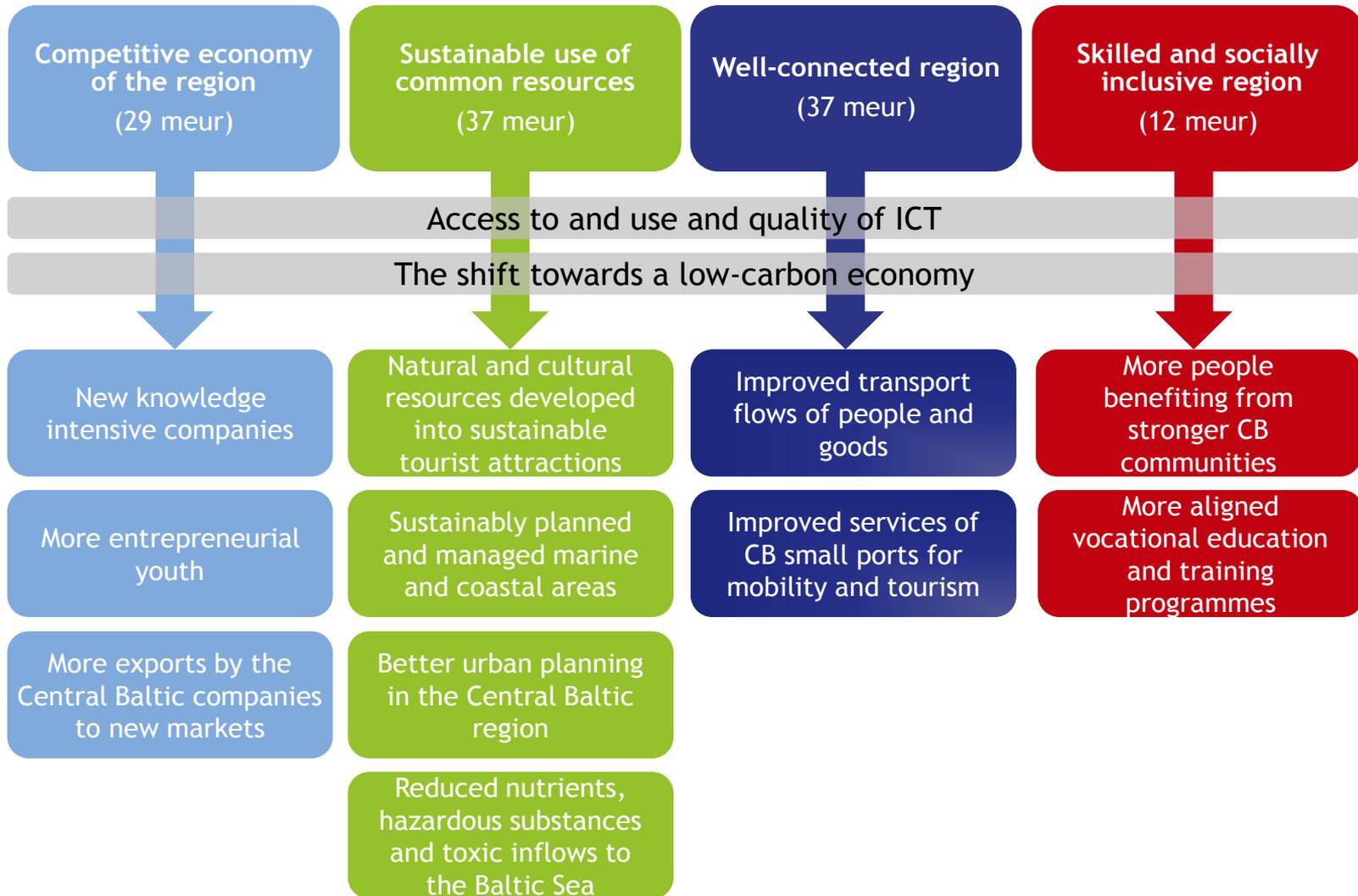


How the Central Baltic Programme 2014-2020 contributes to the **competitive economy** of the Central Baltic region?

Project Manager Ülari Alamets



Priority 1: Specific Objectives

SO 1.1

New joint and co-operating Central Baltic knowledge intensive companies

SO 1.2

Joint CB student companies - leading to more entrepreneurial youth

SO 1.3

More exports by the Central Baltic companies to new markets via clusters' co-operation

Why these objectives?

- Central Baltic economies' strengths and complementarities
- What others are not doing?
- What else was considered?
 - Innovation or business development?
 - Technology start-ups, CB tourism joint marketing, elderly entrepreneurship...

What results should we achieve via the financed projects by 2023?

- **100** new joint Central Baltic companies + co-operating new Central Baltic companies
- **50** joint Central Baltic student companies
- **10** Central Baltic cluster based co-operations achieve sales to new markets

What characterizes a strong project?

- **Contribution to the programme result indicators**
- Presence of a cross-border challenge or opportunity
- Joint interest/objective to co-operate
- Strong partnership: capacity for international co-operation

New joint and co-operating Central Baltic businesses

Potential:

- This specific objective aims to exploit the opportunities of “**green**”, “**silver**”, and “**blue**” economy. The potential of **ICT and low-carbon solutions**, climate change mitigation and adaptation (as resource efficiency, renewable energy etc.) have been defined as a basis for new business creation.
- The Central Baltic region has a good potential to strengthen its position as a globally competitive **technology start-ups** region.
- This specific objective aims also to target **challenges** related to the sustainability of the businesses operating in **sparsely populated, rural, peripheral, isolated island and archipelago communities**. The **seasonality** of some traditional activities (e.g. tourism, fishing, agriculture) adds complexity to the challenge.
- Specific attention is paid to the need of **developing diverse sets of skills** to be successful and sustainable in isolated and sparsely populated areas.

New joint and co-operating Central Baltic businesses

Definitions:

- **Knowledge intensive enterprises** are the ones with a potential to grow and internationalize, aiming to achieve higher value added than the regional average level of the industry they belong in.
- **New enterprises** are defined as 2 years from the registration or the start of operations.
! In the case of islands and archipelagos “new business models of existing SMEs” are equaled to “new businesses”.
- **“Joint”** is defined as joint teams (key people), joint management or joint ownership by people from at least 2 Member States/Åland.
- **“Co-operating”** is defined as new Central Baltic companies that have established co-operation in relevant areas of their business development (e.g. product development, marketing).

Results:

- The aim is to achieve the creation of **new joint** Central Baltic enterprises and **co-operation** between new enterprises in the Central Baltic region, although it is accepted that **a certain share** of targeted teams and businesses **will not become joint or co-operating**.

How?

- The main approach is to implement development projects **via intermediate bodies** in the field of business development. The Central Baltic Programme does **not** intend to use **grants and financial instruments** to new start-up companies. Activities supported by the Programme are seen as complimentary to existing national and regional financial instruments and grants.

SO 1.1 New Central Baltic knowledge intensive companies

This specific objective aims to exploit the opportunities of “green”, “silver”, “blue” economy. Knowledge intensive enterprises are the ones with a potential to grow and internationalise, aiming to achieve higher value added than the regional average. Another aim is to target challenges related to the sustainability of the businesses operating in sparsely populated, rural, peripheral, isolated island and archipelago communities or with seasonal activities. The aim is also to achieve the creation of new joint Central Baltic enterprises and co-operation between new enterprises in the Central Baltic region.

Indicative

...types of partners

- business development organisations
- business incubators
- business associations
- national, regional and local authorities

...actions supported

- awareness raising
- training and advisory services
- networking of potential and new entrepreneurs
- mapping and analysing opportunities
- incubator services

...main target groups

- potential entrepreneurs and newly established enterprises contributing to the “green”, “low-carbon”, “blue” and “silver” economies
- technology start-ups
- students of universities and vocational schools
- the elderly (building intergenerational teams to start companies is encouraged)
- people interested in starting a business in the archipelago and islands regions

Result indicator

Number of new joint or co-operating knowledge intensive enterprises

Output indicators

Number of new enterprises supported
Number of participating young people

Joint Central Baltic student companies

Potential:

This specific objective aims to use **the potential of the young generation** to make the Central Baltic region more entrepreneurial and competitive in coming years.

Definitions:

- **Young generation** is defined as people under 18 years old and involved in basic and upper secondary education.
- **Student company** (mini company) is defined as a team formed for business simulation under adult supervision. It is not a legal entity according to business law.

Results:

Joint activities aim to motivate young people to establish **student companies** and create international teams, which can serve as a basis for future business partnerships within the Central Baltic region.

It is understood that all participating teams will not become or stay “joint” by the end of the project activities. The experience from international co-operation acquired is nevertheless seen as a great benefit for young people.

SO 1.2 More entrepreneurial youth

This specific objective aims to use the potential of the young generation (people under 18) to make the Central Baltic region more entrepreneurial and competitive in the coming years. Joint Central Baltic activities will be based on good experience supporting youth entrepreneurship and attracting young people to engage into cross-border and international activities.

Joint activities aim to motivate young people to establish student companies and create international teams, which can serve as a basis for future business partnerships within the Central Baltic region. The experience from international cooperation acquired is seen as a great benefit for young people.

Indicative

...types of partners

- business development organisations
- youth organisations
- youth entrepreneurship development organisations
- educational institutions
- national, regional and local authorities

...actions supported

- awareness raising
- training/coaching/internships
- advisory services
- networking of teams of pupils/students, experienced entrepreneurs, investors, capacity building of teams and pupil/student firms
- designing and creating e-platforms and e-tools

...main target groups

- students involved in basic and upper secondary education

Result indicator

Number of established joint student companies

Output indicators

Number of new enterprises supported

Number of participating young people

Exports to new markets via clusters' co-operation

Potential:

This specific objective aims to support the **clustered Central Baltic SMEs** to enter into new markets with focus on innovation, product development and internationalization, which are relevant preconditions for sustainable growth

Definitions

- **New markets** are defined as markets outside the European Union / European Free Trade Area (EFTA).
- **Cluster** is defined as an established co-operation between similar or complementary businesses and research and development (R&D) institutions.
- **Meta-cluster** is a co-operation between established clusters within the Central Baltic region, undertaking joint activities with the aim to enter new markets.

How?

Here a **cluster-based approach** for co-operation within the Central Baltic region is used promoting co-operation between already established clusters forming “**meta-clusters**”. This should enable the SMEs to enter into the new markets with new or adapted products and services.

Project partners are encouraged to set symbolic **participating fees** for target group companies who benefit from project activities. This is seen as a way to increase their commitment.

! No costs related to permanent costs of distribution networks, trade offices are eligible.

SO 1.3 More exports by the Central Baltic companies to new markets

This specific objective aims to support the Central Baltic SMEs to enter into new markets outside the EU/EFTA with focus on innovation, product development and internationalization.

Here a cluster-based approach for cooperation is used promoting cooperation between already established clusters forming “meta-clusters” in order to enable the SMEs to enter to new markets with new or adapted products and services.

Indicative

...types of partners

- organisations (including national, regional and local authorities) responsible for cluster development
- business development organisations
- business associations
- regional development organisations responsible for trade and industry

...actions supported

- development and adaptation of services and products to new markets
- branding, awareness building and marketing of services and products in new markets
- process and human resource development
- market analysis
- feasibility studies

...main target groups

- SMEs cooperating through established clusters with potential to enter into new markets
- clusters reflecting the strengths of the Central Baltic economies (forestry, tourism, local-food, ship building, maritime)
- municipal, regional and national tourist boards
- associations of tourism companies

Result indicator

Number of cluster co-operations exporting to new markets

Output indicator

Number of enterprises receiving non-financial support

Illustrative project examples I

”Accelerator A”, ”Incubator B”, ”Accelerators S” and ”Innovation Agency Q” undertake a complex development project to achieve 5 joint Central Baltic new businesses by the end of a 4-year project. The project targets ”internet gaming” as a business area, and includes activities starting from selection of participating teams, awareness raising, advise, training, personal coaching, networking and extending to matching the teams with business angels, VC investors.

Illustrative project examples II

Existing Junior Achievement organizations in FIN, EST, SWE and LAT undertake a complex development project, based on JA existing methodology of national experiences for business simulations. The aim is to achieve 10 Central Baltic joint student companies during the 3-year project period. Project includes activities like the selection of participants, awareness raising, training and coaching.

Illustrative project examples III

”Wooden houses cluster W”, ”Wooden houses cluster M” and ”Smart home solutions cluster S” undertake a complex development project to enter Canada’s wooden houses market with the aim that at least one member company of each participating clusters will achieve sales (=3 sales). The project includes activities related to specifying the market need, product design and development, branding according to new market needs, participating in relevant trade fairs and preparing marketing materials.



Thank You!