality data and information dissemination system, good conditions for family life: housing, educational, medical and social services, facilities of active leisure for every age group.

#### **Infrastructure**

mobility and transportation network, high quality communication network, power supply reliability, business development facilities and areas, facilities for distant working.

#### **Priority sectors for innovation**

the blue economy, bio-economy, valorisation of local resources, energy management, circular economy, application of sustainable development principles, application of digital solutions, festivals and events as test beds for innovative solutions and products.



## Part III – Details of the actions envisaged

During the learning sessions and study visits that took place at each partner, two examples of good practice were selected from each partner to be described and presented. Still, during the learning session organised at each partner, study visits were arranged to a number of institutions, organisations and companies.

The actions selected by Saaremaa Municipality Government and RSG to be included in the project Action Plan have not been derived from a single example of good practice, they have been inspired by a compendium of all theoretical learning sessions and practical study visits (“dance floor for learning”), summarised to meet the local needs and challenges for contributing in the socio-economic development of Saaremaa.

### ACTION 1

Name of the action:

#### **Developing the maritime resources valorisation study course and study lab in TalTech**

##### **1. Relevance to the project**

The objective of the action is to foster the development of the Blue Economy which has as a result of the RSG work and business environment development analysis been identified one of the main fields for further development and innovation in Saaremaa Municipality. Development of the Blue Economy is in line with the development of the Estonian Maritime Spatial Plan by the Ministry of Finance that is scheduled for adoption in October 2020 and serves a pre-condition for advancing the Blue Economy.

The elements of what today is defined under the Blue Economy, have been traditional to the island of Saaremaa over a long period of time. Successful efforts have been made in developing the boatbuilding sector, but no sufficient attention has been paid to the sector of aquaculture. The potential of product development, involving innovative approaches to meet current requirements and challenges, has not been utilised. The action is aimed at facilitating the valorisation of maritime living resources and we follow the experience of Madeira and the Azores.

Inspiration: Madeira

The study visit to Centro de Maricultura da Calheta – the main focus is on assisting in the development of a marine aquaculture industry on Madeira; keywords: fishing, aquaculture, sea, science, industry.

The study visit to UBQ (Unidade de Bioquímica, Madeira), a micro-enterprise – R&D in the blue biotechnology and product development (using algae for food products).

Inspiration: the Azores

The study visit to the Azores University – topic of aquaculture; Resources and Marine Activities programme.

The study visit to a pineapple farm – old and new approaches to a traditional product (in case of the Azores it is pineapple, but the idea of applying a new and innovative approach to the utilisation of traditional resources has been inspirational).

During the study visits to the Centro de Maricultura da Calheta and UBQ on Madeira, our initial ideas evoked to work in the direction of supporting the development of the Blue Economy on the island of Saaremaa. The

study visit to the Azores University shaped our intention to start the improvement with making a respective education available in Saaremaa as step one and to proceed with maritime living resources R&D services to businesses as step two.

## 2. Nature of the action

Action 1 comprises step one of the development of the valorisation of maritime resources – creating the availability of higher education in Saaremaa unit of the Tallinn University of Technology (TalTech) in maritime resources valorisation. Action 2, following current action, comprises step two of the process.

The content of Action 1 is creating the 6<sup>th</sup> level (applied higher education / undergraduate level) course as a curriculum module and a lab to support the practical part of the study process:

- preparing a feasibility study analysing the potential of valorising maritime resources;
- submitting a project proposal for the state budget support;
- submitting the project full application upon the approval of the project proposal;
- designing the subjects and producing study materials;
- involving international knowhow in the creation of the study course;
- preparing a room for the study lab and equipping it;
- carrying out awareness-raising and promotion activities.

## 3. Stakeholders involved

Saaremaa Municipality Government

- Submitting a project proposal for state budget support for the implementation of regional development plans, June 2019. The proposal has in September 2019 been approved for submitting the project full application for Saaremaa.
- Information dissemination on the study module through its offices around the island and digital channels.
- Providing the project co-financing.

Tallinn University of Technology (TalTech)

Key activities:

- Preparing a Feasibility Study, in cooperation with and input from businesses, analysing the potential of valorising maritime resources in Saaremaa, April–May 2019.
- Preparing and submitting the project full application in accordance with the approved project proposal, February 2020.
- Developing the 6<sup>th</sup> level course as a curriculum module, with the involvement of businesses, for the valorisation of maritime resources and establishing a study-activity related lab, completed in June 2021. During preparing the course, it is our intention to take steps for establishing a closer contact with the Azores University for learning from their experience and applying it in case of possibility.

Saaremaa Municipality Government and TalTech have on 4 October 2019 signed a Cooperation Agreement for advancing the study line of the valorisation of maritime resources and developing an R&D lab in the TalTech Saaremaa unit.

#### 4. Timeframe

- Feasibility Study (TalTech and businesses), April–May 2019
- Project Proposal for the state budget support (Saaremaa Municipality Government, TalTech), June–September 2019
- Cooperation Agreement between Saaremaa Municipality Government and TalTech, October 2019
- Project Full Application for developing the study course and establishing a study lab, February 2020
- Developing the study course and establishing the study lab, June 2021

#### 5. Costs

approximately 65 000 €

#### 6. Funding sources

The state budget of Estonia for supporting the implementation of regional development plans, 75%;  
Saaremaa Municipality Government, 25%.



## ACTION 2

Name of the action:

### Developing the maritime resources valorisation R&D lab in TalTech

#### 1. Relevance to the project

The objective of the action is to foster the development of the Blue Economy which has been identified one of the main fields for further development and innovation in Saaremaa Municipality.

The potential of product development, involving innovative approaches to meet current requirements and challenges, has not been utilised. The action is aimed at facilitating the valorisation of maritime living resources and we follow the experience of Madeira and the Azores.

Centro de Maricultura da Calheta (Madeira) – the main focus is on assisting in the development of a marine aquaculture industry in Madeira; keywords: fishing, aquaculture, sea, science, industry;

UBQ (Unidade de Bioquímica, Madeira), a micro-enterprise – R&D in the blue biotechnology and product development (using algae for food products);

the Azores University – topic of aquaculture, Resources and Marine Activities programme.

During the study visits to the Centro de Maricultura da Calheta and UBQ on Madeira, our initial ideas evoked to work in the direction of supporting the development of the Blue Economy on the island of Saaremaa. The study visit to the Azores University shaped our intention to start the improvement with making a respective education available in Saaremaa as step one and to proceed with maritime living resources R&D services to businesses as step two.

#### 2. Nature of the action

Action 2 that follows Action 1, comprises step two of the development process of maritime resources valorisation.

The content of Action 2 is developing the concept of maritime resources valorisation R&D lab in the Saaremaa unit of TalTech with the aim of applying innovative approach to the utilisation and valorisation of maritime living resources and of launching product development services to businesses.

- submitting a project proposal for state budget support;
- submitting the project full application upon the approval of the project proposal;
- developing the concept of the R&D lab (identifying the services needed and to be provided to businesses in product development, identifying the lab equipment required for rendering the services);
- involving international knowhow in the creation of the lab concept;
- carrying out awareness-raising activities.

#### 3. Stakeholders involved

Saaremaa Municipality Government

- Submitting a project proposal for the state budget support for supporting the implementation of regional development plans.
- Providing the project co-financing.

## Tallinn University of Technology (TalTech)

### Key activities:

- Preparing and submitting the project full application.
- Developing the concept of the R&D lab (services to be provided, equipment required).
- International cooperation in the process of creating the lab concept.

The details of the activities, including involving international knowhow, will be identified and planned in the course of preparing the respective project application. It is our intention to take steps for establishing a closer contact with the Azores University and/or apply assistance from other Islands of Innovation project partners.

Saaremaa Municipality Government and TalTech have on 4 October 2019 signed a Cooperation Agreement for advancing the study line of the valorisation of maritime resources and developing an R&D lab in the TalTech Saaremaa unit.

### **4. Timeframe**

- Project Proposal for the state budget support (Saaremaa Municipality Government, TalTech), June–September 2020
- Project Full Application for developing the concept of the R&D lab, January 2021
- Developing the concept of the R&D lab, activity completed in December 2021
- The R&D lab is expected to be established in 2022 based on this developed concept

### **5. Costs**

The cost of the action is not known as yet.

### **6. Funding sources**

The state budget of Estonia, Saaremaa Municipality Government, TalTech.

## ACTION 3

Name of the action:

### **Training programme in skills development targeted at micro and small size companies**

#### **1. Relevance to the project**

The action is directly linked to the learning sessions on new business models and products/services on islands and making islands attractive for young entrepreneurs as well as to the youth survey, carried out under the project. The survey revealed that young people, including beginning entrepreneurs mostly find Saaremaa a good place to be an entrepreneur but they miss knowhow and up-to-date skills in designing and presenting their products/services in an eye-catching way. 65% of the respondents expressed their interest and need to participate in entrepreneurship related training sessions.

Inspiration: Presentation by the Azores Business Development Society (ABDS) that among a range of activities advertises and markets local products and services. The ABDS is doing a remarkable strategic work and has been highly successful in promoting from a domestic to international scope the products and services of the Azores origin. The main focus is on the nature, sustainability, high environmental value and authentic production methods. The high-quality products and services meeting the focus elements are gathered under the quality label of Marca Açores.

There are many products made in Saaremaa that meet up-to-date high standards and preferences of customers for sustainable, environmentally clean, natural and authentic production methods. Steps have been taken for common advertising and marketing of Saaremaa food and handicraft products in Estonia, but many young, mainly micro and small size companies struggle with presenting their products/services in a visible and attractive way because of insufficient skills.

#### **2. Nature of the action**

The content of the action is to launch a training programme to young entrepreneurs and micro and small size companies for providing marketing knowledge, tools and skills. The aim of the programme is to increase the visibility, competitiveness, product/service development capability of companies as well as job creation. The action comprises of training seminars with the following key-words: product/service design, digital marketing and sales, international marketing and sales. Training sessions will be carried out as a combination of theoretical knowledge and practical exercises. Next to trainers with expert knowledge and skills from universities and professional companies, also local entrepreneurs will be involved to share their experience and to create a local people-to-people support network and facilitate cooperation instead of competition.

#### **3. Stakeholders involved**

Saaremaa Development Centre (a municipal foundation):

- organising and carrying out training sessions;
- involving local businesses as trainers;
- information dissemination and feedback gathering on the training sessions.





**Saaremaa Municipality Government:**

- information dissemination on the training sessions through its offices around the island and digital channels,
- providing the project co-financing.

**Saaremaa unit of TalTech:**

- input in the preparation of the training sessions;
- information dissemination on the training sessions.

**4. Timeframe**

At least 6 training sessions a year throughout 2020 and 2021. The programme continues after 2021 with topics revised and agreed according to the needs of businesses.

**5. Costs**

Approximately 45 000 € in 2020–2021.

**6. Funding sources**

European Regional Development Fund 85%, Saaremaa Municipality Government 15%.

**Date:** 22.01.2020

**Name of the organisation:**

Saaremaa Municipality Government

**Signature of the relevant organisation:**

KMp

Kristiina Maripuu, Deputy Mayor on Development and Communication