RURAL PACT

GOOD PRACTICE WEBINAR

<div style="text-align:center">**Highlights report**</div>

Rural innovation

Introduction

This [Good Practice Webinar](#) explored how place-based innovation can address the evolving needs and ambitions of rural communities. Participants discussed national, regional and local experiences focused on advancing technological, ecological and social innovation across rural Europe.

The webinar showcased a range of inspiring initiatives and highlighted practical ways to strengthen innovation ecosystems and empower local communities to drive local innovation action.

Organiser: Rural Pact Support Office

📅 22 May 2025

📍 Online

👥 Around 150 participants from 27 EU Member States and 8 non-EU countries, including representatives of NGOs, Local Action Groups (LAGs), businesses, public authorities, and researchers

💻 Presentations & recordings ([here](#))

🎥 If you see this icon, click to watch the recording.

Main highlights from the event

This section outlines the main results emerging from the webinar, including those from the group discussions and reflections from the keynote lister Edina Ocsko (Smart Villages Network Services).

Enabling place-based innovation ecosystems in rural areas

> **Rural innovation remains undervalued and often invisible because innovation measurement frameworks are shaped by urban perspectives.** New and enhanced metrics are needed to capture the diversity of rural innovation—from social and process innovation to small-scale experimentation—and to make its contribution visible and attractive for investment.

> **Developing place-based innovation ecosystems is essential to empower small-scale actors and entrepreneurs to take innovative action in rural areas.** Tailored support—including capacities, knowledge, and brokerage—adapted to the scale and pace of rural areas helps transform local ideas into sustainable economic and social value.

> **Fostering effective cooperation, multi-actor partnerships, networking and skills development are the backbone of effective rural innovation ecosystems.** Cooperation among local authorities, researchers, businesses, and communities creates strong networks and shared commitment to design and implement innovation in rural areas. Intermediaries such as **innovation brokers, clusters, and hubs** are vital connectors that build trust across sectors and territories and boost innovative action.

> **Funding instruments must be flexible, long-term, and accessible to all rural actors** (involved in all rural socio-economic rural sectors, including the agri-food sector). Rural innovation requires flexible, sustained investment and support schemes that allow for experimentation, iteration, and learning over time. Funding should be accessible in scale and designed for small actors. The cascade funding approach of Horizon or Single Market Programme-funded projects and the EIP-AGRI are considered as good examples that need to be reinforced to better reach out to rural.

Fostering rural digital innovation ecosystems

> **Digital innovation benefits from combining diverse local strengths**. Financial resources, skilled people, community networks, and social ties all contribute to creating effective, place-based digital solutions.

> Digital innovation in rural areas rely on **strong digital skills across all stakeholder groups**—including public administrations, businesses, and citizens—as well as **robust infrastructure and connectivity** that enable access to knowledge, markets, networks, and new opportunities.

Enabling ecological transitions through multi-actor collaboration

> Ecological transitions need **strong local governance capacities to ensure broad societal engagement**, to embed sustainability in everyday practices and drive community-led solutions is areas such as renewable energy and green infrastructure.

> Advancing the green transition also requires **better measurement of ecological impacts** and improved targeting of EU funding, to ensure resources are channelled effectively.

Placing people at the heart of rural innovation

> **Social innovation begins with people.** Empowering local populations—especially youth and women— requires spaces for participation, cultural expression, and community-driven initiatives, fostering inclusion and ownership.

> **Building the skills, confidence, and creativity of rural communities is crucial,** empowering them to be proactive innovation actors rather than passive beneficiaries.
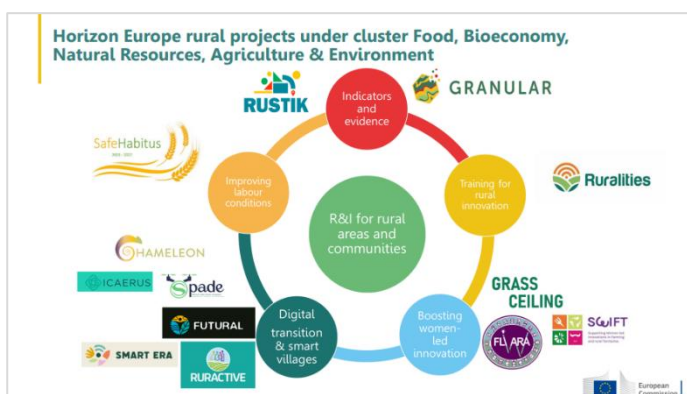
EU initiatives supporting rural innovation 📹

Supporting rural innovation through the EU Rural Action Plan
Arianna Pasa, European Commission, DG AGRI (PPT)

Under the EU's Long-Term Vision for Rural Areas and the Rural Action Plan, the European Commission supports rural innovation through a range of initiatives. These include Horizon Europe projects (over EUR 250 million invested since 2021 in more than 60 projects), fostering co-designed solutions via multi-actor initiatives. The European Startup Village Forum promotes rural entrepreneurship through improved data and indicators, studies and analyses, as well as community engagement.

Additional tools under the Common Agricultural Policy (CAP) include the EIP-AGRI operational groups, support to Smart Villages in 17 Member States, and the LEADER programme with EUR 5 billion allocated to around 2 600 Local Action Groups (LAGs) – as innovation is a key principle of the LEADER implementation method.

European Cluster Collaboration Platform (ECCP)
Giovanni Emma, European Commission, DG GROW (PPT)

DG GROW supports innovation through the European Cluster Collaboration Platform, which serves as a hub for cluster mapping, building capacity, dedicated services and matchmaking among stakeholders. The 'Clusters Meet Regions' and 'Cluster Collaboration Labs' facilitate local engagement and co-creation of projects.

The Euroclusters initiative, funded with EUR 84 million, connects regional clusters across the EU to stimulate the green, digital and resilient transitions. The Eurocluster on rural tourism – a flagship example – supported 190 micro-businesses across 19 countries through cascade funding mechanisms.

Regional Innovation Valleys
Magdalena Cymerys, European Commission, DG RTD (PPT)

The Regional Innovation Valleys (RIVs) initiative aims to bridge innovation gaps by fostering interregional collaboration around shared challenges, with co-funding from regional, national, EU or private sources. The initiative involves 147 committed regions, inviting collaboration among governments, academia, industry, and civil society.

Projects focus on near-market innovative solutions financed through cascade fundin g and public procurement. Ongoing calls remain open until mid-October 2025 under the work programmes of European Innovation Ecosystems (EIE) (€35 million) and WIDERA (€24 million), supported by matchmaking events and technical guidance.

Framing the debate: Unlocking rural innovation 📹
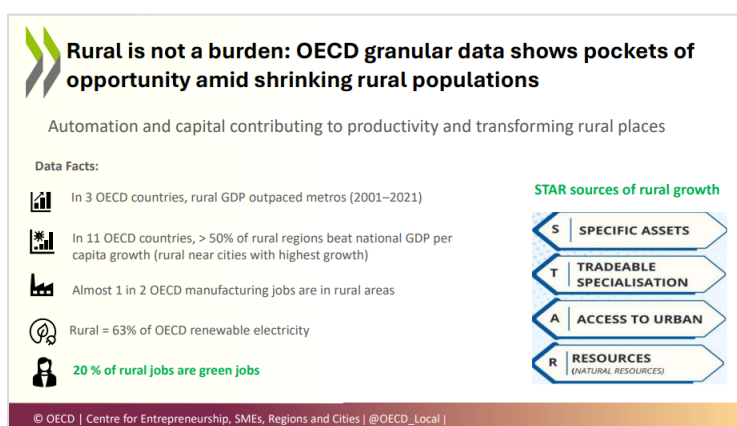
Eduardo Rodriguez Montemayor, Organisation for Economic Cooperation and Development (OECD) (PPT)

Rural innovation is already happening and must be recognised as a vital asset for resilience and competitiveness. OECD data shows rural regions are often wrongly portrayed as in decline, despite examples of dynamic innovation driven by necessity, proximity to cities, or strong local identity.

Rural innovation faces structural challenges: shrinking populations; ageing; skills shortages; and underinvestment. Innovation in rural areas often takes non-technological forms – social, process, and service innovation – yet, it is overlooked due to metrics that prioritise high-tech research and development (R&D).

Policies must be place-based, tailored to rural realities, and co-designed with local actors. Key recommendations include supporting niche markets, rethinking how innovation is financed and measured, and enabling rural-urban collaboration. **Making rural innovation visible, viable, and valued** is essential for inclusive and sustainable development.

> **Rural is not a burden: OECD granular data shows pockets of opportunity amid shrinking rural populations**
>
> Automation and capital contributing to productivity and transforming rural places
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> Data Facts:
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> 📊 In 3 OECD countries, rural GDP outpaced metros (2001–2021)
>
> 📈 In 11 OECD countries, > 50% of rural regions beat national GDP per capita growth (rural near cities with highest growth)
>
> 📚 Almost 1 in 2 OECD manufacturing jobs are in rural areas
>
> 🌱 Rural = 63% of OECD renewable electricity
>
> 👤 20 % of rural jobs are green jobs
>
> STAR sources of rural growth
> - S SPECIFIC ASSETS
> - T TRADEABLE SPECIALISATION
> - A ACCESS TO URBAN
> - R RESOURCES (NATURAL RESOURCES)
>
> © OECD | Centre for Entrepreneurship, SMEs, Regions and Cities | @OECD_Local |

Approaches to support place-based rural innovation processes 📹

Centres of territorial innovation in rural areas (Spain)

Maria Martos, Ministry for Ecological Transition and Demographic Challenge, Spain (PPT)

Spain's Territorial Innovation Centres (CITs) are locally embedded ecosystems co-developed by the national government and provincial councils to counter demographic decline. Operating across Spanish provinces, they foster collaboration, support project development, and promote multi-level governance.

CITs act as territorial transformation labs, offering methodological support, capacity building, and access to funding. An example from the Teruel province illustrates how local civil society, businesses and public actors co-manage innovation initiatives, such as a rural innovation forum, vacant housing rehabilitation programme, and joint interprovincial projects on rural entrepreneurship.

Rural Innovation Systems (Austria)

Rita Trattnigg, Federal Ministry for Agriculture, Regions and Tourism, Austria (PPT)

Austria's CAP-funded Rural Innovation Systems initiative combines rural innovation networks (hubs) and partnerships, applying a place-based and bottom-up approach. With EUR 14 million allocated by 2027, it complements LEADER support and enables multi-actor collaboration for innovation beyond agriculture using the EIP-AGRI approach. The initiative emphasises building on existing regional assets, allowing failure in early stages as a learning tool, and strengthening regional capacity.

The initiative supports two funding phases, with 25 preparatory 'starting processes' and 20 approved projects so far (12 hubs and eight partnerships). Example projects include a rural bioeconomy lab and a multifunctional community centre.

Accelerating the Creation of Rural Nascent Start-ups, ACORNS (Ireland)

Mary Walsh, Ire Wel Pallets (PPT)

The ACORNS programme supports early-stage female entrepreneurs in rural Ireland through peer-learning and mentoring. Fully funded by the Department of Agriculture, it has supported over 550 women across 10 programme cycles.

The latest cycle saw 50 participants generate EUR 1.5 million in new revenue, create 15 new jobs, and expand exports to new markets. The programme fosters confidence, reduces isolation, and sustains a vibrant network of 300+ active members. It has received national and EU recognition for its impact on rural entrepreneurship.

Learning from inspirational projects and practices supporting innovation in local communities

Boosting the digital and technological transitions through innovative action

SMART-ERA: Supporting the development of smart rural communities (Horizon Europe project)

Matteo Gerosa, Fondazione Bruno Kessler (PPT)

The SMART-ERA project, funded under Horizon Europe as part of the EU Rural Action Plan's research flagship, aims to revitalise rural communities through digital tools, participatory design, and integrated 'smart innovation packages'. With 25 partners across 10 countries and six pilot regions, the project tackles digitalisation challenges such as limited human capital and weak innovation linkages.

Key methods include physical-digital toolkits for co-design and tailored engagement to avoid overstretching capacities of local stakeholders to engage. A forthcoming call will invite four new rural areas to test and replicate these community-driven innovation models.

Innovation Centre for rural areas (Sweden)

Helena Kurki, Innovations Centre for rural areas (PPT)

Based in Skåne (Sweden), this initiative, supported under the LEADER programme, bridges innovation ecosystems between rural and urban areas by acting as an intermediary. It addresses perceived divides by connecting rural innovators with urban support structures through one-on-one business coaching, matchmaking, workshops, and coordination platforms.

Success factors include trust-building, persistent outreach, tailored models and partnerships with universities, municipalities, and national networks. The initiative fills gaps in the support landscape and emphasises long-term sustainability, aiming to eventually make itself redundant.

Digital Rural: Improving policies for the promotion of Smart Villages and rural digital transformation (Interreg Europe project)

Adamantia Kokkinaki, CIHEAM Mediterranean Agronomic Institute of Chania (PPT)

The Digital Rural project seeks to improve digital policy frameworks for rural areas through interregional cooperation and stakeholder engagement. Involving 12 partners from eight countries, the project uses both top-down and bottom-up approaches.

It identifies transferable good practices and collects local digital needs via stakeholder meetings. Target areas include employment, farming, and culture. The ultimate goal is to influence seven regional policy instruments to better enable Smart Villages and rural digital transformation in the involved territories.

Boosting the ecological transition through innovative action

Rural ClimAccelerator Iberian (supported by EIT Climate KIC)

Thais Glod, Innobound (PPT)

The Rural ClimAccelerator, the first of its kind by the EIT Climate-KIC agency, supports green tech start-ups addressing rural challenges in Spain and Portugal. Since 2023, it has accelerated 21 start-ups through a 20-week mentoring and training programme, engaging over 80 experts and helping secure EUR 1.5 million in grants.

Projects focus on nature services, rural mobility, and energy. The initiative promotes rural-based demo days and community involvement to bridge climate innovation and territorial needs. Expansion to the Mediterranean is planned for late 2025.

Badevel living lab supporting innovation (France)

Samuel Gomes, Mayor of Badevel & University of technology of Belfort-Monbéliard (PPT)

The village of Badevel showcases a scalable model for rural innovation through integrated smart technologies, community engagement, and environmental responsibility. The municipality has implemented a wide range of projects, including Internet of Things (IoT) sensor networks in buildings, digital twins for asset management, and smart agriculture demonstrators.

Notable outcomes include energy savings of up to 60% in heating systems and the creation of educational programmes in robotics and digital skills for young children. Badevel positions itself as a living lab to inspire replication across rural Europe.

Innovation lab for forest-based bioeconomy (Spain)

Manuel Esteban, Castilla La Mancha University (PPT)

The Urban Forest Innovation Lab (UFIL) supports forest-based entrepreneurship and ecological transition in Cuenca, Spain, a province with over 900 000 ha of forest (60% of the total territory). The initiative focuses on both traditional forest management and emerging markets such as ecosystem services and carbon sequestration.

Over 150 participants have taken part in training and incubation programmes since 2018, leading to the creation of several rural-rooted businesses. Activities include ecosystem valuation, bioeconomy incubation, and stakeholder engagement. The initiative links sustainable forest use with local job creation and rural depopulation strategies.

Boosting the social and just transitions through innovative action

RURAL RiSE: Empowering rural communities through social entrepreneurship and innovation (Single Market Programme project)

Paolo Montemurro, Matera Hub (PPT)

The RURAL RiSE project promotes social entrepreneurship and innovation in rural areas by linking municipalities with local social economy actors in Italy, Spain, and Serbia. Funded under the Single Market Programme, it combines research, capacity-building labs, and local action plans to address demographic decline and socio-economic exclusion.

Examples include co-living hubs in Basilicata (Italy) and Galicia (Spain), and community-led rural labs in Serbia. The initiative values embeddedness, long-term local engagement, and sustainability beyond the project's lifespan.

Pacesetters: Art & culture driving transition in rural areas

Joe Lockwood, Lab Genalguacil (PPT)

Genalguacil, a village in Andalusia (Spain) with 500 residents, has built a 30-year trajectory of using arts, culture, and community ownership to address depopulation and social exclusion. This grassroots approach has culminated in a Horizon Europe project, Pacesetters, focused on place-based, creative innovation.

Key features include a contemporary art museum co-owned by villagers, artist residencies, and partnerships with universities. Activities are based on collective governance, open-source principles, and long-term co-research. The initiative challenges conventional innovation models by centring cultural relevance, care, and embedded community processes.

SmartAltopiano living lab: Innovation in slow tourism (Italy)

Viola Gaudiano, Romea Strata and Ruralities Horizon Europe project (PPT)

The SmartAltopiano living lab, part of the Horizon Europe project Ruralities, fosters sustainable and slow tourism in a rural area in northeastern Italy. The initiative partners work closely with a Local Action Group to navigate fragmentation and resistance to change.

The lab is mobile, operating through private-sector spaces, and supports local stakeholders with training on gamification, accessibility, tourism promotion, and funding access. It serves as a beta test for scaling similar models across a 4 000 km cultural itinerary.

Join the Rural Pact Community and online platform
https://ruralpact.rural-vision.europa.eu/become-member_en