

Policy Briefing Report Template

POLICY BRIEF FOR THE 2021-2027 PROGRAMMING PERIOD

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Executive statement

Outline your main message – what do you want to say and to whom (may: 500 characters)

The process of developing regional strategies usually involves many actors and decision-makers, so during the preparation of the document, it is necessary to anticipate the limits of future modification and the improvement procedure itself, as well as the possible reasons for this.

Because without anticipation in the implementation phase, it is feared to modify anything because it can be understood as evidence of failure.

Regional economic development strategies stakeholders in Klaipėda case are different public and private institution, municipalities, and politicians. Klaipėda City Economic Development Strategy 2030 (KEDS) is a product of co-operation between the Klaipėda City Municipality, the Port of Klaipėda, Klaipėda University, Klaipėda Free Economic Zone, the Association of Klaipėda's Industrialists and Klaipėda Chamber of Commerce, Industry and Crafts. Over 300 experts representing various sectors in Klaipėda were involved in the process as well as international consultants Ernst & Young Baltic.

Economic Development Council is responsible for taking key decisions on strategic issues. Having such a wide group of decision-makers, it was very important to predict at the planning stage how the plan will be maintained, changed, modified, combine measures, its indicators will be adjusted, because 3 years after the start it is quite a

About the project

A brief outline of the aims of the project Inter Ventures and description of what you did to address the problem within this project (max: 1000 characters)

The main Inter Ventures project aim is to promote the internationalization of SMEs in EU border regions, thus contributing to their growth and increased competitiveness, also to increase capacities by enabling local SMEs to expand their exports in current and new markets.

Klaipėda regional stakeholders were intensively involved in the process of SME's internationalisation through Regional steering group (RSG) Meetings and Webinars and workshops. The seven KEDS partners communicate regularly in the Implementation Steering Group and the Economic Development Council. Regional Action Plans will be elaborated that can lead to the desired improvement of regional programmes for the enhanced internationalisation of SMEs. That assists the quick and efficient implementation of Klaipėda economic development strategy (KEDS) 2030 because the objective related to SME internationalization is not highlighted enough in this strategy. At the same time, because of Inter Ventures project activities and findings on Regional Situation Analysis more attention is paid to the internationalization of SMEs.

The action is based on Hungarian good practice “The Baranya Region Industrial Development Program” which aims to promote the dynamic development of the region's economy through a coordination system for local economic players and an integrated development program.

Developing a supportive system for the Klaipeda region SMEs in Klaipeda economic development strategy (mentoring, training, incubating, and accelerating) planned an

Context

Outline the problem and any relevant contextual information and political background. State why the problem is urgent and important. Use evidence and infographics to support your argument (max: 2000 characters)

Because of Inter Ventures project activities and findings on Klaipeda Regional Situation Analysis more attention implementing of KEDS2030 measures is paid to the internationalization of SMEs, as there were no specific measures to promote the internationalization of SMEs. As Klaipeda Region has several cooperation-based projects on SMEs promotion, there are no regional projects that would promote SMEs internationalisation.

KEDS has several measures to promote SMEs, but internationalisation was singled out in the project as a vital area for business growth as it meets several key goals of the strategy - export promotion, FDI growth, and growth of the number of SMEs.

Three Actions are planned to improve and highlight aspects of internationalization measures in the existing policy instrument KEDS2030:

1. Improve SMEs internationalization actions.

This action itself improves the Policy Instrument by creating a framework for the internationalization of SMEs markets, activities, and products. Once the new KEDS2030 indicator

„Number of activities or projects promoting internationalization, pcs.” has been set, it will be committing to pursuing the value of this indicator by Klaipeda ID. The plan is that the implementation of this indicator will be entrusted to Klaipeda ID, whose function is to promote SMEs and provide various assistance to SMEs. The aim of this action is to include specific measures to promote the internationalization of SMEs in the package of services provided to SMEs.

The KEDS2030 action 1.3.1. fill with the new indicator:

- *“To turn Klaipeda ID into a center of multifunctional services for business. Klaipeda ID should become a full-fledged partner of self-government, business enterprises and investors, coordinating the areas of promoting entrepreneurship, SME competitiveness and integration into international value chains”. This action would have the following indicator: Number of activities or projects promoting internationalization, pcs.*

2. Promoting SMEs of the Blue Economy sector.

The aim of this action is to **specify** KEDS measure 1.3. "Develop an ecosystem conducive to small business" action 1.3.4. "**Establish a business development accelerator** - a structured multi-month program for which selected start-ups, with the help of leading business representatives from Klaipeda regions, should realize their ideas and launch new products on time" as follows:

1.3.4. "**Establish a Blue Economy sector business development accelerator** - a structured multi-month program for which selected start-ups, with the help of leading business representatives from Klaipeda regions, should realize their ideas and launch new products on time".

By specifying the measure to the areas of the Blue Economy, more attention would be paid to the promotion of KEDS growth areas important for the economic development of Klaipeda city and Klaipeda Region. However, Blue Economy sector is a priority noted in KEDS.

This action itself improves the Policy Instrument by creating a specific and very relevant direction of the accelerator for the growth of Blue Economy sectors.

Directing the accelerator directly to the promotion of businesses in the Blue Economy sector would not only encourage the creation of these businesses, but also improve the growth rate of businesses in the Blue Economy. Promoting internationalization is one of the activities of the accelerator, so this activity is naturally related to the Inter Ventures project. Accelerator is planned in KEDS and the owner of this action is Klaipeda ID.

3. Promote SMEs internationalization activities.

Content of the action is to give a financial support for the development of SMEs, with a stronger focus on internationalization activities. During 2020 Klaipeda City Municipality Administration reviewed the priorities and criteria for the selection of SME projects and singled out the priority focused on internationalization activities - the development of market activities. This priority is directly aimed at SMEs seeking to expand into new markets or new market segments. Under this priority, the municipality provided financial support to an SME that develops wooden luminaires and supplies mainly to foreign markets (UK, USA, etc.) and wanted to expand production by purchasing additional machines for production. With the development support, SMEs will not only be able to increase their production volumes, but also expand their product range, thus possibly expanding their target customer base.

Inspired by information we gained during the Inter Ventures project, Klaipeda City Municipality Administration sees a possibility to add new priorities to support SMEs internationalisation, like participation in international B2B forums, business exhibitions, export, experts' services on market research, etc.

Results, conclusions, and recommendations

1. Describe what you want your audience to do about the problem using evidence from the project to back up your recommendations. Make sure the recommendations are (max: 2000 characters)

- Short
- Practical and realistic
- Concrete (avoid generic recommendations)
- Based on evidence from the project
- Clear and easy to understand
- Written so that the sentences start with a verb, e.g., Use ..., Engage ..., etc

Short recommendation to regional economy decisions makers from Inter venture project experience:

- When you start planning regional economic development strategies or program, devote time and attention to good practice in Europe regions of similar size and development and make a comparative analysis of several examples of such good practices.
- Invest in the latest detail analysis of the situation in the region, including the consequences of the COVID-19 crisis for SME's sector.
- Understand the changes in globalization in the world economy after the COVID-19 crisis.

2. Please describe each of your recommendation in detail:

The recommendations from Inter ventures project related to EU programmes and projects compilers:

Recommendation 1 – select partner to the project's consortiums from similar problematic level and background.

The first recommendation is related to the partners' suitability based on differences: in size, regional impact, institutional subordination, economic capacity, available tools for support SMEs, etc.

It is highly recommended to select project partners that have a similar problematic level of background and choose them according to the main criteria: 1. One same level/impact on regional, city, or national scale; 2. Institutional subordination/funders; 3. the size of the region represented.

The full-fledged exchange of experience between partners is now rather limited due to overly diversified partners. At the same time, it is challenging to implement some of the activities and reach eligible results if the partner is very different on the regional, city, or national level.

Our organization operates on a different scale with other partners - we represent Klaipeda city, and other partners represent regions, usually much bigger in size. It is also a great challenge to find partnership possibilities for further collaborations because partners operate differently and have diverse project implementation strategies, politics, and activities.

Besides, it is a great challenge to compare project results and the overall internalisation impact because of project partners' differences.

To sum up, we recommend making the consortium of partners for the further projects with a more similar background. It is a cornerstone for a successful project's development, implementation, and results.

Recommendation 2 – involve to the projects direct beneficiaries which ensure a greater increase in the action plan evidence.

It would still be very useful to have the possibility of small-scale pilot actions within the scope of similar projects and to involve direct beneficiaries which ensure a greater increase in the action plan evidence.

Continuation is highly recommended for the project. We cannot fully implement the project activities and support SMEs (as the last phase of the project), which strengthens their growth and competitiveness. The final beneficiary must be reached to complete the process-chain.

One of the suggestions and further project recommendations would be to focus on the actual needs of the SMEs (for example, they might need language courses to expand to another country; financial funding for the very concrete activity). With the need's identification, we can further support SMEs to reach main project goals.

Recommendation to Baltic Sea Territorial Cooperation Programs compilers:

The Association "Klaipeda Region" (abbreviation - KR) established in 2011 is the only regional organization in Lithuania, uniting and representing Klaipeda County municipalities as economic partners, actively participating in the implementation of the European Union Baltic Sea Strategy.

European Commission 2018 published its proposals for Territorial Cooperation Programs for the new financial period. In the light of the submitted Proposals and Provisions, KR submits the following position:

- The KR emphasizes the importance of territorial cooperation information centres, their decentralization, and localization of functions in the centres of the regions located in the Program areas.

The KR gives priority to the following thematic objectives, based on which **we propose to formulate the priorities of cross-border cooperation programs:**

- Strengthening research, technological development, and innovation, including regional research and innovation development capacity.
- Promotion and development of sustainable transport and their networks in cities and regions.
- Supporting the transition to a low-carbon economy in all sectors.
- Promoting climate change adaptation, risk prevention, and management.
- Increasing the competitiveness of small and medium-sized enterprises.
- Investing in education, human capital, and lifelong learning.
- Promoting high value-added job creation and job mobility.
- Promoting social inclusion and combating poverty in the regions.

References

Only include maximum of four sources where readers can find further information. Give the web addresses of publications and dates for when they were last accessed if possible.

Study tour, 2020.11.11 -

<https://www.interregeurope.eu/interventures/library/#folder=2671> Infographics

2020.06.02 - <https://www.interregeurope.eu/interventures/library/#folder=2461>