

Programming Innovation in Rural Development – Linking Innovation and Science

Facilitator's Report on the Berlin meeting (25-26 November 2013)

On 25 - 26 November 2013, DG Agriculture and Rural Development invited national / regional Managing Authorities, together with members of the AKIS Working Group, to a technical seminar in Berlin specifically to discuss practical aspects of the new working interface that the EIP provides between farmers, researchers, farm advisors, consumers and other rural stakeholders at EU, national and regional level. The seminar was hosted by the German Federal Ministry of Food, Agriculture and Consumer Protection, and around 140 people participated in a diverse programme of presentations, workshops and open discussion.

The full programme and outcomes of the seminar can be viewed [here](#), including all presentations, background documents, a [summary article](#) and the [conclusions](#) of the seminar.

This report focuses upon the interactive elements of the seminar which included:

- four **thematic workshops** related to various aspects of making the EIP a success. A brief summary of each workshop is included below;
- an **informal discussion session** during which participants were invited to propose and host discussions on questions / issues of specific interest to them. A total of 10 informal discussions took place all of which are reported below.

Thematic Workshops

Workshop 1: How to motivate actors to set-up operational groups?

- Key questions:
- Who are the partners?
 - How to find them?
 - How to facilitate / foster partnership

Click [here](#) for the kick-off presentation by **Ilse Geyskens** from the Flemish Innovation Support Centre for Agriculture and Rural Development in Belgium. The discussions that followed were framed around the three “phases” likely to be associated with the establishment of an operational group:

Phase 1 A **pre-phase** of intense communication with farmers and other stakeholders in order to raise awareness, stimulate interest and promote involvement in the EIP.

Discussion Points:

- Lots of potential actions were identified for raising awareness about the EIP and the setting-up of operational groups via articles in the media, seminars, formal and informal networks of contacts, advisory services etc.
- It was highlighted that there must be mutual trust and open communication between the stakeholders. The concern was expressed that farmers, industry and agro-business may hesitate to “share” ideas for operational groups / projects because of fears that they will lose out commercially.
- Meaningful communication between researchers and farmers can be difficult since researchers think primarily in terms of developing knowledge, whereas farmers think in terms of “solving problems”.

Phase 2 A **capturing phase** where the “sparks” of interest and preliminary ideas for projects etc. must be “captured” and carefully nurtured.

Discussion Points:

- Some examples of platforms and networks relevant to the capturing phase were discussed. It was suggested that it may be best to use targeted thematic networks based upon existing networks or structures. It was agreed that the national rural networks (NRNs) could have a role to play.
- It was noted that it is easiest to achieve vertical involvement / engagement of stakeholders with new ideas. However, establishing more horizontal involvement / engagement is the real challenge to overcome.

Phase 3 A **setting-up phase** which begins when the most interested actors start to take concrete steps towards forming their operational group.

Discussion Points:

- Numerous questions arose during discussions about the setting-up phase. For example, who will support the formation of operational groups in those Member States where there are no existing “innovation support services”? What exactly is the role of the innovation broker during the setting-up phase? Should innovation brokers become the leader of the operational group or not? What procedures should be in place for the setting-up of operational groups, especially on the ‘protection’ of ideas?
- The importance of informal actions was highlighted as an alternative to using formal groups or approaches.
- Some participants commented that it is already clear that some projects cannot be financed because the current regulation is too rigid on some points.

Workshop 2: How to stimulate practice-science links through EIP programming in rural development and Horizon 2020?

- Key questions:
- How to identify the needs?
 - What are the bottlenecks ?
 - Which consequences for programming?

Click [here](#) for the kick-off presentation by **Prof. Dr. Harald Kächele**, Leibniz Centre for Agricultural Landscape Research (ZALF), Germany. Two rounds of discussion followed on a) the challenges when building the “bridge” between practice and science, and; b) actions to stimulate practice-science links when programming the EIP.

- Challenges when building the “bridge” between practice and science**
- Identification of needs for research
 - Allocation of financial resources for science
 - Evaluation criteria for science
 - Dialogue between stakeholders, policy and science along the whole scientific process (from needs to market/adoption readiness) can be challenged by “bad” competition among different groups (e.g. researchers, public administrations-departments, farmers); language and terminology, and; different ways of thinking (problem solving vs. theory driven)
 - Different formulation of problems
 - Practice needs quick results – science focusses on long term results
 - No economic incentive for implementing results from public sector
 - Practitioners look for the state of the art – researchers for new ideas
 - Lack of trust (both directions)
 - Lack of communication
 - Time limitation: matching practice and research processes

Actions to stimulate practice-science links when programming the EIP

Identification of needs

- Promoting meetings and demonstration activities for researchers, farmers, NGOs etc.
- How to avoid selection of needs based on self-interest (without benefit for others)
- Improvement of relationships among stakeholders
- Risk-sharing in allocation of resources
- Exchange of 2 lists of needs (from research and from practice)
- Speed-dating for researchers-practitioners

Dialogue

- Need for mediators
- Funding for knowledge transfer + commercializing research
- Use of proper language
- Involvement of students/technicians in communication issues

Time Lag

- Include practitioners (farmers, farmer organizations...) in research since the beginning (real time involvement) and include advisor for “filtering” needs
- Communication platform, also at national level
- Financing foreseen in different stages for a concrete project

Implementing research results from practice

- Financing for dissemination “in simple terminology”
- Specialized agency/service to disseminate
- Ask for communication plan and include it as evaluation criteria
- Other criteria of “excellence”

Workshop 3: Is there an optimum format for Operational Groups (OGs)?

- Key questions:
- Does the size of an operational group matter?
 - What are the options for operational group structure?
 - Call for proposals

Click [here](#) for the kick-off presentation by **Iman Boot**, Deputy Head of Unit "Environment, Genetic Resources and European Innovation Partnership", European Commission DG Agriculture and Rural Development. The subsequent workshop discussion followed a similar structure to the kick-off presentation, namely structure of operational groups (OGs), and; organization of calls for proposals.

Structure of Operational Groups (OGs)

1. Size of OG

What's the best size, big or small? Should MA establish some conditions for this?

It depends very much on the topic / challenge to tackle (a broader/more general theme should have more partners but a very specific challenge may have fewer partners). It can be useful to have small starting up OGs that grow bigger in the course of time. **Conclusion:** Make it flexible

2. Selection criteria and composition of OG

What criteria should be there? Should composition be pre-defined? What are MA preparing?

What's really important is to be sure that the relevant actors are involved, whoever they are. In fact, some projects may not even need to involve farmers (e.g. industrial development of a new product). For example, the MA from Portugal is proposing the need to have at least 3 different types of actors, but without specifying what types. **Conclusion:** Make it flexible.

3. Legal status of OG

Is there the need for the OG to have a legal status?

This is an important issue in respect to the relation between accountability and liability and financial management. Opinions in the group varied. It's important to keep a light model, not too strict- but there's also the need to prevent future problems at auditing level. Therefore, an OG may either have a legal identity or may have a legal agreement where liability between partners is clear. But the second option may be a problem in some regions due to existing legislation. **Conclusion:** It depends very much on legal aspects at Member State level

Organization of calls for proposals

Some Managing Authorities (MAs) are looking for ways to facilitate the selection process, both with the objective of avoiding that applicants spend too many resources elaborating a complete application before having a previous feedback about the feasibility of their intentions/ project and in order to simplify the evaluation process and diminish the work load for the MA. Therefore, some

Member States (MS) are preparing a system where firstly a selection of OGs is made and then, within the ones that are accepted, a selection of projects is done – so, the process is organized in two phases.

Selection criteria were very briefly referred to since it's reasonable to expect that MAs will give preference to certain themes or sectors considered more relevant to their specific RDP strategy.

A brief reference to the organization of calls in countries with regional governments was made. The example of Spain was explained: if a project has general interest, it is financed by national government; if the project has regional interest, it is financed by the corresponding regional government.

Workshop 4: How to encourage and manage cross regional/border co-operation?

Key questions:

- How to identify common interest?
- Which communication mechanisms?
- Which administrative arrangements?

Cross-border co-operation presents certain challenges and a provocative presentation (click [here](#) for presentation) delivered by **Fabio Boscaleri** from European Regions for Innovation in Agriculture, Food and Forestry (ERIAFF) helped to open the discussions.

Participants identified three types of cross-border/regional cooperation:

Type 1: Cooperation between regions

Type 2: Cooperation between an operational group (OG) in one region with an OG in another region

Type 3: An OG brings an expert from a different region/area to benefit from his knowledge

Making this distinction is important because it could help identify the exact costs that would have to be made with the cross-regional/border cooperation. For example in Type 3 it is already possible that an expert from another region is paid by an OG for his specific expertise. While for Type 1 strategic decisions at higher level can play an important role in coordinating activities. The question for Type 2 is what exact costs would cooperation imply?

One typical obstacle to cross-regional / border cooperation is differences in the “timing’ of administrative procedures between different countries / regions. In Italy there are plans to make a set of common rules in order to improve coordination between regions on different matters, including easing administrative burden and have a good timing of the calls.

The main mechanisms considered as important for supporting cross-regional/border cooperation are:

- Good communication and networking
- Good timing of calls
- Transparency
- Reducing administrative burden
- Emphasis on animation

- Brokering
- Openness to involve others
- Use of social networking

It was also stressed that linkages should not be made top-down. Instead we need a network that gathers and makes available knowledge of 'what operational group does what'. As many lessons as possible about cross-border co-operation should be drawn from existing models such as INTERREG and LEADER.

The value added of the EIP should be in bringing new actors in the process. But in some participant's opinion the problem is in the rules. Question: *'How do we provide support for farmers from different regions from the same Operational Group?'*

In some participants opinion the answer is in having a mandatory budget allocation for cross-regional/border cooperation. Others disagreed, saying that it is not a good idea to force a cross-regional/border cooperation agenda by ring-fencing money. However (as above), it is not clear what exact costs would be covered by a cooperation budget.

Administrative arrangements for cross-border and regional co-operation were discussed further in the informal discussion sessions next day.

Informal Discussion Session

1. What tenders do you plan for articles¹ 15/16? (discussion hosted by Ondrej Brozka, Czech Republic)

A short discussion clarifying various issues regarding procedures being adopted by Managing Authorities for Articles 15 (knowledge transfer and information actions) and 16 (advisory services, farm management and farm relief services) in the legislative proposals. It was agreed that:

- For Article 15 of the draft regulation no public procurement procedure is needed. Article 15 is really open. Publication can be done on a website. People can submit proposals and decisions can be made.
- For Article 16 public procurement (a transparent public tender) is needed. Procedures can be long e.g. lasting from 6 months up to 2 years. The LEADER approach could be an alternative for implementing Article 16.

2. Administrative arrangements for cross-border and regional co-operation (discussion hosted Fabio Boscaleri, Italy)

A number of issues discussed for encouraging cross-border and regional cooperation:

- Managing Authorities (MAs) need to work on areas of common interest
- There should be synchronised calls with common rules and selection criteria (can take advantage of the flexibility of Article 36²)

¹ Articles 15 and 16 are transposed as Articles 14 and 15 in the published EC Regulation No. 1305/2013

- Budgets need to be dedicated to cross-border / regional co-operation
- Who can provide appropriate national / inter-regional animation?
- How to manage investments of common interest to all partners in cross-border / regional co-operation?

Some form of Open Working Group would be useful for bringing together MAs with the EIP AGRI Service Point, as well as other potential actors such as ERIAFF (European Regions for Innovation in Agriculture, Food and Forestry).

3. How to get farmers involved with operational groups and project results (discussion hosted by Clara Marin, Spain and Billy McKenzie, Scotland)

Farmers are economic actors and can be difficult to motivate with other objectives. Some farmers will “get on board” with the EIP, but these will be the ones who are already familiar with the benefits of collaboration. So, how to get the other ones?

Messages to farmers need to be credible according to them. Many Farmers don’t trust bureaucrats - someone is needed who can speak the same language as farmers do. In a project in Scotland, they used an ex-farmer as a facilitator. He was a local person (who farmers trust), a kind of an innovation broker. It worked well. Some monitoring of farms will help to demonstrate / prove the benefits of projects. Could Farm Advisory Services have a role here?

How to get partners together? Scotland usually uses an NGO or a local person who identifies interests and uses their own contacts and networks to look for partners. In a small region like Scotland, it’s easy to get stakeholders together. There are concerns in some Member States that innovation brokers will only be focussed on the economic opportunity, not the best interests of the partners. But how to avoid this? Need to have criteria to choose the right innovation brokers - any credible person with experience in engaging with farmers can do this brokerage.

Could LAGs work as innovation brokers? The group agreed that this could be an option. One way to link LEADER and innovation would be to create thematic working groups within the national rural network (NRN) and ensure the connection. In Hungary, for example, the NRN is closely linked with agricultural sector.

What about calls and selection procedures? Some participants suggested that some general steering (top down) will be needed to help target the project ideas, for example by pre-defining some broad themes of general interest (e.g. climate change)

In Scotland they already use a “Statement of Intent” which is a simple 1 page document that is submitted in a first phase. Applicants received advice from the ministry on their project idea and get green light (or not) to proceed. Suggested that 1page is too short – better to have a 3 page proposal, but give guidance on the content that you want. You need to have a minimum of information about the project to be able to evaluate if it is worthwhile to proceed or not. Don’t forget also that when a project is not really working, you can stop it (see EIP guidelines).

² Article 36 is transposed as Article 35 in the published EC Regulation No. 1305/2013

What happens if there are no project results or if they're negative? It may be bad for the farmer but for the knowledge base it is always a good and valuable result - we should not be afraid of failure!

EIP results are a property of who? This is a "hot issue" of discussion in Some Member States. DG AGRI is clear – the outcomes of an operational group have to be shared because they are created using EU funding so they should benefit others in EU.

4. Innovation as a cross-cutting theme (discussion hosted by Oana Tanasache, Romania)

Consider innovation as a TOOL rather than a theme – and consider what brings about innovation. What are the conditions needed for "fostering innovation"?

What are the innovation tools in the rural development tool-kit?

For priority 1 – Articles 15, 16 and 36³ - use information actions and training to raise awareness and disseminate knowledge of operational groups

Ensure good co-ordination of calls for proposals that are thematically linked

Programme a Focus Area using the articles you need

Note the cross-cutting nature of outcomes – clustering is possible in some cases (e.g. biodiversity, water and soil) – in other cases the linkage is more straightforward (competitiveness)

Resources for promoting innovation are limited – prioritise relevant actions according to what can be financed

5. Freedom to innovate versus the need to control (discussion hosted by Arno Krause, Germany)

Innovation can mean different things to different people, but it always needs freedom (to a certain extent) plus space to develop. This freedom includes both freedom from hidden regulations and hidden agendas, AND the freedom to reach goals in different ways.

Of course, any bottom-up initiative such as the EIP involves the risk of failure and there is a need for good assessment criteria to minimize this risk – but it's also important to understand that there are two types of project relating to innovation:

- projects with a clear outcome where the progress and success of the project can be clearly defined (although projects should have the possibility to change direction), and;
- projects where the outcome is not known before and can therefore not be controlled.

Both types of innovation project can and do fail, and this is a valuable part of the learning process. However the opportunities for really "fostering innovation" are likely to be greatest in the second type of project. Should there be an unmeasured (uncontrollable) "bubble" in all projects?

³ Articles 15, 16 and 36 are transposed into Articles 14, 15 and 35 in the published EC Regulation No. 1305/2013

Operational groups will deliver output / results which should be relatively easy to measure (result indicators) and control. But how to measure the durability of the partnership? Or its coherence? Or the synergies created?

There are also many other unknowns within the EIP that cannot be measured and controlled.

Innovation brokers will work as motivators, facilitators, engines to spark and trigger ideas – but none of this will be easy to measure (activity indicators?). And how to measure the “work” of the networks that will operate within the EIP? Traditional control tools are not appropriate - on the other hand you’ve got to make sure, that money isn’t wasted. What criteria do we need to measure the outcome of networks? How to evaluate the cooperation / collaboration achieved?

6. Eligible expenditure for operational groups (with reference to Art. 36⁴) (discussion hosted by Maya Ninova, Bulgaria)

EIP operational groups will be able to use various rural development measures, but the most useful of these will probably be the *Co-operation* measure. This can potentially cover a range of costs which operational groups will incur as they set themselves up, attract additional members, develop their project and implement it. However, it’s important to be familiar with the related legislation, including – in some cases – state aid rules.

Some issues discussed were:

- Overcoming initial costs (payment after approval?)
- Financial motivation for farmers to get involved – financial compensation? Involving hired farmers? Involving demonstration farms?
- Cost of dissemination?

7. How to bring the culture of research and farmers together (including embedding existing knowledge base in operational groups) (discussion hosted by Jasper Dalhuisen, Netherlands)

Better communication is the key!

- | | |
|-------|---|
| How? | <ul style="list-style-type: none">• ICT (databases)• Face-to-face communication – bringing people together• "Innovation brokerage" (using the right incentives) |
| When? | <ul style="list-style-type: none">• Using e-knowledge in the right place at the right time• Defining the role of research and researchers – question vs. Output• Getting feedback |

⁴ Article 36 is transposed as Article 35 in the published EC Regulation No. 1305/2013

What are the incentives?

- Farmers
- Investment only?
 - Relate to daily operations
 - Pilots – must be business-related cases

- Researchers
- Evaluation criteria
 - Promotion
 - Financing of operational groups

- Remaining open questions:
- How to break the walls between funds?
 - Time gap between research and practice?

8. How to establish selection criteria for operational groups in MS with regionalised RDPs? (discussion hosted by Isabel Bombal, Spain)

In Member States with regional RDPs, the regional Managing Authorities (MAs) will set their own selection criteria for operational groups (OGs). In this process the National Authorities could provide suggestions and guidelines.

It can be useful to capitalise on the experience gained from implementing the cooperation measure 124 in the current programming period. Some lessons learnt from the Italian experience where different models were used by the regions to implement the cooperation measure include:

- Consider the interest of farmers
- Private farms or farmers associations could be encouraged to lead the projects rather than universities.
- Consider current systems / affiliations and allow them to integrate and expand by engaging new actors particularly from the private sector that can bring new skills and knowledge.

The NRNs could actively contribute to the beginning of the setting up OGs by animating, informing and explaining the process to farmers and other actors who could be involved in OGs. An information and animation period would enable new actors to get in contact, get to know each other and identify different competences that could be brought together through the interactive innovation model.

Two examples on how MAs are designing their selection criteria for OGs are already available. These are the cases of the MAs in Baden Württemberg and the Netherlands.

Baden Württemberg as possible selection criteria for OGs are considered:

- The scientific and technical quality of the project proposal
- The expected impact or the sustainability of the project
- The composition of the partnership
- The quality and intensity of exchanges between the members of the partnership
- Importance of the project for practice
- The effective exchange / dissemination of knowledge and experience gained
- The linkage with the regions objectives

- The contribution of the project towards increased productivity in agriculture.

In the **Netherlands** the evaluation of proposals for OGs will be carried out in 4 different steps in a “go – no go” process. These steps will include: i) assessment of a rough project proposal, ii) draft of a detailed project proposal, iii) the implementation of the project, and iv) optionally, the preparation of a Horizon 2020 proposal if needed.

The following factors are considered as possible selection criteria by the Dutch MA:

- The expectations from a project to produce an innovation. To this aim the selection committee should be composed by a mixture of experts who can assess these potentials.
- The effectiveness of the approach
- The experience and competences of the facilitator of the partnership
- The dissemination of the experience gained throughout the project
- The good composition of the partnership in relation to the expected tasks
- The ratio between the costs and the technical quality of the project proposal
- The sustainability of the project

Innovation brokering is not obligatory for setting up OGs. If other means can be used for bring together different actors to work on a new idea, there is no obligation to engage an innovation broker. In any case, innovation brokers should not monopolise access to OG projects. Instead they should be neutral facilitators, if and when their services are needed.

Operational groups do not necessarily need to be a legal entity in order to receive EAFRD support. A consortium agreement, with clear division of tasks and responsibilities among its members, would be enough to apply for support.

9. State Aid and the EIP (discussion hosted by Henning Kuschning, Germany)

As for other rural development measures, it is important to limit the likely difficulties of obtaining state aid clearance for support under the co-operation measure.

However, the co-operation measure will in many cases be used to support operations which are not covered by Annex I to the EU Treaty – either because these operations are clearly not "agricultural" in nature, OR because they are related to agriculture but their outputs do not fall within Annex I (e.g. in the case of support for the development of a new system for using agricultural biomass in the manufacture of adhesives). In such cases, support may ONLY be paid through rural development policy if state aid clearance is obtained.

This informal discussion looked at two basic questions:

<i>When do state aid rules apply to rural development support?</i>	What does it mean to be a project with an Annex 1 product or non-Annex 1 product
--	--

<i>How are they applied?</i>	Will vary from case-to-case
------------------------------	-----------------------------

Many more detailed questions actually arose during discussion relating to specific issues.

For example, what if an EIP project is implemented consisting of many smaller activities which are inter-related where the final output is an Annex 1 product (i.e. an agricultural product), but the activities contributing to the final product involve outputs (e.g. computer software) which might also be used for non-Annex 1 products.....???

Clear that further reflection and guidance will be needed in such complex cases!

10. Innovation brokers / support services (discussion hosted by Regina Asendorf, Germany and Andrés Montegro Aparicio, Spain)

In many cases, assistance from innovation support services will be essential in bringing an operational group and its project to life, but there are still many questions concerning the principles and practice of innovation support within the context of the EIP.

What is the role that could be played by an innovation support service provider (ISS)?

An ISS has a role in the beginning when creating an OG project, but this person/organisation is not necessarily part of the OG. There are different views about whether has the ISS a *1-on-1 relationship* with an OG or *1-on several* (the ISS is a person or an organization where 2 or 3 people stimulate the growth of many OG's in one region)?

Participants suggested that some national rural networks (NRNs) may take up an animation role. Farm advisory services could also become more innovation-oriented – for example, by installing an “innovation manager” who starts to communicate and set-up OGs. Existing networks with universities, colleges and agricultural schools should also be built upon.

Financing of innovation support service providers (ISS)

EIP funding is available in the new programming period, but if want to start financing the ISS earlier will need to look for extra money.

Should the ISS be expected to fully share responsibility and risks along with other members of the OG? There is concern about the risk that many OGs will be formed because of the interest of the ISS, not because of the interest of the users. Suggested that should only reward those ISSs that are successful with matchmaking and project proposals.

Selection criteria for innovation support Service providers (ISS)

There was a discussion about how to identify ISS and what education / experience is necessary – suggested that qualifications in agriculture are needed for people working with farmers. Language is an important criterion for an ISS – the ISS must be understood and accepted by both farmers *and* researchers. Be careful about “industrial innovation brokers” trying to work directly with farmers, encourage them to team-up and combine their experiences with others e.g. agricultural extension services.

Look at the profile of LAG managers (although remain aware of the differences between the EIP and LEADER). Look at existing good practices of provision of Innovation support Service e.g. European Enterprise Network (EEN) where several partners from public sector and from several countries are funded with public money to link SMEs. The best ISS in SME support are persons who have a network with a lot of different actors established.

ISS may not be one single person, but can be a whole team with different types of knowledge (about administration, funding, processes, existing structures, farming in certain area, networks etc.).

These interactive sessions were much appreciated by most of the participants and even more time can be reserved for these sessions in the future. Helping to understand the complexity and gathering knowledge on the EIP were the 2 most important issues identified after the seminar that enables participants to improve.