

■ GOOD PRACTICE BROCHURE

Place-based innovation

- 01** Connecting rural entrepreneurs in Skåne to the wider innovation ecosystem
- 02** Rural Innovation Systems – strengthening regional innovation ecosystems through multi-actor and multi-level cooperation
- 03** Innovation lab for forest-based bioeconomy supporting rural entrepreneurship and ecological transition
- 04** Social Business Academy supporting rural communities and inclusive local economies
- 05** Slovenian regional innovation hub boosts sustainable food supply and resilience
- 06** Strengthening community identity and rural attractiveness through digital heritage and youth engagement

Innovation in rural areas is about allowing rural communities to make the best possible use of what they have, what they know and who they work with, to respond to complex economic, social and environmental challenges; it is not limited to technological breakthroughs. Across Europe, rural territories are experimenting with new governance models, working together with many different partners and receiving support through structures made to fit their needs. That way, local innovation systems are strengthened and the potential of a place is boosted.

Place-based innovation recognises that rural challenges – from demographic change and service provision to green and digital transitions – require solutions rooted in local realities. Effective approaches combine bottom-up initiative with supportive policy frameworks, flexible funding instruments and intermediary structures that connect entrepreneurs, researchers, public authorities and civil society. Building capacity, fostering trust and enabling experimentation are essential for turning ideas into viable, locally based solutions.

This edition of the Rural Pact Good Practice Brochure showcases six diverse initiatives that illustrate how place-based innovation can boost resilience, competitiveness and social cohesion in rural areas. Together, they demonstrate how integrated, multi-level and community-driven approaches can transform local strengths into long-term development aligned with the objectives of the EU rural vision.

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Connecting rural entrepreneurs in Skåne to the wider innovation ecosystem

A dedicated innovation intermediary is helping rural entrepreneurs overcome barriers to support systems through tailored coaching, targeted matchmaking and long-term partnership building. By strengthening local innovation capacity and trust, it enables founders to develop and scale ideas without leaving their communities.

In east Skåne, Sweden, a 2015 study revealed that rural entrepreneurs felt disconnected from the mainly urban innovation system. The problem was not distance, but perceived accessibility and culture: rural founders felt unseen and urban services seemed remote.

Bridging the rural-urban innovation gap

The **Innovation Centre for Rural Development** was set up that same year to bridge this gap, offering **tailored one-to-one support, targeted matchmaking, idea camps and thematic workshops**. Working with local municipalities and regional and national partners, the centre connects rural entrepreneurs with universities, innovation hubs and funding schemes, fostering local innovation while keeping entrepreneurs within their communities.

Tailored support from idea to implementation

Work starts when rural founders approach the centre or are referred to it by municipalities. It maps the challenge and **connects them to the right person or programme in the regional or national system** – from researchers, incubators and funders to public agencies – and advises on initiatives and programmes at EU level. Founders then receive **one-to-one coaching and light-touch project support** so they can move from idea to pilot without leaving their community.

To generate ideas and knowledge flow, the centre runs innovation camps and thematic workshops, as well as informal meet-ups, such as 'Eat lunch with a researcher', where entrepreneurs test questions with academics. To fill system gaps, the centre convenes **new arenas for collaboration** – for example, 'Grow more' meetings with the agricultural university and farmer organisations – and co-produces meta-studies with green cluster networks (e.g. on digital technology and artificial intelligence in agriculture).

Delivery is multi-level: locally with the municipalities of Sjöbo, Tomelilla, Ystad and Simrishamn; regionally with Skåne and innovation intermediaries; and nationally with



Image: ©Clara Löfvenhamm

Full good practice description

-  Innovation Centre for Rural Development (non-profit organisation)
-  03/2025-ongoing
-  EUR 110 000 annually
-  Funding sources:
 - European Regional Development Fund (2015)
 - Local Banking Foundation (2015)
 - EAFRD, LEADER measure (2016-2023)
 - Regional Council of Skåne (2023-2026)
 - Local Banking Foundation (2024-2026)
-  www.innovationscenter.se
-  Helena Kurki, helena.kurki@sjobo.se

universities and networks. Throughout, the **centre's role is to connect** – not replace – **existing structures, build trust and proximity, and hand back ownership** to rural actors so they can operate more independently over time.

Building trust through long-term partnership

Hundreds of rural entrepreneurs have received one-to-one business advice and matchmaking sessions linking them with universities, hubs, funders and public programmes. On top of this, innovation camps, thematic workshops and other events have attracted thousands of participants, seeding collaborations and pilots.

By positioning itself as a permanent partner, rather than a time-limited project, the centre has **strengthened legitimacy with rural entrepreneurs and urban institutions** and reduced the perceived distance between them. The centre's role as a neutral, long-term intermediary **helps to build trust, avoid duplication and keep partners engaged**, while the **local presence and personalised support make the system feel accessible** to rural entrepreneurs. In addition, joint ventures with universities and support actors keep the offer relevant and attractive on both sides.

Rural Innovation Systems – strengthening regional innovation ecosystems through multi-actor and multi-level cooperation

This initiative strengthens regional innovation ecosystems by combining multi-actor partnerships, place-based planning and capacity building. With dedicated funding and strong regional ownership, it enables rural regions to turn locally identified challenges into coordinated, scalable solutions that support long-term resilience.

In Austria's rural regions, innovation potential is often dispersed across different actors, sectors and governance levels, limiting value creation, well-being and the ability to address complex regional challenges. To strengthen collaboration and unlock regional potential, Austria introduced the Rural Innovation Systems intervention under its common agricultural policy strategic plan for 2023-2027.

A structured framework for rural innovation

The intervention connects regional actors with external resources such as researchers (**multi-actor approach**), builds **innovation capacities** and supports **solutions tailored to local and regional needs** through a structured, place-based and bottom-up approach.

It combines two complementary instruments: **rural innovation networks and rural innovation partnerships**. Innovation networks (hubs) act as regional platforms bringing together stakeholders from business, research, civil society and public authorities. They help identify regional needs, build cooperation and provide qualitative support for innovation projects.

Rural innovation **partnerships then implement concrete solutions addressing specific challenges**, often emerging from the networks. This structure enables ideas to develop progressively – from identifying local needs to implementing targeted actions rooted in regional priorities, such as strengthening value chains or diversifying local businesses.

Building capacity through regional ownership

A key feature is its emphasis on regional ownership and capacity building. Rather than imposing predefined innovation models, **regions define their own priorities and identify 'innovation needs'** requiring renewal and transformation.

Preparatory 'starting processes' provide funding and time to analyse needs, build partnerships and develop action plans.



Image: © Johannes Fink, illustration: blaugezeichnet.at

-  Federal Ministry for Agriculture, Forestry, Climate and Environmental Protection, Regions and Water Management
-  2023-2027 CAP programming period
-  EUR 14 million, covering:
 - Preparatory phase: EUR 25 000 per starting process (EUR 10 000 as a lump sum)
 - Innovation network (hub): approx. EUR 283 000 over three years (lump sum)
 - Innovation partnership: up to EUR 350 000 over 3 years
-  Funding sources:
 - European Union (CAP funding)
 - Austrian national co-financing
 - Austrian provinces (regional co-financing)
-  www.bmluk.gv.at
-  **Video overviewing the practice**
-  Christian Rosenwirth, christian.rosenwirth@bmluk.gv.at and Rita Trattnigg, rita.trattnigg@bmluk.gv.at

This phase **allows experimentation and learning** – including the possibility of failure – helping actors refine approaches before implementation. The staged process strengthens project quality and ensures innovation responds to genuine place-based challenges.

The initiative prioritises **cooperation across sectors and governance levels**. By requiring partnerships between economic actors, research institutions, non-profit organisations and regional stakeholders, it fosters collaboration and helps break down traditional silos.

Strong regional anchoring is essential, with **networks often linked to existing capacities** such as LEADER regions, research organisations or clusters. This **avoids parallel structures** and supports more sustainable, integrated innovation ecosystems. The approach, known as C2C2C (capacity to build capacity to build capacity), functions as a positive snowball effect of capacity building.

With a budget of EUR 14 million, the intervention has supported 25 preparatory processes and 20 approved projects, including 12 innovation networks and 8 partnerships addressing challenges such as bioeconomy development and rural service innovation.

By strengthening cooperation, building local capacity and enabling regions to design solutions tailored to their contexts, the Rural Innovation Systems intervention illustrates how multi-actor, multi-level, place-based innovation can support long-term rural resilience.

Innovation lab for forest-based bioeconomy supporting rural entrepreneurship and ecological transition

This innovation lab helps rural communities turn forest resources into new economic opportunities beyond traditional timber production. By combining incubation, ecosystem valuation and multi-actor collaboration, it supports locally rooted bioeconomy businesses that create jobs, strengthen resilience and contribute to ecological transition.

In Cuenca province, in the Castilla-La Mancha region of Spain, forests cover nearly 900 000 hectares – around 60% of the territory – making forestry central to local livelihoods and land use. Despite this strong natural asset base and a long tradition of forest management, rural areas face structural challenges, including limited economic diversification and rural depopulation.

From forest assets to viable businesses

The **Urban Forest Innovation Lab (UFIL)** was created to help rural communities unlock new opportunities from forest resources by **supporting entrepreneurship linked not only to timber production, but also to emerging bioeconomy activities** such as ecosystem services and carbon sequestration.

UFIL operates as a **training, incubation and innovation platform** connecting students, entrepreneurs, researchers, businesses and public stakeholders. Through incubation programmes, ecosystem valuation activities and stakeholder engagement, it supports participants in developing business ideas rooted in local forest assets.

Since 2018, more than 150 participants have taken part in its programmes, leading to the creation of 45 rural-based businesses spanning a wide range of forest-related activities. These include integrated forest management, sustainable furniture design, wood-based construction and innovative bioeconomy initiatives, such as biodiversity services, carbon footprint assessment, non-wood forest products, apiculture-linked projects and technological solutions for wildfire prevention.

A key feature of UFIL is its role as an intermediary innovation environment, **enabling rural entrepreneurs to develop ideas and test business models** while remaining embedded in their local context. The lab provides training, mentoring and incubation support, while facilitating interaction among academia, industry, public authorities and civil society.



Image: © Manuel Esteban Lucas Borja

-  University of Castilla-La Mancha
-  2018-ongoing
-  EUR 8 million
-  Funding sources:
 - Ministry for Ecological Transition and the Demographic Challenge (MITECO)
 - Fundación Biodiversidad (Spanish PRTR/NextGeneration EU programme co-financed with FEDER)
 - City Council of Cuenca
 - University of Castilla-La Mancha
-  ufilcuenca.es
-  **Video overviewing the practice**
-  Manuel Esteban Lucas Borja,
manuelesteban.lucas@uclm.es

This collaborative approach helps **translate technical knowledge and ecological assets into viable economic activities**. By supporting entrepreneurs to establish businesses locally, the initiative contributes to rural job creation and strengthens economic resilience.

A place-based model for rural resilience

UFIL's effectiveness is closely linked to its place-based approach. It builds on Cuenca's forest resources and management expertise while enabling exploration of new value streams linked to ecosystem services.

Activities are designed around local needs, with continuous interaction between the lab and rural stakeholders to ensure relevance. The focus on ecosystem services valuation reflects a shift from traditional forestry towards a broader bioeconomy model, allowing rural communities to benefit from the full range of forest functions.

Strong local assets, institutional support from research and public organisations, and an incubation environment tailored to rural entrepreneurs have been key enabling conditions. By **combining technical expertise, entrepreneurial support and local engagement**, UFIL has fostered a local innovation ecosystem around forest-based bioeconomy activities, demonstrating how place-based innovation can generate new economic opportunities while contributing to ecological transition.

Social Business Academy supporting rural communities and inclusive local economies

This academy equips rural residents with the skills, financing and long-term mentoring needed to launch social enterprises. By combining training with start-up grants and sustained support, it creates jobs, fills local service gaps and strengthens inclusive, community-rooted economic development.

In many rural regions of Romania, limited economic diversification and weak local service provision constrain development opportunities. While public services may exist, business and social economy sectors are often underdeveloped, leaving gaps in essential services and employment.

Addressing gaps in rural economies

To address these structural challenges, the **Civitas Foundation for Civil Society** established the **Social Business Academy** to support the creation of social enterprises in less developed rural regions, particularly in the northwest, centre and northeast of the country.

The initiative provides an integrated support pathway **combining training, mentoring, start-up financing and long-term accompaniment**. Participants begin with accredited training courses and workshops in entrepreneurship and social entrepreneurship, helping them acquire essential skills and understand how to develop viable business models.

This training phase also fosters peer learning and collaboration, creating a **network of aspiring social entrepreneurs** who can exchange experiences and support each other. Following the training, participants submit business plans through a competitive selection process, where selected candidates receive start-up grants of approximately EUR 61 000 to establish their social enterprises.

Beyond financial support, the programme places strong emphasis on **mentorship and long-term guidance**. Selected entrepreneurs receive tailored coaching to refine their business plans and operational strategies. The project team **continues to support beneficiaries for more than a year after funding is awarded**, helping them manage reporting requirements and overcome operational challenges. This sustained accompaniment helps entrepreneurs translate ideas into functioning enterprises, particularly for participants from vulnerable groups who may lack prior business experience.



Image: © fizkes on Canva

-  Civitas Foundation for Civil Society Cluj, Cluj-Napoca
-  08/2024-01/2027
-  EUR 3 million (EUR 2.1 million for start-up financing; EUR 900 000 for training, mentoring and monitoring)
-  Funding sources:
 - EUR 450 000 from national funds
 - EUR 2 550 000 from European Social Fund+ (social inclusion and dignity programme 2021-2027)
-  www.civitas.ro/en/proiecte/social-business-academy-3/
-  **Video overviewing the practice**
-  Carmen Chindriș, carmen@civitas.ro

Creating jobs and strengthening local services

This comprehensive approach has enabled the creation of 34 social enterprises, including **CLARIMED**, **Bluebird Play Café** and **A.C. Audit & Contabilitate**, and 136 jobs in rural areas. Many of these enterprises provide services or economic activities that were previously absent in their communities, helping to address local needs while strengthening local economies. By **combining skills development, financial support and continued mentoring**, the programme supports enterprises that are rooted in their local context and responsive to community needs.

Several enabling conditions contributed to the programme's effectiveness. The initiative builds on the Civitas Foundation's long-standing presence in rural Romania and its experience working with farmers, civil society organisations and local authorities. Its model – combining training, financing and long-term mentoring – helps reduce barriers faced by rural entrepreneurs, particularly those from vulnerable groups.

The **partnership with regional organisations** also enables implementation across multiple regions, ensuring that support reaches areas where economic opportunities are limited. By strengthening local entrepreneurship and supporting services tailored to local needs, the academy demonstrates how place-based innovation can help rural communities generate employment, expand local services and build more resilient and inclusive rural economies.

Slovenian regional innovation hub boosts sustainable food supply and resilience

This regional Living Lab strengthens local food systems by combining short supply chains, blockchain traceability, circular economy pilots and low-emission logistics. Through multi-actor collaboration, it enhances transparency, reduces waste and supports resilient, locally anchored value chains.

Pomurje is a key agricultural region in northeastern Slovenia, located at the crossroads between Austria, Hungary and Croatia. Known for its fertile land and strong food production sector, it faces structural challenges including high dependency on imports, fragmented supply chains and economic pressure on small-scale producers.

Reinforcing local food systems

The 'Green Point' Living Lab is a regional innovation hub for smart rural development that strengthens local food systems through **short supply chains** linking producers directly with consumers and public institutions. It combines **blockchain-based traceability**, **circular economy pilots** to reduce waste and **low-emission logistics** to lower the carbon footprint of deliveries.

Coordinated by the NGO Murska Sobota, the initiative brings together public, private, academic and citizen partners, ensuring **strong local ownership and innovation relevance**. It connects farmers, SMEs, researchers and communities to **co-create sustainable food solutions** that improve transparency, support innovation and build resilience in the rural economy. This co-creation **fosters trust and adaptability**, helping to overcome resistance to change.

Digital traceability and circular innovation

Introductory workshops demonstrate how blockchain technology enhances transparency in food supply chains. By March 2026, 20 farmers were integrated into the blockchain-based traceability system, ensuring full transparency from farm to consumer. The target is at least 30 farmers by 2027.

In collaboration with SMEs, Green Point has launched **pilot partnerships between demonstration farms and regional SMEs** to test circular economy models. These pilots transform surplus produce into new products such as fermented vegetables and dried fruit snacks, reducing food waste while creating added value.



Image: ©Zelena točka ('Green Point')

Full good practice description

-  • Innovation Technology Cluster (ITC) Murska Sobota (NGO)
- DIH AGRIFOOD and European Network of Living Labs (international networks)
- University of Maribor (research institution)
- Green Point and HudoDobro (private businesses)
- Green Point Living Lab and demo farms (associations)

 11/2022-08/2027

 EUR 1 000 000

 Funding sources:

- Interreg Alpine Space, Central Europe and ADRION transnational programmes (2021-2027)
- Horizon Europe (2021-2027)

 www.zelena-tocka.si

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From market access to broader impact

To strengthen market access, the Living Lab developed a **hybrid sales model** combining an online ordering platform with physical retail points, direct-to-consumer deliveries and partnerships with village shops. Public institutions and the HORECA sector are supplied through this integrated digital and physical network. A smart electric delivery van equipped with GPS tracking and routing technology **optimises deliveries and reduces emissions from rural logistics**.

The hub has **reached hundreds of consumers** through online sales, local delivery and retail partnerships. More than **100 farmers and producers actively participate** in the supply chain and co-creation activities. Recognised as a Living Lab reference model and featured in European cooperation projects such as SmartCommUnity and ADRURAL, the initiative demonstrates the replication potential of integrated, place-based food innovation across Alpine and Central European rural areas.

Strengthening community identity and rural attractiveness through digital heritage and youth engagement

By combining digital heritage tools with youth engagement and community collaboration, this initiative revitalises local identity while strengthening skills and tourism potential. Through storytelling apps, virtual reality reconstructions and creative summer schools, it shows how place-based innovation can connect generations and enhance rural attractiveness.

Koknese, a rural community in Latvia with rich cultural and historical heritage, faced the challenge of preserving its identity and maintaining attractiveness amid demographic change and evolving expectations among younger generations. To make local heritage more accessible and relevant, the community embraced digital technologies to connect past, present and future while strengthening local engagement and skills.

Digital tools to revitalise heritage

This approach forms part of Koknese's wider efforts as a recognised Smart Rural Community, where local organisations collaborate to promote cultural heritage, knowledge development and community belonging.

Local actors implemented several **digital initiatives to revitalise heritage and engage residents and visitors**. A storytelling application for train passengers uses QR codes and historical photographs to guide users through the landscape, sharing stories linked to places that no longer exist. By **combining storytelling with digital access**, it makes local history engaging across generations.

Virtual and augmented reality tools were also developed to reconstruct landscapes altered by the construction of a hydroelectric power station in 1965. Using community-contributed photographs and expert input, these **tools allow users to visualise historical changes and explore reconstructed environments**, including animations of Koknese Castle and its surroundings. Publicly accessible, they ensure broad community and visitor engagement.

Engaging youth and building skills

The initiative places strong emphasis on **capacity building by engaging young people in digital and creative activities**. Summer schools introduce children and youth to storytelling, robotics, digital design and engineering, helping



Image: ©NGO 'Pērses krasts'

- Community organisations and stakeholders in Koknese (civil society organisations, municipality, entrepreneurs and citizens), NGO 'Pērses krasts' ('Bank of river Perse') 2019-2025
- EUR 19 011 – the initiative combines three projects: an interactive heritage information stand (EUR 8 311), a digital storytelling project (EUR 4 700) and a youth summer school (EUR 6 000)
- Funding sources:
 - Latvian Rural Development Programme (2014-2020)
 - National funds ('Vidzeme Historical Lands Cultural Programme 2023')
 - LEADER programme
- www.latlit.eu/theprojects/reclaimed_history/
Video overviewing the practice
- Ieva Ūtēna, ieva.utena@gmail.com

them explore local heritage alongside potential future career paths. This investment in skills aims to **strengthen young people's connection to their community and encourage long-term engagement**.

A place-based model for community renewal

Effectiveness is closely linked to a strong place-based approach. Digital tools were developed specifically to address Koknese's context, including preserving landscapes affected by infrastructure development and reinforcing local identity. Collaboration among civil society organisations, municipalities, entrepreneurs and residents ensured that projects **reflected local priorities and drew on local knowledge**. **Community participation** – including contributions of historical photographs – **strengthened ownership and relevance**.

Strong cooperation among stakeholders, investment in young talent and local digital entrepreneurs, and the community's capacity to identify and pursue project opportunities were key enabling conditions. By **combining cultural heritage, digital skills and community engagement**, Koknese demonstrates how place-based innovation can strengthen local identity, enhance tourism and create new opportunities rooted in local assets.

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