

## INNOVATION – SHAPING THE FUTURE

### Promoting innovation in rural areas – now and in the future: How can the current support system be improved and simplified?

#### BACKGROUND

The main focus of this workshop was on specific tools and policies (including the Rural Development Policy) to support business innovation in rural areas. The workshop emphasised that openness to share experiences and new opportunities can lead to the development of new creative businesses in rural areas. At the same time, there is a need for flexible business support tools that allow experimentation and risk-taking, and through these, the emergence of new innovative businesses. Business accelerator programmes are useful tools that provide a structured supportive environment to innovative businesses.



#### PRESENTATIONS

##### **i-Danha Agri-Food Accelerator, Gonçalo Amorim**

The presentation showcased an Agri-Food Accelerator Programme in the small rural Idanha municipality in Portugal. Idanha has lost almost 70% of its population over the last 50 years. ICT & digitisation are seen as new opportunities for development by the municipality. The business accelerator programme (that has both high tech-based and a more traditional low-tech component) has managed to attract more than 50 new, highly sustainable, high-value agri-food businesses into the region, creating 1.000 full-time equivalent jobs, and resulting in the active use of 300 hectares of land for agricultural use, the relocation of 200 families and the attraction of 25-million-euro of investment in the region.



##### **Promoting innovation in rural areas – The RDP as a tool to support innovative businesses, Jone Fernández Landa**

The Basque Country has created an Innovation Support Ecosystem involving a wide range of institutions, programmes and funds. Networking and coordination among the different stakeholders and programmes is at the core of the success of the Basque business support system. The Basque RDP uses a range of diverse support tools to foster and facilitate innovation projects, to build up a culture of innovation and cooperation and to transfer knowledge. For this purpose, the RDP uses various measures in an integrated way, creating synergies among them. This ecosystem is key to attracting new ideas and innovative businesses into the area.



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### MAIN OUTCOMES FROM THE DISCUSSIONS

Participants discussed two specific questions in small groups:

- What are the **main challenges and needs** for supporting innovative businesses in rural areas?
- How **policies and support tools can be improved** to better support innovative rural businesses?



### Challenges

- Creating innovative businesses **in rural areas is particularly challenging**, among other reasons due to low population density, limited scope for job creation and the lack of critical mass to attract both new inhabitants in some cases, as well as visitors.
- **Knowledge is often created in 'silos'** (e.g. within specific industries) and there is often a disconnect between urban and rural areas, funding institutions, specific industries, research communities and other stakeholders involved in rural development.
- The existing policy and support-systems often **do not encourage innovation**, risk-taking and experimentation; due to a lack of favourable start-up support and seed funding, complex administration, and a lack of fast access to finance, especially during the roll-out stage.
- **Specialised support for businesses is often missing**. Advisory services are too focused on the agricultural sector and wider rural business advice is often missing.

*"I cannot innovate because I need permits for things that do not yet exist and it takes too long before I get my grant."*

### Recommendations

- **More flexible support system**: fast access to finance, simplification of the application process, easy access to start-up funding. Managing Authorities (MAs) need capacity-building to better understand the nature of innovative businesses, their potential and the possible effects of innovation. MAs also need to introduce simplification to stimulate innovative businesses (e.g. through lump sum and unit costs, investing upfront rather than providing grants afterwards).
- Need for **better synergies and coordination of policies and funds**, at various levels and from various sources (public, private, crowd), through joint implementation and making use of the multi-funding approach of the EU.
- **Better information, training and coaching** on how to start-up businesses, where to get access to finance, how to create new business models, etc. **Advisory services** need to widen the scope of business support to non-agricultural businesses. Involve innovation brokers. Offer complete 'package deals' for businesses (including social services).
- **Collaboration** needs to be improved at all levels and across Member States to promote innovative business ideas, including industry, research, local authorities, R&D, etc. Experiences should be shared during project realisation, rather than only at the end. Focus on **new talents and young entrepreneurs**. Research should be more practical and relevant for businesses.

*"Introduce a Rural Leadership Programme (for businesses, policy-makers, voluntary organisations). Use these leaders to support innovation."*

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