



**Increasing the productivity of the wood-processing sector in Virovitica-Podravina County**

Program: Interreg Euro-MED 2021-2027

Mission: Innovative Sustainable Economy

The project is in line with Priority 1. – Smarter Mediterranean:

S.O. 1.1.

**BRIEF DESCRIPTION OF THE PROJECT:**

The wood industry has a strong development potential that is not adequately valorized in state strategies, although the sector has great importance in retaining employment in rural areas. The production of furniture and wood products on the Croatian market is getting worse, and public procurement does not consider the capacities of the domestic industry.

The Pannonian Wood Center of Competence (PDCK) was conceived as a link between scientists, the local community and industry for the purpose of developing innovative wood products and providing services to entrepreneurs from the wood-processing sector. It was funded by the EU Structural Funds ("Grant Scheme for Business Infrastructure", Operative Program Regional competitiveness 2007-2013). The goal of the project is to increase the competence and competitiveness of small and medium-sized entrepreneurs in the wood-processing sector by providing services to entrepreneurs in the Continental region and beyond by introducing new designed and innovative products and providing other services, such as certification, information, promotion and more.

The Pannonian Wood Competence Center provides services to small and medium-sized entrepreneurs from the wood processing sector in Croatia and the region, in all stages of development of final wood products, i.e. products with greater added value, with an emphasis on innovation.

The project *Increasing the productivity of the wood-processing sector in Virovitica-Podravina County* contributes to Smart Specialisation concept by concentrating knowledge resources and linking them to a limited number of priority economic activities, countries and regions can become — and remain — competitive in the global through generating unique assets and capabilities based on the region's distinctive industry structures and knowledge bases.

By investing in the purchase of new machines (CNC cutter, 5-axis CNC machining center), we achieve better, larger and faster production, existing production costs are optimized, working conditions are improved, capacity utilization is improved. What is most important to us, the use of a cnc cutter and an additional 5-axis cnc machining center minimizes manual work, which until now occupied most of the capacity in the processing process. By using these two machines (cnc cutter, cnc machining center) that have the latest digital technology, the time between production stages would be significantly reduced.

In addition to the above, the application of new machines in production is expected to significantly increase production capacity up to 50% more compared to the previous production capacity, which will enable the end users of our service to create greater added value of the new product than in the current capacities and possibilities. Investing in new production technology (5-axis cnc, cnc cutter) will contribute to improving the quality of the final product and services to the end users of our services (entrepreneurs from the wood industry), the quality of the performance itself in the production process, which would ultimately lead to cost optimization production, better competitiveness and increased production capacity.

The investment is necessary for the reason that using the current technology and too little capacity, today's demands of the users cannot be met.

With this investment, PDCK will be able to better present its services to customers, which will be of better quality, more digitalized, following the latest technology, done faster, with increased production volume, which will affect the increase in the added value of the users of services of PDCK.

**Planned activities:**

1. Exchange of experience between partner countries

2. Equipping the wood laboratory to increase the productivity

**Results to be achieved in the project:**

5 events of exchange of experience between partner countries

Increased cooperation and capacities of the 4helix stakeholders (Public Authorities, Industry, Higher education and Research organisation, Civil society), in particular in the context of RIS3

**Applicant: Virovitica-Podravina County**

The Virovitica-Podravina County, as the founder of the TIC, has the institutional and financial capacities necessary for the successful and timely implementation of projects, considering that it possesses professional knowledge, capacities and additional experience of both infrastructural and other projects and the necessary accompanying activities. The county has extensive experience in implementing projects financed from European Union funds and from national funding sources. It strengthens its implementation capacity by developing new projects, focused on various strategic goals defined by the County Development Strategy of the Virovitica-Podravine County and the Development Agreement for the area of ​​Slavonia, Baranja and Srijem. The county also has the necessary human capacities for the implementation of strategic projects financed from EU funds, from experts in public procurement according to the Public Procurement Law, experts in financial management and project monitoring, experts in implementation and reporting of the project as well as experts from the Administrative Department for Economy, Agriculture and EU Funds who monitor the sector in question as well as the needs of the economy and agriculture, who will significantly contribute economic and agricultural development of VPŽ and Continental Croatia.

**Reference project list:**

So far, the county has successfully applied for and implemented several projects of similar value, among which the following projects stand out:

Pannonian Wood Competence Center financed by the European Fund for Regional Development;

SINEROT – construction of a hanging solar power plant financed by the Fund for Environmental Protection and Energy Efficiency;

E-incubator with and without walls in Virovitica-Podravina County (IPA IIIC BRI);

Visitor Center - Janković Castle (EFRR);

Virovitica-Podravina County Incubator Network (EFRR);

Technological Innovation Center Virovitica (EFRR);

EV13 Gap "Filling the gap - completion of the cross-border section by EuroVelo 13 between Dravatamasi and Virovitica" (EFRR);

Tourism 4 All - "Common tourism development of natural and cultural assets of Suhopolje-Noskovačka Dubrava-Zselic Starry Park" (EFRR);

Kapinci - Vaška irrigation system, Novi Gradac - Detkovac irrigation system and Đolta irrigation system (Rural development of the Republic of Croatia for the period 2014-2020). In addition to the mentioned projects.