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# POLICY BRIEF 13

Regional Meetings with Key Stakeholders

## SUMMARY

This Policy Brief communicates the lessons learnt from the most recent Stakeholders' meeting organised by the the Region of Thessaly; these meetings are held in the context of the INNOGROW project, which supports the growth of rural SMEs through innovation. The aim of the brief is to provide useful insights for policy-making and implementation purposes; in particular, it emphasises on the active engagement of local and regional stakeholders for the efficient and successful implementation of measures set forth by the project, and their key role in the creation of favorable conditions for SMEs to adopt innovative technologies and practices. The first topic addressed relates to the importance of stakeholders meetings for the development of the project; the second topic focuses on the outcomes of the stakeholders meeting. The policy brief concludes with research-informed policy recommendations.

## WHY STAKEHOLDERS MEETINGS?

Policy-making processes are multifaceted and encompass diverse organisations beyond responsible authorities. In order to maximise the chances of achieving policy advancement, the engagement of all interested organisations in the interregional process is vital.

To support INNOGROW operational objectives, partners are required to communicate and interact with key stakeholders in their regions. Key stakeholders include regional and local authorities, private sector companies in the rural sector, universities and subject matter experts.

Regional stakeholders are highly valuable to the Region of Thessaly, as they provide valuable information and knowledge based on know-how and multiyear expertise in the field of rural innovation in the region.

Valorizing feedback from the stakeholder meetings, the Lead Partner has provided further guidance to all partners on how to communicate the early work of the project, and maximise the potential of stakeholder groups for the development of the project.

# KEY STAKEHOLDERS

## Ministry of Economy, Infrastructure, Maritime Affairs and Tourism:

The Ministry provides RoT with consultation on the improvement of existing policies to foster rural economy SMEs' investments in troublemaking technologies.

## Regional Association of Municipalities of Thessaly:

The Regional Association of Municipalities of Thessaly provides good practices of region's municipalities on the promotion of innovative solutions for rural economy SMEs, and disseminates lessons learnt at regional level.

## University of Thessaly, Department of Regional Development:

The department of regional development of University of Thessaly will provide input on the needs of the regional SMEs and the impact of regional policies on SMEs established in the region.

## University of Applied Sciences of Thessaly:

The University of Applied Sciences of Thessaly provides input on areas to benchmark, in order to assess whether regions perform well on implementing measures that encourage and boost innovation.

## Association of Thessalian Enterprises and Industries:

All members of the group will provide input on the policy measures to be included in the action plan and consult on the effective implementation of the measures approved.

## Technical Chamber of Central and Western Greece:

The Technical Chamber and Association of Thessalian Enterprises provides RoT with consultation a) on factors affecting rural economy SMEs investments in new technologies, b) on the implementation of regional measures to promote new business models, and c) on the operation of an innovation support centre in Thessaly.

# GOALS AND CRITERIA FOR STAKEHOLDERS MEETINGS

<p><b>Goals for Stakeholders Meetings:</b></p> <ul style="list-style-type: none"> <li>• Consult stakeholder groups</li> <li>• Secure the involvement of stakeholder groups</li> <li>• Secure the engagement</li> <li>• Improvement in the implementation</li> </ul>	
	<p><b>Criteria for Stakeholders Meetings:</b></p> <ul style="list-style-type: none"> <li>• Inform</li> <li>• Consult and receive output</li> <li>• Inform, Involve, engage</li> </ul>

## CONCERNS AND CHALLENGES

*Asymmetries of the Greek innovation system and the situation in RoT:*

1. the dominance of public sector R&D activity compared to the private sector;
2. an imbalance between innovation creation and absorption/adoption activity;
3. an imbalance between a few, small innovative sectors and the rest of the economy; a very strong spatial concentration of innovation-related activities.

Past initiatives in Thessaly have focused on the agro-food sector and related industries and the value chain links to agriculture. The regional specialisation pattern is relatively diversified and other sectors such as metal production and construction materials are also important. It is vital to buttress the competitiveness of regional firms in a cross-sectoral manner via improved integration of key stimulating technologies.

Strengthening the access of regional firms to knowledge-intensive business services should also be considered as a priority since this would assist to foster an overall enhancement of non-technological innovation (design, marketing, etc.).

# POTENTIALS FOR INNOVATION, SUSTAINABILITY AND GROWTH

Enhancing innovation and research for the region through the involvement of stakeholders groups is a necessity. National and European actions follow that principle as well in order to reach the 2020 Europe targets for smart, sustainable and inclusive growth. The expected results for RoT deriving from the OP program are the following (2014-2014 OP):

- Support around 1,000 SMEs;
- Facilitate the creation and establishment of more than 200 social enterprises;
- 200 business plans for social enterprises expected to be supported;
- Generation of more than 400 full time equivalent new jobs;
- Improved water supply to additional 38,000 persons;
- Intensify energy efficiency in public infrastructures to achieve an annual saving of energy consumption in the public sector of 5,550,000 kWh;
- Complete and upgrade 87km of TEN-T road and railway networks, improve secondary and tertiary connections to TEN-T.

The latter indicates that rural SMEs will be much more in numbers and more efficient and capable to encourage local and regional development and innovation.

Potential Innovation Investment Focus:

- The two HEI do have some degree of specialisation in technologies relevant for the regional business structure as well as emerging fields of specialisation.
- Past initiatives in Thessaly have focused on the agro-food sector and related industries and the value chain links to agriculture.
- The regional specialisation pattern is relatively diversified and other sectors such as metal production and construction materials are also important and should be considered.
- Need to enhance competitiveness of regional firms in a cross-sectoral way via improved integration of key generating technologies, notably ICT.
- Strengthening the access of regional enterprises to knowledge intensive business services should also be considered as a priority since this would help to foster an overall enhancement of non-technological innovation (design, marketing, etc.).

## SWOT MATRIX FOR REGIONAL RESEARCH AND INNOVATION POTENTIAL

<p><b>Strengths:</b></p> <ul style="list-style-type: none"> <li>• Good quantity and quality of scientific production;</li> <li>• Improving education level of the population;</li> <li>• Presence of regional academic research capacities;</li> <li>• Central geographic position;</li> <li>• Mixed economic structure with niche in primary and manufacturing sector and tourism services.</li> </ul>	<p><b>Weaknesses:</b></p> <ul style="list-style-type: none"> <li>• Low R&amp;D investment intensity notably by business sector</li> <li>• Traditional economic structure dominated by small low-tech companies;</li> <li>• Low level of ICT diffusion and use;</li> <li>• Low level of life-long learning practices;</li> <li>• Low level of science-business collaboration;</li> <li>• Lack of innovation culture within firms.</li> </ul>
<p><b>Opportunities:</b></p> <ul style="list-style-type: none"> <li>• Under-exploited agro-food and bio-economy potential;</li> <li>• Potential for higher-value added tourism in both mountain, eco- and traditional coastal tourism.</li> <li>• Opportunities for increased interaction between science-industry at regional level to develop new business niche through public-private partnerships (e.g. health, bio-energy, etc.);</li> </ul>	<p><b>Threats:</b></p> <ul style="list-style-type: none"> <li>• Economic specialisation in low-tech sectors;</li> <li>• Environmental degradation from unsustainable agricultural practices and manufacturing waste;</li> <li>• Competition from low-cost economies;</li> <li>• Brain drain.</li> </ul>

## OUTCOMES OF THE STAKEHOLDERS MEETING

- New advanced equipment and devices are key aspects of rural technologies. Enhancing the agriculture sector by exhausting knowledge and information technologies to adapt to cultivation techniques in the region, given its soil and climate features.
- Crop sensors could use agriculture inputs more accurately by using the exact amount required by a detailed location.

- Technological advancements such as drones and robots have led to the automatization of conventional agriculture production. All these penetrating innovations are distorting the limitations between industry, services, and agriculture. The cooperation of industry stakeholders and local/regional public authorities will alleviate current difficulties and will progressively bring numerous opportunities for the agriculture sector.
- SMEs in rural areas will play a major role, hence a new framework of policies and institutions is needed to take advantage of lessons learned and existing experience. Also, incentives need to be provided for agriculture and rural area SMEs.
- Another significant issue to stimulate the growth of rural area SMEs through the adoption of innovative process and production is the access to credit for rural SMEs, as there is also a general lack of incentives for businesses to move into rural activities.
- Emphasis on the importance of strong policy to facilitate access to capital for rural SMEs including levels of public funding for research and education.

## OPERATIONAL RECOMMENDATIONS

- Strengthen cooperation between private and public financial instruments aiming faster SMEs expansion in rural areas;
- Acquire from private stakeholders know-how to disseminate and exchange knowledge with money and ease bureaucracy to accelerate the procedure “from concept to money”;
- Establish funds for municipalities that can be used by small business projects on a competitive basis in order to be profited by amounts, facilitating access to capital in rural areas;
- Financial management between existing national, regional and European programmes encouraging SMEs development in Greece;
- Endorse the development of business competence and attempt to reach an equilibrium between innovation and business competence;
- Raise awareness via public campaigns aiming to inform and educate through modern communication tools.

# CONCLUSIONS

- Active involvement of local and regional stakeholders in interregional European projects is extremely important because of the sharing of expertise, experience, and knowledge.
- Meetings involving the interaction and engagement of local authorities and stakeholders, promote effectiveness and cooperation in favour of the region.
- Exploiting stakeholders' expertise, know-how, and support on the one hand, and European Funds, on the other hand, will pose significant impacts for innovation and research strengthening the cooperation and efficiency of rural SMEs.
- Expressing and discussing the needs, strengths, threats and opportunities, local authorities and stakeholders can potentially adapt to emerging challenges and implement a mechanism that will promote their development.
- Given the aforementioned and in the framework of INNOGROW Project, the SMEs in the agriculture sector will be assisted to progressively adopt innovative technologies and practices.



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The Policy Briefs Series on rural economy innovation is part of the EU-funded project INNOGROW developed by the Region of Thessaly, the Lombardy Foundation for the Environment, Zemgale Planning Region, The University of Newcastle upon Tyne, Stara Zagora Regional Economic Development Agency, the Chamber of Commerce of Molise, the Regional Development Agency of Gorenjska and the Pannon Novum West-Transdanubian Regional Innovation Non-Profit Ltd.

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