



European Union

European Regional
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Ελληνική Δημοκρατία
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INNOGROW
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POLICY BRIEF 14

**INNOGROW EU SUMMIT:
EXPERIENCES FROM THE
REGIONS**

OVERVIEW

This policy brief reports on the proceedings and highlights of the INNOGROW European Summit. The Summit took place in February 2019 at the Biotechnical Faculty Ljubljana and its purpose was to draw lessons from the experience of several cases of support for SMEs throughout European regions. The Summit was scheduled to include study on-site visits in the form of workshops held with the active participation of representatives of rural economic and business activities. During the INNOGROW Summit a diverse group of stakeholders from all partnership countries convened in a spirit of cooperation, representing economic, political and administrative groups of stakeholders, whose effective communication and mutual assistance are crucial for coordinating and boosting rural development.

INNOGROW EU SUMMIT – FEBRUARY 2019 (Domžale)

INNOGROW is devoting considerable resources to understanding how rural development is pursued in different regional contexts. It is our conviction – based on collaborative research – that there is a great deal to be gained from paying close attention to differences in policies and resulting effects. Regions, too, are often so vastly diverse in terms of prevailing business culture, the kinds of resources available, that simply “applying” vertical policies irrespective of these differences has little effect and does little to capitalize on the regions’ wealth of potential for development. INNOGROW has been putting emphasis on this interplay between policies, businesses and rural stakeholders in development to produce insights otherwise impossible to gain.

The **INNOGROW** team,



LESSONS LEARNED...

...in the UK

Newcastle University presented two major policies in the UK to a wide audience of representatives of policy-makers, government, research and business, including cabinet officers of the Latvian Government among others. Rural enterprise hubs are not easy to design or set up effectively, neither is there a one-size-fits-all solution, yet, if designed appropriately – with the participation of the appropriate actors, the correct level of funding as well as on the basis of political choice signaling genuine support for small enterprises – they prove time and again that the development model they articulate is critical for rural regions to becoming hubs for innovation.

Policy for the connectivity to rural areas: As part of the government’s industrial strategy, Northern Powerhouse is playing a crucial role for rural development. Devoting its energies on infrastructure development – connectivity and transport, science and skills for innovation, Northern Powerhouse has the ambitious plan to make the North of England and Wales an appealing environment for attracting business activities, while operating with dozens of business stakeholders to create the infrastructural conditions that will boost growth. Needless to say, effective transportation systems are prerequisites of any sustainable growth strategy. Hence, the amount of money channelled through this hub for transportation projects. Such efforts address the problem of the north-south divide in development. Not only, is the north cut off from the south – thus reminding us that the centre and periphery often follow separate developments, but also transportation capacities within the less developed regions are considerably low. Northern Powerhouse aiming at the development of sustainable infrastructure for transportations, not only sets the conditions for businesses to be able to rely on reliable infrastructure for the transport of goods, but it is also set to contribute to increasing the number of green jobs.



<https://northernpowerhouse.gov.uk/>

The Midlands Engine is doing similar, important work as a coalition of councils, combined authorities, local Enterprise Partnerships, universities and businesses. Far from being a trivial task, the Midlands Engine, is actively contributing to building a 'collective identity' for the Midlands. For Midlands Engine there are keys to regional developmental success: effective transportations, skills matching business, technology and innovation requirements and internationalisation.

The logo for Midlands Engine, featuring the words "MIDLANDS" and "ENGINE" in a bold, white, sans-serif font, stacked vertically within a grey rectangular box with a white border.

MIDLANDS
ENGINE

<https://www.midlandsendengine.org/>

The **Policy for Local Enterprise Partnerships (LEPs)** largely at sub-regional level provides enterprise and business support and develops Local Industrial Strategies.

In this context, the policy for Local Enterprise Partnerships (LEPs), implemented basically at the sub-regional level, provides enterprises and businesses with support and develops Local industrial strategies. Rural enterprise hubs are similar mechanisms of supporting innovation and growth. What has been learned from their implementation?

Hubs can facilitate business innovation. Hubs are potential mechanism for delivering training and knowledge exchange to rural SMEs. They facilitate business interactions (some spontaneous, others through planned events). Hubs facilitate growth of home-based businesses, providing an important stepping stone. The home based businesses originate from the family businesses and are not comfortable employing non-family member(s) in family home. In this kind of business the line between work and home life is often blurred. Business address signal legitimacy, which means that when the business gets to the marketing it may have more legitimacy if not being a home address. When business grows it gradually requires more space which a home may not provide, therefore a new location needs to be found, consequently connected to costs. Rural hubs provide a desired space for an affordable price. Tenants desire flexibility and ability to grow and shrink workspace rented, short and renewable contracts and private rather than hot-desking facilities.

Key points

...on the North and Midlands business ecosystems

Research showed that the North and the Midlands underperform compared to their counterparts in London and the South-East, turnover, sales, growth and exports. When it comes to rural SMEs in particular, they cannot be said to underperform in comparison to their urban counterparts: they are not less innovative nor less likely to export, neither are they less innovative. Where they seem to lag behind, however, is in terms of network capital. They are less likely to cooperate with clients and customers on procuring innovative offerings. Networking thus seems to be subpar in this case, as these companies tend to disregard more social media as well as formal and informal business networks. They thereby seem to miss significant market opportunities. Assistance should thus be oriented towards this direction.

LESSONS LEARNED...

...in Hungary

- Territorial and Settlement Development Operational Programme, Priority 1 of the TSDOP – Measure 1.1 and Priority 7 of the TSDOP - CLLD approach in Hungary

The policies in question present an innovative element in that they encompass provisions for changing the policy measures for rural development and adopting a new approach to implementation (Territorial Selection System (TSS)). The abovementioned instrument is expected to reduce competitiveness for funding among local communities, distribute financial support on a needs-assessment basis and financing costly project preparations.

- CLLD in Hungary as a part of Priority Axis 7 of Territorial and Settlement Development Operational Programme 2014-2020 (TSDOP)

Among the main purposes of this instrument, are the following:

- ✓ Development of cultural and community spaces and services
- ✓ Strengthening local identity
- ✓ Enhance local community participation and awareness in order to develop local and community based economies
- ✓ Program based bottom up development at urban level

...in Slovenia

EU Bioeconomy Strategy (2012, 2018)

The emphasis is on the sustainable and circular economy regarding the bio economy, which can preserve nature and restore healthy ecosystems; create 1M of new green jobs by 2030, in particular rural and coastal areas; turn waste from cities, farming, food and forests into new added value products; provide additional income for farmers, foresters and fishermen; replace fossil material with renewable alternatives, increase the carbon sink capacity of soil forests and oceans; develop new biodegradable products, including bio-based plastic substitutes.

Slovenian RDP 2014-2020: M16

Measure M16 supports various forms of cooperation, by means of which different actors in rural areas will be able to overcome economic, environmental and other constraints which they faces due lack of networking. The measure promotes cooperation projects for productivity and sustainability in agriculture. Special emphasis is on technological development and the reduction of negative impacts of agriculture on the environment, especially with regards to biodiversity and water resources quality. Operational groups of the EIP are thereby founded by involved actors, including farmers, researchers, advisers, enterprises, non-governmental organisations and other participants in and around the agricultural and food value chain. A pervasive effect of these cooperation schemes is the reduction in gap between research and agricultural practice.

On-site workshops

INNOGROW partners and stakeholders had the opportunity to attend presentations by three leading businesses during the INNOGROW EU summit.

ID: *Knauff Insulation, Škofja Loka*

The company of Knauff Insulation introduced for their products sustainable low energy building, which is under testing for the innovative energy saving solutions with an aim to set new standards on the European level - and transnational projects of green roofing. Participants attended presentations and were guided through the company's infrastructure, including its state-of-the-art green roof.



“Barbara Hafner welcomed visitors and presented our new Experience center, which is a unique demonstration of different advanced sustainable insulation solutions in construction, including Green infrastructure solutions. KIEXC was awarded the Platinum DGNB Certificate at the BAU exhibition in Munich in January 2019.

Professional on Green solutions, Jure Šumi, presented visitors Urbanscape solutions for Green roofs, landscaping, city farming, horticulture and home gardening and showed some Urbanscape reference projects in NY, Dubai, Sweden, Germany, Spain.

After presentations, Urbanscape Green solutions used in horticulture and home gardening was presented to visitors, which were interesting attraction and useful solutions for the INNOGROW group.

For the end of event, the INNOGROW group was delighted with the sunny view from the Urbanscape® Green roof on KIEXC.”

NEW KNAUF INSULATION EXPERIENCE

CENTER (KIEXC) <https://www.urbanscape-architecture.com/news/innogrow-group-at-our-new-knauf-insulation-experience-center-kiexc/>

Agriculture Cooperative Škofja Loka



Director Mitja Vodnjov presented the history and origin of the Cooperative and its current members, the quality standards the cooperative abides by and the politics around the support offered to rural SMEs. The Cooperative has 6 food stores with Slovenian food and 5 technical stores. Their business is buying and selling milk and dairy products, wood, meat and meat products, live stock and other farm products and produce from local farmers. The also boasts its own slaughter house and a stylish coffee shop. The cooperative promotes 5 Slovenian quality produce brands from Gorenjska region (Loške mlekarne, Domači kotiček, Loške mesnine, Mesnine Bohinj and Arvaj).

The Cooperative tries to stock their shelves with quality home-made products and delicacies from local producers and suppliers. In the grocery stores there are specially designed home corners where you can get quality ecological and homemade treats in one place.

Under the trademark of Loška mesnina (meat products), they offer quality fresh meat and meat products, while the beef they offer is exclusively Gorenjska, breeders known.

Bohinj's meat products are synonymous with traditional homemade smoked and cured meat dishes, since all the meat products are made according to traditional procedures, with recipes over 50 years old. Raspberries are traditionally smoked in a smokehouse on beech wood of local forests.

The brand Arvaj is famous for its unbeatable carnivorous sausage, considered one of the best. The plant also boasts delicious boiled sausages. More about products at: www.arvaj.si

Farm Pustotnik



Farm Pustotnik is a family farm and the INNOGROW group was greeted by the younger representative of the family. He introduced their core business, which is milk production and dairy honey ...) from other local farmers.

“The quality of milk is one of the most important factors that determine the quality of homemade dairy products and cheese. Therefore, we pay special attention to the well-being of our cattle.”

“Our herd consists of approximately 40 dairy cows, which all belong to the black-and-white breed. The cattle are fed grass haylage, which is produced on 25 hectares of cultivated areas; to increase the nutritious value of their meals, we supplement the haylage with a mixture of cereals, vitamins and minerals. Our cheese dairy processes not only cow’s milk from Pustotnik farm, but also sheep’s and goat’s milk from our partner farms, which are located in different parts of the Poljane valley and deliver their milk to our farm every morning.”

Visit and learn more about the INNOGROW study visit on the farm Pustotnik clicking the link: <https://www.kmetijapustotnik.si/en/get-to-know-us/our-farm/>.

INNOGROW POLICY BRIEFS INNOGROW POLICY BRIEFS

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.

Contacts & Social Media:

<https://www.interregeurope.eu/innogrow/>

<https://www.facebook.com/innogrowproject/>

https://twitter.com/innogrow_eu

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