Project idea: Strengthening and Developing Cross-border cooperation of SMEs in the Baltic Sea Region through networking, matchmaking and internationalisation

Indicative project duration: 18 months

Indicative project budget: approx 150 – 190 000 EUR

Countries: Scandinavia (Denmark, Finland & Sweden), Germany, Poland, Poland, Lithuania, Latvia and Estonia possibly from NW Russia

Required partners in the Consortium: NGOs, SMEs clusters, organisations, Regional Development Agencies, and Chambers of Commerce. (and possibly from NW Russia)

Partner / associated organisations found:
Several from the above sectors have already been contacted and are already in an established negotiation phase

Lead partner:
Discussions are under way with some of the above mentioned

Background of the project
EU has declared that SMEs are the backbone of EU. There are good possibilities to increase the activities of SMEs in BSR through cross-border cooperation in the field of internationalisation, networking and matchmaking which improves SMEs economy and increased recruitment of personnel = decreased in the region’s unemployment

Aim of the project/ expected result & Output
The aims are to increase the activities of the region’s SMEs through stimulation, activities in the field of trading (export & import), networking, internationalisation and matchmaking. the aims are also to increase the share of skilled labour force and improve the cooperation capacity of actors in the BSR region

Output of the project
1. Sustainable economy
2. Increased internationalisation of the SMEs
3. Create a sustainable and increased international network
4. Improved increased international network
5. Possibilities of growth in economy, profitability and skilled workforce.

Main activities
Recruitment of interested partners and their SMEs to participate in the project. Screening, analysing and identification of the involved SME’s competence and possibilities. Internationalisation activities, forming of sector-related networks and matchmaking. Activities to include workshops, advice and consultation meetings individually or in group, seminars including presentation of trade statistics and opportunities, documentation.

Cross-border cooperation
To achieve sustainable results for both the involved interest and opportunities in the SME’s field of operation. Many SMEs have good sustainable growth possibilities both that can result in increased economy and skilled workforce. Many SMEs SMEs and their regions that can be attained in BSR
region it is of prime importance that clearly defined cross-border cooperation activities are implemented. This will assist in the identification of specific are unaware of possibilities and/or that their present international activities are confined to their immediate region/area for example only with the Scandinavian countries or in the Northern European countries such as the UK, Germany, Poland (and the Netherlands) where there are large opportunities with trading between for example Sweden, Denmark, Finland and/or Germany
RE: A Project within the Interreg Baltic Sea Region Programme

Project title: “A project to strengthen and develop the cooperation between municipal and regional Authorities and their companies and businesses in the Baltic Sea Region through cross-border cooperation and networking”.

Acronym: BSRSME-NET

Programme objective SO 5 Improve the participation in cross-border networks cooperation capacity of local Baltic Sea regional actors through

1. Background

Europe's contribution must be a big step for an ever closer, ever stronger Union of stability and growth

Improving the innovation capacity in SMEs is one of the most important - and thus most common - objectives across Europe to reach the EU2020-goal of Smart Growth. Small and medium sized enterprises (SMEs) play a decisive role in the competitiveness of the European economy. A lot of policy instruments have been established to contribute to this objective. But it seems not easy to reach the SMEs with structural funds, especially in cross-border regions. In this context it is remarkable that different border regions with the same objectives and comparable policy instruments (e.g. INTERREG-Programmes) still use different strategies and projects to realise SME involvement. The project partners will use these differences to improve their policy instruments addressing SMEs to develop, grow and engage in innovation processes.

The considerable lack of entrepreneurial initiatives among SMEs in some European regions makes it essential that the SMEs are involved in networking as well as the public sector taking an active role in supporting the small and medium-sized enterprises, in particular regarding increasing competitiveness internationalization, productivity, employment rate as well as achievement of a good solid economic base.

The overall aim of the project shall be to increase the number of entrepreneurs and accelerate European competitiveness as well as improving SME’s market position and increase their competitiveness; focus on accelerating business growth through SME’s ability to innovate, to respond to new market trends, and to incorporate new technologies in their strife to develop and introduce new products and services. In the proposed project the partners will work and cooperate together on the improvement of SMEs and entrepreneurship policies by analyzing and assessment of the existing situation of SMEs, consultation, knowledge exchange, reviewing policies and identifying good practices, information concerning new products and new markets etc. which are then expected to be transferred during the implementation of the project into partner’s territories. The main activities comprise joint analysis and elaboration of studies pursuing common methodology and joint events (seminars, workshops, study visits), accompanied by strong dissemination effort to communicate project’s results inside and outside partner’s territories.

The goal is that the SMEs and entrepreneurship policies will be improved in all partners’s regions and, in later stages, the results of the project will contribute as a model of SMEs development to EU-wide stakeholders. Since 2008 the business growth in Europe originated dominantly from export activities, where SMEs are underrepresented. Less than one third of the SMEs are able to export, meanwhile it is an essential element of gaining know-how and improving competitiveness. Only 13% of SMEs export outside the EU.
There is a numerical evidence that exporting activity is in correlation with innovativeness, new employment. There are **internal and external reasons** for the relatively weak performance of the SMEs. External reason is that large companies are over-represented in export-oriented industries. Internal reasons are cultural barriers, information shortage, language skills, financing.

It has been shown that entrepreneurial activities have quite an enormous impact for the economic performance of regions and the renewal of regional knowledge.

EU has firmly expressed that co-operation and networking between people and companies are one of major priority areas and pillars behind the EU concept involving the Open & Common Market. It is therefore necessary to build-up the level of competence and confidence of the trade & Industry businesses especially the SMEs to a satisfactory and workable level to enable the companies in the Baltic Sea Region to create a well functioning and mutual industrial cooperation between the Baltic Sea Region’s countries and its regions and the companies involved in the Project in order to meet the expressed aims and goals of EU.

Cooperation and measures that are leading to increased workforce = reduced unemployment are some of the key aims and goals of EU. These are clearly defined aims for EU, the Member States and their regions. Improving the situation for the involved SMEs is also vital for the respective regions in that increased business means increased tax base to the State and its regions and can also create economical growth and thereby employment possibilities leading to reduction in unemployment.

This in turn will lead to and help fulfill a healthy social wellbeing and economic situation in the clearly defined EU objective “Improve the cooperation capacity of local South Baltic Region area actors through participation in cross-border networks”

In regards to SME Competitiveness, EU has clearly defined and stated (ref: ec.europa.eu/regional_policy/en/policy/themes/sme-competitiveness) that SMEs (Small and medium-sized enterprises) are vital for the EU’s economy and accounting for more than 99% of European businesses and two thirds of private sector jobs. The European Structural and Investment Funds have therefore made available more than €450 billion to Member States in 2014-2020 to finance investments for enhancing jobs and growth.

Improving the competitiveness of SMEs is one of the 11 thematic objectives for Cohesion Policy in 2014-2020. Additional investments in SMEs will also be made under other thematic objectives, particularly research and innovation, the low-carbon economy and information and communication technologies. €57 billion or around 20% of funding from the European Regional Development Fund (ERDF) will be dedicated explicitly to SMEs. The increased use of financial instruments mobilising additional EU, national and regional funds during the 2014-2020 funding period is also expected to benefit SMEs.

Increased investment in SMEs in 2014-2020 will build on the achievements of EU Cohesion Policy during the 2007-2013 funding period:

- More than 95,000 start-ups supported
- More than 300,000 jobs created in SME

All of the designated countries and regions that are participants in the proposes project share and comply these mentioned common EU, Country & Regional Strategies and policies in regards to their own respective trade & Industry business sectors & the involved SMEs not only to create a high level of wellbeing for the individuals but for the regions and EU as a whole so that any measures that can lead to such improvements are
well worthy and motivated. Measures to tackle the present and predicted increased unemployment especially due to the large influx of refugees in Sweden and Germany are also highly commendable and necessary in the integration situation and processes.

It is widely accepted that 99% of all companies in the Baltic Sea Region are small and medium-sized enterprises (SMEs), providing up to 70% of all jobs and 80% of all training positions. However, many of these SMEs just have not recognised or have been exposed to or have sufficient knowledge or experience of the economical results and benefits (and pleasure) that can be achieved through in cross-border cooperation and networking with other SMEs and are also often uncertain about the involved markets, market/customer demands and expectations, language or business culture barriers, product compatibility & acceptance. Even if 90% of the future global growth will happen outside Europe’s borders, few small businesses in Europe export beyond the EU. Increasing the internationalisation of SMEs and helping them access third markets is crucial for Europe Competitiveness.

It is our opinion, just like the situation regarding Sweden, that for the majority of the countries in the Baltic Sea Region that the company structure is dominated by a large number of SMEs and handful of large internationally successful companies. Many SMEs also act as sub-suppliers to larger companies who in turn export. There is a high percentage of SMEs that are directly dependent on increasing their export/import which in turn can determine their very survival and economical growth.

There is thus a very firm relevance of the proposed project in today’s trading situation for SMEs in the Baltic Sea Region through providing support, understanding through exchange of ideas, know-how and best practices so as to foster, encourage and stimulate cooperation across the borders. Such cooperation and networking can serve as a good assistance, help and advice to many SME companies that are struggling with their aims to achieve a degree of internationalisation.

It is noted that we that are involved in internationalisation often come into contact with SMEs that quite openly and firmly declare their interest to either commence or develop their degree of internationalisation. The proposed project is thus regarded as being very relevant in that it has been noted that there are many SMEs in various sectors throughout the North Sea region that have a good growth potential in internationalisation (export/import) but that a majority of them are mostly involved in trading within their own country or region and not really aware of the potential growth market that exists in the Baltic Sea Region with similar companies like themselves. It can be pointed out that most of the Project Partners and their Associated Partners have long experience in internationalisation and marketing both in the Baltic Sea Region and in many other EU countries as well as in other countries outside EU and in distant continents. (ACC alone have a broad business network and possess more than 40 – 50 years international experience throughout the World).

The bottom line is that through the proposed project the involved SMEs can capitalize on these mentioned facts and factors and so the project to increase cooperation, competitiveness and internationalization is more than justified and warranted.

2. Why is the proposed project motivated and why is the project needed?

2.1. Other completed or ongoing SME competitiveness projects

It is interesting to note that if we analyse all of the 33 INTERREG projects that are designated under the SME competitiveness “umbrella” i.e. the 12 completed projects in the period between 2008 – 2015 with a total...
budget of 881,882 EURO and those 21 planned projects in the period 2016 – 2021 with a total budget of 34,919,104 EURO that most of proposed Baltic Sea Region countries are involved in almost all of the mentioned projects. However it must be stressed and underlined that none of the completed or proposed/ongoing projects tackle the issues that are proposed in the current NSR proposal, which we find both non understandable or even acceptable from an EU perspective. Where the subject of cross-border cooperation, internationalization, networking or increased competiveness of SMEs is covered and where one or more of the Baltic Sea countries are involved it is often together with regions/countries in Central or Southern Europe or with the UK/Ireland. Even where two or maximum three to four Baltic Sea countries are involved there does not appear to be any focus on direct SME cooperation. Thus we feel that our proposed project more than ever is well motivated and justified.

The six countries & regions where we anticipate that the participation SMEs will be recruited from are:

- Sweden (the South Swedish Provinces of Skåne, Halland, Blekinge, Kalmar & Kronoberg) = 2.222 million (Sweden 10.135 million)
- Denmark population 5.745 Million
- Finland population 5.5 million
- Poland population 38.4 million
- Lithuania population 2.8 million
- Latvia population 2.0 million
- Estonia population 1.3 million

and

- Germany – for example Meckleburg-Vorpommern with an approx population of 1.612 and/or Schleswig-Holstein with an approx. population of 2.9 million (Germany 82.521 million).

- It can be noted the population of the other NW Russian Oblasts as follows: Karelia 0.64, St Petersburg 1.7 and Kaliningrad 0.94 million resp.

(Other important neighbouring trading countries and their respective populations are: Norway 5.2 million, UK 66.6 million and The Netherlands 17.6 million).

This shows that some of the eight Baltic Sea countries/regions are quite similar in size – population but unsure about the number of SMEs in the respective areas. Not all of the proposed regions involved are large and many SME companies all relatively small (internationally) so cooperation and networking is necessary to give an overall increase in competition.

The total population of the proposed Baltic Sea Region’s countries/ regions constitutes a mere 63 million or approx 12% of the total population of EU (which is approx 510 million).

2.2. Internationalisation and Trading
Based on available World Trading statistics (source ref; https://tradingeconomics.com) from 2016 it can be
clearly seen that trading-wise the 8 involved Baltic Sea Region’s countries in the proposed project can all
be considered very active regarding both import from and export to each other even though only
Germany, Poland and surprisingly Estonia having a positive trade balance i.e. export more than they
import whereas Sweden and the other two; Latvia and Lithuania all have a slightly negative trade balance.
It comes as no surprise that the largest trader is Germany with an export of around 80 billion Euro (but
import of mere 60 billion) followed by Poland at 54 billion (but import of only 40 billion) with Sweden at a
mere 18 billion (but import of 30 billion).

Trade among and from the three Baltic States is of course at a much lower level; Estonia export 5.9
billion/import 4.3 b; Latvia export 4.7 billion/import 5.9 b and Lithuania export 8.5 billion/import 9.5 b.
Germany is however at No 1 the major trading country for Sweden (11% of the total exports and 19% of
the imports), for Poland (27% of the total exports and 23% of the total imports) and for Estonia (5.6% of
the total exports and 11% of the imports).

For Latvia (Germany has the 4th largest share at 7.3% of the total exports and 2nd at 12% of the imports)
and Lithuania (4th largest share at 7.7% of the total exports and 2nd at 12% of the imports).

In this context it is interesting to note that Sweden is No 1 partner both regarding import and export for
Latvia. For Lithuania regarding the 7 largest export partners whilst Russia is the largest at 14% of the total
Latvia is No. 2 with 9.9%, Poland at No. 3 with 9.1%, Germany at No. 4 with 7.7%, Estonia at No. 5 with
5.3% and Sweden at with 4.8 % The largest trading partner for both import and export for Latvia is
Lithuania. It would appear that trade between the three Baltic states is considerable. For Sweden
traditionally amongst the top 8 trade partners are the other three neighbouring Scandinavian countries;
Norway, Denmark and Finland.

The trading figures and situation between the eight Baltic Sea partner countries does not in any way
reflect the situation concerning SMEs as much of the export figures from for example Germany and
Sweden and to some degree also Poland comprise of industrial and finished products such as vehicles, raw
materials, timber products etc. Like wise for the other 4 countries export could well be comprised of or
include to a large degree semi-finished or finished products (from sub-suppliers), consumer products,
agricultural high quality products etc that are attractive because of their favourable and competitive price
level.

Based on actual available facts and trade statistics and thereby if we look at the relevant latest available
Trade Statistics (see APPENDIX 1) it is interesting to note that whilst the three Baltic States are countries
with small populations the total export from Sweden, Poland and Germany is relatively small. However,
the only available trade statistics for Germany, Sweden and Poland are for the whole country(ies) and
there are no trade figures for the “participating” areas/regions i.e. Meckleburg- Vorpommern, S. Sweden
and N. Poland + Lodz Province are unfortunately unavailable but we can assume that they could be a
respective & of the total respective population i.e. for Meckleburg-Vorpommern at 2% of Germany’s trade,
S. Sweden approx 25% and for N. Poland + Lodz Province approx. 10%. The participating Project Partners in
these three regions can no doubt present more definite figures). The disparity in the trade in the region is
quite difficult to understand especially as particularly Germany and Sweden but even Poland have a long
established export experience with high quality products and services that should be in demand in the
Baltic States. Poland’s closest neighbours are Germany where there is a large trade (where both export
and import to Germany are in first place but their closet neighbour Lithuania comes first on 20th place for
export and 30th for import. It could well be concluded that SMEs from Germany, Sweden & maybe Poland find these Baltic markets difficult to understand or work with despite there being no real language barrier anymore and that the SMEs are developing rapidly. Here can the exchange of know-how, IT-solutions, knowledge on environmental issues be good export areas. Many of the Swedish & German companies have also discovered that they can source excellent high quality products at very competitive prices and thus use the 3 Baltic countries and Poland for sub-supplying. For example, the fact that Estonia has Sweden as No 1 in their export table is not by chance since Swedish companies have discovered Estonia as a good source for products. For example, for Sweden it is apparent that the Scandinavian market is still of major importance for the SMEs. For Sweden traditionally amongst the top 8 trade partners are the other three neighbouring Scandinavian countries; Norway, Denmark and Finland.

(One example of this can be seen with a Swedish company who manufacture wooden & garden furniture which I work with has already discovered this fact and now buys cushions from Estonia & Latvia, wooden & steel components from Poland as well as packaging material from Poland merely because of the high quality, flexibility, excellent supply & delivery times all at very competitive price).

At this present time there is some uncertainty of whether the trade statistics only involve trade with products and not services, which are becoming more and more important in the knowledge transfer between countries.

The above mentioned existing trade situation, as reflected from the mentioned trade statistics, is one of the main reasons why it is regarded as very relevant to initiate and implement the proposed project as it is noted that many SMEs have a great desire to grow and also to commence or increase their degree of internationalisation (but at the same time retain their marketing trade in their own country or region(s). There are untold many excellent and very successful SMEs that have begun as small “cottage” industries or as “spin-offs” from larger companies. Many have developed or started up as extensions of innovative product design or methods/processes and who are often characterised as manufacturers of high quality specialised products or designed systems such as in the building, construction, environmental or energy-sectors to mention just a few areas, many of which are unique. Whilst the price levels of the manufactured products and/or services could be regarded as high especially from Sweden and Germany in comparison to those in Poland and the three Baltic States successful export can still be achieved through well planned and implemented own or assisted marketing.

3. AIMS & OBJECTIVES/GOALS OF THE PROJECT

Companies in the Baltic Sea Region as well as municipalities and regional authorities all have a firm determination and aim to strengthen the co-operation (including industrial) with their regional partners as well as in Europe. The overall objectives are to create healthy environments for their citizens, increased incomes and workforce opportunities and for the companies which can only be achieved through strictly targeted activities The Baltic Sea Region is thus forced to follow and keep up with the developments in other EU countries and try to develop and expand to meet the requirements required and needed to act as qualified cooperative partners (and suppliers) even to other foreign countries.

It is therefore necessary to build-up and develop the various competences of the public and industrial actors and sectors to a satisfactory level enabling all those involved to create a mutual co-operation between the countries in the Baltic Sea Region and between the clients and citizens in order to and fulfill the aims of EU.
The following proposed project shall be regarded as the first step of this development process intended for the Baltic Sea Region’s companies and public actors recommended by the respective involved country as well as other institutions and institutes such as Chambers of Commerce, Regional Development Agencies etc. The actual EU authorities that have been contacted have fully endorsed the project which they find that this qualifies as an important project to reach the European goals within the sphere of public and industrial development in order to reach an improved and increased competition as well as providing increasing improvements for the well-being of country’s citizens. In the initial phase of the project it is important to define the weaknesses and strengths of each of those “actors” involved from regions and countries. The project includes an increase in the overall various competences for all of the involved public and private “actors”.

The overall aim and purpose of the proposed ACC project is to strengthen the Baltic Sea Region and other EU countries in regards to both the various public and well as the private sectors. Closer cross-border cooperation and networking throughout the regions can lead to that the sectors become more proficient and cost-effective. The Baltic Sea region’s countries have for sure an ambition to achieve becoming a high status player in the various sectors whether it be in the manufacturing sector, as provider of services, marketing, purchasing or public services to its citizens etc. This is made possible to achieve through closer cross-border cooperation and networking. Many of the proposed public and private actors can already offer a high level of management, planning, in-place quality and environmental systems as well as good competitive logistic procedures and solutions etc.

The project is a wide European initiative aiming at the collaboration between the Baltic Sea Region to work more closely together and to elaborate joint actions for their common challenges. The partnership of the project shall include and involve cooperation with the regional authorities/bodies in the involved regions, and should intend to involve further interested European and non-European partners to their activities. Core elements of successful SME development and innovation policies in these areas are cross border business cooperation with both EU and non European neighbouring countries, and better structures of access to knowledge and access to finance for SMEs.

The policy instrument of the project seeks to improve awareness of, involvement in and more value-added being derived by SMEs from international markets

The question to ask is - Why to improve the situation for the SMEs?

- The costs of entering a new market and the internationalization process are too high for an average SME. At the same time there is a known lack of collaboration among SMEs, collaboration that could help to share good (and bad) practices and the multiple required expenses.
- If more and higher quality services were available for SMEs, it would improve the options of reaching the international market.
- The increasing of the competitiveness of the SMEs of a region improves the economic development of the region, which is committed to innovation and knowledge-intensive sectors.

- Technical support to companies, with the delivery of services such as the organisation of trade missions, promotional events, consulting services, etc.

4. BENEFITS
The possibilities to combine good Scandinavian and Continental European business-related knowledge with the achievement of higher competence coupled with possibilities to use lower Baltic Sea Region’s production costs is truly a very appealing thought which can result in that everyone who are involved can truly reap the benefits and for example the Baltic Sea Region’s sub-suppliers would get better opportunities to take higher quantitative orders which also would benefit the buyers because of lower competitive prices which would allow the production to be divided between Sweden and the other countries in Baltic Sea Region. However, in our opinion, the Swedish (and no doubt the North German) influence and their well known disciplined responsibility for quality control, choices of material (and services), environmental and management issues are necessary factors in the achievement of the widespread competence throughout the involved Baltic Sea Region.

For the Swedish (and no doubt the German “actors”) it is uncertain that they can “compete” on a price/cost level with their Polish and/or Baltic actors but instead can offer a higher degree of competency within the field of product development and quality control especially in the supply chain for example in the question of sub-contracting. For example, new research in the area of sub-supplying is indicating that “first in mind – first to service” may be a future and better way of working. The essence of this concept is also to decrease the time between the product/services idea stages to a final product/service. However this new way of working is going to demand a continuously input of new knowledge.

5. STARTING POINTS FOR THE PROJECT

People in the Baltic Sea Region, in the both the public and private sectors, are in general well educated and like using and applying the best techniques However they are often unaware of or will not admit the opportunities and possibilities that are available to help them increase their capabilities through cross-border co-operation and networking.

The proposed Phase I and & Phase II have at this stage been examined and studied by Lithuanian, Polish, German, EU and EU-related institutions and organizations and we have amended the project accordingly in accordance with their comments and proposals so that we now feel that our project is in order and ready to be implemented. Thus the stakeholder have recommended the below mentioned immediate steps the initial stage of Phase I of the project. Phase II of the project implies the connecting-up phase with the foreign involved public and private “actors” in Lithuania, N. Germany and Poland.

The results of the activities carried out in both Phase I and Phase II all aim to achieving a marked increase of efficiency and increased trading volumes in the range of 20 – 30% as well as increasing their profitability. Both of these are directly aimed at ensuring their future “existence” and at the same creating the need to increase of their workforce = lower unemployment. These attained results are extremely attractive goals and aims for the involved municipalities and regional authorities because they lead to increases in their “tax base” and lower the need i.e. for costly outlay of benefits.

6. PHASE I

Active networks of public and private institutions as well as target group orientated consultation and qualification approaches should be implemented in the partner regions. All these activities and approaches and good practices should be gathered in a pool, where all regions can find methods, tools or some examples, waiting to be installed or to be improved due to their regional requirements the entrepreneurial spirit and basic conditions. Sustainability is the benefit from the pool of experiences, methods and tools.
The preparation of import and export practices is a very solid foundation for the actual import and export through the beneficial exchange between regions.

The overall objective and the main aim of the Project are to improve the effectiveness of regional development policies for the economic and qualitative growth of entrepreneurship in Europe. The exchange, sharing and transfer of policy experience, knowledge and good practices will contribute to achieving this objective.

The following activities will be undertaken during the first part of the project:

- **Project meetings and study visits** to share knowledge.
- **Interregional thematic workshops & seminars on** –
  1) skills enhancement for market access,
  2) access to public procurement markets,
  3) new business models and strategies for internationalization and marketing growth.
- **Regional study reports** and **1 interregional analysis** (developed by the advisory partner) to map the enterprises ecosystem in each region.
- **Regional Stakeholders Group meetings** to involve relevant actors in the learning process.
- **Good Practice Guide** to collect the best regional examples.

The core activities of the project are divided in three parts:

1. Interregional analysis of the sector;
2. Identification of existing good practices for support of synergies between SMEs, companies and public authorities (such as structures, support services, legislative and tax instruments);
3. Interregional study visits and focus groups as catalyst for increased regional competitiveness.

To realize and achieve the above project goals the working method should, in Phase I, be carried out according to the following:

a. **Listing of the public and private (companies) “actors”**.

The project partners shall select and compile a list over “their” companies as well as municipalities and regional authorities/bodies that are interested in participating in the Project and, providing that they have products and/or services to enable them to enter new “markets” and/or the wish to expand their existing international business/cooperation relationships including business relationships that can ensure that they can achieve the anticipated goals.

Following the outcomes of the hitherto discussions with the German, Polish and Lithuanian Project Partners and based on their respective knowledge of the demands and structures of the foreign public authorities and industrial sectors connected to the Baltic Sea Region’s interest areas the listing shall be brought in-line with the planned assessment of the possibilities within the various public and private/industrial sectors, possibly those indicate in the earlier run project involving the Lithuanian companies that took part in the previous Swedish-Lithuanian Export Promotion Project. Here in particular was outlined the need to assist the small female run SMEs as well as some in defined public sectors. It might be of interest to note that from earlier
experienced from this and other projects in the Baltic States it was the small enterprises that showed the best dynamic capacity for growth.

b. Evaluation of the public and private participants

It is anticipated that a large number of companies, municipal and regional authorities & organisations will be involved in Phase I and that the final selection of participants will be based on additional and separate investigation procedures as per the following description.

The preliminary listing of the municipalities, regional and public authorities and private (SMEs) companies shall, after selection, be visited to discuss and determine, together with their management, their detailed strategy plans, present and planned marketing and cooperation activities, production capacities, management and marketing organizations and structures as well as the existing and possible status of their products and services that then can or want to offer. Based on the information obtained in these respects the final selection will follow, if possible, to establish a few core public “actors” and company group networks in each of the participating countries. Preliminary activity plans for these “actors” shall be then formulated in such a way that they can be tested and evaluated on the prospective regions and markets in the below described activities.

c. Baltic Sea Regional Benchmarking

Parallel to the above described activities a similar preliminary inventory will take place in each country by the chosen regional cooperation partners. In regards to private companies special observation will be adapted to key sub-suppliers within the mentioned sectors. The need for cooperation or partnerships between South Sweden and the public and private actors in the Baltic Sea Region to ascertain whether gains in cost-savings, logistics, marketing, information and technical exchange and cooperation can be realized and achieved. The results of this inventory shall be a description of the “actors” in the Baltic Sea Region with structures, ambitions, qualifications and lines of products and services giving them possibilities to start discussions about co-operation with suitable competence areas.

d. Cooperation attempts with the project participating “partners”

Based on the above formulated marketing preliminary plans, strategies and public authorities and company capacities, a FIRST ATTEMPT to find prospective co-operation partners abroad will follow. If there are any foreign “actors” outside the Baltic Sea Region that are to be selected then this should be with the highest degree of carefulness. Their willingness to cooperate in the Baltic Sea Regional project with the stakeholders shall be indicated right from the beginning resulting in the best accuracy in the contacting activities.

These visits and the occurring discussions shall be well documented so as to enable the stakeholders and the participation public and private “actors” to continuously correct and/or amend their preliminary strategies and plans and, if necessary, find new solutions to increase their competiveness and efficiency.

7. DELIVERABLES & PROJECT ACHIEVEMENTS

The outcomes from PHASE I will be:

- Compiling of lists over public authorities and private companies in the countries in the South Baltic Region (and if required then even from other European countries).
- The respective profiles and their basic development strategies
- Benchmark results
- Trading - Import/Export & supply strategies (where applicable)
- Co-operation strategies for the participating countries in the Baltic Region and later even for the other EU countries/markets
- The need for training programs to increase the level of competence
- The need for possible long-term mentorship.

PHASE II

Phase I shall be followed by a Phase II. The overall objectives with Phase II are to increase and deepen the attempts to achieve the goals through development of training programs, implementation of international standards and legislations, developing improved logistic systems and solutions, cooperation contracts and agreements, trading and custom’s handling documents, improved cost calculation systems and methods as well as improved monitoring, and economic long-term investment planning, full use of IT, E-trade and E-networks etc. This should be carried out after and in accordance to the demands that are as a result of Phase I activities and in accordance with those listed in the Baltic Sea Region Programme as well as those requests from the involved public and private “actors”/partners from the Baltic Sea Region.

<table>
<thead>
<tr>
<th>TIMETABLE PHASE I</th>
<th>PROJECT TYPE</th>
<th>ACTION</th>
<th>DELIVERABLES</th>
</tr>
</thead>
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<td>Select and compile a list of Baltic Sea Region’s “actors” and their products and/or services</td>
<td>→</td>
<td>1.1. LIST OVER THE “ACTORS”</td>
</tr>
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<td></td>
<td>Investigation procedure</td>
<td>→</td>
<td>1.2 PROFILES &amp; EVALUATION OF THE “ACTORS”</td>
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<tr>
<td></td>
<td>Inventory of the “actors” in the South Baltic Region</td>
<td>→</td>
<td>1.3 BENCHMARKING</td>
</tr>
</tbody>
</table>
Finding of suitable partners or trading partners

1.4. DEVELOPMENT STRATEGY

Further contacts between partners

1.5. CO-OPERATION STRATEGY

Complete final report

Kristianstad, Sweden, 1st June 2019

ACC - Association of Consultants in Cooperation

Gunnar Jansson - Frederick Campbell