



EUREGA PROJECT: “European REgions of GAstronomy building resilience and creating economic growth”



## Action Plan for the Region of South Aegean



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## EXECUTIVE SUMMARY

### The background:

The particularity of the South Aegean Region's territory greatly affects the configuration of the production sectors, thus playing a pivotal role to the Region's form and rate of growth. Due to the significant growth of tourism over the last decades, the importance and development of the Tertiary Sector are continuous and give a unique impression of the Region, the main feature of which is the uneven distribution of the production sectors.

### Problems:

**The wide dispersion of the South Aegean Region islands.** The territory: The Region of South Aegean is an island complex that includes the Cyclades islands and the Dodecanese islands, comprising 79 islands in total, 52 of which are inhabited. The Region of South Aegean extends over a vast sea area from the coast of Attica (Makronisos island) to the south coast of Turkey (Kastelorizo island).

**The growth model that has dominated** the Region of South Aegean over the last decades has resulted in a drastic reduction of the Primary Sector's contribution to shaping the Regional Gross Domestic Product (Regional GDP) and has also has a negative effect on employment:

- Percentage of GDP Structure: Agriculture: 2,6% (Dodecanese), 3,1% (Cyclades)
- Percentage of GDP Structure: Services: 87,8% (Dodecanese), 85,3% (Cyclades)

The domination of these services is overwhelming over time for both the Cyclades and the Dodecanese. On the other hand, **employment** is affected by the **high seasonality** (3 to 6 months max).

As a result, competitiveness and innovation of SMEs and the agricultural sector is quite low. At the same time, gastronomic heritage is not either enough focused on or integrated into the tourism development of the Region.

The actions implemented through the EUREGA project will contribute to the development of solutions against the problems described. They will facilitate the creation of a link between the sectors of gastronomy and tourism and they will contribute to the strengthening of local SMEs. Through the project actions, the local products of the Region of South Aegean will be promoted both at domestic and at international level. Taking advantage of the South Aegean Region being the European Region of Gastronomy in 2019, we aim at upgrading the Region to a gastronomic destination in the consciousness of its visitors.

## Part I – General information

**Project :** EUREGA

**Partner Organisation:** PP6 - Development Agency of South Aegean Region – READ S.A.

**Country:** Greece

**Nuts2 Region:** South Aegean Region

**Name of the organisation :**

Development Agency of South Aegean Region (READ S.A.)

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## Part II – Policy context

The Action Plan aims to impact:

<input type="checkbox"/>	Investment for Growth and Jobs programme
<input type="checkbox"/>	European Territorial Cooperation programme
<input checked="" type="checkbox"/>	Other regional development policy instrument

Name of the policy instrument(s) addressed: **Strategic planning of South Aegean Region**

### **Further details on the policy context and the way the action plan should contribute to improve the policy instruments:**

The policy instrument initially stated in the Application form as the one that was going to be addressed by READ S.A. was South Aegean Regional OP 2014 - 2020. Nevertheless, considering that this ROP was already being implemented when the project began in 2018, we now see that it will not be possible to affect it after all. This is mainly because almost all the available funds of the ROP have already been depleted or they are already reserved for other actions, leaving no available budget for new gastronomy related projects to be initiated. Additionally, the COVID-19 adverse situation has called for any available funds from the reserves to be used in order to reduce the negative impact of the pandemic on the local economy.

As a result, the instrument to be addressed through EUREGA will be the “**Strategic Planning of South Aegean Region**”: a very detailed document on the Region’s current status that includes the latest updated statistics on all aspects and sectors of the economy (Primary, Secondary, services sector etc.) on regional level. The general strategy and objectives of the Region for the upcoming years as well as the type of interventions that should be made in each sector are included. Most importantly, the Strategic Planning describes the actions that should be implemented during the current programming period, making use of both SAR’s own funds and European Funds.

The first version of the Strategic Planning was completed and approved in 2012 in cooperation with the Panteion University. It was revised in 2016 with the technical support of the University of Macedonia, in order to include the updated statistics of all the relevant financial sectors and also the focal point, the objectives and the priorities of the newly elected Regional Government, whose South Aegean Regional Council approved this revised version of the SP.

The aim of this Action plan is to influence the aforementioned policy instrument in order to include new actions that will raise awareness and increase the consumption of local agro-food products by the locals but most importantly by the foreign visitors, through the implementation of projects that link local produce with the most profitable industry of our region, tourism.

The most important project, that will assist the South Aegean Region in achieving the goals set, is the establishment of a new non-profit company with the unique aim to promote local products and gastronomy. All the important stakeholders related to the agricultural sector in the region will participate as members (South Aegean Region, local municipalities, Chambers of Commerce, Agricultural associations and SMEs). After its establishment, this powerful tool will better coordinate and plan future actions in the field of Gastronomy with the active participation of all the participating local stakeholders. The new non-profit company will have a specific budget every year for the implementation of the designed actions while all the members of the company will contribute depending on the amount of shares they have.

The change of the selected policy instrument will be achieved with the **implementation of new projects**. In the case of South Aegean Region, the new **non-profit company** called “Agri-food Partnership” is the new big project within the agricultural sector but at the same time it is also an important tool that will be contributing in the design of future actions and also implementing several smaller projects in the upcoming years.

## Part III – Details of the actions envisaged

### BASELINE SITUATION

**Gastronomy:** High quality certified local products that characterize each of the South Aegean islands are the basic element of their gastronomy and are promoted by labeled restaurants throughout the Region. There are 121 PDO & PGI products in 13 Dodecanese islands and 171 corresponding products in 21 islands of the Cyclades, proving that gastronomy is a traditional sector of economic activity in all of the Region’s islands.

**Hospitality:** Tourism is the main financial pillar of the Region and gastronomy is one of the South Aegean’s greatest assets. The attractiveness and the high quality of the local wine and food products, in combination with the long kept traditions, ensure an extraordinary wine-gastronomic experience which, when utilized by the hotel industry, it will contribute to the development of sustainable tourism.

In addition, in the tourism exhibitions that the South Aegean participates, both in Europe and in the USA, its islands are also represented by a selection of local products to be tasted on the spot.

However, the **COVID-19 pandemic** has forced several changes upon the South Aegean Region local economy. There is high impact in the **supply chains** and **food security**. Taking into consideration the **sustainability** issues and the **cost increase trend**, gastronomy should be repositioned in a higher level in the islands' local economy and community.

Global food systems are also being impacted, regional agricultural value chains are disrupted and the tourism sector is being greatly affected as well. The importance of establishing short supply chains and consuming locally produced food, both by the local communities and by the tourism industry, is now becoming even higher.

South Aegean was the **European Region of Gastronomy for the year 2019**. The immense know-how acquired through this experience will give added value to our Action Plan. Some of the most important things the Region achieved through the ERG Award whole procedure are that now more local products are labeled and certified, island products are widely used throughout the tourism chain, a food chain was designed from producer to the end consumer (local, visitor) and a lot of work has been done towards establishing our Region as a gastronomic tourism destination.

Nevertheless, as mentioned above, there is still a lot to be done in the direction of rendering gastronomy as the ambassador of the South Aegean islands and establishing the Region as a gastronomical tourism destination. The actions described in the current Action Plan will highlight the vast cultural wealth of the gastronomy of each island thus contributing to the Region's final objective, linking gastronomy with the tourism sector and promoting thematic tourism in the South Aegean islands.

## ACTION 1:

**Name of the action: Incorporation of the "SOUTH AEGEAN AGRI-FOOD PARTNERSHIP" into the "Strategic Planning of South Aegean Region" policy instrument**

**1.1. Relevance to the project (please describe how this action derives from the project and in particular from the interregional exchange of experience. Where does the inspiration for this action come from?)**

The establishment of the non-profit company "South Aegean Agri-Food Partnership" is a project that will boost the Region's extroversion in the Gastronomy Sector. The aim of this project is to promote the South Aegean as a gastronomic destination and help the Region build an important and recognizable brand name in this field.

The main activity of this Partnership is to inform and raise awareness among the producers in the South Aegean Region regarding new growth opportunities, to create a fertile ground for new dynamic crops as well as to create new jobs, growth motives and a dynamic link between rural businesses and tourism, the leading sector of the South Aegean Region's economy.

This non-profit company is planned to develop the gastronomy sector within the Region. It will enhance the development of gastronomy on each island, support the modernization of the local food SMEs, provide extroversion as well as benefit the local communities and the regional economy,

ultimately contributing to EUREGA's overall goal of supporting SMEs. As a result of the Agri-Food Partnership's operation, new job opportunities for the locals will arise thus attracting more attention to the Region and resulting in economic growth and increase of the gastronomy sector in GDP Structure.

Linking tourism to the gastronomy sector will enable the South Aegean to enrich its touristic product by adding also gastronomic tourism, thus contributing to the development of sustainable tourism in the Region. Gastronomic tourism brings together the local producers and the hotel industry establishing short supply chains that provide benefits for the local SMEs, the visitors, the local economy, the Region's economic and social development and finally for the gastronomy heritage.

The lessons learnt from the interregional exchange visits and gave us important ideas for this new project. In the case of South Aegean Region, the study visit in the Alicia Foundation (a non-profit organization for the promotion of Catalan gastronomy) and in particular their administrative structure as well as the projects they implement (i.e. TAS program for students, scientific research on local products) really inspired us to start setting up our own non-profit company.

**1.2. Nature of the action (please describe precisely the content of action 1. What are the specific activities to be implemented?)**

The "SOUTH AEGEAN AGRIFOOD PARTNERSHIP" is a non-profit company that reinforces and ensures the extroversion of the gastronomy sector in the South Aegean Region. At the same time, it aims to improve the link between the gastronomy and hospitality sector, while developing and promoting the gastronomy destination brand of the Region and the "Regional Basket".

**Target Audience:**

- a) potential members:
- SMEs of the gastronomy sector and entrepreneurs
  - Producers
  - Local authorities in each island, organizations related to the gastronomy sector
- b) participants and visitors in the activities:
- Local, national, international Media
  - Hospitality sector for B2B co-operation
  - Companies in the supply chain
  - Institutions in Greece and abroad
  - Locals in the islands for the participation in the events, the awareness activities, the B2C
  - Visitors during the touristic season
  - The broad market in Greece and internationally for the awareness activities and trade.

The South Aegean Agri-food Partnership aims at promoting the gastronomical and cultural wealth of the South Aegean. Its actions of extroversion aim not only at linking the gastronomy sector with tourism, but also at strengthening SMEs in the Region of South Aegean. Through its activities, the nutritional products produced within the Region of South Aegean will be presented and promoted both at domestic and at international level.

The "SOUTH AEGEAN AGRI-FOOD PARTNERSHIP" will take initiatives in order to accomplish the above mentioned goals. The activities planned to be organized are described below:

1. Scientific events and workshops addressed to the SMEs, the producers, the entrepreneurs and the public that will present subjects of gastronomical interest either to the professionals or the local market. These events aim at bringing modernization, new methods in workplace, new ideas to motivate, to inform and to provide awareness on a wide variety of gastronomic issues. Speakers and experts will be invited to participate in these events that will take place in different islands of the Region. The venue will be provided by the Chamber of Commerce of the Dodecanese or the Cyclades, the Municipality or another institution). Some of the events can also be organized as online webinars.
2. Training in class (public space will be provided by local authorities or institutions) and online webinars aiming at supporting the producers a) on cultivation issues, b) on marketing issues, improving the quality, advertising and promotion of agri-food products, which are to be included in the "Regional Basket". The trainings are open to Partnership members, professionals and companies of the gastronomy sector and to the public in order to support local economy in every island.
3. In order to promote the "Regional Basket", strengthen the link with tourism and develop potential co-operations with other European markets, the Partnership members will participate with the support of the South Aegean Region in the "Annuga Food Tec 2021" and the "ITB 2021" tourism exhibitions abroad and in Greece in the "Detrop Boutique" Hellexpo, Thessaloniki and the "Food Expo" in Athens.
4. Also, within the Region, the Partnership will participate in local fairs and culture and gastronomy events promoting the "Regional Basket" and especially the produce of the smaller South Aegean islands. Those fairs and local events are open to the public (locals and tourists).
5. Educational, consulting and information services to entrepreneurs will be provided, aiming at promoting their South Aegean products as well as at improving their business endeavor. Webinars and online lessons will be organized according to their utmost interest and needs. Indicative topics will be marketing strategies, digital advertising and promotion tools, social media, project management, business development, communication skills etc.

To estimate the results of the action, some indicative indicators are as follows:

- ✓ Number of members of the "SOUTH AEGEAN AGRI-FOOD PARTNERSHIP"
- ✓ New entries in the partnership yearly
- ✓ Progress in the business development (website, exports, trade, B2B etc).
- ✓ How many young farmers will enter the profession
- ✓ Number of new projects developed
- ✓ % Increase on the use of local products in tourism sector
- ✓ Region GDP

**1.3. Stakeholders involved (please indicate the organisations in the region who are involved in the implementation of the action1 and explain their role)**

The stakeholders involved will be from the public and private sector, higher education institutions, tourism organizations etc. Some of the stakeholders are the following:

- Agricultural Associations in the islands contribute to the awareness and information provided to their members, getting in touch with producers and the b2b trading as well.
- Chambers of Commerce of the Dodecanese and the Cyclades contribute to the business development. They will contribute to market surveys, they will offer consulting services, organize events, participate in national and international exhibitions etc.
- Municipalities of the Dodecanese and Cyclades islands contribute as event organizers, facilitators in the activities (with the infrastructure and space they own) and communicate messages, events to the locals. There are tourist departments that promote and provide awareness to the guests concerning activities they might be interested in. Their role to the island gastronomy brand building is essential.
- Public Vocational Training Center “Georgios Gennimatas” with educational programs, invited speakers etc.,
- The Department of Agricultural Development of the South Aegean Region provides the database, plans and supports the business development in many ways (organizing activities, licensing, providing certifications, consulting etc). The Development Agency of South Aegean Region (READ S.A.) contributes in planning and financial resources from EE.
- Enterprises, producers, associations, voluntary groups contribute to the preservation of products and nutrition.
- Tourism institutions on the South Aegean islands such as the Hoteliers Associations, Hotel Managers Associations, Hellenic Tourism Organization, Tourist Guides, Travel Agents, hotels establish the connection and development of gastronomy within the hospitality facilities. They are the ambassadors of the Greek island gastronomy towards the visitors and the markets.

**1.4. Timeframe (please specify the timing envisaged for action 1)**

The "SOUTH AEGEAN AGRI-FOOD PARTNERSHIP" was planned to start operating by the end of 2020. The current situation with COVID-19 has affected the schedule concerning the launching period. The project is estimated to start operating after a small delay within 2021.

**1.5. Costs (please estimate the costs related to the implementation of action 1):**

200.000,00 Euro is the initial share capital approved for the new non-profit company. 49% will be deposited by the South Aegean Region and 51% by all the other stakeholders (Municipalities, Agricultural Associations, Chambers, SMEs etc.)

**1.6. Funding sources (please describe how action 1 will be financed. Is it through the policy instrument(s) indicated in part II):**

With this action, we envisage the implementation of a new project from the policy instrument addressed through EUREGA. 49% of the funds needed for the establishment of "SOUTH AEGEAN AGRIFOOD PARTNERSHIP" are coming from the South Aegean Regional Authority own funds and the rest of 51% from local stakeholders' contribution. In addition, besides the initial capital of 200.000€ there will be an annual membership contribution as well as a fee for new members joining the company in order to keep a constant flow of its income, enabling it to implement future planned activities. The Region of South Aegean has already approved the initial capital contribution.

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