

# EU Rural Review

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## Creativity and Innovation in EU Rural Development

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# 'In the know'

## Did you know...

...that 2009 was the European Year of Creativity and Innovation (EYCI), a year that highlighted the useful roles that creativity and innovation can play in supporting economic prosperity throughout Europe's countryside. Such development goals represented one of the main driving forces behind the EYCI and these concepts of innovation and creativity remain vital to the growth and sustainability of EU rural areas.

Innovation objectives are embedded in the Community Strategic Guidelines and new measures have been introduced into the rural development policy toolbox for this purpose, including a measure dedicated to supporting cooperation for the development of new products and processes.

These 'product' and 'process' aspects of innovation have always been important in helping to support the sustainable growth of rural areas, and their relevance will continue to remain equally valuable as rural Europe faces up to a new set of challenges. This was recognised during the Health Check of the Common Agricultural Policy which reinforced innovation as a key priority for EU rural development policy. Innovation is encouraged on a very broad cross-sectoral basis, and particularly so in terms of tackling issues such as responding to climate change, conserving biodiversity, maintaining water quality, harnessing renewable energies, improving competitiveness and restructuring the EU dairy sector.

Creative rural solutions and innovative methods are also being encouraged through the EU's Recovery Package, which has been introduced to tackle the global economic crisis. In addition to underscoring efforts to address the new challenges mentioned above, the package promotes 'smart investments' to bridge broadband gaps in rural areas. Our rural development policy will play a key role in supporting the innovations involved in addressing 'digital divides' in synergy and through novel partnerships with other EU policies operating in rural areas.

Overall, a wide range of practical assistance for responding to these policy frameworks is offered through the 94 Rural Development Programmes (RDPs) and their targeted intervention measures. This variety of options provided by the RDPs gives rural stakeholders an array of opportunities to create novel processes that lead to new rural development benefits, as well as assist the production of innovative rural goods and services. The Leader approach is particularly suited to promoting innovation, as shown by past experience.



I know from my experience as Director-General of DG Agriculture and Rural Development that EU rural stakeholders, be it groups or individuals, are extremely well versed in developing innovative products or processes and finding creative solutions to tackle rural challenges. I have been watching with keen interest the variety of technological and policy advances that have been taking place over recent years in rural Europe and I am proud to have been involved in some of these important developments.

But we should remember that innovation and creativity are not always about high-level impacts, nor high-tech invention, and a great many excellent examples of local and regional innovative rural development actions can be found in all 27 Member States.

Creativity and innovation are expressed in a host of different ways throughout the EU's rural areas. For example, innovation is equally relevant to rural development activities involved in identifying new markets, developing new partnerships or adapting proven approaches to different circumstances, as it is to creating new products, introducing new services, or testing and implementing new ways of networking between rural development actors.

Dissemination of good practices in these, as well as other types of EU policy action, was a core objective of the EYCI, and this Issue of the EU Rural Review showcases some of the different types of innovation and creativity from EU rural areas.

Combining a review of strategic analyses with a selection of country case studies from across rural Europe, the publication aims to show how EU support can be used to encourage the wealth of innovation and creativity that exists in rural communities. By doing so, I hope that through illustrating what is possible in rural Europe today, we can use our knowledge to help create an even better rural Europe for tomorrow.



Jean-Luc **Demarty**

Director-General, European Commission  
DG Agriculture and Rural Development

**Rural Developments**

# **Rural innovation: embracing change as an opportunity**



**Creativity and innovation are essential ingredients for successful rural development in the EU-27, where new and novel approaches can be found that address key rural challenges and help Europe's countryside embrace the opportunities provided by rural support programmes.**

As mentioned before, 2009 was the European Year of Creativity and Innovation (EYCI). Actions during this year aimed at raising awareness about the importance of creativity and innovation for personal, social and economic development. In addition, EU institutions and partners were encouraging the dissemination of good practices, stimulation of education and research, and promotion of policy debate on related issues. The key message behind all EYCI actions was that creativity and innovation contribute to economic prosperity as well as to social and individual well being.

EYCI activities aimed at a range of different groups including young people, educators, businesses and policy-makers, as well as the general public. Civil society organisations were also encouraged to mobilise and get involved at European, national and local levels.

### Innovation, Creativity and EU rural development policy

Today's EU rural development policy builds on a history of programming which recognises the key role and benefits that both innovation and creativity offer for rural residents, as well as wider users of Europe's countryside.

Innovative approaches are promoted by the Community Strategic Guidelines for rural development and these policy priorities have been demonstrated by the inclusion of a specific innovation measure in the rural development policy apparatus. Member States' Rural Development Programmes (RDPs)

include actions throughout the full range of RDP measures to foster innovation and to find new ways to bring economic development, social prosperity and personal wellbeing for rural communities and their stakeholders.

Innovation is considered particularly important in facilitating sustainable development frameworks that balance economic growth with the production and protection of 'public goods', such as biodiversity and other environmental resources. Creative thinking is also an essential tool for rural development practitioners and policy-makers involved in addressing fundamental issues like competitiveness, quality of life, diversification and territorial cohesion.

**“ Innovation is the ability to see change as an opportunity – not a threat ”**  
Albert Einstein

**“ Innovation is just as relevant and potent in a rural cheese dairy, sawmill or local college as in a Milan design centre, the aeronautics industry of Toulouse or the Research division of IBM. ”**

Frank Gaskell: Senator of Euromontana and their nominated expert on Thematic Working Group 2 of the European Network for Rural Development



## Embracing change as an opportunity for rural areas

Tackling these rural issues often involves adapting to changing circumstances in rural areas, which may be driven by various factors including: climate change, demographic changes, reduced dominance of traditional rural business sectors, and policy developments. Such changes can sometimes be considered to be problematic for rural areas but many development opportunities can actually also be created by embracing these types of change. The EYCI promoted concepts like 'embracing change as an opportunity' and highlighted innovation's role in assisting related actions.

Innovation's role has also been underscored by modifications to mainstream EU rural development policy that has been adapted to fit with a new set of common challenges affecting rural Europe. These 'new challenges' reflect both Community priorities and those emerging from the Common Agricultural Policy (CAP) Health Check concerning climate change, renewable energies, water management, biodiversity and dairy restructuring. In addition, EU Recovery Package introduces support for improving broadband coverage in rural areas, which in turn is likely to promote various types of innovation.

Embracing and addressing these challenges in an innovative and creative way is a core function of current and future EU rural development activity. Strategic goals strengthen and improve the overall quality of European rural development processes in the framework of EU policies and give visibility to actions that lead to new products.

Innovations and creative thinking at regional, national and EU levels are required throughout the rural development programming process in order to ensure that goals are achieved, and that the opportunities offered by rural policies are effectively put to work. Innovation may not always be associated with high-level impacts or inventions; it may simply involve introducing

technologies and good practices already used elsewhere and adapting them to the particular conditions and/or circumstances of a new place; or applying proven concepts in a novel and more efficient way. In this sense innovation often results from intensive contacts and cooperation with stakeholders elsewhere, from group work and networking and, of course, from interterritorial and transnational cooperation.

## Rural networks

Launched in late 2008, the European Network for Rural Development (EN RD) is a rural policy innovation in itself, as it embraces all aspects of EU rural development policy, while in the previous programming periods networking was limited to the Community Initiative Leader+. Its combination of coordinated support services creates new possibilities to identify and promote appropriate rural development actions at local, regional, national and EU levels. The EN RD brings together new people in new ways and this networking process provides an excellent opportunity for creating innovations that will benefit a great many rural development stakeholders.

The EN RD's unique networking functions allow it to act as a new policy device that is capable of listening to what is happening in rural areas across the EU, and use the information that it learns to help national authorities enhance the effectiveness of their specific rural development policy actions. The EN

RD therefore embodies an innovative methodology for supporting innovation and creativity in rural areas. Important partners in this development process are the National Rural Networks (NRNs).

NRNs represent another important innovative feature of modern-day EU rural development policy. No networks with the same remit range existed prior to the current programming period and the NRNs play a major part in fostering rural innovation, as well as facilitating the strategic goals for EU rural development policy.

The NRNs provide a beneficial link at Member State level between the national administrations and the variety of stakeholders working in different aspects of rural development. Their structure and organisation can differ from country to country but in all cases their main role is to support the implementation and evaluation of rural development policy.

Examples of National Rural Network aims include:

- Exchanging information and encouraging communication between rural stakeholders via conferences, meetings, training sessions, publications and the EN RD website
- Identifying, analysing and disseminating good transferable practices via thematic studies, case studies and award schemes



PHOTO PROVIDED BY NORTHERN IRELAND GOVERNMENT'S DEPARTMENT OF AGRICULTURE & RURAL DEVELOPMENT



- The preparation of training of Local Action Groups (LAGs) in the process of formation
- Supporting cooperation projects by raising awareness about opportunities, assisting partner search processes, providing project mentoring services and advising on partnership management.

Many NRNs are in their early stages of development and, as Henk Kieft from the Netherlands NRN says, “We are keen to explore how the NRN can get stakeholders involved and we expect this to be an ongoing job.” He continues that: “We want to bring different interest together because we know that innovation will be inspired by unexpected and new connections.”

Maria Gustafsson, from Sweden’s NRN sees their network as “an arena for mutual learning and cooperation”. She underlines the point that “We understand the importance of motivating our members and we try to ensure that people get something from involvement in the network. This is very important since without our members we will not be able to properly analyse the progress that is being made in rural areas, nor appreciate the innovations and changes that might be

occurring in specific regions or sectors.”

Camillo Zaccarini Bonelli from the Italian Rural Network (ISMEA) endorses their approach to supporting effective implementation of EU rural development policy. He believes that: “Our inclusive approach offers a good mechanism to identify actual needs and information gaps with respect to the new challenges and all other aspects of rural development policy.” He describes how “We use regional antennae to provide us with bottom-up information and this is supplemented by our thematic task forces. Our innovative methodology helps us to widen participation and maximise use of existing rural development know how. We even include people from other countries in our NRN”.

## Fostering innovation

NRNs are aware of the benefits that creative approaches offer for rural communities and their innovative work programmes contributed to EYCI objectives. This includes encouraging LAGs to broaden their actions across all four RDP axes. Indirect support for rural innovation is also encouraged via dissemination of a multiplicity of good practices in different topic areas

covering farming and food, forestry, environmental management, tourism, energy and community services.

The EN RD website plays an important role in facilitating information exchanges between the NRNs and other rural development stakeholders. This is highlighted by the EN RD Contact Point’s Team Leader, Haris Martinos, who explains, “The Internet presents us with many opportunities to encourage new ways of networking between a wider range of EU rural development actors than ever before. The EN RD website has been designed with this goal in mind and it includes innovative interactive tools that will help transfer knowledge and build capacity among its users.”

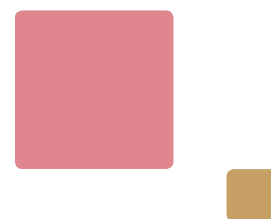
The EN RD website provides a platform for disseminating good practices. The following four articles feature a collection of interesting innovative approaches to rural development activity. These show how the EU’s rural development policy axes can contribute to innovation objectives and illustrate some of the benefits that have been gained from working in new ways, developing new products and services, or adapting proven approaches to new circumstances.

**Innovation and creativity** remain relevant across a broad spectrum of different rural development activities, stretching from policy programming to project implementation. Within this range the basic concepts of innovation and creativity are commonly expressed by a number of interrelated actions.

**Working in new ways** can involve a multitude of development approaches that: apply new ideas, use new techniques, focus on alternative markets, bring diverse sectors and stakeholders together via new networking methods, support new priority groups, or find new solutions to social, economic and environmental challenges.

**Developing new products and services** often result from innovative ways of working and can be created through the application of new or novel techniques, technology, processes, partnerships, research and thinking.

**Adapting proven approaches to new circumstances** is also recognised as a highly effective means of creating locally significant innovative rural developments. These types of innovative action are often facilitated by knowledge transfer between regions or Member States.



“ **Innovation is searching, finding and sharing.** ”  
 Rob Janmaat,  
 Netherlands Rural Network



Axis 1

A photograph of a logging operation in a forest. In the foreground, a large stack of cut logs is piled up. A logging machine with a long boom is positioned to the right, with its arm extended over the logs. The background is a dense forest of tall, thin trees. The text 'Supporting creativity & innovation in EU farm, food and forest sectors' is overlaid in large white font at the bottom. There are also two green squares and a white outline box overlaid on the image.

# Supporting creativity & innovation in EU farm, food and forest sectors



## Axis 1 development funding provides new opportunities for supporting the adoption of creativity and innovation to raise competitiveness in Europe's farm and forestry sectors.

Competition in the farm, forest and food sectors intensifies apace, putting a real premium on creativity and innovation. Axis 1 of the EU's rural development policy aims to help by providing opportunities for new products and services, encouraging different ways of working, and facilitating access to alternative markets, technologies and processes.

Successes in such areas for farm and forest businesses will be determined by the support provided by Rural Development Programmes (RDP) to axis 1 beneficiaries to apply conventional modernisation and competitiveness measures in innovative and creative ways. Scope exists within the measures to facilitate these goals and a number of measures are well placed to allow innovative practices.

For example, axis 1 measures are proactively promoting innovation in EU farm and forest sectors by providing support to improve technical and economic expertise for farmers and foresters through vocational training, information supplies and advisory services. Other funds are available in axis 1 for investing in innovative technologies and for promoting cooperation between farmers, the processing industry and other actors to develop new products and processes.

### New products and processes

Cooperation approaches are favoured, typically between stakeholders and research entities, for the purpose of improving and promoting the quality and safety of agricultural products, thus responding to consumer demands and providing them with assurances. A new measure (124) has been introduced to support this type of rural development work and it features specific support for cooperation during the development of new farm and forest products.

Several RDPs have taken advantage of the opportunities provided by measure 124 and Table 1 summarises some of the measure's uses in different countries. The list is not exhaustive and provides an indication of the innovation measure's flexible scope.

**Table 1:**  
Sample of Member State priorities for measure 124 actions

Country	Focus of measure 124 includes (inter alia)
Sweden	Increased cooperation with research institutions
Estonia	Enhancing food quality and achieving energy savings
Denmark	Developing new efficient processes and technologies that minimise environmental problems
Czech Republic	Investments related to the development of new agricultural and food products and the application of new processes and technologies in crop or animal production
Netherlands	New organisational methods in business operations
Malta	Improving links between farmers and processors to develop marketing expertise
Portugal (mainland)	Improvement of services in supply chains



The range of opportunities provided by measure 124 highlights how its flexibility can help further boost innovation outcomes from axis 1 activities. This point is reiterated by experience from Wales in the UK where measure 124 is being implemented through a 'Supply Chain Efficiencies' scheme. The novel scheme has already helped finance some 20 projects and Neil Howard from the UK's Welsh Assembly Government notes, "A key advantage of measure 124 is the flexibility to support more speculative research-based projects where there are high levels of innovation and uncertain future benefits."

## Innovation potential

Axis 1 support may therefore be considered quite significant in terms of its potential for facilitating dynamic and innovative developments in farm and forestry sectors and contributing to growth in rural areas.

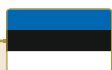
Achieving these policy goals relies in part on the adoption of good practices across Member States, since innovations developed in one area or sector can multiply their benefits when disseminated across the wider EU. The following case studies illustrate interesting good practices in innovative axis 1 activity from around the EU.

**Innovation is about customer focus and meeting their ever changing needs, both in terms of new products and services or new ways of delivering them.**

Trainer - Paul McCarthy,  
Irish Agriculture and Food Development Authority



KRISTA KÕIV



### Locally significant innovation creates valuable rural employment in Estonia

Innovation is often associated with the transfer of proven approaches to new circumstances and locations. This is the case in Estonia where renewable energy technology from Spain has been successfully adapted by an entrepreneurial farmer in Harju County. The result of such locally significant innovative action, supported by axis 1, is a new high-tech bioethanol plant that has generated valuable new agricultural employment, introduced new rural skill sets, increased farm business competitiveness, as well as created a variety of new economically viable environmental benefits.

The farmer, Mr Ants Pak, secured axis 1 funds from measure 123 to help take forward his innovative venture. Based on the premise of providing new opportunities for adding value to agricultural products, particularly the sugar beets grown on Mr Pak's 250-ha farm, the new plant is currently capable of producing 5 000 litres of bioethanol per day from processing waste vegetable material and sugar beet.

Tangible results have been achieved by the investment in this alternative approach to farm diversification in Estonia, and the successful transfer of new technologies has created more than 20 additional jobs in the Ääsmäe area. Higher quality

employment is available from the plant, representing another important innovation in terms of modernising skills within the local labour force.

Eventually the Kadarbiku vegetable farm plans to produce up to 3 000 tonnes of bioethanol every year through taking in sugar beet from neighbouring areas, as well as increasing its own production. These developments will further boost the benefits produced by axis 1 support for this cutting-edge approach to valorising agricultural products.

Not only does Mr Pak's new plant help safeguard the competitiveness of his and other farms, but the locally important socio-economic innovation also helps contribute to wider global environmental goals. Key knock-on benefits provided by the bioethanol production include efficiency gains from using vegetable waste to fuel the production process, and wastes from the bioethanol plant itself are recycled for livestock fodder.



## Innovative mobile approaches improve competitiveness of German dairy farms

Innovation within axis 1 aims to improve rural competitiveness and this remains a particular policy priority for Europe's dairy sector during its current restructuring process. One means of strengthening the viability of dairy businesses is by adding value to their basic products but investment costs involved in such development activity may be difficult to finance for small-scale farmers. Such diversification also represents risks that farmers may find off-putting. However, these concerns have been overcome by an innovative project from southern Germany that provides mobile cheese-making facilities for dairy farmers in the Chiemgau region (Bavaria). Although the project was financed via the national German programme 'Regionen Aktiv' and not through an RDP, it is a good example of how innovation can help add value to products.

Being a new and innovative way of producing cheese, important operational parameters were unknown at first and government support has helped to ensure that the mobile technology is well suited to local circumstances. Inventive solutions were identified to overcome uncertainties about whether to produce soft, hard or dry cheeses? How to fuel the process? Should it be built in a trailer or form part of a van? Answers were found to these key questions concerning new uses for conventional cheese-making techniques, and the result involves a custom-made compact trailer containing two gas-powered cheese vats. These are capable of processing 1 200 litres of milk and specialising in production of both traditional hard cheeses

as well as softer varieties suitable for premium packaging in slices (Schnittkäse).

Farmers from the Chiemgau region have welcomed the valorisation opportunities offered by this new low-cost and minimal risk mobile cheese-making facility. Demand from the local dairy sector continues to grow and the new technology has demonstrated its ability to operate in different locations, almost around the clock, for at least 250 days a year. Clientele range from small farmers producing niche products in limited batches to larger-scale customers seeking to process substantial volumes of milk on a regular basis for wholesale distribution.

Hygiene and quality are monitored closely and compliance is made easier because much of the raw milk controls already occur within the farm dairies, which helps reduce the need for expensive investments incurred by standard cheese plants.

The simplicity of this innovation is its strength and such a creative approach to improving dairy farm competitiveness remains relevant to many other producers across Europe. Further information about the project is available from Germany's National Rural Network ([dvs@ble.de](mailto:dvs@ble.de)).



STEPHAN SCHOLZ





# Innovative and creative environmental management solutions

Axis 2 of the EU's rural development policy addresses environmental concerns and land management issues in farming activities. Innovation acquires a different meaning in this case because it is driven by the increasing sensibility in society and the need to continuously search for more sustainable farming practices in rural areas.



Innovation's role in EU rural development policy is highlighted in the Community Strategic Guidelines for Rural Development with reference to its "potential to achieve particularly positive effects in meeting the new challenges of climate change, the production of renewable energies, more sustainable water management practices and halting biodiversity decline. Support for innovation in these areas could take the form of encouraging the development, take-up and application of relevant technologies, products and processes", (Council Decision 2009/61/EC amending the guidelines on rural development). The key actors in this process are farmers and foresters. The challenge is to go beyond what is required by law as good practice and this opens up a wide field of options for experimentation that can often lead to innovative solutions.

Axis 2 of the EU rural development policy offers different options for addressing environmental concerns to rural development stakeholders, such as through actions that include (inter alia):

- Enhancing biodiversity by conserving species-rich vegetation types and protecting or maintaining grassland and extensive forms of agricultural production
- Improving water management capacity in terms of sustaining quantity and preserving quality
- Contributing to curbing emissions of nitrous oxide (N<sub>2</sub>O) and methane (CH<sub>4</sub>)
- Helping to promote carbon sequestration.

Helping to find solutions to environmental issues like these underscored the types of actions that were encouraged by the EYCI, and rural development actors are already contributing, directly or indirectly, to promote creativity and innovation capacity in these fields. Axis 2 contributions to this process are often associated with finding new methods and processes to improve the countryside,

protect the environment and address the new challenges emphasised in the Health Check of the Common Agricultural Policy (CAP).

Challenges identified by the CAP Health Check include the issues noted above and creative solutions to address environmental or climate-related questions in rural areas are driven by growing social concerns about very concrete threats to the sustainability of local livelihoods. This gives a compelling urgency to the innovation effort and makes it a collective endeavour, aimed at helping to provide important public goods.

## Creative thinking

Axis 2 can be used to support creative thinking for safeguarding the EU environment and promoting public goods. New approaches to land management methods offer scope for such innovation and, as Clunie Keenleyside, Research Fellow at the UK's Institute for European Environmental Policy explains, "this could mean adapting a well-tried grazing method for use in other farming systems, or taking a landscape-scale approach to woodland management as a way of coping with the long-term effects of a changing climate. One thing all axis 2 innovations share is the common aim of finding sustainable environmental management solutions for our rural areas."

## Success factors

Key success factors involved in optimising creativity and innovation for axis 2 outputs are noted by Pille Koorberg from Estonia's Agricultural Research Centre who believes that "Innovation does not happen in a vacuum and creative thinking is often helped by good communication between well informed peers. The EN RD provides such a platform for communication and I am involved in an EN RD Thematic Working Group that is exploring new ideas linked to the way that public goods, like biodiversity and other environmental benefits, are delivered by agriculture."

Other success factors include axis 2's ability to support innovative rural development processes that result in new ways of farmers and foresters working together in coordinated group actions. Equally important is the creation of new knowledge about how to make the best use of axis 2 measures. The learning involved in these and other axis 2 development processes can have important transferability value, and this includes learning from mistakes as well as successes.

Some of these success factors are demonstrated in the following case studies that provide a snapshot of how innovation and creative thinking are being applied by axis 2 stakeholders.

**"If you're not failing every now and again, it's a sign you're not doing anything very innovative."**

Woody Allen, Director and writer



## Innovative cooperative approaches to agri-environmental action in the Netherlands

Innovation in rural development can be achieved by exploring new ways of working. Cooperation between stakeholders often proves beneficial and can lead to a range of synergies that individuals could not achieve from working alone. A good example of innovative cooperation can be found in the Netherlands where Environmental Cooperatives have been adopting novel approaches to the implementation of agri-environmental measures.

Environmental Cooperative models remain unique to the Netherlands, but other Member States are also showing interest in the Dutch model as a new way of helping farming and forestry work together to make positive environmental contributions.

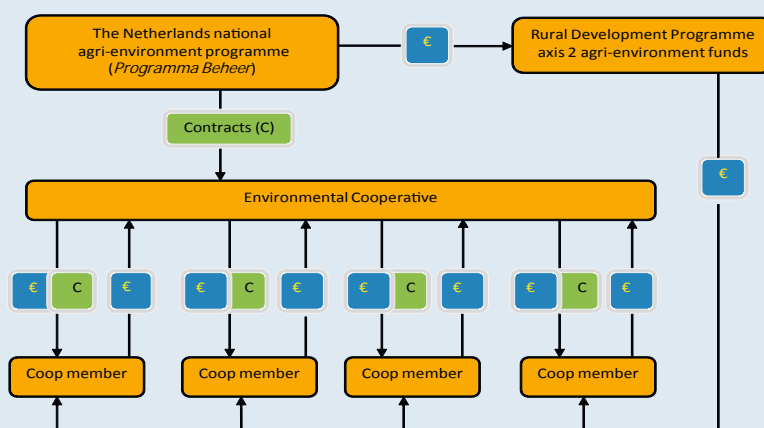
Cooperatives tend to cover a single unified area and coordinate their environmental management actions at a territorial level. Such an approach can encompass many different, often neighbouring, land owners at the same time, which is important since wildlife habitats commonly stretch across a range of land holdings. Works coordinated by the cooperatives include species protection, water quality maintenance and landscape management.

Around 125 Environmental Cooperatives are currently operating across the Netherlands, comprising members from farming, forestry and other rural interests. Studies have confirmed the effectiveness of their joint approaches to sustainable land use practices and this has been recognised by a government agri-environmental programme (Programma Beheer), which includes special facilities to support nationally financed collaborative agri-environmental actions. These are designed to add value to the mainstream EU agri-environmental scheme's payments, which continue to focus on providing compensation to individual farmers for loss of income foregone, and so are not specifically tailored for encouraging cooperative approaches.

An innovative arrangement is in place which allows cooperatives to receive fees from individual members for services associated with guidance about implementing appropriate agri-environmental actions. Membership of the cooperatives also provides access to agri-environmental contracts financed from domestic sources, as illustrated in Figure 1. Farmers may choose to use part of their EU compensation payments to fund the cooperative membership fee.

solving environmental problems. Key innovations include different methods towards the use of manure and collective production of green energy. Biodiversity benefits from the critical mass of participants implementing coordinated agri-environmental action and the Cooperative's strategic viewpoint also facilitates effective landscape management. This helps further support the regional economy through improving recreational facilities for tourists, and also contributes to the quality of life for local residents.

Figure 1. Dutch Environmental Cooperative model



Environmental Cooperatives also have good working relations with local government and are involved in delivering various nature conservation or environmental protection contracts for municipalities and water authorities. Such innovative approaches to income generation help to sustain and expand cooperative activities. Some cooperatives have even joined forces and amalgamated to form larger-scale Environmental Cooperatives. One example of this is the Noardlike Fryske Wâlden Environmental Cooperative.

Formed from six smaller environmental cooperatives and agricultural associations, the new organisation deals with an area of 50 000 ha and covers around 1 000 farm units. Core aims of the Cooperative relate to increasing the uptake of more sustainable land management methods in their region via adopting territorial and collective approaches towards

In addition to the aforementioned environmental gains achieved by joined-up approaches, like those demonstrated by the Noardlike Fryske Wâlden members, the Dutch Environmental Cooperative models also offer a number of other useful advantages. These include lower administration costs for governments since national schemes can be awarded to a single cooperative, rather than many land holders. Such benefits also extend to facilitating more cost efficient monitoring of agri-environmental measures. Furthermore, Cooperatives provide government with an innovative single contact point for disseminating information to a large number of stakeholders.



## Creating new solutions for evaluating axis 2 measures in Austria

Evaluation of agri-environmental measures can also represent a source of innovation. So far evaluation approaches have focused on investigating the extent that species diversity and habitat diversity have been maintained or enhanced by agri-environmental measures.

New monitoring indicators, like the High Nature Value Farmland indicators, introduced for the 2007-2013 programmes seek to build on such evaluation experience. These require Member States to create new solutions for evaluating more precisely the impact of agri-environmental actions. Austria's experience provides an interesting insight in the innovations going on in this field.

Around 75% of Austrian farms are involved in the national agri-environmental programme, which covers some 85% of the area under agricultural use. This represents one of the highest participation rates in the EU and effective evaluation approaches have become extremely important. Novel systems have been put in place to map any changes in Austria's HNV resource bases.

These apply a new set of nationwide data concerning the distribution of threatened habitat types that are dependent on extensive agricultural land use. Habitat information is being complemented by a compilation of farmland bird species, since these are increasingly used as an indicator to measure biodiversity trends in agricultural areas. The combination of both data sets provides Austrian authorities with a source of baseline figures for the extent of potential HNV farmland area at regional levels. More detailed analysis is now being produced to



map this area-level information against farm-level data covering management parameters such as live stock units per hectare (LU/ha) and extensive grassland usage.

Development of Austria's new approach provides an innovative mechanism for monitoring HNV farmland, since trends in this biodiversity indicator can now in part be measured by analysing data available from the IACS Database. The Austrian model also acknowledges that additional data from other sources helps to strengthen the accuracy of this farming-system based approach for defining and measuring HNV farmland.

Other innovative additions to the Austrian agri-environmental evaluation toolkit include the development of a grid network for the evaluation of biodiversity. The grid network is based on 600 sampling plots throughout Austria. Some of the sites incorporate established monitoring locations (containing useful archives of previous project-related data) and other sampling sites are new. These include extending analysis of Austrian bird species associated with agricultural land in mountainous areas to a new series of monitoring sites situated above 1200 m from sea level.

All ongoing evaluation of biodiversity during the current programming period will utilise this new national network of sampling sites. Results from the innovation provide a more harmonised sampling system across Austria and present a more detailed picture of time-tracked biodiversity trends. Such information is expected to be highly valuable in helping to manage the RDP's implementation and report on its impacts.



# Creativity and innovation for rural diversification and quality of life

**Viable rural communities, attractive for modern living and working, rely increasingly on the diversification of the rural economy and the improvement in the quality of life of the whole rural population, including of course farmers and their families. Reaching modern standards of service and income requires creativity and innovation, since urban solutions cannot always be imported without adaptations to the rural context. Axis 3 of the EU's rural development policy offers differentiated opportunities to help rural communities to find their own way to modern sustainability.**

Some of the key priorities of EYCI that were applicable for rural areas, such as 'digital competence', 'learning to learn', 'social and civic competence', 'sense of initiative and entrepreneurship' and 'cultural awareness and expression' continue to be addressed by Rural Development Programmes (RDPs) with axis 3 interventions. Training activities for the specific needs of rural areas and the promotion of access to ICT technologies, especially in remote areas, have stimulated rural tourism, e-commerce, new forms of entrepreneurship, new products, services and processes. Diversification of the economy and modern services not only help to retain rural populations and avoid out-migration, but has often attracted new residents by offering new lifestyles and 'green' environments.

Innovation in this case implies the combination of local know-how, old ways of doing things, like in typical products or artisan crafts, with more formal and codified knowledge, adapted to modern consumers and markets. Doing this without losing the individuality of the product or process requires cooperation, experimentation, codification of practices, transfer of knowledge and training. Axis 3 resources are available to help support these innovative ideas and strengthen the long-term viability of communities.

## New ideas

Capacity to generate and apply new ideas to the rural environment is necessary for the diversification of the rural economy and the provision of modern services. Innovative ideas can be generated by mobilising the assets of rural areas – the people, the environment, culture and heritage – in new ways. This is where creativity is needed, since the skills and competences that need to be widely dispersed among the population require cooperation between rural stakeholders in local projects and capabilities to transfer innovative results.

Development processes involved with creating and implementing new ideas take many different forms and regularly comprise adapting proven approaches to new circumstances. Results from such innovative actions can create locally significant impacts, as noted in the previous axis 1 case study, and adaptation methodologies also remain highly relevant for axis 3 projects.

Knowledge transfer schemes help to facilitate this type of rural innovation, which often results from cooperation projects between regions or Member States. Local Action Groups (LAGs) are well placed to take up this challenge and to use axis 4 funds through measure 421, for identifying ideas from one area that could be adapted and applied as new axis 3 opportunities in alternative circumstances.

Other priorities for innovation include addressing the problem of providing quality products and services to rural areas with low population densities as well as remote rural areas, where technologies for achieving economies of scale have shown to be inadequate. Conversely, issues created by counter-urbanisation in accessible rural areas present their own set of rural development challenges that need to be tackled, like commuting or providing amenities to urban visitors.

## Rural innovation experience

Past programmes have provided experience in improving the delivery of essential services, such as childcare or skills training, which help remove barriers to labour market participation, or in developing tourist amenities that valorise local environmental resources and help to diversify local activities. These benefits have been documented by Leader and other rural development approaches, which have demonstrated that rural communities possess considerable potential for innovation.

Communities, businesses, LAGs and other rural stakeholders are able to build on the wealth of rural innovation experience that exists, and the full range of axis 3 measures can be harnessed to help. Examples of such innovation and creativity from rural areas in Poland and Ireland are presented in the following two case studies. These highlight the synergies that can be created from networking local economic actors in a critical mass, as well as the benefits available from innovative thinking involved in transferring proven social economy models between Member States with different rural development backgrounds.

**“ In Finnish Rural Development Policy, innovation is important. We have to engage in the promotion of new ideas and activities outside of the traditional so that we can have new sources of income in rural areas. ”**

Mr Pentti Malinen,  
rural development expert from  
the Consortium of Finnish Universities



### West Cork Leader Innovation Cluster, Ireland

West Cork is located in the extreme south west of Ireland. It is characterised by a diversity of landscape, including spectacular coastline, a rich cultural heritage and attractive and vibrant towns and villages. As well as a strong image, West Cork has a proud culture of self-reliance and strong local partnerships, networks and associations supported under successive rural development policies and initiatives. Problems include geographical isolation from large markets, inadequacies in the physical infrastructure, over-reliance on agriculture and the construction sector, and poor geographical dispersal of economic activity.

Integral to West Cork Leader’s strategy plan in 2007–13 is the Innovation Cluster. Axis 3-type support will be available (via axis 4) to assist this strategic intervention, which covers both enterprise and non-enterprise activity, linking the two coherently. It also promotes social and economic objectives linked to quality of life improvements and regional branding.

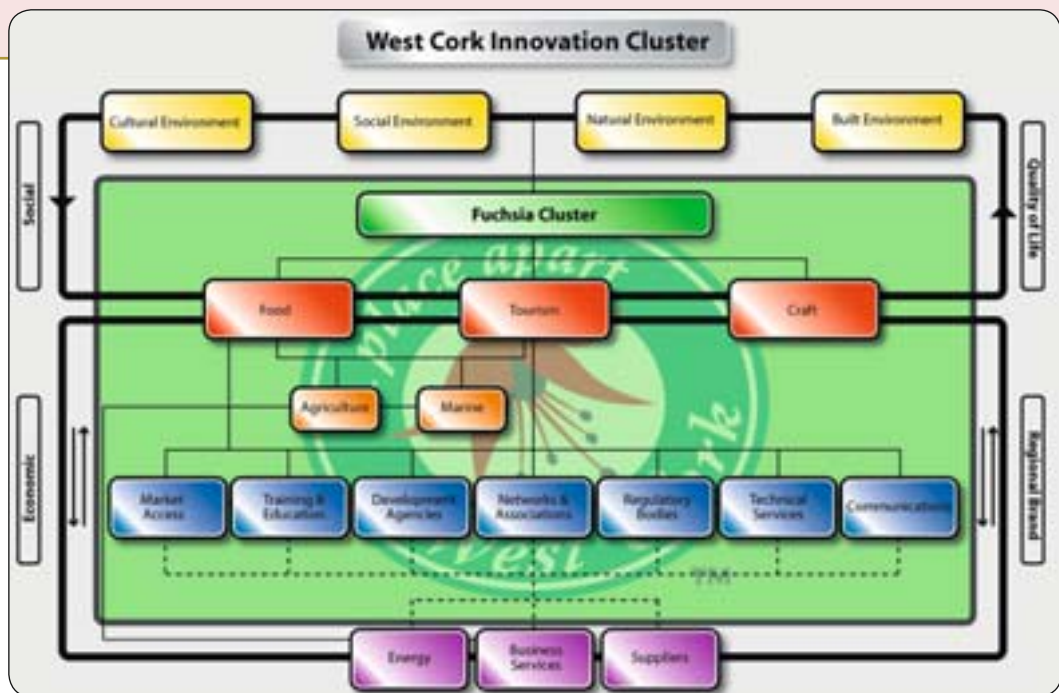
The Cluster focuses on key economic sectors with diversification potential (food, tourism, craft etc.), and types of development activity and process (marketing, training and education, development agencies, networks and associations, etc.). It is based on earlier initiatives, in particular, the West Cork Fuchsia Brand.

This is a business network of 160 accredited quality (branded) enterprises in food, tourism, craft and other sectors (agriculture, marine, retail), first launched commercially in 1998.

Types of activity supported by the Cluster in the 2007–13 programme period include: development of a new ‘Energy From Farms’ programme including biofuels, wind, solar, hydro and heat; piloting and evaluation of new marketing and promotional activities for the Fuchsia Brand; development support for diversification projects amongst Fuchsia Brand participants in culinary tourism, craft and leisure; and consultancy and training and for enterprises engaged in the creative arts and digital media production; competitiveness training programme for local enterprises, developed in association with University College Cork; and support for strategic networks and producer groups in agriculture, food, fisheries, tourism and energy production.

Fuchsia Brand and its associated activities generated €106m, of which €69m remained in the region, supporting some 1 131 full-time equivalent jobs locally in 2005. This is a model where success builds on success creating a culture and support for innovation, building up a critical mass of activity over time.

See [www.fuchsiabrands.com](http://www.fuchsiabrands.com) for further information



WEST CORK DEVELOPMENT PARTNERSHIP





LANCKORONA AMBER TRAIL ASSOCIATION

### The Social Enterprise 'HORYZONTY ITD' in 'Angelic' Lanckorona, Poland

Social enterprises offer a variety of opportunities to initiate innovative rural developments, particularly those relating to quality of life and economic diversification. Social enterprises commonly operate where commercial businesses fail and hence innovation remains central to their survival abilities. This is true both in terms of the novel ways social enterprises deliver products and services, as well as unique and distinct types of product and service they provide. Common areas of operation for social enterprises in rural areas involve supporting work integration of unemployed people, addressing gaps in social services provision, and promoting new institutional forms and civil society development.

Whilst a host of different social business models have been developed in many Member States, the concept of social enterprises remains relatively rare in a significant number of others. This is attributed to various reasons including the stigma attached to 'collective' rural development approaches imposed in some countries during previous Soviet support systems. Other issues relate to a lack of understanding about the concept or political, legal and cultural factors including distrust of this form of organisation. However, these trends are now changing in countries like Poland where the effectiveness of social enterprise approaches are becoming wider known and this is helping to increase interest in their innovative rural development capacities.

An example of a successful rural Polish social enterprise is 'HORYZONTY ITD'. This was created during EU membership preparations as a branch of an ecological and cultural association operating 'The Amber Trail' rural heritage project. Founded in

Lanckorona, a village near Krakow, on the initiative of local people, this social company aims to promote the development of economic and social opportunities, linked to the cultural heritage and natural resources of the area. It is actively involved in finding new ways to create employment for young people who typically commute to work in Krakow or other surrounding cities.

HORYZONTY ITD is the entrepreneurial structure of the larger association. In keeping with the innovative axis 3-type rural development process, its strategy is focused on strengthening the link with the culture and traditions of the territory through a variety of interlinked activities. It undertakes tourism promotion on 'The Amber Trail' (with other tourism agencies in Hungary and Slovakia); runs a shop selling local products (crafts and artisan); manages a cafeteria (pub) and restaurant; organises environmental education including workshops (pottery, history, handicrafts); and runs tourist events including study visits, conferences, and local festivals. The tourism product is based on preserving local heritage and respect for the environment with activities centred on the Lanckorona Eco-museum.

The enterprise now employs seven people who appreciate the value of local work. The project builds on experience from previous EU funded work including the Equal project 'Social Economy on The Amber Trail' and Greenways, Local Product. Creating jobs using the heritage of a neglected local village is a big challenge. The involvement of local leaders committed to their area, and building on previous experience have been key success factors in this innovative approach for rural Poland.

# Innovative local development strategies and programmes

The Leader approach has explicitly placed innovation and creativity as one of its objectives from its very beginning as a Leader Community Initiative, and now 'mainstreamed' in Rural Development Programmes, through its potential application across all three thematic axes of EU rural development policy. What is innovative in the Leader approach is both the method for designing and delivering rural policy as well as the actions supported on the ground.

The European Year of Creativity and Innovation stressed the importance of entrepreneurship, sustainable development and local development strategies. These concepts have been very important in many rural communities of the EU Member States who have learned to use the Leader approach, particularly as they face the challenge of the changing role of agriculture in the countryside, environmental issues such as climate change, diversifying their economy, improving the quality of life and responding effectively to the threats posed by the global financial crisis.

## Local Action Groups and Local Development Strategies

Leader Local Action Groups (LAGs) have been promoting innovation as one of their core objectives since the early 1990s. At its meeting in November 2009, the Leader subcommittee of the European Network for Rural Development confirmed innovation as a priority. This is facilitated by the fact that LAGs may choose their actions to implement their local development strategies both from the standard menu of measures and by devising new types of operations outside the menu as long as these can be shown to contribute to reaching the objectives of any one of the thematic axes.

The key role of the LAGs is to bring together different rural actors and then arrive at a consensus on priorities for their collective actions. Since they operate in small rural areas in which most people know each other, participation in the decision-making process is not perceived as a bureaucratic exercise – but rather as an opportunity for ‘having your say’. LAGs understand innovation in a quite simple and straightforward way: experimenting interventions which have not been implemented in the area. In doing this they are guided by a comprehensive understanding of development, which implies that selected actions cannot take place in any sector and must be integrated with one another through the overall strategy for the area.

Finding innovative ideas for actions may involve either surveying and giving priority to an inventory of local needs, as well as looking for examples of good practices already tested elsewhere. This brings in the key role of networking and cooperation in facilitating the transfer of knowledge between LAGs, the comparison between different ways in which a common problem has been addressed and the introduction of novel solutions adapted to the local context.

Transnational and interterritorial cooperation has provided an important arena for exchanges which has accelerated the diffusion for innovation. Catherine Ryan of the FLAG LAG in Northern Ireland, commenting on a project concerning creative industries working with partners in Ireland and Sweden, stated that: “transnational cooperation is about partnership working and innovation. It is about exchanging information, pooling resources and know-how”.

## Innovation and engaging new stakeholders

The mainstreaming of Leader engages a wider range of new sectors and stakeholders, for example farmers and farming organisations as well as environmental bodies and rural businesses, through the partnership approach – sometimes for the first time. This gives communities the opportunity to tackle local problems in a more holistic way.

Carol Flux, Manager of the Isle of Wight LAG in South East England commented, “the rural areas of South East England face challenges relating to the environment and the landscape, agriculture and the wider economy. It is therefore very important that Leader cuts across all three of the other axes if genuinely innovative and integrated projects are not to be lost.”

## Challenges and solutions

Innovation of course has its challenges. Bringing new stakeholders into the partnership approach at community level can be difficult. This was emphasised at a workshop held by the German National Rural Network during 2009. To succeed, innovative and creative approaches must be owned by the stakeholders and by local communities. Solutions should not be imposed from outside and so require a systematic approach to engagement and capacity development, as noted in the following two case studies.

“ **Innovation is a product, service or process that is new for a certain locality and can serve better to satisfy the needs of the community and support sustainable development.** ”

Valdis Kudins,  
Latvian Rural Forum





## Devolved development solutions for dispersed UK rural communities

Innovation in Leader can mean applying tailored approaches to fit specific development needs in different rural areas. This technique is well illustrated by the UK's Highland LAG which has adopted innovative operational structures to ensure effective bottom-up support in dispersed rural communities.

Covering northern Scotland's mountainous region, the Highland LAG's development strategy serves around 146 000 inhabitants spread across over 23 000 km<sup>2</sup> of some of Europe's most sparsely populated and remote land. This is a larger than average LAG territory and as such an innovative development methodology has been implemented here that involves devolving decision-making powers down to local community level. The Highland LAG's approach uses a network of 11 smaller rural development groups known as Local Action Partnerships (LAPs).

LAP membership mirrors conventional LAG structures and includes representatives from social, economic and environmental sectors, as well as priority groups such as young people and women. The LAPs control their own budget allocations and report regularly to the Highland LAG.

At local level, LAP development priorities are set out in their own community plans. The last of these LAP plans was completed in May 2009 and all LAPs are now proactively supporting projects that arise in their local areas.

LAP projects and community plans feed into and complement the Highland LAG's overall territorial development strategy. LAPs work directly with local projects in dispersed rural communities, while the LAG's role concentrates more on coordinating LAP outputs and administering overall control at a strategic level.

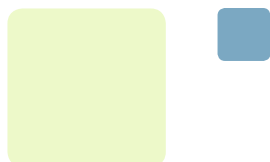
Augmenting the LAG's innovative approach to implementing its development strategy, a second key innovation relates to the LAG budget. This includes some £6.76 million (c. €7.6 million) of axis 4 co-finance that has been combined with a further £7.5 million (c. €8.5 million) of EU contributions from the European Regional Development Fund (financed through the 2007–13 Convergence Objective Programme for Scotland).

Useful synergies are offered by this blending of EU assistance in rural areas which results in operational efficiencies at a strategic level, as well as provides local communities and business with a single, more user-friendly access point for project funding.

Further information about the Highland Leader programme can be found at [www.highlandleader.com](http://www.highlandleader.com)



TRANSCOTLAND.COM



### French open farms facilitate good relations between rural actors

One of the underlying objectives for axis 4 concerns achieving effective integration of Europe's farming sector into mainstream LAG activities. The involvement of new partners is anticipated to result in innovative approaches that help better coordinate the full range of social, economic and environmental interests within local rural development operations.

France has some interesting experience of such approaches; these include innovative policy initiatives like the Territorial Farming Contacts (CTEs) which aimed to re-orientate French agriculture towards a broader and multi-sectoral approach. The original CTE models have been progressively updated and now the Leader LAGs selected for the period 2007–13 are involved in supporting similar perspectives on the development of rural economies which also reflect environmental and social priorities.



RÉSEAU DE FERMES OUVERTES EN PÉRIGORD

A noteworthy example of French LAG support for this approach is the Open Farms Network (Réseau des fermes ouvertes). Based in the Dordogne, and supported by the Périgord LAG, this successful project helps farmers communicate their important rural development contributions to local villagers and citizens in general. The overall objective is to facilitate and create a good relationship between farmers and other rural actors.

Results in these areas have been effective and the network continues to promote innovative actions that train farmers in how to communicate well with visitors. Other creative thinking has led to a series of cultural events on farms and summer 2009 saw four separate programmes of new visitor activities in Périgord's open farm network.

More information about the project is available at:  
[www.fermesouvertesenperigord.com](http://www.fermesouvertesenperigord.com)

# Rural Citizens

**Innovation in rural development relies heavily on the skills, motivation and ideas of rural people. It is also perceived and interpreted differently by longer-term residents and more recent ones. The following articles shine a spotlight on how innovation is perceived by different rural development practitioners.**



# Innovation in Germany's Allgäu: a region promoting its Pioneers

**In the very south of Germany, the Allgäu, four Leader areas are actively tracking down innovative ideas and people. An ideas competition, and the active search for 'Regional Pioneers', has helped promote targeted development of innovations in the Allgäu.**

The Leader approach, covering four LAG areas from the Bavarian Allgäu region, has involved running an 'ideas competition' to stimulate new rural development projects. Winners of the competition are awarded the title of 'Regional Pioneers' and over 250 entries were received for the first round of this successful project, which led to some 18 different project awards. Many of these Pioneers project ideas were subsequently integrated into the LAGs' development strategies, and people from the Allgäu region hold their Pioneers in great esteem.

Four LAGs ran a second round of the ideas competition in search of new Pioneers during 2009. In particular, organisers were looking for people who wanted to actively participate in shaping social change with their innovative projects, and contribute to their region remaining multi-faceted and worth living in.

Dr Sabine Weizenegger is the managing director of one of the LAGs involved in the Pioneer initiative. Her Oberallgäu LAG whole-heartedly supports the idea of identifying regional pioneers. According to Dr Weizenegger, agent-oriented approaches – which she encountered

and learned to appreciate in Africa before taking on her current job in the Allgäu – are an essential element of regional development that is fit for the future. Dr Weizenegger believes that bottom-up approaches like 'civic participation' in Europe equate with the international aid programmes that promote 'helping people to help themselves' approaches in developing countries. In her opinion the two concepts are basically the same thing since they are both about focusing on local people's needs and abilities, from the bottom up.

### Could you briefly explain how the Regional Pioneers project came about and what the motivation behind it was?

Our Regional Pioneers initiative emerged from a Munich-based foundation association, Anstiftung & Ertomis. The idea was first presented to us during 2006 by one of our cooperation partners in the region, the Allgäu Centre for Self-Supply. We were very enthusiastic about the approach, right from the start, because it provided a relatively simple way to find out about all the initiatives you never hear of, as well as get to meet the many innovative and creative people who lack a platform. The Regional Pioneers project provided us with a straightforward way to remedy that.

### How does the actual search for Pioneers work in practice?

The search for Pioneers during 2009 involved a public invitation to tender, where Pioneers were able to be nominated, or nominate themselves. The categories were: Social Networks and Commitment; Trade and Agriculture; Education and Culture; Living and Working; Quality of Life and Leisure; and Nature and Environment.

A jury is used to select the 'best' ideas from Pioneers and winners are presented at the Kempodium in Kempten later on in the year. Winners are also featured online at [www.anstiftung-ertomis.de](http://www.anstiftung-ertomis.de). It's a lot like a talk show or a panel discussion, with the exception that it's not so much of a debate – but rather a stage for the Pioneers to present their concepts by way of answering questions posed by those present, and to get to know each other.

### A central objective of your project is to bring innovative people and their ideas to the fore and to raise awareness about the topic of innovation. How do you personally define innovation?

It is difficult to find the right yardstick for assessing innovation, because one region's standard may be another region's innovation. It is important that innovation is always linked to further developing something that already exists. As far as content is concerned, it may be a new product, new product quality or a new service, new processes, new channels and forms of marketing, but also new forms of cooperation and organisation. As regards the quality of an innovation, the first step is certainly to copy ideas from other regions, that is to say, 'import' projects that haven't been implemented in that form in our region. Combining several known elements to form a new idea is more sophisticated. The highest level of innovation is creating or inventing something completely new.

Sabine **Weizenegger**



SABINE WEIZENEGGER

### When you think of the Pioneers in your region, what motivates these people to commit themselves and to implement their own ideas?

The most important factor is your own conviction! And all that many people need is a tiny little push to become active. A triggering event like an ideas competition, promotional funds, or simply someone saying, "great idea, keep it up", works wonders. It is interesting to note that most of our Pioneers don't consider themselves to be innovators. Instead, they say things like, "But what we're doing here really is nothing special."

Many Pioneers are simply not the kind of people who are used to being in the limelight or in top positions. They are mostly 'ordinary' people, but people who lend a hand, who do what needs to be done! Such as a pub owner with a regional menu, a school pupil with civic commitment or a trader with an ecological agenda. This leads me to another exciting aspect: our Pioneers come from all layers of society and age groups!

### What do you consider to be the most important effects of your project?

Public recognition strengthens and motivates the Pioneers in our region. Additionally, the joint appearance during the presentation of their innovative projects is often the first step towards an exchange of experience and networking. An important effect is also the media reporting about individual Pioneer project ideas. This and all other publicity measures within the scope of our search for Pioneers contribute to the development of a creative environment in our region in which innovative thinking is both recognised and supported, and not dismissed as nonsense.

### In your opinion, what is needed in European rural development policy to take innovation and creativity to a higher level?

Dedicated innovation promotion programmes are useful, especially if they focus on social, ecological and rural-economic value added. These need to extend beyond traditional agricultural interests and be relevant for all sorts of rural stakeholders. And, when you really want to promote innovation, you have to do away with perfectionism and accept that some things may go wrong in innovative projects. Because when you are absolutely sure in advance that everything will run smoothly, then your project is probably not bad but in all likelihood it is not particularly innovative.

Innovation needs a testing ground, and innovation support guidelines must not imply that failure can't be permitted. This is an area where I wish that those responsible were more courageous.

It is also important for me that the politics concerned with rural development focuses on variety. That is definitely something that is being promoted by approaches like Leader.

More information about Sabine's work with innovative rural development is available at:

[www.anstiftung-ertomis.de/opencms/opencms/region/pioniere.html](http://www.anstiftung-ertomis.de/opencms/opencms/region/pioniere.html) and [www.regionalentwicklung-oberallgaeu.de](http://www.regionalentwicklung-oberallgaeu.de)

**“When you really want to promote innovation, you have to do away with perfectionism and accept that some things may go wrong in innovative projects.”**



# Facilitation and dialogue leads to innovation

**Bolette van Ingen Bro lives and works in Thyborøn on the west coast of Denmark's Jutland, where people possess impressive innovative energies. She is eager to foster dialogue between people – because through dialogue, things start to happen.**

**B**olette van Ingen Bro has been working with Danish rural development and cooperation projects for many years, during which time dialogue between enterprises and organisations has been at the centre of her work. Five years ago, she became director of the Knowledge Centre for Food Development in Holstebro and subsequently director of a business council. Back then, her work focused on helping 'knowledge-based worlds' and 'political worlds' to operate together, in order to maximise innovation's potential as a development tool for local communities.

In 2008, Bolette van Ingen Bro became self-employed and her work programme is now spread over three key activities: she runs her own knowledge-based firm; she works to help create knowledge-based jobs outside the big cities; and she takes a proactive role in supporting initiatives that produce jobs for women. Her current workload includes input on a project helping to add value to Danish food products, and she also provides support during the development of a

cluster promoting cooperation between local economic stakeholder and other community activities. This involves facilitating 'vision-and-dialogue' meetings in villages and organisations.

## What does innovation mean for you in your rural development role?

We have found that there is little point expecting people to understand what 'innovation' is, or means, on its own without some kind of context; so in our area we approach it on the basis of the concepts 'new', 'useful' and 'used'. That's what innovation means to me and many other partners whom I work with.

Most people in rural areas do not use words like 'innovation'. Nonetheless, a marvellous innovative energy exists, especially here in Thyborøn. There is a fantastic urge to just get things done. That is the positive side of it. But strong plus sides can sometimes have a downside too, in this particular case I find it can be difficult to reach 'knowledge-intensive cooperation'

– which for me means getting the most out of an idea.

And that's where I have a role to play. Take the example of the cluster group I am working with at the moment. Once in a while I make a point of stopping and asking the people involved questions like: are we making optimal use of it? Let's explore the key elements in the cluster and take a close look at what the cluster actually looks like now? Exactly how does it operate? These types of question tend to produce very fruitful results and can generate new ideas for opportunities linked to cooperation with international partners. Other outcomes from this, 'new thinking' process has provided chances to draw in more money that can be used to perform bigger tasks. I think innovation has a fantastic importance in facilitating this type of development and progress.

### What lessons have you learnt from your involvement in innovation and creativity?

I have learnt that the most important thing when working with rural development and innovation is respect towards the task you face. Because when you work with rural development, you work with very valuable dedicated souls. You work with people's identity and with matters that are very close to their hearts. And sometimes, you can turn up with all your fine ideas but then you have maybe arrived too early or too late or in the wrong way.

I have learnt that what's important isn't your professional and educational background. It's just as important to possess tools for dialogue and conflict-solving. I have also learnt that even though one person with a small hammer cannot knock a hole in a huge door, together we can. If we keep on knocking a little bit, then at some point we knock a hole. And all the people around the table in the cluster project possess that mentality. Let's take one step at a time and keep on pushing! When considering rural development, many little strokes can fell great oaks.

### What role should rural policy play in encouraging creativity and innovation among rural stakeholders?

I really would like to argue that rural policy should focus more on roles that facilitate and promote dialogue, because then people get much more value out of their efforts. Innovation can be encouraged most effectively when the conditions are right and this often involves someone supporting the process. Facilitators and dialogue mechanisms, in their various forms, are essential.

Rural development policy can contribute to this process by providing funding and advocacy that facilitates actions on the ground. Impartial mediators are invaluable when trying to encourage SMEs, associations and individuals to think laterally about how to take more coordinated and structured approaches to development planning or rural projects. Public sector authorities can also play a very useful role here by financing independent mediators to facilitate such strategic cooperation processes. This is important because rural communities rarely have access to spare funds to pay professional mediators.

### What is needed to increase creativity and innovation in EU rural development?

I have been involved in using EU rural policies as a practitioner for a while and my experiences tell me that freedom to generate ideas, and facilities that support cooperation process, are very valuable for generating innovation or creative thinking. I have seen this when I was involved with Rural Development Programmes during 2000–06 and their openings for integrated rural support policies and initiatives for coastal development, as well as in Leader and INTERREG.

Creating a new idea is normally the most difficult part; gaining funding for it should ideally be the easier part.

I generally think that rural development actors should be given a bit more latitude to experiment, and I don't think failure should be considered negatively if it contributes to a learning process that can help take developments further in the future. Sometimes I feel there are too many rules attached to EU rural development support and I think these can stifle innovation's potential. I realise we have to take care of tax payers' money but we still need to find a balance that lets projects spread their wings properly.

Too many rules can stop innovative projects from even getting started and all you get is a range of projects that no one really cares about.

One rule that I think is important though is that we need to assess the people involved in a project, just as much as the project description. People make projects work and we need to be able to identify people that truly believe in the idea and who are able to go through with it. You must believe in the dedicated souls who have the ideas close to their hearts, rather than just a belief in project descriptions.

#### Bolette van Ingen Bro



ANNETTE AAGAARD THUESEN

“When considering rural development, many little strokes can fell great oaks.”



# Quotes about innovation from EU rural development practitioners

T. HUDSON

**“Human thought processes tend to the linear solution more readily than to the lateral. Here I believe that networking between the rural areas of Europe – matching places and actors confronted by common challenges – can facilitate real break-throughs in innovation. Communities on islands in Greece and Sweden or in the mountains of Scotland or Slovenia will inevitably be faced by core similar problems but will tend to approach those problems in their own different linear ways. But if they are placed together, one location’s ‘linear’ solution can provide the ‘lateral’ thinking inspiration for a truly innovative solution in the other location to the benefit of both.**”

Frank Gaskell:


Senator of Euromontana and their nominated expert on Thematic Working Group 2 of the European Network for Rural Development

**“Innovative ideas do not always emerge just from one person having a ‘eureka’ moment but as a result of very active (and sometimes challenging) debate between individuals who really know a subject well but who have very different experience and professional perspectives.**”

Dr Michael Gregory,

EN RD Contact Point Thematic Working Group coordinator






**“ The birth of new ideas is a complicated process requiring internal and external stimuli that a public policy cannot always provide. What is more important is to ensure that new ideas are nourished and encouraged to the stage of fruition. ”**

Antonis Constantinou,  
Director, European Commission DG Agriculture and Rural Development



**“ The objective of rural development is to create positive change for the future of communities and enterprises; unless this change is driven by innovation, we will simply go around in circles rather than breaking new ground and moving forward. ”**



**“ Rural dwellers and farmers have always been among the most creative innovators; this has been necessary in order to live and prosper in adverse and often isolated environments. The practical challenges faced by rural development now relate to environmental sustainability, technology adoption and livelihood security. Policy-makers must recognise that given the resources and the encouragement, innovation to create solutions to these problems can emerge from rural areas to the benefit of all. ”**

Paul Keating,  
Irish National Rural Network



**“ Creativity and innovation can help decrease bureaucratic burden and increase bottom-up approaches. ”**

Marie Trantinová,  
Czech Republic, Member of EN RD Thematic Working Group 2

**“ Rural policy can encourage innovation by creating flexible regulation that gives a place to territorial strategies and local actors. It seems also very important to reinforce the links between rural and urban areas; for sustainable development requires a global approach. ”**

Lorraine Bertrand,  
French spatial planning delegation (Délégation Interministérielle pour  
l'Aménagement et la Compétitivité des Territoires - DIACT)





**“ Public incentives are often needed to catalyse private innovation and to share innovations with other stakeholders. ”**

Petra van de Kop,  
Netherlands Rural Network

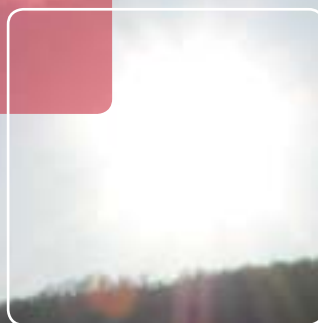
**“ Innovation is a motor for development. Innovation is creativity. Innovation is knowledge. Innovation is courage. ”**

**“ Information and positive attitude to innovative ideas is needed to increase creativity and innovation in EU rural development. ”**

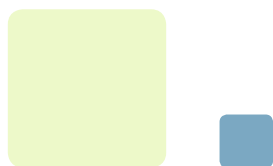
Breda Kovačič,  
Slovenian Rural Development Programme



**Rural Focus**



# Partners in EU rural development



**A variety of structural, environmental, employment and social development initiatives are being actively pursued throughout Europe's countryside by different EU institutions and other rural stakeholders at national and regional level. These institutional partnerships are themselves an innovation that has proved to work well and their combined action includes a quite useful collection of innovative practices and checks and balances with each other.**

The EU's Community Strategic Guidelines highlight the importance of encouraging synergies between different types of rural support activity that are carried out by different EU and Member State institutions. The Common Agricultural Policy (CAP) provides essential rural development support to help support the competitiveness of farm and forest industries, the improvement of environmental conditions, the diversification of rural economies and quality of life. These CAP mainstream rural development objectives are complemented by those of other EU policy areas. Since rural development, the second pillar of the CAP, is a shared competence with Member States, institutional partnerships are an important mechanism for addressing issues related to the multi-level governance which characterises EU decision-making.

In addition to the Council, key policy-oriented bodies such as the European Parliament, European Economic and Social Committee and the Committee of the Regions play an important role in providing input and in drafting legislation affecting CAP priorities and budgets, veterinary and plant-health matters, forestry affairs, agricultural product quality, and many other areas of everyday rural life.

Decision-making processes involved in these policy developments include consultations with the European

Economic and Social Committee, which has a dedicated section for agriculture, environment and sustainable development. Similarly, the Committee of the Regions' remit incorporates many rural policy issues including infrastructure networks, vocational training, health, culture and territorial cohesion.

Several Directorates-General (DGs) of the European Commission also provide support that benefits Europe's rural areas. DG Regional Policy plays a particularly important role in strengthening the competitiveness and diversification of rural economies, as well as improving essential infrastructures for rural communities and supporting innovation. DG Employment, Social Affairs and Equal Opportunities provides other beneficial rural services through its work to create more and better jobs, providing training and building an inclusive society with equal opportunities for all.

Sustainable development is a common goal for all EU institutions and environmental factors are promoted by DG Environment in rural areas through its specific policy instruments, like the LIFE Programme. Other shared Commission objectives relate to increasing uptake of ICT-based services, especially those that have the greatest impact on the quality of life of EU citizens. Important gains here are being made by DG Information Society & Media's i2010 initiative.

## Innovative approaches

The following four articles feature a small selection of good practice examples related to innovation progressed across the European countryside by EU institutional partners.

Initiatives such as: DG Regional Policy's work promoting new urban/rural relationships; the measures offered by European Social Fund's efforts to tackle poverty and equality in the countryside; DG Environment's testing of innovations for sustainable agriculture; and DG Information Society & Media's emphasis on connecting rural areas to broadband opportunities, clearly demonstrate the capacity for smart thinking among EU partners, and highlight the benefits that innovation can bring to rural areas around Europe.

## Complementarity and coherence

All of these innovative actions have an important role to play in rural areas and all provide useful sources for synergy with the other innovations supported via CAP's mainstream EU rural development policy. Member States ensure complementarity and coherence between the various rural remits of EU institutions and this vital coordination role offers additional opportunities to create innovative synergies between EU rural development partners.



T. HUDSON

# Cohesion policy, creativity and innovation in rural areas

**Cohesion policy is supporting many innovative projects that bolster rural development as part of its mission to redress regional imbalances across the EU.**

**E**U cohesion policy focuses on redressing economic and social imbalances in Europe. While the EU is one of the most prosperous economic areas in the world, the disparities between its Member States and regions are striking. With the accession of 10 new Member States in 2004 and two more in 2007, the development gap between regions has doubled.

The 2007–13 budgetary period sees the greatest investment ever made by the cohesion policy, with €347 billion allocated in support of regional growth and job creation across the EU. 82% of this funding is allocated to ‘convergence’ regions with a gross domestic product (GDP) per head of less than 75% of the EU average and home to 35% of the EU’s

population. Some €55 billion is allocated to other regions under the regional ‘Competitiveness and employment’ objective and another €8.7 billion is available for cross-border, transnational and interregional cooperation under the European ‘Territorial cooperation’ objective.

The three objectives are supported by three funds – namely the European Regional Development Fund (ERDF), the Cohesion Fund and the European Social Fund (ESF). While the ERDF finances infrastructure and supports economic modernisation and competitiveness, the Cohesion Fund targets the environment and trans-European transport networks in less affluent Member States. The ESF concentrates on helping Member States

make Europe’s workforce and companies better equipped to face new, global challenges.

## Development through innovation

The recently adopted 6th Progress Report on Economic and Social Cohesion emphasises how creativity and innovation can boost regional development. The report shows that while the more developed EU regions tend to score well on most creativity and innovation indicators such as R&D and human capital intensity, the less developed regions outperform the rest of the EU on the indicator of growth – a main driver for achieving regional convergence.



“Investment in innovation is a top priority for the EU and its cohesion policy in particular,” says Dennis Abbott, spokesperson for DG Regional Policy. “The cohesion policy, which aims to maximise development potential and reduce economic disparities between Member State regions, has been significantly reformed to create an investment fund aligned to the priorities of the ‘Lisbon agenda’ (the EU’s blueprint for boosting competitiveness and growth).”

He continues: “Around €230 billion – a three-fold increase compared to the previous budget cycle – will be invested through the [cohesion] policy in ‘Lisbon’ priority areas between 2007 and 2013. Some €86 billion is specifically targeted at innovation-related activities. The Commission and the Member States must ensure that 75% of Structural and Cohesion Fund expenditure is targeted at Lisbon priorities in competitiveness and employment regions, and 60% in convergence regions, many of which are rural areas.”

In budgetary terms, cohesion policy’s impact in rural areas is considerable. EU financing in favour of rural areas has doubled from €34 billion (2000–06) to €70 billion (2007–13). During the latter period, this investment is particularly significant in 11 Member States: Belgium, the Czech Republic, Denmark, Estonia, Germany, Greece, Hungary, Latvia, Lithuania, Luxembourg and Slovenia.

## Innovative projects

Key issues for cohesion policy action in rural areas include ensuring a minimum level of access to public services of general economic interest (e.g. transport and energy provision), improving rural infrastructure, increasing connectivity to communication networks, and supporting endogenous capacity, innovation potential and economic regeneration (including tourism).

The ERDF-funded project – “New bridges – strengthening of quality of life through improved management of urban-rural interaction” – is a good example of how innovation is benefiting rural

development in the Baltic region. Existing tools and practices do not sufficiently take into account varying conditions and interactions between urban and rural areas. This project aims to introduce new working methods and pilot actions that meet the needs of the population.

This main objective of the project, which is being implemented by the Investitionsbank Schleswig-Holstein, is simple: to attract skills and investment in the Baltic region. Pilot projects at rural as well as urban level will help to develop policy and practice recommendations targeted at authorities from local, regional and national policy-making and planning authorities. One expected outcome of the project that sits well with EYCI type principles is the creation of a new management model for integrating cross-sectoral and multi-stakeholder working methods.

High-quality ICT infrastructure is essential for remote and sparsely populated regions such as the county of Norrbotten in the far north of Sweden. That is why the ERDF has helped to extend the broadband network and develop telematic applications (for example, telemedicine and telework systems) based on broadband technologies. A public company, IT Norrbotten AB, owned by the council and 14 municipalities in the county, laid some 3 000 km of fibre optic cables. As a result, more than 300 villages now have broadband, with all schools connected and 93% of the region’s population able to access broadband services. The project also led to the creation of 60 jobs and three businesses. The total cost of the Norrbotten project amounted to €10.2 million, with the EU contributing €4.5 million.

## Shared responsibility requires coordination

The development of rural regions is a shared responsibility between the cohesion policy and the European Agricultural Fund for Rural Development (EAFRD) for which the Directorate-General for Agriculture and Rural Development is responsible. The Commission ensures that synergies between structural, employment and rural development policies are encouraged, whilst coordinating closely between the different DGs to define who does what.

The Cohesion Policy Strategic Guidelines underline that Member States should also ensure coherence and synergy between actions financed by various funds (ERDF, ESF and EAFRD). In this policy framework, each rural region has the opportunity to develop its own strategy in making the best value of the Community funds. Analysis from the ground in the existing programmes shows that most Member States had to pay attention to ensure complementarity between the EAFRD and the two Structural Funds when elaborating the rural development programmes.



EUROPEAN COMMUNITIES, 1995-2009



F. HUDSON

# DG Environment: LIFE and rural innovation

**Innovations pioneered by the LIFE programme of the Directorate-General for Environment have fed into agri-environmental payment schemes and helped lay some of the groundwork for the integrated rural development policies of the Common Agricultural Policy (CAP) Health Check.**

**D**G Environment has an important role to play in introducing innovation to rural areas. Its LIFE Programme, for example, has had many successes with initiating innovative sustainable land-use practices throughout Europe's countryside.

LIFE, a financial instrument supporting environmental and nature conservation projects throughout the EU, as well as in some candidate, acceding and neighbouring countries, has co-financed some 2 750 projects since 1992, contributing approximately €1.35 billion to the protection of the environment.

"Nearly all of our Nature projects and quite a lot of our Environment projects take place in rural areas," notes the LIFE Unit's Communications Coordinator, Simon Goss. "They are all addressing environmental aspects and they all involve local partners. We are looking at ways to make project actions sustainable and to improve the environmental performance of those stakeholders who participate in the projects," he adds.

LIFE has also helped to facilitate the integration of new approaches, such as agri-environmental measures, into mainstream Member State rural policies;

as Goss notes, "Over the years, LIFE Nature projects have helped put in place agri-environmental measures in particular regions. They have shown the way to a more sustainable use of agricultural land on Natura 2000 sites. This aspect is being more and more taken over by agri-environmental payments, but I think we did a lot of pioneering work in this area to show what sort of thing needs to be done to be sustainable in the long term."





## Supporting sustainable soil management

A good example of a LIFE project that addressed one of the 'new challenges' highlighted in the CAP Health Check is provided by the SOWAP project, which focused on soil and surface water protection using conservation tillage in Northern and Central Europe ([www.sowap.org](http://www.sowap.org)).

This innovative project used demonstration plots in three countries (Belgium, the UK and Hungary) to collect information and data to establish the pros and cons of 'conservation agriculture' compared with 'conventional' arable land-use practices. The pilot plots replaced ploughs with zero-till or non-inversion tillage to reduce losses of soil to erosion, enable crops to be covered in winter, improve soil structure and enhance soil biodiversity.

While crop yields were found to be lower than with conventional methods, in-depth analysis of pesticide and fertiliser requirements meant that optimum amounts of chemicals were used. This reduced cost inputs, which helped compensate profit margins, and significantly reduced run-off, by as much as 90% during heavy rainfall. LIFE support also fostered better appreciation of the process of uptake and timings of applications for different crops.

Furthermore, it was seen that soil function improved under conservation agriculture with higher soil carbon, nitrogen and soil moisture together with much higher invertebrate biodiversity. The work of the SOWAP project fed into WOCAT – a global network of soil water conservation – as a result contributing to the implementation of the EU's Water Framework and Soils Framework Directives.

## New approaches to habitat conservation

The LIFE Nature project 'Habitat management of Hortóbagy eco-region for bird protection' ([www.hortobagyte.hu](http://www.hortobagyte.hu)) established a farming system for the long-term management of Hungary's Hortóbagy National Park. The Park comprises an area of natural steppe and wetland habitats that is under threat from unfavourable ecological processes and which is home to many endangered species listed in Annex II of the EU's Birds Directive.

Grazing of the steppes and wetlands was identified as crucial to the future sustainability of Hortóbagy's delicate ecosystem. Thanks to an innovative partnership between non-governmental organisations and local farmers, organic approaches to animal husbandry were introduced using mixed breeds of livestock (mangalica pigs, racka sheep, indigenous goats and Hungarian grey and flecked cattle).

Since the breeding density of birds was found to be closely related to the intensity of grazing in a given area, land was leased to cultivate winter fodder to allow the livestock to remain on-site year round. Shelters were also constructed to give the animals cover in winter and spells of bad weather. Two full-time cattle herding jobs have been created by the project, which is seen as a small step towards introducing organic farming to the entire puszta (steppe) and its buffer zones (a total of 170 000 ha).

The Hortóbagy project is just one of many LIFE co-funded projects that have also helped improve eco-tourism opportunities in rural areas (e.g. by establishing trails and working with local tourism agencies). "LIFE is improving the patrimonial value of nature sites, which is good for the rural economy," believes Simon Goss.



JÁNOS OLÁH





# 'Catalyst for change' aids Europe's rural areas

**The Directorate-General for Employment, Social Affairs and Equal Opportunities is spearheading innovative solutions to help EU rural areas combat poverty, fight discrimination, promote equality, improve job prospects and assist young people's development.**

**T**he main objectives for the European Commission's DG Employment, Social Affairs and Equal Opportunities mirror those noted in its PROGRESS programme, which contributes to the EU's Social Agenda and 'Lisbon' Growth and Jobs Strategy.

Five key PROGRESS areas are identified as a 'catalyst for change' in the EU during the period up to 2013:

- employment
- social inclusion and protection
- working conditions
- non-discrimination and gender equality.

The European Social Fund (ESF) provides a valuable tool to help to reduce differences in prosperity and living standards across Europe, thus promoting economic and social cohesion. Some €75 billion of ESF funding is spread across the Member States and regions, targeting in particular, those where economic development is less advanced, like in a variety of rural communities.

## Combating rural poverty

A major initiative, led by DG Employment, is targeting poverty and social exclusion in rural areas. Rural poverty is an important aspect of European poverty, since in some countries the poverty risk in rural areas is double that of urban areas.

A European Commission conference, held in Budapest in June 2009, examined the reasons for this discrepancy, and called for 'enhanced cooperation' with the different actors to fight poverty in rural areas.

The conference debated a recent Commission study titled, 'Poverty and Social Exclusion in Rural Areas', which focuses on 15 countries – 14 EU Member States and one EEA country - Norway. It identifies four main categories of problems of rural areas: demography, remoteness, education and labour market – concluding that such problems may generate 'vicious circles', which may grow and amplify the phenomenon.

ESF projects targeting these categories in rural areas across the EU-27 are helping to alleviate this 'vicious circle', often using innovative and creative approaches.

## Poland: innovation and education

In Poland, innovative approaches to meeting ESF goals are encouraged to help improve social inclusion and equal access to development services in rural areas. Dedicated support is available for this through Priority 9 of the Polish Human Capital Operational Programme for 2007–13. This ESF Programme includes support for increasing access to education for all, especially in rural areas, in order to help reduce regional disparities.

ESF support will also contribute to alleviating imbalances in the quality of education, especially between rural and urban areas. Equal access to education will be improved in rural areas, through the promotion of pre-primary education. There will also be more investment in lifelong learning opportunities for adults. More attractive vocational education courses will be developed at primary and secondary levels, and teachers' competences will be strengthened through more on-the-job training.

Opportunities for innovation are also strong in areas such as flexible forms of employment, where the ESF can help rural residents combine parenthood with professional life. Particular priorities are given to balancing the social and professional roles of women, and the promotion of anti-discrimination laws in the workplace.

Media campaigns are being organised to raise awareness about these types of new support service for Poland's rural areas.

## Malta: innovation and tourism

In Malta, an ambitious and innovative scheme will train over 1 200 managers and supervisors working in the islands' tourism industry, which represents a hugely important sector of the Maltese rural economy. Launched in 2009, the €4 million ESF project will help to expand the burgeoning sustainable tourism sector (a market that is growing at a rate of 20–30% annually in Europe, compared with 9% for tourism generally).

As well as improving the capacity of rural tourism businesses, practical courses will help staff to develop other markets focusing for example on local food and other craft products.

Two studies will also be conducted to increase the knowledge base in human resources, in order to forecast future employment opportunities and future training needs in various tourism sectors. The study will extend beyond the traditional accommodation and catering sectors, exploring new options such as providing English language training.

This innovative strategic ESF solution is addressing the challenges faced by Malta's rural economy in competing in a global market place. The training will create win-win synergies that add value to Rural Development Programme support provided for local food products, rural crafts and heritage, quality of life enhancements, development of green and rural tourism, as well as farm and rural economic diversification initiatives.

**“The specificities of rural areas have until now been neglected in the analysis of poverty in Europe. There would still seem to be a lack of public awareness and commitment from the different strands of public institutions in addressing the issue of rural poverty.”**

DG Employment,  
Social Affairs and Equal Opportunities





# DG Information Society & Media in rural areas

**Information and communication technologies are vital for Europe's rural economy and the EYCI helped to promote both roll-out of broadband networks and intelligent new services for rural populations.**

**D**G INFSO – or the European Commission's Directorate-General for Information Society and Media, to give its full title, – has a simple message for rural areas: get connected. "The main objective is increasing broadband coverage in rural areas, which are still lagging behind. Indeed, as of August 2009, 23.4% of the

EU rural population still has no access to high speed Internet," says Martin Selmayr, DG INFSO's spokesman.

Broadband is seen as crucial to the development of the knowledge economy in rural communities. Universal broadband coverage will end the isolation of many rural areas, and will bring producers of

goods and services in places previously seen as inaccessible closer to their potential customers. Broadband is also fundamental to developing new services, and "DG INFSO is particularly keen on enhancing creativity and innovation, for instance with regards to Web 2.0 [the latest approach to web development and design] and user-created content," Selmayr says.



## Billion euro boost

Broadband roll-out and the stimulation of innovative digital services therefore go hand in hand. In terms of the former, the Commission published a landmark plan earlier this year, according to which rural areas will receive a massive €1.02 billion boost from the European Economic Recovery Plan – the EU's blueprint for tackling the present economic crisis. Although these funds can also be used by Member States for addressing other new challenges such as climate change, broadband development is an equally important priority. Selmayr explains that EU countries should “use the recovery funds to expand broadband to rural areas to contribute to the EU objective agreed with the Member States to reach 100% coverage by 2013.”

The planning process for EU rural development authorities to decide how to spend the money should be completed by the end of 2009. The broadband funding boost must be written into existing EU Programmes for rural development, with the Commission examining and approving the revised spending plans during the summer and autumn. By the end of 2009, the Commission will also publish a strategy that will show what other steps that both public and private actors, including rural authorities, can take to bridge the ‘broadband gap’.

In this context, the Commission wants to promote understanding of the possibilities that information society technologies offer to rural areas. Rural authorities could take actions such as “support for personal computer ownership, professional ICT and e-business training for farmers, food processors, rural agricultural and non-agricultural businesses, as well as digital literacy actions for the rural population,” says Selmayr.

## Getting connected

One example of the Commission's approach in practice is the Bank of Tourism Potentials. This novel Slovenian project shows how ICT can galvanise creativity and innovation in rural areas. The ‘bank’ is a web portal in which new tourism business ideas can be ‘deposited’ and matched with investors. It is a way for people in isolated areas to ensure that their creative ideas are not overlooked. Successful initiatives negotiated through the ‘bank’ include countryside activities for primary school children, guided mountain biking holidays, and hiking excursions in Slovene Istria. The project website ([www.btps.si](http://www.btps.si)) was set up by the Slovenian Tourist Board with backing from the Economy Ministry and Primorska University.

Another innovative project highlighted by DG INFSO, provides a further illustration of the importance of ICT to rural areas. Sweden's project, Stadsutveckling (‘City Development’), is a web portal ([www.stadsutveckling.se](http://www.stadsutveckling.se)) that enables government officials and companies to meet up virtually and develop strategies for tackling Swedish rural depopulation. Anders Johansson of the project's promoters, architectural firm Testbedstudio, says that “since 1991, 62% of Swedish municipalities, or over 75% of the country's total geographical area, have seen large numbers of people pack up and leave for the cities, leaving behind them ghost neighbourhoods, empty schools and buildings, and limping services for the remaining small-town or village dwellers.”

Stadsutveckling should be considered a ‘creative idea laboratory’ for municipal planning in areas affected by these trends, where, for example, local services have to be adapted to meet the needs of more sparsely spread populations. Peder Sandahl, Sweden's national coordinator for EYCI projects, says that finding innovative approaches to municipal planning, rather than ICT itself, was Sweden's focus for the EYCI. However, he adds that Swedish authorities and businesses understand that ICT underpins development, and they “push hard for ICT solutions and measures. ICT is always the means to achieve any other goal.”

## Further information

Information about the European Commission communication on better access for rural areas to modern ICT is at: [http://ec.europa.eu/agriculture/rurdev/employment/ict/com2009\\_103\\_en.pdf](http://ec.europa.eu/agriculture/rurdev/employment/ict/com2009_103_en.pdf)

# Reducing the urban-rural gap in information and communication technologies

Availability and usage of broadband and other ICT offer important opportunities for expanding the sources of creativity and innovation. However the uptake of ICT services in rural Europe is still much lower than in urban areas and the EU is investing significant efforts to help bridge these digital divides, by various instruments including EU rural development policy.



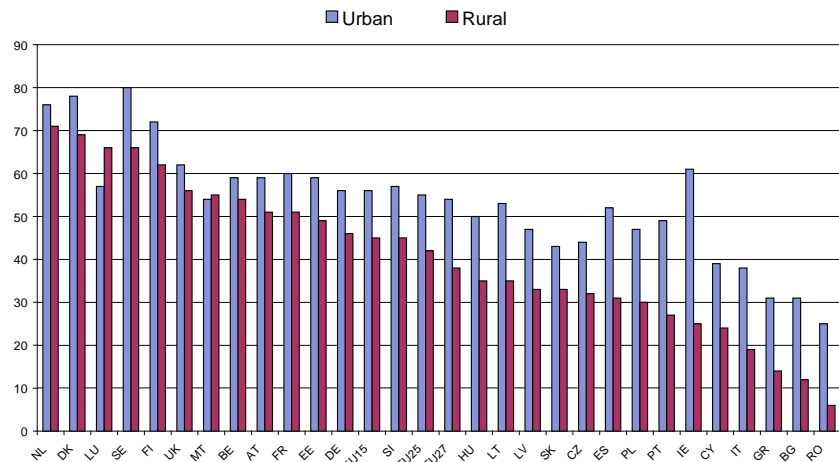
There is widespread evidence that ICT helps to introduce innovation in agricultural production – for example in such basic processes as precision sowing, animal health, or information on market prices and market outlets for niche products – which have substantially changed farm organisation and modes of operation. The same is true for wider rural development: ICT is crucial in promoting rural tourism through Internet reservations, or in providing services such as tele-medicine for the rural population. Reducing the rural-urban gap in ICT is not only about closing a disparity but also about making available an instrument that can contribute enormously to the solution of long-standing specific rural problems.

Competition in the market for Internet access is becoming more and more intense as new technologies arrive. The territory covered by broadband networks in rural areas is increasing, but nevertheless there remain rural areas in the EU where Internet access is not available at all. Moreover, the availability of the service is only the first step and for a number of reasons the usage of broadband in rural areas by rural people also remains relatively low.

## Broadband provision

The European Commission has reported that, during 2007, broadband Internet was available for 98% of urban inhabitants in the EU, but only an average of 70% of EU-27 rural citizens had potential access to broadband. Figures for the broadband penetration rate, measured by the number of installed broadband lines per 100 inhabitants, were considerably lower at 21.7% across the EU-27 in mid-2008. However, this data marked a significant increase on the 16.2% penetration rate for rural areas recorded at the start of the previous year. Such data demonstrates that, despite quite high supply availability, the full potential of existing broadband supplies remains untapped in EU rural areas.

Figure 1:  
Percentage of households using broadband access 2008



Closer analysis of the data from Eurostat for broadband usage at Member State levels reveals wide differences and the situation is much worse in some of the countries than in others. Figure 1 illustrates the significant differences in the situation across the EU.

Figure 1 shows that, in Romania, Bulgaria, Greece and Italy, the usage of broadband in rural area is less than 20%. Some of the biggest gaps between urban and rural users are also noted in these four countries, but Ireland also experiences considerable differences in broadband use. Only small countries like Malta and Luxembourg had higher broadband use in rural areas than in urban centres.

## EU response

Core aims of the EU's Lisbon agenda focus on fostering a knowledge and innovation-based society, since this is seen as an effective stimulator for economic prosperity and job growth. ICT offers many opportunities for rural innovation and economic growth through a multiplicity of different development models including: enhancing agri-food chain relationships; providing e-rural tourism; strengthening skills bases via training; and taking advantage of high-speed Internet in rural areas.

“ Never before in history has innovation offered promise of so much to so many in so short a time. ”

Bill Gates,  
Chairman of Microsoft





Whilst it is true that the efficient use of broadband and other ICT can help to improve productivity and overall competitiveness in Europe's countryside, it is clear that some rural areas are missing access to such opportunities. This situation continues to exist and, despite an emphasis in the Community Strategic Guidelines for rural development about the importance of ICT and Internet access for rural areas, broadband is still not available to, or used by, a big part of the EU-27's rural population.

This is because the market fails to offer broadband in remote areas where it is not economically profitable. Also, the demand side of broadband and ICT provision can be very sluggish as prices for accessing broadband can be high. These issues can be compounded by a lack of e-skills in rural areas, which also tend to use fewer e-services. Corresponding concerns were confirmed by a Eurostat survey during 2008 that revealed the major reasons for not using Internet in rural areas across EU were that: because it is not needed (20%); cost of equipment (13%); cost of access (11%); or people lacked skills (13%).

In response to such types of supply and demand challenge, the EU issued a Communication on better access for rural areas to modern ICT. The Communication, from the European Commission to the Council and the European Parliament,

was published in March 2009 under the title 'Better access for rural areas to modern ICT'. It establishes policy priorities across the EU for developing modern broadband infrastructure in rural areas. It also sets priorities for Member States to implement actions that can help stimulate demand for, and development of, e-services and associated relevant content.

Referring to the Communication, Nivelin Noev from the European Commission's Directorate-General for Agriculture and Rural Development notes that, "ICT rural development projects can cover a large spectrum of issues depending on the advanced level of the Member State or region, managing authorities' intentions, demands by the rural society, current needs, etc. What we think is best is if projects tackle the ICT situation in integrated ways." He explains that this means that "provision of broadband should be combined with appropriate training and development of online content helping businesses and populations to boost their socio-economic activities."

These strategic rural development objectives underscore the Communication's priorities, which includes specific mention about the importance of EU rural development policy, particularly in terms of focusing

efforts on rural actors which are considered to be missing out on opportunities for potential economic growth by not having access to modern ICT. Rural target groups include:

- farm businesses
- small and medium-sized enterprises
- young people
- women
- elderly people or disadvantaged groups.

In addition to EU rural development policy, the Communication also highlights the key role that EU cohesion policy should play in supporting these target groups, via the same focus on broadband infrastructure development and demand-side stimulation.

Member State's technical assistance funding is identified as a useful tool to help assess the current state of play in rural areas, in order to inform national strategies and decision-making processes. The exchange of good practice examples is also seen as a beneficial mechanism for promoting innovative delivery approaches and greater ICT use in EU rural areas.



## Rural development policy support for ICT

The midterm review of Member States' Rural Development Programmes (RDPs) during 2010 provides a timely occasion for the EU to strengthen its emphasis on support for Internet access and ICT through the European Fund for Agriculture and Rural Development (EAFRD).

Most EU countries already prioritise ICT investments in their RDPs (only Lithuania and Luxembourg do not). Some 12 Member States are currently committed to investing in ICT across four or five RDP measures, while other RDPs channel ICT support through between one and three measures. Examples of some of these measures are listed below:

- Broadband infrastructure, centres for ICT-based services and e-services for rural population/enterprises under the measure 'Basic services for the economy and rural population'
- Farmers delivering ICT services under the measure for 'Income diversification'
- Professional training in ICT and e-learning under the measure 'Vocational training and information actions for farmers, food industry and forestry'

- ICT-based services and e-commerce under the measure supporting the 'Creation of micro-enterprises and business development'
- Web portals, agri-tourism electronic booking systems, tourist info-centres under the measure 'Encouragement of tourism activities'
- Training in ICT and computer skills, online training, e-learning under the measure in favour of 'Training and information'.

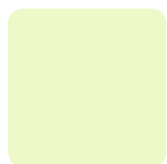
Such RDP measures provide a wide scope for different types of ICT support in rural communities and new development funding has also been earmarked from the European Economic Recovery Plan for rural broadband provision. Extra money is being made available to help rural areas combat challenges caused by the global economic and financial crisis. These new allocations are accompanied by ambitious targets that aim to ensure that any person in the EU is able to get a broadband Internet connection wherever they reside.

## Sustaining success factors

A great deal of effort can therefore be seen to be invested by the EU and its institutions to reduce urban-rural gaps in ICT access. These efforts will help nurture opportunities for more innovation and greater creativity throughout rural Europe. Sustaining the success of such rural development interventions depends on several key factors and experience to date shows that integrated approaches tend to generate the best results.

Intervention actions that combine and coordinate improvements in supply and demand of infrastructure access with the development of appropriate content have a head-start on actions that operate in isolation. Adding capacity-building and skills development to the mix creates even more potential for success and a fourth powerful element includes operating in partnership through cooperation with all relevant stakeholders.

These types of lesson remain valid for all rural areas around the EU. The following four case studies aim to help highlight the benefits of multi-faceted approaches to tackling digital divides in rural Europe.





## Lithuania's RAIN project

Lithuania's RAIN (Rural area Internet network) project was implemented by a public sector body Placiajuostis Internetas in partnership with a national informatics institute. The project's strategic goals aimed to decrease digital divides between urban and rural areas and thus support the development of a knowledge society in rural Lithuania. The focus of the network is only on rural areas, including villages, schools, public institutions, libraries and public access points. The project consists of two main phases: RAIN1, which ran from 2005 to 2008, and RAIN2, which is planned to start later in 2009. Both projects are partly funded by EU Structural funds and partly by national funds.

RAIN1 had a budget of €20 million. During this phase 3 357 km of fibre optical cables were installed and additional 3 000 km of fibre optical cables were rented from several private companies in order to limit the investment in areas without infrastructure. RAIN 1 also supported 51 separate networks in rural local authority areas, connecting municipality centres with their administrative subunits. This covered a total of 467 small towns.

One of the purposes of the project was to increase competition of the Internet Service Providers' (ISPs) in the rural areas. The operator of the network is offering only wholesale services, fixed at the same prices for all ISPs and covering only operational expenses. 'Last mile' solutions must be offered by each ISP. The prices of ISP for the end-users offering services through RAIN1 infrastructure are the same as prices offered to other users.

RAIN2 has a forecast budget of around €72 million. During this phase the missing link between 51 municipalities will be established and more than 770 new villages, as well as 1 000 mobile network towers and other infrastructure objects, will be connected to the network. It is planned, that upon the completion of RAIN2, rural residents and enterprises will be able to access broadband communications within 98% of Lithuania's countryside.



VIESOJI ISTAIGA PLACIAJUOSTIS INTERNETAS





## ACCESS project in Cumbria, the UK

The core rationale behind Cumbria's ACCESS project was rural economic development. The county of Cumbria is a predominantly upland area in northern England which is very rural and has suffered badly from crises such as the outbreak of foot and mouth disease. ICT was seen as a way of helping to find innovative solutions to rural economic challenges and the ACCESS project set itself bold targets. These included providing affordable broadband access for 95% of the citizens and business in Cumbria, as well as achieving a 65% broadband usage rate among local businesses.

Implemented as a partnership project between the Northwest Regional Development Agency and Cumbria County Council, the project received 100% public funding. Crucial state aid approval was granted from the European Commission's Directorate-General for Competition which allowed a total of £18 million (equivalent to around €20 million) to be invested in the rural ICT project.



COMMENDIUM LTD

ACCESS operated over three years, starting in October 2005, and the resulting broadband network was implemented using a fibre optical cable ring with ADSL and radio technologies serving functions for the 'last mile' solution. After completion of the network, a private operator was selected to run the service. The operator is obliged to refund the network establishment investments from the income it generates. By mid-2009 nearly half of public investment had already been refunded.

As a result of the project, 99.84% of Cumbria's business and citizens now have potential access to broadband Internet. At the end of the project in 2008, 71% of businesses had broadband connection and this increased to 87% in 2009, which the project team believe is the highest in the UK. Furthermore, 99% of public administrations are also using broadband to aid the efficiency of their rural service provisions. Another beneficial outcome has increased competition among Internet Service Providers, since there were only six ISPs before the start of the project but over 100 ISPs by its end date.

Such outcomes are making important contributions to help Cumbria's rural economy grow favourably in the current challenging economic circumstances.



## Bulgaria's iCentres support for rural communities

Bulgaria is running an innovative rural development project based on establishing a network of 'iCentres'. These provide free public Internet access centres in rural areas and aim to increase interest in Internet use, in order to boost demand for personal access at home or in rural businesses. Priority targets include small or economically underdeveloped communities.

Featuring a budget of €2.8 million, the project is sponsored by the Bulgarian government and received support from United Nations Development Programme donors. It started operations in 2003 and by June 2009 the 119th iCentre was launched in the village of Kaynardja. Most of the iCentres are located in rural or regional post office and municipality buildings. They are commonly equipped with around 10 computers, multimedia presentation devices and multifunctional printer with copy and scan capabilities.



SPASS KOSTOV

The project can be considered innovative in a national context because it introduced new mobile public access centres using satellite Internet technologies. For Bulgaria, these telecentres are considered strategically important for facilitating ICT and helping engender a positive attitude towards the benefit of information technology, and its application to everyday activities.

This is expected to lead to greater online contact with administrative authorities and more e-government services, as well as facilitate enhanced distance working, better information enquiries, improved learning opportunities and more affordable communications.



# European research and rural development, a marriage of convenience

José Manuel Silva Rodríguez has been Director-General of Research at the European Commission since 2006. Before this, he was Director-General at DG Agriculture and Rural Development for six years. These two roles have given him considerable insight into the links between European research, rural development and innovation.



When asked about the importance of innovation in rural Europe, Mr Silva Rodríguez is unequivocal: “Innovation is a concept which can be linked to any area of rural activity. We innovate and invest in research to solve problems, to enable professionals to develop, notably in the economic sphere. We promote growth and employment, seeking out high quality development opportunities that are closely tied to the specific needs of regions.”

The Director-General believes that “Europe’s rural areas represent a rich environment for innovation”. He goes on to say, “innovation allows us to meet important new rural challenges, such as strengthening and diversifying rural economic bases, reducing depopulation pressures, tackling climate change, managing the quality of water resources, increasing energy production from agriculture, maintaining the quality of food and standards of animal welfare, to name only a few”. Clearly there is a potential ‘added value’ offered by the participation of DG Research in resolving these issues. And Mr Silva Rodríguez sees its role as supporting mainstream Rural Development Programmes by helping to create innovative solutions for the different economic, social and environmental challenges. This point is illustrated by the success of research in fields such as biotechnology, especially plant breeding, agro-food and in the improvement of traditional products, all of which have helped to sustain the marketing of quality rural goods (both agricultural and public goods) and have opened up new opportunities for producers.

Leader methodologies are also credited for their successes in stimulating rural innovation and Mr Silva Rodríguez likens their potential to that of innovation clusters, which share similar operational aims, such as: the broadening of co-operation between enterprises with common interests; bringing partners together; testing ideas and undertaking analyses; and ultimately mainstreaming results.

There are other types of rural networks, information platforms and knowledge communities which are also considered as important tools by the DG Research chief. He highlights the Standing Committee for Agricultural Research (SCAR) as a good example of “an initiative that brings together stakeholders in agricultural research to establish a system of knowledge sharing and transfer within the triangle of research, education, and innovation.” Some of SCAR’s most recent work is featured within its Foresight initiative, which continues to foster research examining contemporary rural issues such as governance, the environment, food-chain security, demography, and policy-making. Further information about SCAR and its Foresight process is available on the DG-Research website ([http://ec.europa.eu/research/agriculture/scar/index\\_en.html](http://ec.europa.eu/research/agriculture/scar/index_en.html)).

## Opportunities from the 7th Framework Programme

“The EU’s 7th Framework Programme for research activities, technological development and demonstration (FP7), still remains under-used in respect of agricultural and rural projects”, according to Mr Silva Rodríguez “and this is despite the fact that the ‘Capacities’ element of FP7 is ideal for supporting innovation by small and medium-sized firms from rural areas. It really is the perfect tool for finding solutions tailored to the development needs of rural businesses. A good illustration is the FP7 ‘Future Farm’ research project which explores alternative uses for new technology, as well as specialised IT systems and other innovative approaches on a network of pilot farms in four Member States ([www.futurefarm.eu](http://www.futurefarm.eu)).

In concluding, the Director-General of Research reflects on a rural reality: “We have our plates full. The time has come to act together. Research policy and rural development policy can produce synergies by closer cooperation. DG Research is committed to supporting innovation among rural stakeholders who take on the challenge of anticipating the different changes that lay ahead.”



**José Manuel Silva Rodríguez**

Director-General,  
European Commission DG Research





T. HUDSON

# **EU research support for innovation and creativity in rural areas**

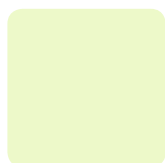




Research activities financed by the EU play a significant role in developing rural innovation. First, by promoting the formation of associations and consortia of research organisations from different EU countries as well as intergovernmental cooperation, in this way facilitating exchanges between researchers, confrontation

on alternative approaches, hypothesis and methodologies, wider European discussion and diffusion of results. Second by addressing explicitly innovation research in rural areas, included as a priority in the current Research Framework Programme, both for agriculture and for wider rural development. Third, by requiring that all research financed by

the EU provide in its conclusions policy recommendations which could be useful to innovate policymaking in these fields. Two examples of research focusing on innovative practices are presented on overleaf from recent research.







## Fostering innovation and knowledge transfer in rural areas

**New guidelines to drive innovation in rural communities have emerged from the recently concluded RAPIDO rural research project.**

T. HUDSON

The RAPIDO (Rural Areas, People, Innovative Development) research project, concluded in February of 2009, set out to discover how innovative approaches could be developed to address the common problems of many rural areas, such as an ageing population, high unemployment and a lack of adaptive resources to face global market challenges. In fact a contribution from rural areas to the EU strategy for jobs and growth (known as the Lisbon strategy) can only happen by thoroughly innovating traditional practices and policy approaches.

RAPIDO's research identified best practices in rural innovation in the EU-27, focusing on agriculture, forestry and the food industry, identifying the sectors creating employment in rural areas, the actors (public and private) who were playing strategic roles, how

environmental technologies were being developed, and methods for knowledge transfer.

Led by Berlin-based Ecologic (Institute for International and European Environmental Policy), in co-operation with institutions from 10 Member States, it used scientific analyses to derive guidelines and policy advice.

A database of 67 best practice case studies was established from 17 Member States. That led to an Evaluation Matrix, comprising 26 indicators of successful rural innovation, to aid policy creation, monitoring and decision-making.

Findings from a detailed questionnaire survey showed that the most innovative initiatives were taking place in the agricultural sector, followed by the food industry, tourism, ICT and services.

Innovative services and processes appear to be the most frequent objects of innovation; private actors were prominently involved in these efforts, such as investors, service providers and tourism operators. Some of the innovations found concerned raw materials for renewable energy; the environment; and rural infrastructure (particularly ICT). Innovation was considered most likely to benefit 'new skilled' jobs, especially in the environmental sector, but RAPIDO research also showed that innovation secures traditional jobs as well.

Researchers found that innovation is fostered most effectively by focusing on co-operation, collective learning and a realisation of regional aptitudes and potentials. Education, training and targeted support all help to transmit a sharpened perception of latent innovative potential, with networks providing vital





support for experience exchanges and peer learning, particularly when public actors are involved.

Sceptical government officials were found to present a common barrier to progress, prompting a call for local and regional administrations to be more receptive, with simpler processes to speed project approvals.

A review of the Environmental Technology Action Plan (ETAP) found it offered significant potential to streamline and focus Member State's efforts to develop environmental technologies, and the researchers believe this should be compulsory.

RAPIDO's team commented that, "Europe's challenge is to move from individual innovations and projects to a culture of innovation". This will be

best supported by education, training, consultancy, financing, appropriate legal frameworks, flexible and efficient administration and incentives on EU, national and regional levels.

The RAPIDO project's findings provide a good reference for policymakers and actors looking for innovative solutions to common problems of decline and stagnation in rural areas. It indicates the range of best practices within the EU-27 which have contributed to find innovative solutions and in this way contribute to achieve the objectives of the Lisbon Strategy for jobs and growth.

#### RAPIDO review

- Funded by the EC 6th Framework Research Programme.
- Operational between March 2007 and February 2009.
- Involved 11 rural research partners from Austria, Belgium, Bulgaria, Germany, Italy, Poland, Portugal, Romania, Spain and UK.
- Outputs included workshops, reports, news alerts and thematic policy briefs.
- Further information available at [www.rapido-fp6.eu](http://www.rapido-fp6.eu).





## **COST 51: integrating innovation and development within EU forestry**

**Forestry is conceived as a traditional rural industry, perhaps a bit conservative even, producing the same timber, pulp and paper decade after decade. However, globalisation and changing values have pushed the industry into new operational areas and a multi-national forest research programme is aiming to identify what types of innovation are required to support the future of Europe's forestry industry.**

Integrating Innovation and Development Policies for the Forest Sector is a COST initiative led by the University of Natural Resources and Applied Life Sciences in Vienna and covering 20 European countries. The project aims at developing knowledge that enables integration of innovation and development policies for a more effective and sustainable development of the forest sector.

COST is an intergovernmental framework for European Cooperation in Science and Technology, which supports coordination of nationally-funded research at European level. Chairman of the forest research project's management committee, Mr Gerhard Weiss from Vienna explains that, "support from the European COST programme provides us with an excellent platform for international comparison

studies. Otherwise the researchers would work alone in their national circles, and this is not as productive, especially in terms of innovation."

The ongoing research project exploring forestry innovations started in 2006 and has concentrated on collecting successful examples and case studies. The research is divided into two different working groups: wood-based and non-wood products. Some 18 different detailed country reports have now been produced and these will be summarised in a single publication. The last phase of the project, concluding in 2010, will focus on policy recommendations that promote integration and coordination of forest-based development.

### **Creating new high-tech products**

Professor Pekka Ollonqvist from the Finnish Forest Research Institute leads the wood-based working group. He sees, "Endless opportunities when combining wood with so called high-tech industries like chemistry or energy industry. Wood is a flexible material as such, but its qualities can further be expanded for example by thermal treatment or compressing, which can make wood water-resistant or soft and transformable like rubber."

These so-called modified wood products have been on the market for some time but even more radical progress is now foreseen on the forest product horizon. For example, mixing wood fibres pulp and plastics together gives thermoplastic





composites that have record-breaking endurance and tensile strength. Applications in the construction industry for these products are obvious and many other opportunities also exist.

An interesting example of a commercial breakthrough that applies these innovative wood-based technologies is a new type of electronic guitar developed by the Flaxwood company, from Eastern Finland's Joensuu. This town has a sound reputation for its forest expertise and the new guitar design is noted as having superb acoustic properties.

### Developing environmental public goods

Professor Bill Slee, from Scotland's Macaulay Institute, coordinate's the forest research project's non-wood working

group, which has been examining innovative opportunities for new forest products. Professor Slee explains that, "We know consumers are getting more and more environmentally aware and society now places greater emphasis on the value of European forests for their landscape, recreational and biodiversity potential. As such, our working group has been investigating how EU forest sectors can reinforce their efforts to work in cooperation with a broad range of interest groups. This type of working practice may be innovative for many foresters and will need to extend beyond traditional production oriented partners."

### Leader legacies

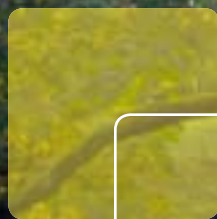
Leader approaches have been identified by the forest research project as offering useful cooperation models. A specific Leader subgroup was established during the research project and this analysed 220 forest related Leader initiatives from Austria, Finland, Germany, Portugal and Scotland. Findings from the research showed that Leader approaches provided good development legacies and their relatively risk-tolerant nature was perceived as being well suited to foster forest sector innovation, both for wood-based and non-wood stakeholders.

Further information about this forest research project is [www.boku.ac.at/coste51](http://www.boku.ac.at/coste51)



Rural Round up

# International perspectives on rural innovation and creativity







**Rural development and its policies are also very important fields of interest outside the EU, both in less developed countries where subsistence farming and out-migration play a major role, as well as in developed countries where a very low density of population creates problems of access to modern services and a need for diversifying the rural economy. Some of the innovative solutions tested internationally to tackle these problems may be of interest for rural areas facing similar problems in Europe and vice-versa.**

One of the best known innovative policies of EU rural development is the Leader approach which has been transferred around the world, resulting in many different hybrids and adaptations. Other innovative EU rural policies have addressed the dimension of public goods provision through agri-environmental measures. These policy instruments have also proved similarly popular in countries outside the EU.

Conversely, the rest of the world offers quite interesting experiences in rural innovation. Some selected examples below give an idea of the lessons that can be learnt from international perspectives of rural innovation and creativity.

## Latin America

In Latin America, the rural development strategies in general remain focused on poverty with the aim of improving basic conditions of rural people. Besides Mexico, Costa Rica provides a leading example. Here, the national rural development programme was designed in 2003 and involved innovative steps to

shift its support focus from sectoral to a more territorial-based approach.

Considering that rural development opportunities exist in both agricultural and non-agricultural sectors, it assumes a cross-sectoral role and aims at enhancing rural areas' creative potential. Priorities recognise the importance of establishing a new institutional system that is capable of linking the public and private sector, whilst also coordinating the various strategic objectives of national rural development policy.

International organisations such as the Interamerican Development Bank, the Food and Agriculture Organisation of the United Nations and The World Bank finance important actions and innovative practices in rural development, in a similar way to the EU. They have been promoting territorial approaches very much on the Leader model. See [www.iadb.org](http://www.iadb.org), [www.fao.org](http://www.fao.org), or [www.worldbank.org](http://www.worldbank.org) for more information.

The Organisation for Economic Co-operation and Development has studied

and diffused innovative policies for Mexico and Chile. For more information see: 'The new rural paradigm: policies and governance' at:

[www.oecd.org/document/7/0,3343,en\\_2649\\_33735\\_37015431\\_1\\_1\\_1\\_1,00.html#chapter\\_2](http://www.oecd.org/document/7/0,3343,en_2649_33735_37015431_1_1_1_1,00.html#chapter_2)

Further information about networking approaches to rural development in Latin America can be found at [www.rimisp.org](http://www.rimisp.org). This network provides know-how, publications, distance-learning training, and a platform for exchanging innovative practices and policies between countries. Activities include project work covering several Latin American countries related to policies for using cultural identities as rural development drivers in several Latin American countries and an online course on exploring migration issues..

## Australia

An example of creative thinking in Australian rural development can be demonstrated by their Rural Transaction Centre (RTC) programme. This reflects rural needs regarding access to essential



services, especially in the country's vast areas of sparsely populated 'outback', where maintaining the viability of business and community services remains a tremendous challenge.

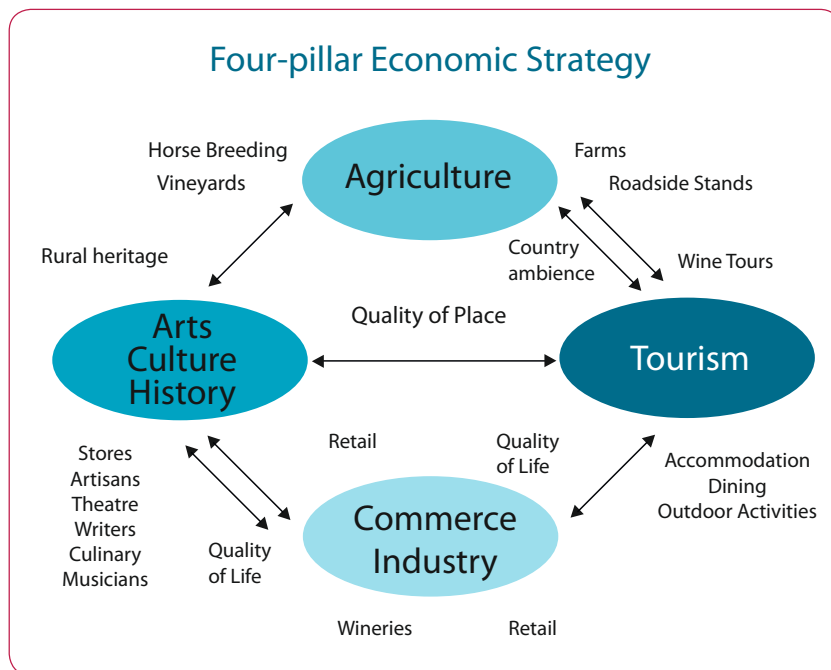
Since 1999 more than 200 RTCs have been supported by a dedicated programme that finances the building and running of RTCs in towns of fewer than 3 000 people. They house a range of different cross-subsidising services including postal and telecommunication access, federal and local government services, banking facilities, insurance provision and secretarial capacity. RTCs also organise rural development events such as skills training sessions, markets for local products and community or cultural fairs.

More information about Australian Rural Transaction Centres is available at: [www.accessmylibrary.com/article-1G1-160582498/turning-isolation-advantage-regional.html](http://www.accessmylibrary.com/article-1G1-160582498/turning-isolation-advantage-regional.html)

## Canada

Ontario's Prince Edward County is keen to promote itself as a 'thriving creative rural economy'. Since the late 1970s it has engaged in implementing an integrated economic development strategy that concentrates on attracting artists and raising the 'quality of place'. Partnership mechanisms in the strategy are based on a high degree of inclusion, and so often have to operate more informally. The results of this approach have helped the County attract new people to the community who are contributing to a flourishing creative economy.

The long-term commitment to creativity is spelt out in a special municipal cultural plan. This presents a 'place-based' approach to territorial cultural development and maps the County's physical cultural resources, as well as the 'intangible cultural resources' that define a community's unique identity. Figure 1 below provides a schematic illustration of the Prince Edward County innovative strategy, which is being implemented by the County to help sustain its self-branded image as 'Canada's First Creative Rural Economy'.



For more information about 'place-based' approaches see: 'Reinventing Rural Policy' paper at [www.oecd.org/dataoecd/18/9/37556607.pdf](http://www.oecd.org/dataoecd/18/9/37556607.pdf)

For further information about Canada - Ontario's Prince Edward County see: [www.pecounty.on.ca/government/corporate\\_services/economic\\_development/creative\\_economy/index.php](http://www.pecounty.on.ca/government/corporate_services/economic_development/creative_economy/index.php)

## EU comparisons

Comparing these examples and similar approaches with the EU's rural experiences, we can recognise several similarities. They include the shift towards an integrated approach that incorporates new priorities, like cultural aspects, as major influences. This requires the institutional structures to innovate and respond to rural challenges and changes within coordinated systems.

Another common finding by rural development practices from across the EU and wider world is that innovation can frequently be assisted by accepting the notion of an 'open' society. Creative approaches stress the advantages of a high degree of social diversity and place a priority on cultural development. This is emphasised in the EU's example of the 'Future in the Alps' project, which concluded in its recommendations of 2008 that regional activities and perspectives can only be extended "if the local society and economy is diverse enough for allowing individuals to develop a wide range of (social and economic) roles and actions".

Debate among development organisations and scientific work on the issue of innovation indicates that integration of pluralism and diversity tends to have positive effects on capacities for innovation and development. This is acknowledged by international aid organisations that now train policy and project staff in professional 'diversity management' skills.

Such activities are oriented at strengthening problem solving capacities in heterogeneous groups and Scott Page, Professor of Complex Systems, Political Science and Economics at the University of Michigan, summarises this close relationship in the expressions "diversity powers innovation" and "innovation requires thinking differently".

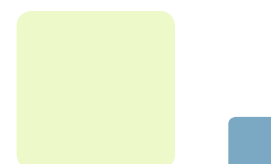
## Lessons learnt

This brief review of international experiences concerning rural innovation and creativity underscores one of the cornerstones of innovation theory – in other words, sharing experiences provides a highly effective source of both inspiration and motivation for innovative actions and creative thinking.

A more detailed analysis of international practices would unearth an incredible range of international cross-fertilisation of innovative activities specifically targeted at rural areas, demonstrating the huge potential that exists for creativity in rural development and for international exchanges of good practices.

Significant lessons noted above include the importance of socially inclusive approaches to developing rural projects, and benefits from integrated territorial actions are commonplace. Other points raised refer to the positive outcomes and synergies that are available from creating new linkages between rural communities and rural actors, since these help to establish knowledge-sharing platforms for different peer groups.

Moreover, the combination of: creative thinking by all stakeholders; flexible strategic approaches by support services; use of new communication techniques or modern technologies; and analysis of multi-purpose provision options can all offer a variety of viable development opportunities for rural communities from around the world.







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**WELCOME TO THE European Network for Rural Development (EN RD)**

Rural development is of special importance for the EU, and not least for all those living and working in rural areas. One of the key goals of the ENRD – and indeed the EU's rural development strategy – is to help bring rural communities closer together in order to improve the implementation of the Rural Development Policy. This means strengthening the flows of information and communication between the different levels of Europe's rural stakeholders. In turn this will encourage a greater and more efficient level of interaction and exchange of expertise in all areas of ENRD activity. In addition, it will also help to facilitate specific actions such as sharing of experience and evaluation of rural development policy.

**Read more...**

With this in mind, the new ENRD website incorporates a variety of features and rural development information. It also provides links to other relevant websites, at European, national and local levels.

One of these is the **European Evaluation Network for Rural Development**, which is a distinct network within ENRD dealing specifically with evaluation issues, providing content development, support and guidance, and information and dissemination services to evaluation actors in Member States (administrators, RDP evaluators, academics/researchers) and to the Commission.

In the near future interactive tools will also be available like for example data bases, search tools or an exchange platform.

**European Evaluation Network for Rural Development**

**EVENTS CALENDAR**

Check the latest event information.

**EVENTS**

**NETWORK MEETINGS**

National Rural Network (NRR) meetings allow for regular contact between networks in order to discuss common issues and challenges. The first of these meetings took place in Brussels on November 27th 2008, the 10th meeting took place in Budapest on September 16th and 17th 2009.

**COMMITTEES**

The next **Leader Subcommittee** meeting has been scheduled for the 12/11/2009 (to be confirmed).  
The next **Coordination committee** meeting has been scheduled for the 9/1/2009 (to be confirmed).

**Notice about site language**

Please note that this web site is only available in English for the moment. Other language versions will be available in the near future.

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