40Ready

ACTION PLAN

General Information

Project	4.0 Ready
Partner organisation	Government of Navarra
Country	Spain
NUTS2 region	Navarra
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Policy Context

Name of the Policy Instrument(s) addressed:
Industrial Plan of Navarra 2020 *(with co-financing from ERDF Regional Operational Programme Navarra 2014-2020 in some parts)*

Type of policy instrument	
Investment for Growth and Jobs programme	YES
European Territorial Cooperation programme	NO
Other regional development policy instrument	YES

Details on the regional context

At the beginning of the 4.0 Ready project, a SME needs analysis was carried out in order to obtain an overall picture of the situation in Navarra in respect to the new paradigms of Industry 4.0, both in terms of general needs and skill needs of workers. The results showed that the transition to Industry 4.0 was already underway, but it identified certain barriers that need to be addressed to facilitate this transition, such as:

- Availability of resources in general.

- Capacity to work on a redefinition of the organization.

- Culture and change management with people.

- Costs and doubts regarding the return on investment.

- Insufficient capacity of staff.

These barriers translate into certain demands, such as:

- Support from the Public Administration, mainly financial.

- Accompaniment of experts in the projects and implementation of technological solutions.

- Aid for the preparation of comprehensive strategic plans and studies that require linking technology integration with business as a whole, to encourage structured digital transformation with a medium to long-term vision.

Our actions aim to address these barriers by creating and supporting a structured process that makes it easier for companies to develop a digital transformation strategy and carry out this transformation. This includes funding technology audits and the implementation of technologies recommended in them.

The study found that 56% of companies were in the process of implementing some kind of digital transformation strategy. Of the remaining 44%, half of them, despite not having a digital transformation strategy as such, are working on digitisation through pilot initiatives or isolated

projects. The rest of the companies (22%) have not yet started working along these lines.

Companies report that their leaders are aware of the importance of digital transformation and communicate this to the rest of the organisation. In this regard, smaller companies consider it necessary to "demystify" Industry 4.0 and raise awareness at regional level.

In regard to cultural issues, the companies stated that they are working in this area, although it is identified as one of the critical points and challenges of their organisations. In addition, they are increasingly working on more flexible policies and ways of working, promoting teleworking and even new ways of communicating and integrating with third parties.

It is also clear from the analysis that the main areas of investment in Industry 4.0 for the Navarrese companies are in the following processes: production, logistics and commercial process.

The level of automation of production plants is increasing in our industry, with 33% of the participating companies stating a level of automation in their plants of between 25%-50% while 22% of them having 75% of their plant processes automated.

The most implemented systems are ERP systems, MES and Business Intelligence solutions. Advanced data analytics is considered one of the technologies that is starting to become more important. Data captured in production and support processes is mainly used for managing quality-related data and optimising logistics and production processes. Companies also use data analytics to implement and/or improve sales and after-sales support services, e.g. order management and tracking, delivery forecasting and complaint management.

Further details on the policy context and overview of 40Ready Action Plan

Initially, during the development of the Application Form, it was proposed that the policy instrument to be addressed would be the "ERDF Regional Operational Programme Navarra 2014-2020". The "ERDF Regional Operational Programme Navarra 2014-2020" aims to boost economic growth and contribute to achieving the Europe 2020 objectives for smart, sustainable and inclusive growth. It should create jobs and boost productivity, in particular for small and medium-sized enterprises. EU funding is distributed according to the regional specialization strategy (RIS3).

Having as a thematic priority the "Competitiveness of SMEs", it seemed like a good candidate to be addressed in the 4.0 Ready project, but later, having analysed the Good Practices shared by the partnership and assessed our actual capacity of affecting our policies, it was decided to address the "Industrial Plan of Navarra 2020". The "ERDF Regional Operational Programme Navarra 2014-2020" is relevant, since one of the calls enhanced through action 1 is co-financed by ERDF funds (*the call "Investment Aid for Industrial SMEs" receives co-funding under the objective "Improving competitiveness and internationalization of SMEs"*).

The "Industrial Plan of Navarra 2020" is one of the strategic plans that unfold from the Navarrese S3 Smart Specialization Strategy. The objectives of this plan are defined according to 5 main axis:

- Development of new projects.

- Strengthening of existing companies.

- Industry 4.0 and competitive transformation.

- Cooperation.

- Business context.

Consequently, Industry 4.0 is regarded as a strategic challenge. Companies should develop strategies of digital transformation in order to assure their competitiveness.

The axis dedicated to Industry 4.0 contains a set of foreseen activities, into which interregional learning within 40Ready can feed:

- Launching of specialized and personalized consultancy services that support SMEs to formulate Digital Transformation Plans and aid to execute previously designed plans.

- 4.0 Training programmes to encourage I4.0.

- Dissemination and communication actions to raise awareness.

- Regional diagnosis on degree of I4.0 implementation.

- Platform gathering regional technological providers.

Due to the ever-evolving character of Industry 4.0 and digitalisation, the concepts included in this plan need continuous reflection and updating.

The present Action plan is composed of two actions, both contributing to policy change within the Industrial plan of Navarra, through the improvement of 3 calls funded through them (one of which is co-funded by the ERDF). More specifically, the actions deal with the optimization of the calls for grants to subsidize I4.0 consultancy services and the subsequent implementation of the possibilities for improvement detected in them.

Action 1: Supporting SMEs' capacity to engage in Industry 4.0 through grants for I4.0 investments and implementation of I4.0 technologies.

With this action, we seek to optimise the first item of the set of foreseen activities of the Industrial Plan's third axis, creating a new line of financing within an existing call, to help companies to execute Digital Transformation Plans (DTPs), and introducing new evaluation criteria in another existing call.

The first part of the action consist in including a new type of eligible projects inside an existing call for grants called "Promotion of Navarrese Digital Business". This type of projects will implement I4.0 technologies proposed in the Digital Transformation Plans carried out within the regional call "Itinerarios 4.0.

Within the same action, and with the same goal of helping companies to execute their Digital Transformation Plans, a change in project evaluation criteria was applied in the already existing call "Investment Aid for Industrial SMEs". Previously, the assessment criteria for this competitive call referred to several factors such as company size and location, investment effort, percentage of

investment in advanced manufacturing systems, etc. Concerning the last factor (percentage of investment in advanced manufacturing systems), the 2021 call required companies to have previously developed a Digital Transformation Plan, in order to obtain additional evaluation points.

Action 2: Improvement of training needs detection and cyber security assessment in "Itinerarios 4.0".

Also within the Industrial Plan of Navarra 2020, "Itinerarios 4.0" is a call for grants that finances digital maturity diagnosis of individual SMEs by specialized consulting firms. The output of this process is a "Digital Transformation Plan", that is meant to be the guideline for the digital transformation of the company.

With Action 2, the extent of the analysis carried out by the consulting firms is updated, in order to increase the effectiveness of the projects financed through the call "Itinerarios 4.0", specifically addressing training needs and cyber security objectives in Digital Transformation Plans.

In this case, a Policy Improvement was already achieved *(as reported in Progress Report for Semester 3).* Audits carried out during the 2020 call (which was the second edition of the call and the last one carried out so far) already included the proposed changes. Two updated requirements were added. In the first call, there were only generic references to the importance of workers training in the Digital Transformation Plans, without specific proposals. In the Digital Transformation Plans financed in the second improved call, there must be a specific sheet on training needs. The aim is to provide proposals that really guide the company in planning training actions. This task is made more difficult by the fact that there is no commonly used methodology. The same applies to recommendations to be given to the company in the field of cyber security, providing some kind of roadmap for the improvement of the cyber security within the companies.

In the last "Itinerarios 4.0" call, 18 companies received subsidies to elaborate their Digital Transformation Plans. Applications were open during December 2020 and the deadline for the submission of the Digital Transformation Plans was 31st July 2021. A first analysis of the content of the plans has been carried out along Semester 5 of 40Ready. This allows us to have a better understanding of the real current status of the companies in terms of level of digitalisation, and to know the most common technological projects to be implemented by companies.

Indicators collected and overall monitoring of the enhanced calls, both improved by Action 1 and 2, will be used to further improve eventual new editions of the calls in next programming period.

ACTION 1
Supporting SMEs capacity to engage in Industry 4.0 through grants for I4.0 investments and implementation of I4.0 technologies.

Policy Need	Typology of Policy Improvement
The regional diagnosis on Industry 4.0 carried out in Navarra in the framework of the Interreg 4.0 Ready, together with stakeholder input, brought to light several needs and barriers encountered by SMEs when adapting to the I4.0 concept. This Action specifically addresses the need for financial support from the public administration for implementation of I4.0 technologies, as part of a well-thought-out strategy (Digital Transformation Plan). This should be encouraged, as opposed to implementation of technologies in an unstructured manner and without an overall objective. This type of support is essential for SMEs to engage in Industry 4.0.	Type 2 – New or updated funding programmes. Modification of an existing support measure in order to improve the access of companies to subsidies for the implementation of I4.0 projects.

Description of the proposed Action
Action 1 makes policy change to the Industrial Plan of Navarra 2020 *(with co-financing from ERDF Regional Operational Programme Navarra 2014-2020 for one call).* With this action, we seek to improve the framework of support instruments for companies looking to invest in Industry 4.0. This action consists in the inclusion of a new type of eligible projects within an existing call for grants and in the updating of the evaluation criteria of projects in another existing call. We are convinced, and all the analysis confirm this, that the implementation of I4.0 technologies must follow a carefully thought out and planned process. For this reason, the call "Itinerarios 4.0" was created in Navarra. In this call for grants, by contracting specialized external advice, a diagnosis of the company's digital maturity level is made and an individualized Digital Transformation Plan is drawn up for the company. The first part of action 1 consists of the inclusion of a new type of eligible projects within an existing call for grants to finance the acquisition of goods and technologies related to Industry 4.0. by SMEs. This existing call is called "Promotion of Navarrese Digital Business" and has been launched annually since 2013, subsidizing different types of ICT related projects. In the last call (2021), the types of projects that could be financed were related to e-commerce, cloud services, teleworking, business management systems and ICT solutions applied to the "Digital Transformation" of the company. This call falls under the third axis of the Industrial Plan of Navarra 2020: "Industry 4.0

and competitive transformation".

Our aim is to create a new line of eligible projects consisting of the implementation of I4.0 technologies proposed in the Digital Transformation Plans carried out within the regional call "Itinerarios 4.0".

Conducting a technology audit and the presentation of a Digital Transformation Plan will become an indispensable requirement to apply for this new line of grants. Only investment projects unequivocally resulting from the recommendations of these Digital Transformation Plans will be eligible.

The second part of the action is a modification of an already existing call for aid for investments in fixed assets of industrial SMEs. The official name of this call is "Investment Aid for Industrial SMEs". Last editions of this call have been co-financed with ERDF funds, including the 2021 edition, which is being enhanced by this action. The next edition will be exclusively financed by regional funds.

This is not an I4.0-specific call, but for investments in fixed assets. This call has been launched since 2015 and it is a competitive call. The novelty will be a change in the project evaluation criterion. Until now, when evaluating and scoring projects, the ones that included any I4.0 technology were given extra points in the evaluation. It was useful to familiarise companies with the I4.0 concept. The improvement foresees that the call evaluation criteria will refer not simply to I4.0 technology investments, but specifically to the need of carrying out the I4.0 transformation following a well-thought-out strategy.

This criterion was changed in the 2021 call, published on 22nd March 2021, and the last one launched so far. In order to obtain these extra points, as established in the new regulatory basis, it is necessary for the company to have developed its Digital Transformation Plan. Once it has been verified that the company does indeed have it, the percentage of the total investment corresponding to Industry 4.0 is evaluated. Out of a total of 100 points, companies can obtain 10 points if the percentage of I4.0 investment is greater than 75% of the total, 7 points if it is greater than 50% but less than 75%, 5 points if it is greater than 25% but less than 50% and 2 points if it is less than 25%. Those projects not coming from a Digital Transformation Plan will no longer receive the extra assessment.

The monitoring of this action will consist of collecting data on the number of I4.0 projects funded and the total amount of funds dedicated to these I4.0 projects after the closure of the calls. Since each of the parts of this action refers to a different call, these data will be collected and evaluated separately for each of the 2 proposed sub-actions, in order to ascertain the temporal evolution of each of the calls. Later on, the data from both calls will be combined in order to monitor the whole action, thus obtaining the indicators of this action:

- Number of I4.0 implementation projects per year financed through both parts of the action

- Total amount of funds granted to companies for I4.0 projects

These indicators will allow us to compare with past and future calls and know the impact of the action.

The management of the applications in both calls will be carried out in a specific software application called "extr@", from which the reports with the necessary information for the monitoring will be obtained.

Background – Regional and Interregional Inspiration	
Regional / National input, including input from Stakeholder Groups	The need to financially support SMEs in the acquisition of I4.0 technologies and related investments was identified through two different sources at regional level. Firstly, within the needs study conducted in the first semester of the project, we ran a survey and personal interviews with a number of SMEs in Navarra. A significant percentage of them pointed out, as one of the main barriers for the transition to Industry 4.0, the financial inability to make such transition. Arising from this barrier, they highlighted the demand for financial support for the implementation of I4.0 technologies, through non-repayable grants or through money loans on favorable terms. Secondly, during the first regional stakeholders' meeting held in December 2019, discussion on barriers and demands about the transition to Industry 4.0 identified the existence of a financial barrier. Stakeholders agreed that this sometimes makes it impossible to undertake projects and can limit their scope. Therefore, they encouraged financial support for the implementation of Industry 4.0 related initiatives.
Transfer of Good Practices (interregional input)	During the sharing of Good Practices and experiences carried out in the 4.0 Ready Project, several initiatives have been shared, which served as inspiration and example for us. We highlight, among them, "Industry Digitalisation LT", an initiative of our Lithuanian partners. This initiative consists of two different actions: firstly, the financing of technological audits for industrial SMEs, and secondly, financing for implementation of digital technologies, with the requirement of having previously carried out a technological audit and that the technologies to be implemented have been recommended in it. This matches perfectly with our aim to finance investments resulting from a process of analysis about how to approach the I4.0 transformation through the elaboration of a Digital Transformation Plan. In Navarra, the equivalent of the first part of the Lithuanian initiative already exists ("Itinerarios 4.0"), with global satisfactory results, although some specific identified deficiencies are to be improved (see our second action of this Action Plan). A call at national level, called "Activa 4.0", which finances the elaboration of Digital Transformation Plans, is also available for companies. The equivalent to the second part of the Lithuanian initiative is what we want to create with this action.

A first bilateral exchange for the sharing of experiences was held with the Lithuanian partners on 29th January 2021, where both teams presented the initiatives carried out in their respective regions and agreed to exchange the regulatory basis of "Industry Digitalisation LT " and "Itinerarios 4.0". In the case of Navarra, after analyzing the Lithuanian regulatory bases, a series of questions about them were sent by email, which were subsequently answered by the Lithuanian team and the Lithuanian Business Support Agency on 12th February 2021. In this process we learned about:

- General operation of the call.

- The reasons why part of the Lithuanian initiative is within the de minimis framework and another part within the General Block Exemption Regulation.

- How to check that the implementation project is effectively linked to the recommendations that have emerged from the previous technological audit (Digital Transformation Plan in our case).

- The appropriateness of assessing companies separately according to their size.

- How applicants must justify that the equipment and technologies installed are innovative as well as reliable and sufficiently tested.

Subsequently, in September 2021, a peer review was organized, in which some of the previously mentioned topics were discussed in more detail and some new topics were addressed, such as:

- How to divide the budget into two different evaluation groups, according to company size.

- In which category of the European Exemption Regulation the "Industry Digitalisation LT" call is framed.

ELABORATION of the Action

Work carried out within Phase 1

As mentioned above, this action is divided into two different parts.

Regarding the first part, the creation of the new category of projects eligible under the call "Promotion of Navarrese Digital Business", a first internal meeting of the team involved in the project was held on 24th February 2021, where different ideas and opinions were shared, building on the knowledge acquired during interregional exchanges. At this point, the idea was to create a completely new call for project funding for the implementation of I4.0 projects.

In June 2021, a new internal meeting was held to discuss on the planning of the different actions to be carried out for the implementation of the action.

Another meeting was held on 29th September 2021, in order to discuss the allocation of the budget for the call.

A new meeting was held in October 2021 to define the specific conditions of the call for grants.

In the first quarter of 2022, a series of internal structural changes took place, resulting in some strategic changes in the Government of Navarra's Industry Promotion Service. The main consequence for this action plan was the decision not to create a new call for grants specifically for investment in I4.0 projects. Instead, it was decided to create a new line of eligible projects within the existing call "Promotion of Navarrese Digital Business" mentioned above.

At the time of writing this action plan, work is underway on the drafting of the terms and conditions of this call, which is expected to be launched in May 2022.

The call management work (reception of applications, approvals and verification of justifications) will be carried out during the end of semester 6 and the first months of phase 2. Therefore, part of the implementation work will already have been fulfilled by the end of Phase 1. This refers to development of the regulations applicable for this call and application submission phase. During phase 2, management work will be completed (approval of the applications and verification of the justifying documentation from applicants) and monitoring will be carried out on the indicators of this action (as described above). This will help us to compare it with future and past editions and to know the level of success of the action.

Regarding the second part of the action, the change in the project evaluation criterion of the already existing call "Investment Aid for Industrial SMEs", a continuous analysis and reflection about the improvement possibilities was carried out internally during the second half of 2020. The official decision was taken to facilitate access to the grant for companies that presented I4.0-related projects and that had carried out a Digital Transformation Plan. This was followed by a general communication to stakeholders about the outputs of this analysis in December 2020.

An internal meeting was held in February 2021 to discuss the modification of the evaluation criteria, which resulted in the elaboration of the regulatory bases of the call. Finally, these regulatory bases were published on 22nd March 2021, including the new requirement of submission of a Digital Transformation Plan to get the extra points in the evaluation.

The projects funded in this 2021 call are divided into two different categories: "Short Projects", which were to be executed by September 30, 2021 and "Long Projects", which must be executed by 31st August 2022.

The application management work has been already done for the "Short projects" and it is at a very advanced stage for the "Long projects", so most of the implementation of this part of the action will be finished during phase 1. The finalisation of the procedure for "Long projects" will come in Phase 2. After this, the collection of the monitoring data and its evaluation will be carried out. Once the monitoring data from both parts of the action is available, the evaluation of the whole action will follow.

	IMPLEMENTATION of the Action	
	Activities carried out in Phase 1	
Activity Number	**Activity Description**	**Timing**
1(1)	Meeting with the director of the "Industry Promotion Service" about allocation of the budget.	29th September 2021
2(1)	Team meeting for the definition of the specific conditions of the call for grants	October 2021
3(1)	Elaboration of the regulatory bases of the call for grants	1st Quarter 2022
4(1)	Publication of the call for grants "Promotion of Navarrese Digital Business"	May 2022
1(2)	Continuous analysis of improvement possibilities for the call "Investment Aid for Industriasl SMEs"	2nd quarter 2020
2(2)	Team meeting for regulatory bases elaboration	February 2021
3(2)	Publication of the call for grants	22nd March 2021
4(2)	Reception and approval of applications	30th April 2021 (Short projects) 30th November 2021 (Long projects)
5(2)	Project completion deadline (Short projects)	30th September 2021(Short projects)
6(2)	Project justification deadline (Short projects)	30th November 2021
	Activities planned for Phase 2	
5(1)	Reception and approval of applications for the call "Promotion of Navarrese Digital Business"	15th June 2022
6(1)	Project completion deadline of the call "Promotion of Navarrese Digital Business"	31st December 2022
7(1)	Project justification deadline of the call "Promotion of Navarrese Digital Business"	31st January 2023
8(1)	Collection of monitoring data (for details see Description of the Action section) from the call "Promotion of Navarrese Digital Business"	April 2023
9(1)	Evaluation of the collected data from the call "Promotion of Navarrese Digital Business" (1st part of the action)	May 2023

7(2)	Project completion deadline (Long projects)	31st August 2022 (Long projects)
8(2)	Project justification deadline (Long projects)	30th November 2022
9(2)	Collection of monitoring data (for details see Description of the Action section) from the call "Investment Aid for Industrial SMEs"	March 2023
10(2)	Evaluation of the collected data from the call "Investment Aid for Industrial SMEs"	June 2023
	Combined evaluation of the monitoring data from the whole action	July 2023

Stakeholders involved	
Name of Organisation	**Role in Action Plan**
Regional sectorial clusters	Dissemination of new conditions of the calls among their member companies
AIN (Oficina Acelera PYME)	Dissemination of new conditions of the calls among its associated companies and among the general industrial fabric
COIINA (Oficina Acelera PYME)	Dissemination of new conditions of the calls among its associated companies and among the general industrial fabric
Audit companies	Dissemination of new conditions of the calls among their client companies
IRIS (Artificial Intelligence and Robotics for Industry and Society, DIH in Navarra)	One stop shop (dissemination, information). The calls mentioned in this action will be included as part of the service catalogue offered by this DIH, although it will not participate in their management.

Risk and Contingency Plans		
Description of Risk	**Level of probability**	**Description of Contingency Plan**
Unavailability of budget for the call "Promotion of Navarrese Digital Business"	High	If it proves impossible to allocate budget, we will try to launch the call with charge to the next year's budget or to move the call to the next year.
Overlapping with the European	Medium	If the proposed action overlaps with

Recovery Plan		any initiative resulting from the European recovery plans, work will be done to make the two compatible.

Costs and funding sources	
Costs	**Funding Sources**
1.000.000 euro/year for the whole call "Promotion of Navarrese Digital Business". Budget for the new line of projects described in this action plan will be 300.000 euro.	- Regional budget - In-kind resources by use of internal staff by the MA
Initially 10.000.000 euro for the whole call "Investment Aid for Industrial SMEs": -1.000.000 for short projects (2021) -9.000.000 for long projects (2022) -Additional 1.896.915, for short projects. Total 11.896.915 euro	- Regional budget - In-kind resources by use of internal staff by the MA -ERDF funds

Monitoring		
Self-defined Performance Indicators		
Indicator	**Target**	**Means of Verification**
Number of I4.0 implementation projects financed through both parts of the action	25	Evaluation of collected data about the number of I4.0 projects financed both under the new line of projects within the "Promotion of Navarrese Digital Business" call and the existing "Investment Aid for Industrial SMEs".
Total amount of funds granted to companies for I4.0 projects	300.000 for each of the parts of the action. 600.000 in total.	Accounting for the total granted budget through the two parts of the action.
Output Indicators		
Indicator	**Target**	**Means of Verification**
Number of meetings with stakeholders to agree on dissemination strategies	2	

ACTION 2
Improvement of training needs detection and cyber security assessment in "Itinerarios 4.0" audits.

Policy Need	Typology of Policy Improvement
As explained in Action 1, a regional diagnosis on Industry 4.0 was carried out in Navarra in the framework of the Interreg 4.0 Ready project.The analysis brought to light several needs and barriers encountered by SMEs when adapting to the I4.0 concept. Among them, the following ones can be found relevant for Action 2: -Need for improvement in the detection of training needs, as companies find a barrier in the insufficient capacity of their staff -Need for improvement in cyber security assessment. Uncertainty about protection of SMEs information is one of the barriers to I4.0 implementation.	Typology 2: "New or adapted funding programmes". Modification of an existing support measure in order to improve I4.0 related training needs detection and cyber security assessment.

Description of the proposed Action
Action 2 makes policy change to the Industrial Plan of Navarra 2020.   As mentioned above throughout this Action Plan, the digital transformation of companies must be a well thought-out and structured process. In order to help Navarrese companies to carry out this process, the first call "Itinerarios 4.0" was published in July 2019. A second call was approved in November 2020 and implemented during the first half of 2021.   This call funds technological audits carried out by specialized audit companies. Following an established analysis process, the final output of this audit is a Digital Transformation Plan. This plan identifies and prioritizes the necessary digital enablers (technological tools that have the capacity to drive the digital transformation of industry by bringing these technologies closer to the reality of companies and making it possible to implement them on a day-to-day basis) and establishes a roadmap for their implementation. These are its main characteristics: - The aim is to subsidise companies to hire specialised external consultancy to carry out a digital maturity diagnosis and draw up a personalised Digital Transformation Plan.   - The beneficiaries must be companies that develop an industrial activity.   - Consultancy firms must have a multidisciplinary team and accredit experience in both digitalisation projects and business strategy.   - The eligible cost is the cost of hiring the consultancy firm. The subsidy will be 75% of the cost, with a maximum of 9.000 euros per company.   - The analysis must follow a process comprising the following three phases:

- Phase I- Preliminary analysis, in which available information on the company is collected.

- Phase II-Diagnosis. A diagnosis of the level of digital maturity is carried out following a quality standard established at state level (UNE 0061:2019). The diagnosis is performed for each of the following dimensions of the company: business strategy and digital context; connectivity, storage and data processing infrastructure; digital competences of the staff; level of application of I4.0 technologies in manufacturing processes; possibilities for product and service improvement.

- Phase III-Digital Transformation Plan. This plan should include conclusions of the diagnosis; identified opportunities; prioritised opportunities of digitalization; benchmarking of technology suppliers.

One of the core sections of the Digital Transformation Plan consists of the presentation of the above-mentioned opportunities for internal improvements identified in the field of Industry 4.0, preparing a descriptive and evaluation sheet for each one of them.

In the 2020/21 call, two improvements were applied with respect to the first call (*Policy improvement reported in sem 3*). In addition to the factsheets about the identified priorities, now the Digital Transformation Plan must also compulsorily include:

- A specific factsheet describing the opportunities identified in the area of training needs of the company's staff.

- A specific factsheet describing the opportunities identified in the area of cyber security.

With the intention of improving the analysis of training needs and cyber security in hypothetical future editions, after the reception of the Digital Transformation Plans and during phase 2, the quality, depth and approach of these analyses will be evaluated internally. If considered necessary, a mandatory methodology will be established for consultancy firms on how to carry out these analyses. Due to budgetary limitations in fiscal year 2022, no new edition of itineraries 4.0 has been issued, and currently, there is no confirmation as to whether future editions will be held or under what conditions.

Background – Regional and Interregional inspiration	
Regional / National input, including input from Stakeholder Groups	The "Itinerarios 4.0" call was created to answer to the need for specialized external assessment in order to develop a roadmap for the digital transformation of Navarrese SMEs.
	In the stakeholder meeting held in December 2019, participants discussed the barriers and needs that SMEs encounter when trying to adapt to the Industry 4.0 paradigm. Some stakeholders mentioned the need of a special emphasis on cyber security to protect data.
	Moreover, in the needs study carried out in the first semester of the project, a

	growing interest in the improvement of cyber security was identified.
	Regarding the identification of training needs of the companies' staff, some stakeholders highlighted that there is a need for training actions. However, they suggested that it is sometimes difficult to identify which are these training needs.
	Internally, we observed that in the first edition of "Itinerarios 4.0", audit companies provided some information about the training needs of the staff in the Digital Transformation Plan document. However, most of the times it was quite generic and superficial.
Transfer of Good Practices (interregional input)	In a meeting held with Tuscany (23rd October 2020), 4 regional tools for assessing the level of digitalisation in SMEs were presented. In particular, the model Q3 for technology audits performed by external consultants, shared by LP and PP 6, was especially interesting, as we could see which are the indicators used to evaluate the level of readiness of companies for the transition to I4.0 and which subjects are analysed in these audits in order to evaluate their level of digitalisation.
	A second meeting on Tuscan Training Vouchers was held (17th December 2020). Provided that the changes in productions and business models require changes in professional profiles, the regional actions in the field of training were explained. Through the call for vouchers, managers can acquire the necessary skills to drive digital transformation of their company.
	In Lithuania (meeting on 29th January 2020), within the call "Industry Digitalisation LT", technology audits are supported to help companies assess possibilities for digitisation of their production processes, ensuring the effectiveness and benefit of their investments.
	Moreover, as deepened in several meetings with Wallonia, in particular during an exchange on Demonstrators 4.0 on 05th February 2021, competence centres collaborate with companies to identify their needs and to plan company-specific training actions.
	The focus of the exchanged initiatives is different from the one to be implemented in Navarra, where we intend to include it as one of the outputs resulting from the elaboration of the Digital Transformation Plan for companies, but it has served as an inspiration and also as confirmation of the importance of addressing this issue.
	• Company's cyber security: In Wallonia, there is a bonus scheme that could be used, among others, to perform risk analysis audits and establish cyber security policy within the company.
	As exchanged within a meeting on 04th June 2020, the "Made Different" programme offers a bonus scheme to help companies audit their cyber

	security system.
	In the bilateral meetings held to discuss these issues we learned about:
	-Measures to support cyber security implementation.
	-What kind of audit companies perform the cyber security audits and its degree of specialization.
	-How to check the skills of the audit company and whether they are obliged to follow any particular methodology.
	- The typical size of the audit effort.
	Uncertainty about protection of SMEs information is one of the barriers to I4.0. Therefore, it is totally advisable to include cyber security in the Digital Transformation Plans.

ELABORATION of the Action

Work plan within Phase 1

At regional level, activities started in October 2020 with the analysis of the Digital Transformation Plans of the companies that participated in the first call of Itinerarios 4.0.

On 27th October 2020, an internal meeting of the Industry 4.0 Promotion team was held in order to discuss the conditions for the new "Itinerarios 4.0" call, where the new requirements about training needs detection and cyber security assessment were later included.

At interregional level, several exchanges took place:

On 4th June 2020, during a small group virtual exchange the Good Practice (GP) "Made Different" was presented describing a bonus scheme to help companies audit their cyber security system, among others.

On 23rd October 2020, a bilateral exchange with Tuscany region's partners took place. In this exchange, the following initiatives were discussed and compared: "Itinerarios 4.0", "Catalogue of Qualified Services" and "Call for grants for Support to the Acquisition of I4.0 Audit Services".

On 10th December 2020, this exchange was repeated and deepened with the inclusion of other interested partners and stakeholders.

On 17th December 2020, a new exchange with the Tuscan partners took place, during which they presented their "Training vouchers".

On 5th February 2021, a bilateral meeting was held with Walloon partners, in which they presented the training facilities of the competence centre "Demonstrators 4.0".

Following the GPs exchanges, we participated in the Peer Review process, starting on 30th June 2021. A series of targeted questions about Wallonia's initiative "Factory of the future" were answered by the Walloon experts, which were subsequently expanded upon on 24th August 2021.

On 16th September 2021, an online peer review meeting was held where questions about auditing

procedures and services to SMEs were discussed again and further elaborated upon, also building on written documents shared following the reviews.

The process of exchange carried out at interregional level, before and following the publication of the improved call "Itinerarios 4.0", was fundamental in order to verify and confirm the needs identified in cooperation with the regional stakeholder group. In fact, the input received, both in terms of content and of management procedures for the funding initiatives, determined the elaboration of the improved regulatory bases for the call "Itinerarios 4.0" and the development of the ex-post assessment methodology.

IMPLEMENTATION of the Action		
Activities carried out in Phase 1		
Activity Number	**Activity Description**	**Timing**
1	The regulatory bases for the improved call for grants "Itinerarios 4.0" were drawn up.	November 2020
2	The call for grants "Itinerarios 4.0 2020" was published in the official bulletin.	15th December 2020
3	Deadline for the submission of grant applications	31st December 2020
4	Deadline for the submission of the Digital Transformation Plans	First set for 31st May 2021, later extended to 31st July 2021.
Activities Planned for Phase 2		
5	Collection of monitoring data through the software application "extr@"	September 2022
6	Evaluation of the quality of training and cybersecurity needs analysis carried out by audit companies during the elaboration of the Digital Transformation Plans. These analysis are reviewed internally in order to assess whether they are detailed enough	September 2022
7	Definition of recommendations on the follow-up to Itinerarios 4.0 within the selected policy instrument	Ongoing throughout Phase 2

Stakeholders involved	
Name of Organisation	**Role in Action Plan**
Regional sectorial clusters	Dissemination of the amplified scope of the call among its member companies

AIN (Oficina Acelera PYME)	Dissemination of the amplified scope of the call among its member companies and among the general industrial fabric
COIINA (Oficina Acelera PYME)	Dissemination of the amplified scope of the call among its member companies and among the general industrial fabric
Audit companies	Dissemination of the amplified scope of the call among their client companies

Risk and Contingency Plans		
Description of Risk	**Level of probability (High, Medium, Low)**	**Description of Contingency Plan**
Identification of training needs and cyber security opportunities don't meet the expectation in terms of quantity and quality	Medium	Stricter methodology requirements will be established for the detection and presentation of opportunities in future calls.

Costs and funding sources	
Costs	**Funding Sources**
161.400 euro granted during the 2020/21 call (Itinerarios 4.0 2nd edition)	- Regional budget - In-kind resources by use of internal staff by the MA, stakeholders involved (implementation activities)

Monitoring		
Self-defined Performance Indicators		
Indicator	**Target**	**Means of Verification**
Number of Digital Transformation Plans elaborated with the support of the Navarrese administration within the call "Itinerarios 4.0".	20 per year	Count of Digital Transformation Plans

Number of training needs and cyber security opportunities identified	1 Training and 1 cyber security opportunity per Digital Transformation Plan	Review of the Digital Transformation Plans
Output Indicators		
Indicator	**Target**	**Means of Verification**
Number of meetings with stakeholders to agree on dissemination strategies	1	

Date 4/7/2022

Name of the organisation(s) Gobierno de Navarra

Signatures of the relevant organisation(s) Izaskun Goñi Razquin

Izaskun Goñi Razquin

Director General for Business, International Trade and Labour Relations
Directrice Générale en charge de l'Entrepreneuriat, l'Internationalisation et le Travail

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