

**Interreg  
Europe**



European Union | European Regional Development Fund



# Drivers of Innovation in Rural Areas



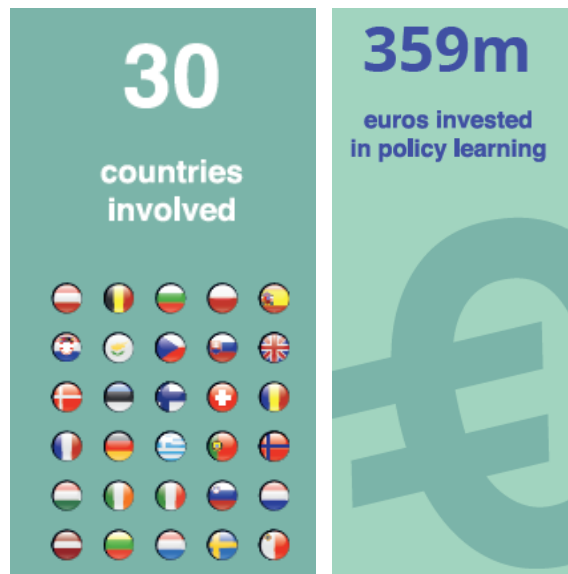
Thematic Webinar

Thursday 15th of July 2021 | Online

# Interreg Europe in a nutshell



## Sharing solutions for better regional policy



# Introduction to Drivers of Innovation in Rural Areas



Policy Learning Platform, Interreg Europe projects,  
policy challenges and policy concepts.

**Marc Pattinson**  
Thematic Expert in  
Research and Innovation

**Interreg  
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# Agenda 14h – 15.30h



## Introduction (14:00-14:15)



- Agenda and technical details
- Poll
- Rural Innovation

## The role of digital services in supporting rural innovation (14:15-14:30)



- Mr. Olavi Luotonen DG CONNECT – Technologies for Smart Communities;

## Interreg Europe Project Good practices (14:30-15:00)



- *Clive Peckham, Nièvre Numérique (FR) and Carpe Digem*
- *Jouni Ponnikas, Regional Development Director & Ninetta Chaniotou, Regional Council of Kainuu (FI) and Bridges*

## Structured discussion with Panel and Questions via Chat (15:00-15:25)



- Regional Perspectives
- Interreg Europe project experiences
- European initiative synergies

## Conclusions (15:25-15:30)



# Poll Question



- Does your Region have a dedicated rural development strategy ?
  - Yes
  - No
  - Don't' know ..
- Please share any strategy document linkages at any time during the webinar via the chat

# Drivers of Rural Innovation



- Rural regions make up roughly **half of the territory** of the EU-28, with just over one quarter of the population.
- By building innovation capacity, deploying the latest technological developments and implementing innovative solutions, rural and sparsely populated areas can overcome their inherent challenges and remain **viable business locations**.
- **Digital transition services & infrastructure deployment solutions** underpin many actions in rural areas to help accelerate rural growth.
- Business **networking, clustering** and setting up **sectoral competence centres** can also help rural regions become more competitive and support their SMEs with targeted and adapted solutions.

# Drivers of Rural Innovation



- Enabling and facilitating **technology deployment** in rural areas in traditional industries play a part in helping key sectors either transform or diversify their economic performance.
- Key enabling conditions of the emerging S3 strategies for the 2021-27 period include a territorial dimension and the need to ensure **equal access to services and infrastructures**. It is therefore important for regional authorities to ensure rural areas have access to innovation support programmes.
- It is also important in this post Covid context to consider how to make rural economies **more resilient** and respond to current societal challenges and transitions (digital, energy, ecological ...) and facilitate the uptake of the latest technological solutions. **New networks** such as REInA are helping.

# Interreg Europe projects and Rural Development

15+ Interreg Europe projects



**P-IRIS**  
Interreg Europe

**BRIDGES**  
Interreg Europe

**INNOTRANS**  
Interreg Europe

**FoodChains  
4 EU**  
Interreg Europe

**RUMORE**  
Interreg Europe

**ERUDITE**  
Interreg Europe

**STRING**  
Interreg Europe

**Agri  
Renaissance**  
Interreg Europe

**RECORD**  
Interreg Europe

**REGIONS  
4FOOD**  
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**RATIO**  
Interreg Europe

**NICHE**  
Interreg Europe

**CARPE  
DIGEM**  
Interreg Europe

**Islands of  
Innovation**  
Interreg Europe

**HoCare**  
Interreg Europe



# The Policy Learning Platform can help



## Thematic Workshop

**Enhancing rural innovation capacity and performance**

Visit the conclusions page [here](#)



## Policy brief

**The challenges and necessity of rural innovation**

Available in the knowledge hub [here](#)



## Webinar

**Centers of Competence**

Watch the recording in the knowledge hub [here](#)



## Policy Digest in Research and Innovation

Subscribe to the policy digest [here](#)



## Peer Review

**On Revising S3 to integrate the priority AI in the health sector**

To know more about peer reviews [here](#)

# Peer reviews – policy learning all regions and cities in Europe



Research and innovation



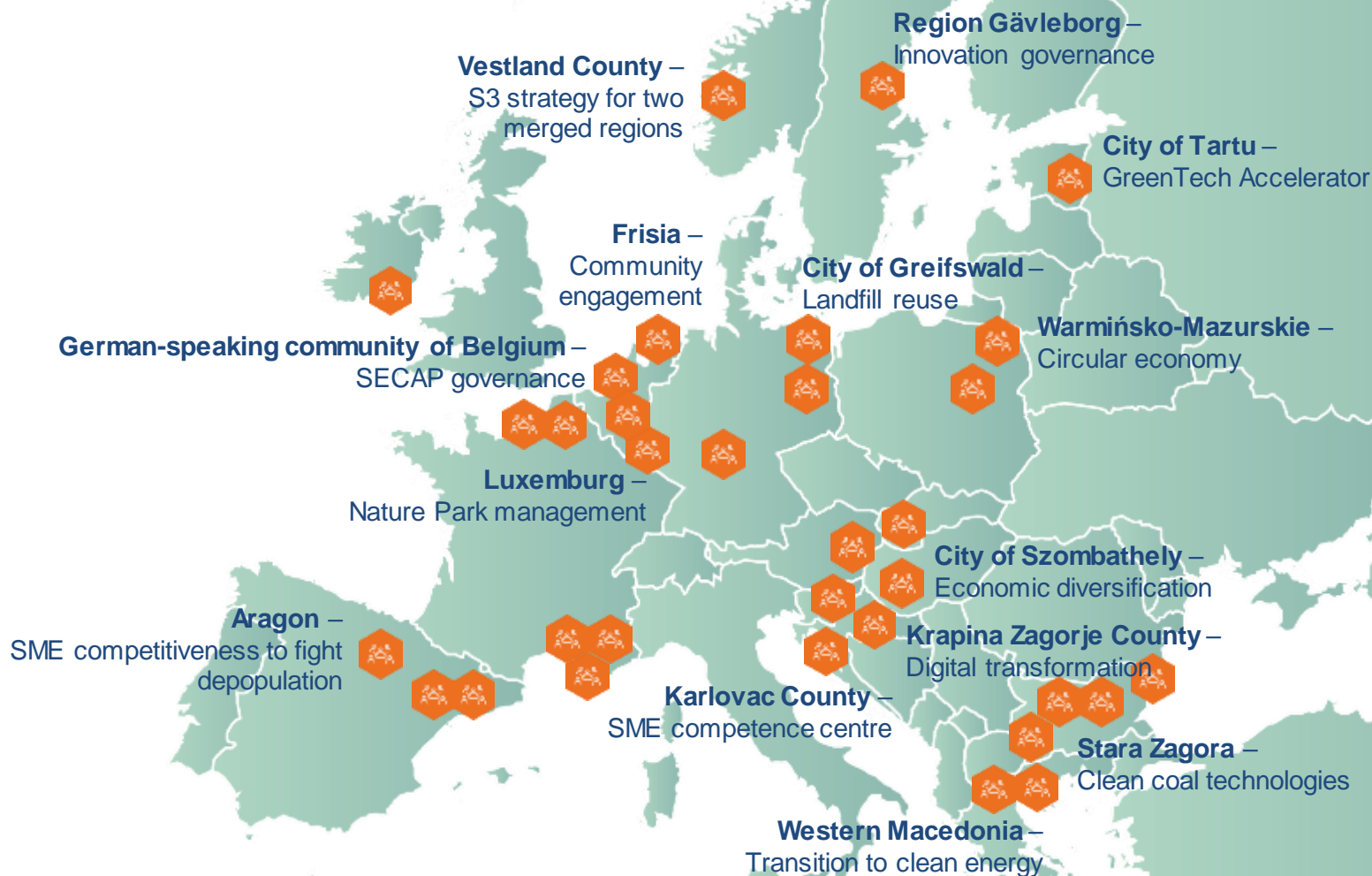
SME competitiveness



Low carbon economy



Environment and resource efficiency



Open call – online submission

<https://www.interregeurope.eu/peer-review/>



## **Key Note Presentation**

**Mr. Olavi Luotonen DG CONNECT –  
Technologies for Smart Communities;**



**Research  
and innovation**

# **Interreg Europe Good Practices**

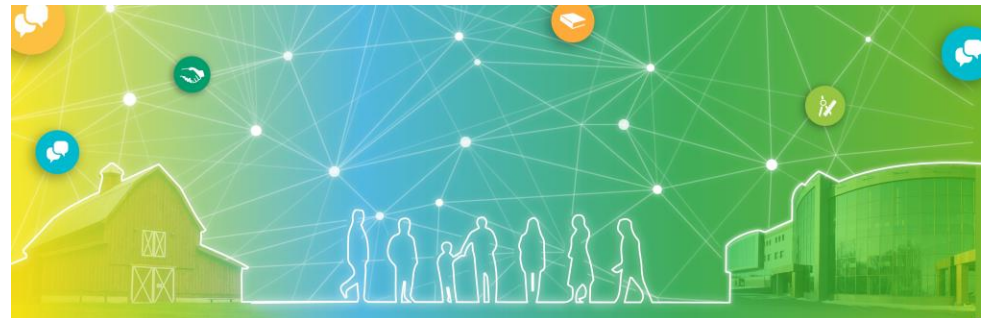


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## Drivers of innovation in rural areas

15 July, 14:00 - 15:30 CET



**Driving Innovation** through collaborative networks

**Clive Peckham: Nièvre Numérique**

# Catalysing Regions in Peripheral and Emerging Europe towards Digital Innovation Ecosystems

'CARPE DIGEM is working to enhance and create functioning Digital Innovation Ecosystems (DIGEMs) which convert the use and application of new technologies into economic and social opportunity in non-metropolitan Europe.

Our partners are developing structures, strategies, tools and financial mechanisms that complement and enhance the impact of the technologies; in competences and skills, in organisational change, in new processes, business and governance models, and also in intellectual assets that create value from the new technologies



**We are specifically addressing the issue of building 'Inclusive, decentralised and resilient digital innovation ecosystems', focusing on inter-regional cooperation: sharing, co-development, social and economic inclusion; not just on creating gateways to services delivered from and by metropolitan areas, which would accentuate the regional digital divide, human and resource migration.**

# Lormes (Fr) Local capacity, inclusion and connectivity to innovate, involve and exchange



From converting an abattoir into a rural hub, to murals, circular hubs, fab labs and a Maker Space – the small town of the future



## Documents and case studies on Lormes

[https://enrd.ec.europa.eu/sites/default/files/enrd\\_publications/smart\\_villages\\_briefs-smart\\_villages\\_and\\_rural\\_digital\\_transformation-v07.pdf](https://enrd.ec.europa.eu/sites/default/files/enrd_publications/smart_villages_briefs-smart_villages_and_rural_digital_transformation-v07.pdf)

This Thematic Briefing is one of the tools developed by the ENRD in order to assist Managing Authorities and rural stakeholders in designing and implementing Smart Villages initiatives in key domains. digital transformation of Lormes- the petite “village du future” (France) Lormes illustrates the timescale and steps that are required for a village to become a “player” in a wider digital ecosystem. Lormes is a small market town (1300 residents) located in the Morvan area, in the county of Nièvre, Burgundy (France).

[https://enrd.ec.europa.eu/sites/default/files/enrd\\_publications/digital-strategies\\_case-study\\_fr.pdf](https://enrd.ec.europa.eu/sites/default/files/enrd_publications/digital-strategies_case-study_fr.pdf)

Case study on Lormes and the Nièvre including main impacts and statistics

[https://enrd.ec.europa.eu/publications/smart-villages-8th-thematic-group-meeting\\_en](https://enrd.ec.europa.eu/publications/smart-villages-8th-thematic-group-meeting_en)

Provides information about how a specific village (Lormes, France) has embarked on a participative process to co-design a ‘village of the future’ and the way they have built different components of the local ‘digital ecosystem’. The report also outlines similar initiatives and plans for developing local digital ecosystems in Germany, Spain and Donegal (Ireland).



# Virtual Wine tasting – new business models and tools for phy/digital collaboration



Slovenia, Majorca, France, Sweden + European stakeholders in Brussels



# 'Marginal + Decentralised DIH/DIGEM Network'

## Short supply chains 4.0

**T A**

Micro-Hubs (Rural)

Training  
Digital Apprenticeship  
Agricultural Fab/Maker Lab, Brokerage; dev' logistics apps/modelling



Micro-Hubs Rural towns

Digital learning  
'Last mile' logistics, new retail models, data 'crunching'

**D A**





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# Thank you!

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@carpedigeminterreg

Questions welcome

# BRIDGES project

Kantola good practice, from knowledge transfer to  
economic renewal priorities

Jouni Ponnikas, Regional Development Director  
Ninetta Chaniotou, project manager

[www.interregeurope.eu/BRIDGES](http://www.interregeurope.eu/BRIDGES)

# Why is the Kantola experience important

- (1) It is an example that a small traditional industry agglomeration can turn into a competitive cluster; it demonstrates the effectiveness and feasibility of aligning with innovation based growth, no matter what the location is.
- (2) It demonstrates the catalytic rôle of a small but specialised knowledge infrastructure (innovation intermediary).
- (3) It demonstrates the critical, feasible and effective contribution of knowledge and expertise located beyond the region.
- (4) It demonstrates the risks of relaxing innovation-based growth drivers and missing on renewal.
- (5) It closes the loop by re-inventing itself and building on lessons learnt.

# Kantola summary

- **Chronology:** Started in January 2006, on going
- **Location:** Kuhmo municipality, Kainuu, Finland
- **Problem addressed:** To diversify from the saw-mill industry towards new types of demand.
- **Context:** The Kantola estate forms a business ecosystem of wood industry with net sales of approximately € 100 million, 12 companies and 240 jobs where triple helix cooperation exists. 12 companies, 240 jobs, 100 M€ turnover
  - Large, automated saw mill already since the 1990s leading the process
  - Growth orientated strategy
  - made to support the growth of the companies -> Masterplan
  - 2020 goal: 50-70 more jobs, turnover about 200 M€
- **Woodpolis**
  - Competence centre to support the companies in Kantola
  - R&D, Education & Training, manufacturing facilities
  - Triple helix co-operation
    - Companies
    - Educational institutions (regional)
    - Universities (national and European)
  - Mainly funded by ESIF but also national innovation fund (TEKES, when it existed)

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BICOIL

ELEMENTTI  
SAMPO

KUHMO OY  
KUHMON  
IKKUNA

KUHMON  
LÄMPÖ OY  
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M-PELLETTIOY

MYYNTPALVELU  
Esa Haverinen

Nopan Metalli Oy

CROSSLAM

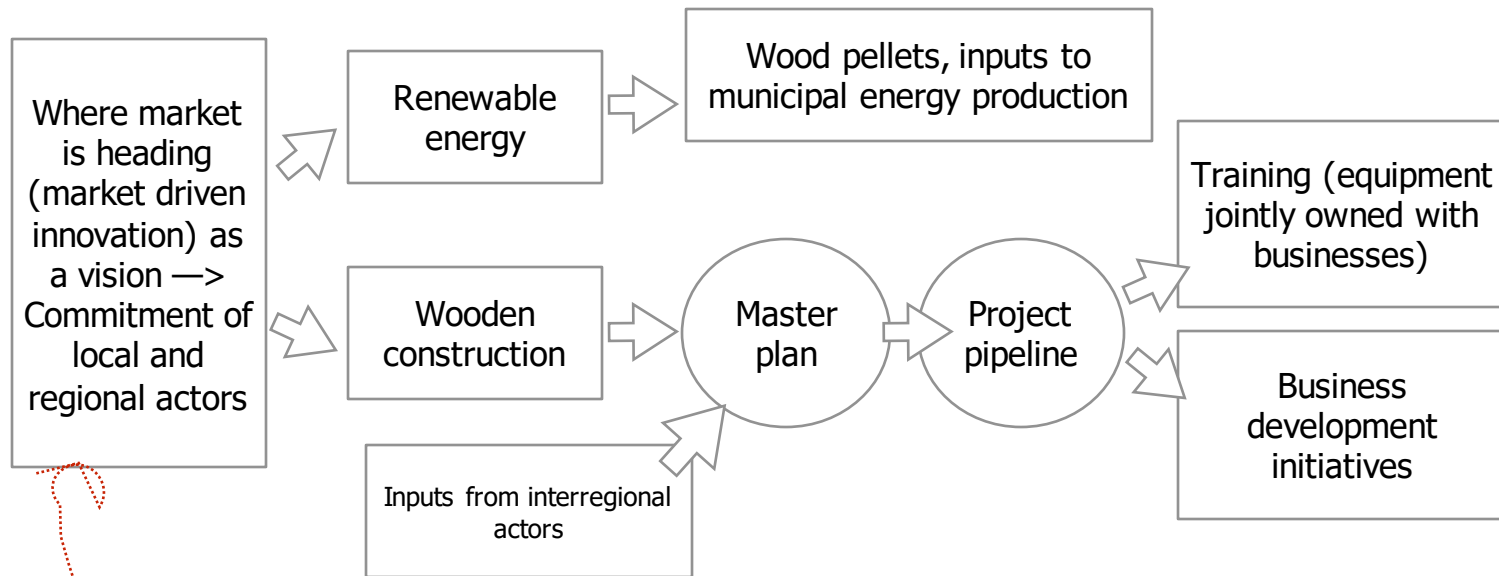
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TimberBros  
OY TIMBER  
FRAME



Pudelma ('bottle') pavillion, Turku 2011

# Kantola good practice process & lessons learnt



Evaluation of results and correlation with what worked important **to become** part of the process



# Kantola good practice process & lessons learnt

## • Successes

- Working triple helix collaboration
- New innovations and markets
  - First CLT factory in Finland
- Energy efficiency development
- Orchestration of private and public funding

## • Difficulties

- Development funding is mostly project based – continuation issues
- Growth barriers
  - Skilled labour force
  - Lack of capital
  - Distance to market
  - Successes did not establish a self-renewing path, but potential is there

## • Lessons learnt

- Market driven & excellence based as a strategy should be constantly renewed and applied.
- Internationalisation of knowledge inputs proved a positive catalyst
- Problem definition needs to be renewed
- Address difficulties, integrate improvement mechanism
- Expand project funding sources
- Link to business growth
- Funding of innovation intermediaries....

# Kantola, re-inventing itself

- After the initiatory period, and important successes, there has been a period of introversion, for various reasons, some of them financial.
- Woodpolis is now re-inventing itself: planning document submitted to the Regional Council of Kainuu, the WOODPOLIS RIS3 STATEMENT 2019.
- The document is a cluster development framework document, which gives priority to four types of activities, to be implemented during 1 + years:
  - (1) **Access to knowledge and ensuring a qualified labour force:** (i) Long term agreements with universities, recommendation to link with national universities. Professionalisation of skills based on corresponding degrees and qualifications are stressed; (ii) Vocational training is recommended for employees to become aware and affiliated with cluster thinking ('from company to cluster').
  - (2) **Cluster renewal, access to excellence and innovation-driven markets:** (i) become aware of excellence and innovation-driven markets; (ii) create roadmap for 2-3 feasible options, e.g. (ii.1) side streams, focus on mainstream applications and organising pilot actions; (ii.2) pilots on wood & baton combined solutions and design of new products.
  - (3) **Improve customer orientation, including:** (i) simplification of the procurement process; (ii) ensure funding that is not only project-based; (iii) Focus of projects on companies' own projects; (iii) launching joint projects only for identified and individual customer needs; (iv) Woodpolis' personnel training in business administration, especially in finance and marketing.
  - (4) **Improvement internal and external communication:** it includes strengthening of the cluster-businesses to the cluster activities, involvement of management, professionalisation and improvement of external communication.

# The perspective of the regional policy maker

- A lot of underused export potential; current export in very low TRL (products of saw mill mostly) wood construction houses and components are mostly sold in the domestic market.
- Woodpolis as a competence, innovation centre & infrastructure does not exist any more. It needs to be re-established.
- Potential for investors
- Operationalisation of the 'Lessons learnt' (previous slide).

# Thank you

# Questions welcome





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# **Structured Discussion**

# Poll Question



- What do you consider are the main factors driving innovation in rural areas? (max 2 answers)
  - Access to digital/broadband infrastructures
  - Provision of dedicated business support premises
  - Access to technology and innovation support services
  - Presence of dynamic SMEs
  - Dedicated funding instruments (grants, vouchers, subsidies ...)

# Structured Discussion with Panel and Audience via Chat ...



## Regional Perspectives

- What types of initiatives are being developed in your region or in cooperation with other regions to promote or implement rural development ? Have you deployed sectoral support initiatives?

## Challenges and policy perspectives

- What are the main challenges you face in designing your rural / innovation strategy How did you overcome those challenges? What policy recommendations would you give?

## European Funding Synergies/EDIH

- What type of funding synergies is your region trying to secure with Europe/National and Regional funds ? Do you see any particular opportunities or challenges emerging?



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# Conclusions