



ACTION PLAN

**The Association of Small and Medium Size Enterprises of the
County of Covasna – ASIMCOV**



AGROFOOD REGIONAL INNOVATIVE CLUSTER

STRING

Strategies for Regional INnovative Food Clusters



2019

CENTRAL REGION, ROMANIA





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Introduction

This action plan is an important document of **The Association of Small and Medium Size Enterprises of the County of Covasna – ASIMCOV**, project partner of the ***STrategies for Regional INnovative Food Clusters (STRING)***, founded by the European Commission, providing details on HOW the lessons learned from the mentioned project will be used to improve the policy instrument addressed from the Central administrative region, Romania.

The action plan of the ASIMCOV specifies the concrete actions with a timeframe, stakeholders, costs and additional information. The actions to be implemented in the second phase of the STRING project are also connected with results of the new strategy of the Agrofood Regional Innovative Cluster, containing the project results and experiences and serves with important information for designing the Action Plan in the agro-food sector. Taking in consideration that this cluster was a partner of the ADR Centru, the managing authority of the Central region, for designing the Smart Specialisation Strategy – RIS3, we will use also the past cooperation tools and experiences for the current actions when we exploit the learned lessons during the STRING project.

Regional policies from the central region need to be improved in order to achieve more quality results in this business sector. Better methodologies for managing the current policies, adoption of new indicators and tools and prioritizing the performance of cluster organizations are the main options to improve the regional development.

Development by cooperation and supporting functional innovation activities are the key factors of the Regional development in this region and cluster, with international experience and active collaboration serve as the perfect agents for this type of results.

During the STRING project we met with many GP from this field, but focusing on the collaboration and innovation we designed our actions accordingly to include the experiences from Castilla Y Leon and Alsace region.



Part I. General information

Project: **STrategies for Regional INnovative Food Clusters (STRING)**

Country, region: **Covasna county, Central region**

Contact persons: **Vajda Lajos, Szócs Enikő, Gáspár Mária**
(cmnagrofood@gmail.com)

Self-defined performance indicator: **Number submitted and supported projects on cluster development in the regional food industry: 5**

Part II. Policy context

Our action plan aims to impact the **Regional Operational Programme POR – 2014 – 2020**.

The National Spatial Development Strategy of



Romania along with the Structural Fund Regulations define the main policy principles and operative actions of integrated territorial development in Romania. The Structural Fund resources serving regional development are allocated via the Regional Operational Programme (POR) for 2014-2020.

Within the six priorities, Priority 2 aims to Increase economic competitiveness, stimulate research and innovation.

Measure 2.2 deals are most relevant for food innovation and clusterization: Expansion and diversification of regional and local infrastructure, business clusters and networks for economic cooperation. This is intended to be implemented through projects for construction and development of industrial, technology, agro-industrial parks, and technology transfer and business incubator centres, cluster development, and projects to improve the economic performance of firms. Funding for the 2nd priority represents only 2, 95% of the overall regional budget frame, being the smallest among the priorities. The Center region builds by innovating an economy based on knowledge and towards the environment through the participation of its inhabitants, respecting the principles of cooperation and partnership and capitalizing on economic and social strengths its regional specificity. The Smart Specialization Strategy, which is a base for the POR – Regional Operative Programme is structured on 5 strategic directions with 19 priorities and 63 measures.



The 5 strands of the strategy are:

- Building an economic culture of innovation
- Research in support of regional business
- Areas of excellence for smart development
- Professional skills for a knowledge-based economy
- Interregional cooperation at European level

The main priority areas are: Research, Innovation, Technology Transfer, Agrofood, Forestry, wood, furniture, Car and mechatronics, Textiles and garments, IT and creative industries, Health, Medical and pharmaceutical, Balneo Tourism, Aeronautical industry, Sustainable built environment.

For statistical and development purposes, Romania, in the NUTS scheme, is divided into NUTS I level: 4 macro regions, used for the appropriation of European development funds. The eight Directorates General for regional statistics has been created with the 34 county directorates for statistics and funds management. Officially, the eight regions are Nord-Est (North-East), Sud-Est (South-East), Sud-Muntenia (South-Muntenia), Sud-Vest Oltenia (South-West Oltenia), Vest (West), Nord-Vest (North-West), Centru (Centre), and București - Ilfov (Bucharest - Ilfov). The responsible body of the policy instrument addressed is the Regional Development Agency from Centru region.

Development Plan of the Center Region is the main document of planning and programming developed at regional and assumed the de facto document - setting regional thereby establishing the development vision, overall objective and specific objectives to be reached at the end of programming, proposing of action and measures necessary to achieve the objectives. Development Plan comprises socioeconomic analysis of the Center Region, SWOT Region, regional development strategy for 2014-2020, output indicators, estimated financing needs, implementation and monitoring system, and an indicative list of strategic projects in the region that could be funded in 2014-2020. "Development Plan of the Center Region for 2014-2020" was developed during the years 2013-2014 by ADR Center, in close cooperation with regional partnership structures and undertaken by the Center Regional Development Council through Resolution no. 12 of 15 July 2014. As part of the monitoring system of PDR Center during the implementation period envisaged the development of three strategic reports, monitoring which will highlight the progress made in the implementation of the RDP 2014-2020 Center.

Minister of Regional Development and Tourism issued Order 1087/13.07.2012 approving the Regulation regarding the organization and operation of the Regional Committees for implementing the Regional Development 2014-2020. This establishes a set of uniform rules on the establishment of partnership structures at regional component Regional Committees Planning (CRP), the thematic working



groups and working groups sub role and main responsibilities of these and functioning partnership structures. In order to achieve the Regional Development Plan 2014-2020 and the programming documents for 2014-2020 at the regional level have created a number of partnership groups in accordance with the Memorandum of June 13, 2012, and Government Regulation - regarding the organization and operation Regional committees to develop the Regional Development Plans 2014-2020. Thus was formed the Regional Planning Committee, seven regional working groups, and six thematic working groups at county level. These working groups had a series of meetings throughout 2012 and 2013. Below is part of the Regional Planning Committee (RPC) and regional thematic working groups.

Indicators: Number submitted and supported projects on cluster development in the regional food industry: 5

Romania is one of the countries in which European funds are meant to have a large contribution to recovering the development gap as compared to other EU countries. A recent document of the Ministry of the European Funds states that the 46 billion euro Romania received through this channel since its adhesion contributed to an increase by 13.6% of the GDP, supported the development of more than 4,000 enterprises, lead to the employment of over 62,000 people, increased by 4% the labour productivity. Still, Romania struggled for absorbing EU funds in the last financing periods and it encounters similar difficulties in the actual one. At the end of April 2018, the absorption rate was 16.9% of the total funds containing the Structural and Cohesion Funds and the rural development and fisheries funds for the programming period 2014-2020. With this level, Romania is situated below the EU average of 18%. Romania benefits of 23 billion euro through the Cohesion Policy in the actual multiannual financial framework and the funds can be absorbed until the end of 2023. Until now, only 2.7 billion euro from the Structural and Cohesion Funds (namely the European Regional Development Fund, the Cohesion Fund and the European Social Fund, including the **Regional Operational Programme POR – 2014 – 2020**) entered the country, equivalent to an absorption rate of 11.8%. Instead, the situation looks far better for the rural development and fisheries funds, where the absorption rate reached 31.7% namely 2.6 billion euro out of a total of 8.3 billion euro.

In order to achieve more absorption, Ministry of Regional Development and Public Administration launches a new call for proposals under Priority Investment 2.1 A - Micro ROP 2014-2020. In July 2019. For this call for projects will require financing companies and cooperatives which fall into the category of micro, for construction, modernization and expansion of the manufacturing facilities or provide services, provision of tangible assets, intangible assets, including online marketing tools.

Cluster development and agri-food sector

By the regulations, MDRAP Order no.1684 of 07.05.2019 the eligibility of the proposals includes and promotes the participation of the agri-food sector in this Priority



Investment. Although, the main funding possibilities are for the development of the production line, marketing and branding activities including the agriculture and food industry, the cooperation and collaboration activities are still not favored by this measure. As a result of this deficiency of the ROP is hard to realize cluster development activities in the region by this action. It's true that collaboration is not excluded, but the fact that is not an important criteria to develop a proposal, make difficult to control and promote the collaborative projects. We have to mention that there is no other measure in the region which target also the agrifood industry development and no other measure for cluster development at the national level.

The Association of Small and Medium Size Enterprises of the County of Covasna – ASIMCOV and AGROFOOD Regional Innovative Cluster will promote and try to develop in the next period more proposals including collaboration activities and cluster activities under this call.

The action plan was sent to the MA and we are waiting for the feedback about our actions aimed at influencing and to improve the Regional Operative Programme.

In Romania the political situation is changing fast, and it is difficult to maintain a good collaborative relationship with the government representatives. Recently, in November 2019 the Ministry of Regional Development and Public Administration became Ministry of Public Works, Development and Administration and it was nominated a new Minister.

The management team of the Agrofood Cluster is working on to build a new bridge in order to continue the cooperation with the MA (Regional Development Agency Centru), and we are confident that we will get an endorsement letter for the implementation of the action plan designed to improve the ROP.

Important changes are envisaged by the new ministry, and an important aspect is related to the Management Authorities of the Operational Programmes. In the near future the Regional Development Agencies will fulfill the Management Authority role of the Regional Operative Programmes. The Regional Development Agency of Centru Region has already signed a support letter regarding the implementation of the Action Plan realized to influence and to improve the results of the Regional Operative Programme.



Part III. The role of the association

We set two respects about how the targeted policy instrument should be improved:

1. The overall amount for Priority 2 is possibly increased but at least the share for business infrastructure is grown by providing a convincing fact file as supportive material.
2. Qualitative improvement is also to be targeted to better use the existing funding. This means expanding the activities to be supported – beyond infrastructure development – to content improvement making investments sustainable. Activities should be integrated empowering the organizations concerned to strengthen the cohesion of actors (SMEs, knowledge institutions, authorities), to build intra and inter-cluster cooperation, or to operate business infrastructure more efficiently. The policy improvement is envisaged via expanding the objectives for the innovation priority/measure, integrating new supported activities and also raising the rate of content development within the eligible costs.

Achieving these improvements requires new knowledge, and we hoped this knowledge will be more accessible by the STRING project results.

The indicators were set in order to answer the main problem in the sector, the promotion and support for cooperation.

The AGROFOOD Regional Innovative Cluster was created to support the members in developing their management strategies, their brands, the professional training of their personnel, harmonization and representation of their interests. Our aim was to set up a wide partnership to support companies which provide agricultural products, to increase competitiveness, where the common knowledge and the innovative skills concentrate on the re-search-development capacities. ASIMCOV has a substantial role in six regional clusters among others the AGROFOOD Regional Innovative Cluster and also operates the Business Incubator in Sfântu Gheorghe. ASIMCOV organizes trainings, workshops cluster meetings, inter-cluster working events and has very strong formal and informal connections with several regional and national organizations both from business and public sector. ASIMOV is the creator of the Clusters Consortium in the Central Region, and its director is the vice-president of the Romanian Clusters Associations (CLUSTERO), so for policy influence, the AGROFOOD Regional Innovative Cluster of ASIMCOV has shown its potentials for promoting clusterization by the I4Food project results having been integrated in the RIS3 about the food sector and important steps having been implemented during other important projects as ACCELERATOR. We also organized conferences at the local and regional level also, and all of them had success. Many important stakeholders and



policymakers participated in these events. For more concrete results we decided to give dissimilar, STRING related topics for each conference (innovation, policies, regional development, cooperation, and networks, etc.

We identified the following learning needs in the Engines for Change document:

- Food industry innovation ecosystem frames can be developed exclusively if the applicant is an SME. Measures are not addressed to the cluster development or the agri-food sector.
- Specific priorities are not determined in the measure. Cross-sectorial comparisons are supported without selected sectors.
- There is a need for the improvement of the legislation. There is no priority support for the added value production SMEs. (Traditional, bio-, functional, etc.)
- No dedicated measures for the integration of SMEs in clusters and inter-cluster cooperation and promotion. There is a lack of cooperation practice between the stakeholders. Administrative and bureaucracy simplification is needed.

We will focus on the last LN, because this is the most negative factor of the clusterization process in the region and strongly related to our self-defined performance indicator.

AGROFOOD RO Regional Cluster



ensures the frame for
COOPERATION

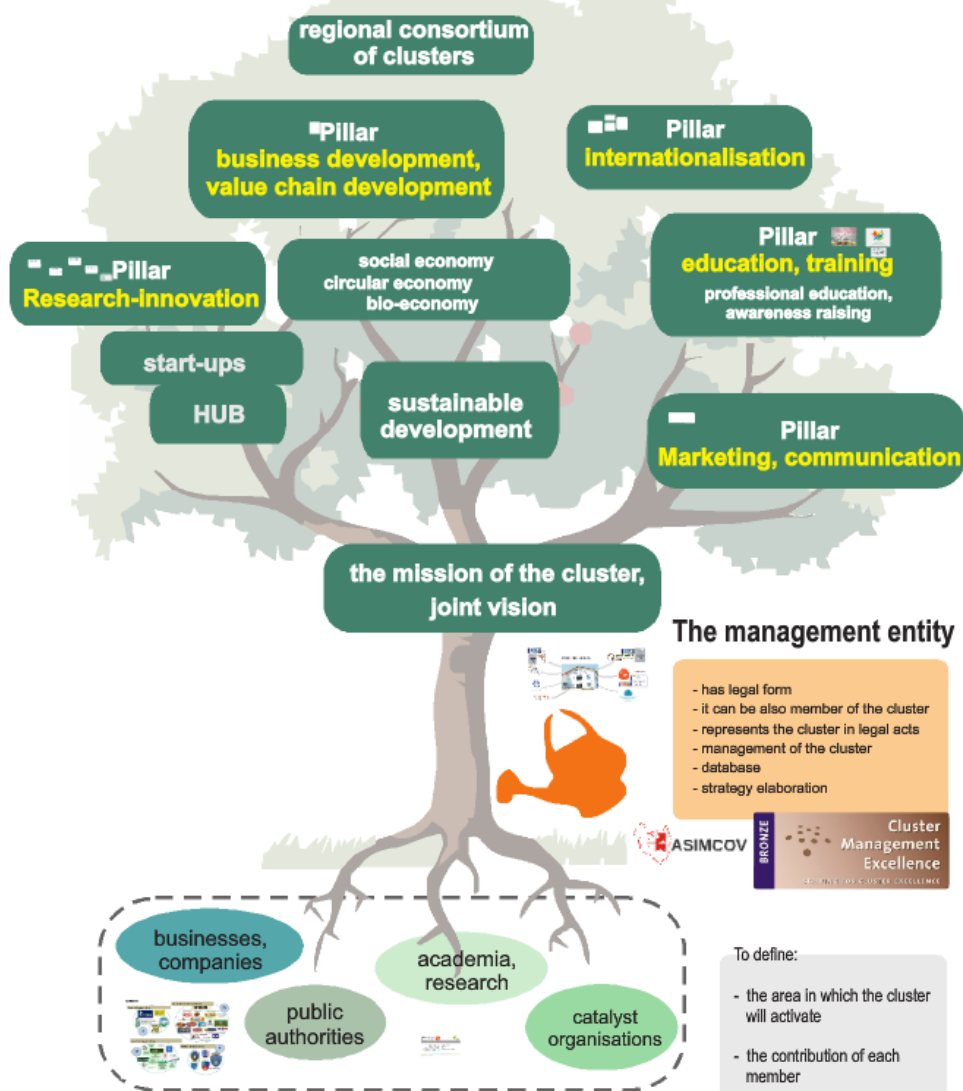


Figure nr.1. AGROFOOD Regional Innovative Cluster tree

The main objectives and correlation with the indicators

The objective is to increase competitiveness, via the diffusion of common knowledge by cooperation, innovative skills to enhance cohesion in order to use synergies and jointly integrate the results of the R+D capacities in the agri-food sector.



Figure nr.2. Main focus areas of the LNs

Taking into consideration the following concrete actions regard the learning needs:

- Extended food industry innovation ecosystem frames by cooperation and clusterization activities
- Measures addressed to the agri-food sector
- Determined specific priorities in the measure.
- Supported cross-sectorial cooperation
- Improvement of the legislation
- Priority support for the added value production SMEs. (Traditional, bio-, functional, etc.)
- Integration of SMEs in clusters and inter-cluster cooperation and promotion.
- Administrative and bureaucracy simplification

Cluster strategy goals:

- Sustainable Development Goals & Circular Economy
- Nutrition and health
- Innovation and research activities
- Waste management
- Renewable energy in the AgroFood sector

The mission is to create a common management strategy, to look for new solutions, makes our products and services competitive on the national and international market. At our events we always consult about cooperation opportunities, we share our resources, information, and knowledge. Together we can access financing. The

members of the cluster have access to technological and organizational experiences, common learning possibilities, they can share the costs, they may undertake the risk together and they can utilize the results of research-development together.

Partners in reaching the objectives

In the partnership, regional authorities are represented by ADR Centru - Centre Regional Development Agency who is the policy maker for these measures, Department of Agriculture of Covasna County's offering SME incentives and accrediting traditional food products.

The Sanitary Veterinary and Food Safety Directorate Covasna contributes with legal and regulatory knowledge to the SG. APM Environmental Protection Agency Covasna, state institution treats the environmental aspects of food production. ICPE SA – Electrical Research Institute, SAPIENTIA University, IBA National Research Institute for Bioresources Development, Eastern European PARLIAMENT FOR SAFETY FOOD CHAIN – FOODLAWMENT Association. On the business side: CLUSTERO Romanian Clusters Associations and the Transylvania Clusters Consortium, COVIMM CONSULTING – Business incubator and innovative SMEs: Wega Invest SRL (mineral water), BERTIS SRL & BERTICRIS SRL (butchering), MEOTIS SRL (milk) SC MADEXPORT SRL (bakery) will join just like other members of the cluster. The ASIMCOV and the cluster headquarter is in the Business Incubator House, AICAR Association in Sfântu Gheorghe, Covasna County, also realized and managed by Mr Vajda.

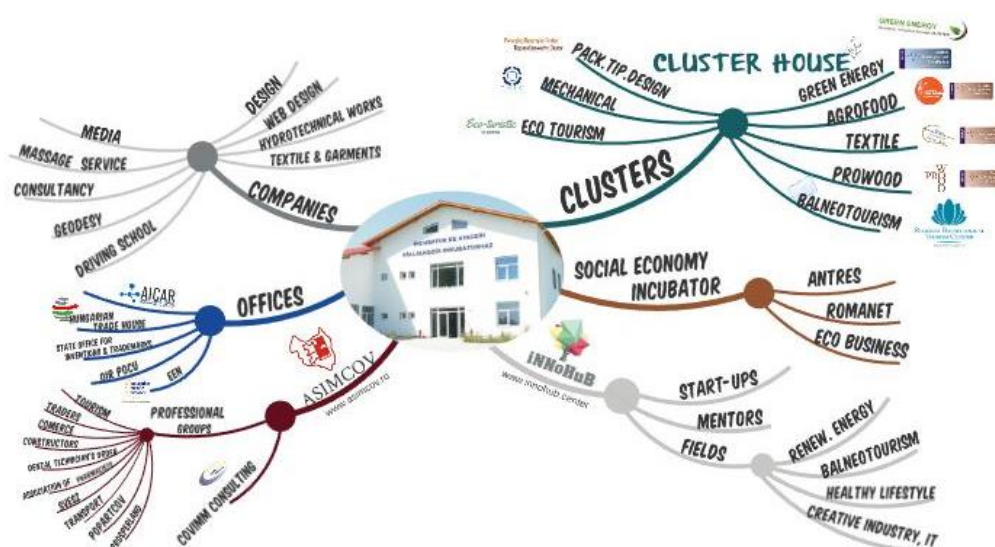


Figure nr.4. Cluster & Incubator House

The aim of the Association is to strengthen the role of business incubators in the economic development of Romania by harmonizing the organizational, informational



and theoretical aspects of business incubators, promoting network development between business incubators, development of national and international relations with similar organizations. The Business Incubator House serves the headquarters for 8 clusters. All the clusters were founded by the guidance and assistance of Mr. Vajda Lajos.

The following clusters are operating and cooperating in the Cluster House:

- Green Energy Romanian Innovative Biomass Cluster
- AGROFOOD Innovative Cluster
- Transylvanian Textile and Fashion Cluster
- Prowood Regional Wood Cluster
- Eco Tourism Cluster
- Transylvanian Mechanical Engineering Cluster
- Packaging and Design Cluster
- Transylvania Balneology Cluster

The cluster house from Sfântu Gheorghe is the most important cluster concentration at the national level.

Assets of reaching the objectives and good practices

- Food industry innovation ecosystem frames can be developed exclusively if the applicant is an SME. Measures are not addressed to the cluster development or the agri-food sector.
- Specific priorities are not determined in the measure. Cross-sectorial comparisons are supported without selected sectors.
- There is a need for the improvement of the legislation. There is no priority support for the added value production SMEs. (Traditional, bio-, functional, etc.)
- No dedicated measures for the integration of SMEs in clusters and inter-cluster cooperation and promotion. There is a lack of cooperation practice between the stakeholders. Administrative and bureaucracy simplification is needed.
- There is a need to visit, talk about and understand international GP for the cluster organisations and its members.

The GP in **Castilla Y Leon** was presented as a **network**, as a GPs where the network partners together can stimulate and promote a more competitive regional economic model through Smart specialization, relating all the key actors of innovation and future planning. We have to form a strong network which is capable of successful lobby actions.



NOVIAA Programme, presented in Alsace region is an operational support program to structure the innovation process in companies (mainly SMEs): strategy, creativity, organization, and management can be a good example for Romanian clusters how to motivate SMEs to join the clusters. Complex services can have impressive impacts on the company's mentality.

These two GPs confirmed our decision to set objective which increases competitiveness, the diffusion of common knowledge, innovative skills, synergies, and R+D capacities.

Achieving the objectives, the more important needed knowledge was to see some international good practices. We knew very well what is missing and what is imperfect in our region, but designing a relevant action plan for the implementation of the changes we missed concrete already functioning practices. Other very important knowledge, we knew we miss was in relation of negotiation procedures and communication strategies with policymakers.

During the STRING project, we met the first needed knowledge by the GPs of the partners. However we have a far-reaching partnership by the ASIMCOV, we realized that is not sufficiently developed. Some GPs, we mentioned in the Engines for changes document are relevant examples of how we should further develop our network in order to have a much stronger influence on the cluster policies.

Due to the Knowledge Exchange period, we had the opportunity to look deeper in strategy development mentality of the Western countries and we realized some similar difficulties as well. Easy to understand now that the changing circumstances are part of a developing country, stakeholders are hard to keep close and active, policymakers do not always understand the roles of the networks or clusters and the policies are often not completely always appropriate to the issues. These difficulties are part of the game, and it's better to accept them, analyse them and start a proactive solution planning. Furthermore, we understood that we have to be confident about our visions and contact the policymakers with such attitude. Maybe the most important recognition was to get very positive feedback about our vision, mission, and future objectives and this makes us much stronger at the national level.

Another important development was the regular organization of the stakeholder meetings. These events visibly strengthened the commitment of several members and during these events, we had the opportunity to discuss some important issues as policy development and common actions, which for we don't have time and opportunity before the project. Now we have important requests and pretensions to achieve.

Relevant GPs for our objectives:

The GP in Castilla Y Leon was presented as a network, based on very impressive cooperation between several big companies, centres, and institutes. The technology centres as ITACYL, Boecillo, CARTIF, ICE, and Meat Technological Center are the base for the innovation, while the Regional Government and **Cluster organization reserve the cooperation and planning**. The companies and farms are



the motors of the regions. The network partners together can stimulate and promote a more competitive regional economic model through Smart specialization, relating all the key actors of innovation and future planning. We have to form a strong network which is capable of successful lobby actions. AgroFood Cluster, together with the ASIMCOV partners can push the Regional Development Agency with more concrete ideas to develop a better regional policy, with concrete measures for the sector, but also can further contribute to increasing the relevance and accuracy of research in the area of the STRING project by not only involving technology implementation but also in the field of fundamental research. Implementing the GP fully in the near future at this point is unachievable because of the regional policy and funds. But separately developing the main aspects and ideas, in smaller projects can be a realistic plan if we targeted the new funding measures properly.

NOVIAA Programme, presented by Aria Alsace is an operational support program to structure **the innovation process** in companies (mainly SMEs): strategy, creativity, organization, and management, can be a good example for Romanian clusters how to motivate SMEs to join the clusters. Complex services can have impressive impacts on the company's mentality. The program consists of a collective phase during which the participants will be able to acquire and share best practices for innovation in SMEs. A single phase which, on the basis of the established road map, will allow the leader to deploy a new innovation process based on a pilot project while continuing to benefit from a methodological contribution. This case will also help internal teams to take ownership of the new mode of operation and to assess performance. The presented GP is relevant as example of how cooperation works between universities, research institutions and the private sector in the benefit of companies. This partnership, with universities and research centres, through its research and development activities, is able to anticipate the industrial problems of tomorrow. We have seen in practice how assistance can be provided for companies in their innovation projects, how to assist SME's with extremely diverse needs in terms of applied research, consultancy, and how technical assistance and training services can be offered. These visits were meant to raise awareness of the participants about how important innovation is, besides common branding and territorial marketing. Learned needs identified by this GP: The development of the innovation ecosystem for SME's in the food industry. The promotion of added value by linking innovation and production to consumers' needs by improving the commercialization of R+D outputs, Cooperation practice between the stakeholders. Cooperation between different stakeholders, customer oriented innovation, customized support for collective branding, joint promotion, programs developed in partnership, innovating with and for companies (research activities in benefit of the companies), technical and marketing services are such important actions. Processes, as a systemic approach of the innovation; putting experts at the service of companies; collective dimension: experience sharing and better integration of learning; emulation; develop partnerships; proposals for tools to use are just some good examples to incorporate in the next strategically steps.



Part IV. The Action Plan

ACTION DESCRIPTION	INDICATORS	OBJECTIVES	CORRELATION WITH THE GPs	CORRELATION WITH THE LNs
Action related to CLUSTERISATION in Agrifood sector				
A1	Preparation and support programme for the food industry shareholders about regional and national instruments (POR, POC)	Number of clusters involved	Network from Castilla Y Leon: complex management GP with impressive collaboration results Support for the cluster development and innovation actions from the public organisations	Cluster development activities
		Number of the promotion actions and participants		Extended food industry innovation ecosystem frames by cooperation and clusterization activities.
		Regional survey		Supported cross-sectorial cooperation.
		Support document		Integration of SMEs in clusters and inter-cluster cooperation and promotion.
		Number of collaborations between the industry participants		Cluster strategy goals.
		Number of submitted projects		Public documents and instruments are formalised on real needs
				Regional and cross regional collaboration actions between the clusters



Action related to INNOVATION activities in Agrifood sector					
A2	Active engagement of the private sector in relevant innovation activities in the food industry	Number of assisted companies Number of prepared strategic plans for innovation Number of the collaboration agreements Number of submitted projects	Fulfilling the self-defined indicators	NOVIAA Programme by Aria Alsace-operational support program to structure the innovation process in companies	Integration of SMEs in clusters and inter-cluster cooperation and promotion. Extended food industry innovation ecosystem frames by cooperation and clustering activities Supported cross-sectorial cooperation. Priority support for the added value production SMEs. (Innovation of traditional products, bio-, functional, etc.)

Part V. Details of the actions envisaged

ACTION 1

Name of the action: **Preparing and support programme for the food industry shareholders about Regional Operational Programme 2014-2020**

1. Background

Clusterization and the support for national cluster development from the public authorities is still lagging behind. There is no dedicated policy instrument for funding cluster management organizations or creating a cluster-friendly environment. The main problem is that in Romania still doesn't exist any cluster legislation and this creates a huge problem to prove their importance in economic development. All the current cluster entities are strong, private management organizations with clear vision and perseverance but facing many difficulties at sustainability. Clusters should include the EU topics as the Liveable Region by SDGs or Agenda 2030.



However, the support for cluster development is a national problem, Regional Development Agencies, regional policymakers, and stakeholders can positively influence the current situation. The ASIMCOV and AGROFOOD Regional Innovative Cluster already have taken many steps to form the Development Plan of the Center Region and put clusterization actions in the GP category. ADR Centre – Regional Development Agency, intermediate body of the ROP is a collaborative organization and already expressed its willingness to cooperate in order to help cluster development in the region.

The Spanish GP, visited by the STRING project, where the ecosystem supports the operation of entrepreneurs made a strong impression for the ASIMCOV and the AGROFOOD members. In the Castilla y León region, the bio-business incubators, entrepreneurship and innovation network, the ICE as the public body in charge of R&D programmes, VITARTIS cluster, CARTIF technological centre, as well as an agricultural technology centre are elements of a well-structured long-standing system. In order to in the future we can implement similarities with the mentioned GP, we will need a current programme which help the cluster management authorities to take a development step on services. First of all there is a need of financial stabilisation and further learning on strategy and project management.

According to preliminary news, a call can be expected at national level between September and December 2019, for innovative cluster management organisations. After several years, clusters finally can have chance to prove their power and get support from the national government. For the Romanian clusters, is crucial to have this unique opportunity as a perfect matching programme for their needs.

The second problem is that because of the gaps of past, cluster management organisations are operating very differently and have special needs. By this action, our objective is to have a common and general point of view of their needs, help them understand the important details of the instruments and on proposal development.

Another important activity of the action is to support the ADR Centre – Regional Development Agency and national government with a document, summing the important issues and recommendations on cluster related policy development.

This action is dedicated to resolve the bottlenecks of clusterization, as the main objective, the development and promotion of the clusters, we will have a positive effect also on integration of the SMEs in clusters, as well as the inter-cluster cooperation in the region.



2. Action

The action will include preparatory steps for the new calls. We will support the ADR Centre – Regional Development Agency and the government for launching the calls properly, to promote it and get in touch with the cluster organisations, get their feedback and needs. We will support the cluster management organisations with information, services and events in order to have better chance in participation.

By this action the ROP 2014-2020 is targeted. The timeframe estimated for this action is between the second semester of 2019 until the second semester of 2021.

Through the **Regional Operational Programme POR 2014–2020** Ministry of Regional Development and Public Administration launched two calls for proposals under Priority Investment 2.1 A - Micro ROP and 2.2 IMM ROP. These two calls are very helpful for the industry and hopefully they will be fully covered.

A specific steps to implement ASIMCOV need to proceed:

I. Preparatory phase

- Set up a database with the cluster organisations
- Organise meetings with the responsible organisations and get involved in policy development
- Analyse the current state of the calls and prepare an extract
- Organise and carry out a survey about the needs of the cluster management entities

II. Active involvement

- Analysis and strategy development
- Support documentation development
- Serve the clusters with GPs on strategy development
- Implement programme services for supporting clusters in writing proposals and get funding

First of all, this action will help the Regional Development Agency to get more information about the critical points and needs in the food and agricultural industry, but also to build a deeper conversation with the important stakeholders from the region. The agency has the obligation to include the stakeholders and shareholders in specific working groups for the policy development actions, so by this action, the participant organisation can be more aware and active during the development phases. On other hand, more companies will be ready to participate in the calls of the ROP and the collaborative step up of the organisations will put also important accent to a future innovation focused cluster management calls.

As the main objective of this action, ASIMCOV will initiate with documentation the implementation of new actions at regional level for supporting the collaboration between the industry shareholders and also the development of new calls for innovative management solutions and centers (like business incubators, technical HUBs,



technology transfer activities and common production centers for collaborators) as we had our GP identified in Castilla Leon. This GP, as an excellent example of the power of common actions, will be further analysed and presented to the shareholders. Developing new calls in the new period supporting the innovative clustering and collaboration activities in the food industry, by launching funding opportunities for the cluster management entities, which are recognised and labelled by the ESCA, will be the main role of this Action.

3. Timeframe + cost

We would like to start this activity in the 6th semester of the project and finish until the 9th.

Nr.		Sem 6	Sem 7	Sem 8	Sem 9
		2019	2020	2020	2021
1	Database				
2	Analyse the current state of the calls				
3	Extract				
4	Survey				
5	Communication/dissemination of the results				
6	Support services				
7	Monitoring all activities of the action				

The costs will include personal costs and organisational costs and will be covered from private resources of the Association.

Implementation costs for action 2	hours/month	Eura/hours	Nr. months	Total
Database	40	10,00	12	4800,00
Communication with policy makers	40	10,00	12	4800,00
Analyse the current state of the calls	40	10,00	12	4800,00
Extract	80	12,00	16	15360,00
Survey	80	8,00	12	7680,00
Support services	120	12,00	12	17400,00



Monitoring all activities of the action	40	10,00	24	9600,00
Extra costs				3000,00
TOTAL				67440,00

4. Responsibilities

The main responsible for this action will be:

- **Mr. Vajda Lajos** - Founder of the AGROFOOD Regional Innovation Cluster, vice-president of the National Cluster Association – CLUSTERO, director of the ASIMCOV and president of the Business Incubator House, cluster creator. He will represent our initiatives at the meeting. For the stakeholder involvement:
- **Mr. Bagoly Miklós** - President of the ASIMCOV, and
- **Mr. Manole Silviu** - President of the cluster, innovator, owner of the SC WEGA Invest company. For the organization, the cluster management board will be responsible, – Ms. Szócs Enikő and Ms. Gáspár Mária.

5. Risk factors

- Lack of money
- The policy makers are not cooperating
- The clusters are not cooperating
- Proper timing
- The instruments cannot be changed

6. Summary

By this action, we will start a new phase in cluster development in Romania. By supporting both side of the cluster topic, the cluster entities and the national policy makers to cooperate.

We strongly believe that these actions will be crucial to meet real chances of the business sector and make useful opportunities for them. National authorities and cluster management entities at this moment are sitting in different boats and sailing and paddling in the same stormy water. Our objective is to put both part in the same boat, make them stronger and overcome the steep waves of cluster development in this country.

The regional food industry is one of the most important industry at regional level, supporting cooperative projects on behalf of cluster activities can reduce the number of challenges for many actors. At this moment, the industry faces several issues regarding:

- missing a large number of professional workers
- waste management difficulties
- exporting
- innovation and development



- branding
- technology transfer issues
- law issues
- energy and social inclusion

Funding many projects on cluster development in the regional food industry can serve as a solution for the listed issues.

Cluster development is a lesson still need to be understood better from both sides.





ACTION 2

Name of the action: **Active engagement of the private sector in relevant innovation activities in the food industry**

1. Background

The most important issues for the agrifood sector at this moment is the legal circumstances, fast-changing policies, missing of the extended food industry innovation ecosystem frames and the specific measures for funding the agrifood sector, especially the innovation and technology transfer activities. Cooperation mentality is also a big issue among the stakeholders. We have to convince the industry participants to start collaborating and think representing together the common issues.

During the staff exchange in Alsace we have seen in practice:

- how cooperation works between different stakeholders;
- how assistance can be provided for companies in their innovation projects;
- how to assist SME`s with very diverse needs in terms of applied research, consultancy, and
- how technical assistance and training services can be offered (programs developed in partnership, innovating with and for companies, research activities in benefit of the companies, technical and marketing services).

Through these services, SME`s are supported and motivated to innovate and to deliver new and differentiated products, new sales methods, and original marketing models. We can say, that NOVIAA programme presented by ARIA Alsace is tailored to the Romanian SME`s needs (customer-oriented innovation), the services can be attractive, and also can activate them influencing in a positive way the clustering process.

Models like the Noviaa program can be implemented by taking the idea, and implement it accordingly to the local needs.

Initiating programmes like collective training in innovation, industries supported by experts to develop an innovation strategy, putting experts in the service of companies, or developing similar services for SME`s (needs analysis, rebranding plan, innovative solutions for marketing and promotion), as the presented programme offers, can increase added value. The cooperation between stakeholders is another relevant key component of the GP that can be linked to the identified learning needs. It represents a challenge to put all innovative actors of the region to work together.

The Good practice can be launch as a pilot programme for SME`s, representatives for CENTRU Region (example: a dairy processing company, a local agricultural farm, a company producing by-products from agricultural wastes).

Our second action is based on this good practice example, adapted to the local needs in terms of the innovation needs of the companies.



Since the second half of 2018 and the beginning of 2019, we already started to organize training programs to develop skills of company managers from the agrofood sector in the areas like entrepreneurial skills, product management/process improvement management, project management, HR management. These programs have been implemented by one of our most powerful stakeholders, the National Research Institute for food Bioresources, IBA, in close collaboration with the management team of the Agrofood cluster.

In Romania in 2019 due to the **Start-up Nation** and **Start-up Plus** programmes, a large number of start-ups have been created. In Centru Region this represents more than 1500 newly established companies, these companies have increased chances to survive and develop in an entrepreneurial ecosystem like the Agrofood Regional Innovative cluster, which can ensure consultancy and support for development, contributing this way to the clustering process.

2. Action

To maintain an ongoing policy dialogue with the decision makers, and to achieve our self-defined performance indicators, we wish to implement the following activities:

I. **Implement a pilot programme** for 3-5 companies from the agrofood sector, designed after the Noviaa-model, adjusted to the local needs of the SME`s in Romania. This programme will consist of:

Services for companies – SME`s from the agrifood sector including start-ups

- a.) Consultancy and technical support to prepare strategic plans for innovation and business development - impact on SMEs – cluster integration
- b.) Development of strategic plans for at least 3-5 companies, which will include actions and operations for:
 - promoting the companies, increasing visibility not only on the local market but also regional and national (using online tools, mainly social media);
 - extension of product range, by producing high added value products;
 - submitting applications for non-reimbursable funds;
 - joining emerging and innovative clusters in order to promote the company and to find new partners and clients.

There is a need for such services, at least for a pilot programme, in the first phase.

- c. Assessment and guide for the implementation of a pilot programme at regional level, designed to develop the innovation capacity of the clusters and companies. The pilot will be an outcome of the interaction between the actors involved, with a significant impact at regional level on the development of innovative clusters and companies in food industry.



II. Establishment of strategic working groups for cluster development with a special focus on project development for cluster members, conceived to create short value chains in the frame of the cluster.

Developing strategic working groups will bring a positive change in the preparedness of the cluster and the companies via the growing number of staff with enhanced knowledge and experience of food innovation practices, enabling them to elaborate and implement projects.

This activity will contribute to increasing the number of projects developed and submitted in order to reach the self-defined performance indicators – 5 submitted and supported projects for cluster development.

These activities are designed to companies for accessing funding, and to increase the implementation efficiency of the development programs related to food R&D and innovation.

We can influence and improve this way the implementation of regional development programmes related to the agrofood sector in terms of innovation, and reach our self-defined performance indicators.

III. Elaborate a strategy for cluster development - presented and disseminated in the frame of a regional seminar as a good practice example in the region for other clusters in the agrofood sector.

All these activities will be implemented with the strong involvement of the stakeholder groups (Regional Development Agency Central Region- intermediate body of the ROP, research organizations, universities, public and local authorities, companies, and catalyst organizations).

3. Timeframe

We would like to start this activity in the 6th semester of the project and finish until the 9th

Nr	Active engagement of the private sector in relevant innovation activities in the food industry	Sem 6	Sem 7	Sem 8	Sem 9
		2019	2020	2020	2021
1	Consultancy and support activities carried out by experts actively involved in the working groups				
2	Development of strategic plans for 3-5 companies from the agrofood sector				
3	Projects for cluster development				
4	Elaborate a strategy for cluster development				
5	Regional seminar to present and disseminate the strategy for cluster development				
6	Monitoring the results of the implemented pilot programme				
7	Assessment and guide for the implementation				
8	Monitoring all activities of the action				



4. Cost

The costs will include personal costs and organisational costs, and will be covered from private resources of the Association. After the successful implementation of the pilot programme the Association will access public funding to further develop the programme.

Implementation costs for action 2	hours/month	Eur/hours	Nr. months	Total
Consultancy and support for companies	60	10,00	18	10800,00
Development of strategic plans	60	10,00	5	3000,00
Projects for cluster development	80	12,00	18	17280,00
Strategy for cluster development	120	10,00	4	4800,00
Assessment of the pilot	80	10,00	2	1600,00
Regional seminar for dissemination and dialogue				2500,00
Monitoring activities	40	10,00	18	7200,00
Total implementation costs				47180,00

5. Responsibilities

The Association of Small- and Medium Sized Enterprises, ASIMCOV, the management entity of the Agrofood Regional Innovative Cluster, Centru Region, will implement this action by the active involvement of the own personnel, side by side with experts, stakeholders from universities, research organisations and catalyst organisations (consulting companies, financing institutes, public authorities).

The main responsible for this action will be:

- Mr. Vajda Lajos - Founder of the AGROFOOD Regional Innovative Cluster, director of the ASIMCOV
- Mr. Bagoly Miklós - President of the ASIMCOV,
- Mr. Manole Silviu - President of the cluster, innovator, owner of the SC WEGA Invest company. For the organization, the cluster management board will be responsible – Szőcs Enikő and Gáspár Mária.

6. Risk factors

- Companies not interested to participate in innovation programmes
- Lack of cooperation will
- No interest in consultancy and support services on behalf of the companies
- Lack of information about the clustering process



7. Summary

Through this action, a pilot programme for at least 3-5 companies will be implemented, designed after the Noviaa-model (from Aria Alsace), adjusted to the local needs of the SME`s in Romania.

Physical facilities are given, the business incubator is a great location, and offers a large variety of facilities. There is no similar programme in the region, based on innovation.

ASIMCOV has the capacity of organising the implementation of a pilot programme (physical facilities, personnel to take on new tasks, etc), but at specific moments in this implementation, it needs the support of experienced trainers and consultants.

With the support of experienced consultants a demonstration of introducing innovation by best practice in SME`s and a road map for strengthening or re-shaping the business at regional level can be done.

The implementation phase will be monitored and after completing the process, based on the assessment, we will submit a guide with recommendations to the Ministry of European Funds, to the managing authority, and to the Regional Development Agency Centru Region, the intermediate body of the Regional Operational Program, to support innovation in companies by the inclusion of the pilot programme in the call for projects proposals also for the next period.

The management team of the cluster is already working to implement the proposed pilot programme. We are prepared to access funding for this pilot in the frame of operational programmes. In case of a new call for project proposals this objective can be achieved in the programming period 2014-2020. Also the companies whom benefit from these services will be able to access funds under the ROP, Priority Axis 2 - Enhancing the competitiveness of small and medium sized companies.

There are not many possibilities to improve the OP in this programming period because the Regional Development Agency (intermediate body of ROP) is now working to prepare the portfolio of projects for the Operational Programme for 2021-2017.

The new framework of cohesion policy will have 5 main investment policies.

The thematic concentration of the policy - 65% will go for the first two policy objectives from which 35% (6,06mld Euro) for Innovative and intelligent industrial transformation

- **Smarter Europe, through innovation, digitisation, economic transformation and support to small and medium-sized businesses.**

Financing directions:

- Technology transfer and cooperation between enterprises, research centres and higher education sector;
- **Advanced support services for SMEs** and groups of SMEs; incubation support companies spin-off and spin-out and start-ups;
- **Supporting innovation clusters and business networks**, mainly for the benefit of SMEs.

The Agrofood Cluster as member of the Regional Planning Committee has a major role and it is represented in the regional working groups (a working group at Covasna



county level), and in the thematic/technical working groups. The technical working groups will have a series of meetings from October 2019 to March 2020 on each policy objective in order to establish the priorities for financing.

On the 15th of October took place the first meeting of the Covasna county level working group in Sfantu Gheorghe, and one of the major discussion points of the event was dedicated to the preparing of the **regional portfolio** of projects for the next period: 2021-2027. We have presented our project proposal for the working group with the aim to be included in the regional portfolio of projects. The Regional Development Agency is developing the on-line platform where the working groups can upload the proposals for projects to be funded in the frame of the Operational Programme. This platform will be functional in the near future.

The management team of the cluster will upload the proposal for a regional level **pilot programme** designed after the Noviaa-model, adjusted to the local needs of the SME`s in Romania for **Advanced support services for SMEs** and prepare a supporting document for potential applicants. This milestone will be achieved at the end of semester 7.

The programme proposed to be included in the regional portfolio of projects to be financed by ROP provides solutions to transform weaknesses identified in the SWOT analysis of Centru Region in a strength. These weaknesses are the low share of innovative enterprises and low levels of innovation.

The work of the strategic working groups (already working on project proposals for cluster development for the call announced to be launched in November 2019) has a major contribution to the achievement of better absorption of OP funds related to cluster development and agri-food sector.

We will continue to:

- Strengthening and support the clustering process in the agrofood sector – tackling/deepening the cluster integration of the SMEs
- Advising and encouraging the companies to develop innovative products on a traditional basis
- Building the capacity of the cluster to respond to the changing R&D demands of local firms
- Strongly involve the companies, innovative and institutional actors in working group activities.





The activities planned in the frame of this action are aimed to influencing the ROP in the current programming period, but significant results will be shown in the future.

The Action Plan has been adopted by the Executive committee and the General Assembly of ASIMCOV and management board of the **AGROFOOD Regional Innovative Cluster** in July 2019.

ASIMCOV, the Association of Small and Medium sized Enterprises has submitted the Action Plan to the Managing Authority Regional Development Agency Centru Region, and to the Ministry of European Funds. The authorities has expressed their agreement and support through a signed letter of endorsement (Annex 1, Annex 2).

**AGROFOOD Regional
Innovative Cluster**



**The Association of Small and
Medium Sized Enterprises of the
County of Covasna – ASIMCOV**





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Letter of approval

The Regional Development Agency Centru Region, the intermediate body of the Regional Operational Programme 2014-2020 has taken note of the Action plan developed in the frame of the STRING project by the Association of SME's, ASIMCOV.

The action plan is designed to develop clusters by diversifying services, especially for SME's. The two actions presented in the Action Plan contribute significantly to the process of clustering, favours the development of clusters and the innovation process in companies and facilitates the dialogue process between policymakers and clusters.

Due to the support activities, we as the intermediate body will get a clearer picture about the development needs of the clusters, and the dialogue process will help the development of support programmes designed accordingly to the development needs.

We strongly believe that the recommendations given by the Association of SME's will represent an important support for us to understand the development needs of the clusters, and to design support programmes to satisfy these needs.

The Regional Development Agency agrees and supports the implementation of the Action plan developed by the Association of SME's, ASIMCOV.

Date: 26.08.2019

Signature: On behalf of the Regional Development Agency Centru,

Simion Crețu
General Director





MINISTERUL FONDURILOR EUROPENE
CABINET MINISTRU

The Ministry of European Funds,

Letter of approval

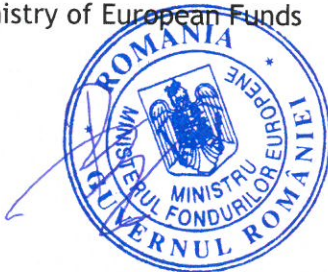
The Ministry of European Funds, coordinator of several managing authorities of operational programmes has taken note, agrees and supports the implementation of the Action plan developed in the frame of the STRING project by the Association of SME`s, ASIMCOV.

The ASIMCOV Association is a very important partner in the dialogue process between the managing authorities and entrepreneurial ecosystems.

Date: August, 28th

ROXANA MÎNZATU

The Ministry of European Funds



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