

RURAL PACT

Highlights report

WEBINAR

Strengthening rural businesses for a more competitive Europe: creating value through business support, territorial assets and social economy

Introduction

The webinar explored policy measures and practical approaches to strengthen the competitiveness and diversification of rural economies. It focused on improving access to finance and business support, creating greater value from territorial assets and resources, and promoting social economy and collective business models. The webinar examined how tailored support, innovation, cooperation and locally rooted value chains can help rural businesses overcome constraints, access new markets and investment, and retain more economic value in rural areas.

Organiser: Rural Pact Support Office

17 September 2026

Online

Over 180 participants from 25 EU Member States and 12 non-EU countries, including public authorities, business support and financial organisations, social economy actors, civil society organisations, researchers and rural development practitioners

Presentations

Click to watch the recording

Main highlights from the event

Tailored finance and business support can strengthen rural businesses

- Rural businesses can face financing and business development constraints linked to their **small scale, long investment horizons, limited collateral and distance from support and markets**. Finance and business support therefore need to reflect different business realities and stages of development, rather than relying on standardised solutions.
- **A broader mix of financing models can help address rural investment gaps**. Patient capital, microfinance, guarantees, community investment and public-private financing can complement conventional lending, while combining finance with practical business support can strengthen business viability and development.
- **Accessible and locally connected business support ecosystems can help rural entrepreneurs connect with expertise, infrastructure, technology, investors, partners and markets**. Incubators, clusters, business networks and intermediary organisations can bring together enterprises, research organisations, public authorities, investors and communities, while connecting rural businesses with opportunities beyond their immediate territories.

Territorial assets can generate greater local value through cooperation and innovation

- Rural competitiveness can be strengthened by moving beyond the supply of raw materials towards **higher-value products, services and value chains based on local resources, knowledge and territorial assets**. Opportunities include the bioeconomy, circular use of residues and side streams, innovative wood products, renewable energy and distinctive tourism offers.
- **Cooperation is essential where resources and economic actors are fragmented**. Connecting producers, businesses, research organisations, technology providers, finance and public authorities can help aggregate resources, address gaps in value chains and develop viable products, services and business opportunities.
- **Innovation can diversify economic activity and increase the value generated from rural resources**. New technologies, business models and forms of cooperation can open new uses and markets for local resources, strengthen regional value chains and increase the share of economic value retained in rural territories.

Social economy models can build competitive rural business ecosystems

- **Cooperatives, social enterprises and other collective business models can generate economic activity while responding to unmet local needs**, including in food, housing, energy, mobility, care, tourism and local services. Community ownership and participation can mobilise local resources and create markets and services where conventional provision is limited.
- **Moving from isolated initiatives to sustainable rural business ecosystems requires cooperation, trust, intermediary support and access to finance adapted to collective business models**. Partnerships between communities, enterprises, municipalities, financial actors and other organisations can combine resources, share risks and build the capacity needed to develop and sustain initiatives.
- Rural competitiveness also depends on **the capacity of territories to create and retain value locally**. Local ownership, cooperative structures, regional value chains and reinvestment can help translate economic activity into employment, services and further investment in rural areas.

Setting the scene: EU initiatives supporting competitiveness

Enterprise Europe Network: supporting SME competitiveness and growth

Christos Skouras, European Commission, DG GROW (PPT)

The **Enterprise Europe Network (EEN)** brings together around 600 business support organisations and more than 3 000 advisers across 61 countries, providing tailored services to SMEs on areas including **internationalisation, sustainability, digitalisation, resilience and access to finance**. More than 260 000 companies receive EEN support annually.

The COASTOUR sustainability tool, developed by EEN partners, illustrates how **targeted support can help SMEs** in rural and coastal tourism improve their sustainability performance. This free self-assessment tool enables businesses to benchmark their environmental, social and governance (ESG) performance, identify areas for improvement and prepare for relevant sustainability certification schemes without requiring external consultancy.

Connecting regional innovation ecosystems to strengthen rural competitiveness

Magdalena Cymerys, European Commission, DG RTD (PPT)

The **Regional Innovation Valleys** initiative connects regional innovation ecosystems across borders to bridge innovation gaps, strengthen territorial cohesion and help regions attract talent, investment and new markets.

The **AGRITECHVALLEY project** illustrates this approach by connecting seven regions from EU and associated countries through Regional Living Labs. This links stronger and emerging innovation ecosystems around areas including smart and precision farming, traceability, climate-smart agriculture, the rural social economy and the circular bioeconomy. The project will provide **cascade funding for 12-20 interregional SME and social economy projects**, alongside training for more than 400 farmers and stakeholders, an investor portal and policy support to strengthen rural innovation ecosystems.

The **InnovationGUIDE** provides a complementary approach, mapping rural innovation ecosystems and developing regional roadmaps to better connect under-represented regions and actors and help close the rural-urban innovation ecosystem gap.

Cohesion policy for economic transformation and competitiveness in rural areas

Matthew Lowell, European Commission, DG REGIO (PPT)

The European Regional Development Fund supports research, innovation and industrial modernisation through investments ranging from research and testing capacity and technology transfer to clusters, business support, advanced technologies and skills.

Smart Specialisation Strategies (S3) serves as a strategic and integrated territorial competitiveness framework that guides these investments by identifying territorial strengths and concentrating resources on priorities with economic transformation potential. Rural sectors feature prominently: among 171 S3 strategies analysed, **82 prioritise agri-food, 67 tourism, culture and creative industries, and 52 food security, natural resources and the bioeconomy**.

The **Interregional Innovation Investments Instrument** further supports joint investments across regions, helping innovative solutions move towards demonstration, commercialisation and scale-up.

Bioeconomy, circular value chains and local value creation in rural areas

Carl-Johan Lindén, European Commission, DG AGRI (PPT)

The **EU bioeconomy strategy** seeks to unlock further economic potential from biological resources and strengthen value creation for farmers and foresters, who often have limited bargaining power in value chains. Cooperation through producer organisations and cooperatives, as well as common agricultural policy (CAP) support, can strengthen their position.

Current CAP Strategic Plans allocate **EUR 5.6 billion to bioeconomy-related interventions in 20 Member States and EUR 4.2 billion to forestry interventions in 23 Member States**. Opportunities include bio-based plastics, packaging, textiles, chemicals, construction products and fertilisers, with particular potential to create additional value from residues and side streams of existing agricultural and forestry value chains while meeting sustainability requirements.

The Social Economy Action Plan: opportunities for rural business ecosystems and entrepreneurship

Julien De Beys, European Commission, DG EMPL (PPT)

The **Social Economy Action Plan**, complemented by the **2023 Council Recommendation** and its 2026 mid-term review, aims to create favourable conditions for social enterprises, cooperatives, associations and other social economy organisations to develop and scale.

The review expands the action plan from 63 to 89 actions, with further measures to strengthen implementation at national, regional and local level, improve regulatory and financing conditions, develop skills and entrepreneurship, and strengthen the evidence base. Specific attention is given to rural areas, including through exchange of good practices across territories.

Measures of relevance to rural business ecosystems include support for **social and inclusive business incubation, business-to-business partnerships and the integration of social economy organisations into value chains**, alongside work to improve access to finance and mobilise private investment. The Commission will also develop a toolkit to support regional and local social economy policies.

Learning from practice and exploring solutions

» Access to finance and business support for rural areas

Mobilising citizen investment to strengthen regional value chains (Germany)

Lars Kundt, Regionalwert AG Freiburg-Südbaden (PPT)

Regionalwert AG Freiburg-Südbaden mobilises citizen capital to invest in businesses across the regional organic food value chain, including farming, processing, logistics, retail and food services. Citizens and local organisations purchase non-listed registered shares, providing patient equity for businesses that may face difficulties accessing conventional finance due to long investment horizons, limited collateral or low margins.

Regionalwert combines investment with financial planning, project development, networking and market visibility, while encouraging cooperation between businesses at different stages of the value chain. More than **1 000 shareholders have provided around EUR 5 million in share capital**, supporting a network of **23 partner businesses employing over 600 people**.

Supporting rural entrepreneurs through integrated business incubation and innovation (Slovenia)

Olga Knez, Katapult (PPT)

Katapult is an entrepreneurial support environment in Slovenia's Zasavje region that helps start-ups and innovators develop, test and industrialise physical products. Established with support from technology company Dewesoft, it combines mentoring with access to testing laboratories, production facilities, prototyping equipment, technical expertise and business networks that individual start-ups would often be unable to afford.

The model also includes the Zasavje Business Incubator, developed through a public-private partnership between the Municipality of Trbovlje and Dewesoft, and programmes encouraging young people into engineering and entrepreneurship.

Companies supported through this ecosystem include **Chipolo, now employing around 50 people, and AFormX, with around 25 employees**, illustrating how established businesses can share infrastructure and know-how to support new high-value economic activity in a former mining region.

Expanding access to finance and business support for rural enterprises (Ireland)

Gillian Buckley, Head of Investment, Western Development Commission (PPT)

The Western Development Commission operates the Western Investment Fund (WIF) to provide risk capital for SMEs, strategic initiatives, community projects and social enterprises across Ireland's Western Region. The fund combines **equity investment and commercial lending**, with dedicated finance for community and social enterprises, helping address financing gaps while attracting additional public and private investment. Its Community and Social Enterprise Fund notably provides loans and bridging finance without requiring personal guarantees.

The WIF has grown from an initial **EUR 30 million to a fair value of EUR 120 million** and has supported **373 projects**, associated with **6 108 direct jobs and EUR 795 million in leveraged investment**.

» Creating value from territorial assets and rural identity

Creating value from regional wood resources through innovation and local value chains (Austria)

Alexander Pinter, Managing Director, Wood Cluster Styria (PPT)

Wood Cluster Styria connects forestry and wood businesses, particularly SMEs, with research organisations, technology providers and public actors to develop innovation, new products and markets from regional wood resources.

Its Forest EcoValue project tested business models for remunerating forest ecosystem services through five Living Labs. This included a reverse-auction approach in which forest owners proposed biodiversity measures and their required compensation, with the most cost-efficient measures selected for funding.

At the other end of the value chain, research into wood as a lightweight high-tech material is opening up applications in mobility and aviation. A lightweight wooden bus step prototype achieved up to 35% weight reduction and 45% lower CO_2 emissions, illustrating the potential to move from supplying raw materials towards higher-value engineered products.

Turning local biomass residues into rural business and energy value chains: One Village – 1 MW (Romania)

Boglárka Vajda, Green Energy Innovative Biomass Cluster (PPT)

The **One Village – 1 MW** model supports rural territories in organising locally available forestry, agricultural and wood-processing residues into viable bioenergy value chains. Rather than referring to a single 1 MW installation, the model uses 1 MW as a territorial scale marker and focuses on coordinating resource owners, processors, logistics providers, technology suppliers and heat users around a common resource base and market.

In **Ghelința**, local biomass resources have progressively been organised around storage, logistics and public, private and residential heat demand, reaching around **2.6 MW of installed biomass capacity**, with approximately **1 070 tonnes of annual biomass flow** and around **1 000 m³ of fuel storage**.

The approach emphasises developing supply, demand and investment incrementally and adapting the business model to local conditions.

Creating value from natural assets through sustainable rural tourism: Ninemia Stay & Play (Greece)

Demy Dimitrakopoulou, Co-founder, Ninemia Stay & Play (PPT)

Ninemia Stay & Play is a small family-owned tourism business in the mountainous region of Evrytania that has developed a distinctive visitor offer around its natural setting, family activities and **Newton Park**, Greece's first open-air science edutainment park.

Faced with a non-touristic location and capacity limited to six to eight families, the business developed an exclusive 'Stay & Play' model, its own booking system and a second revenue stream from park visitors, resulting in **99% direct bookings**. Around **45% of turnover remains in the local economy** through local supplies, work and wages, with 90% of supplies are purchased locally.

Newton Park attracts around **8 000-10 000 day visitors annually**, generating additional demand for accommodation and other services in the surrounding area.

» Social economy models for rural competitiveness

Strengthening rural competitiveness through cooperative entrepreneurship (Sweden)

Gordon Hahn, CEO, Coompanion Sweden (PPT)

Coompanion supports people and communities across Sweden to establish and develop cooperative and social economy enterprises through free advice, business development, training and tailored support. Its network comprises **25 autonomous regional organisations and around 120 advisers**, working across areas including food, renewable energy, housing, welfare and local services.

The approach helps communities develop collective business solutions where conventional public or private provision may be insufficient. Examples include village cooperatives operating grocery shops, schools, transport and elderly-care services; community-owned facilities combining sports, co-working, restaurants and retail; and local development companies reinvesting revenues in their communities.

Over several decades, Coompanion has supported the creation and development of **thousands of cooperative enterprises**, demonstrating how locally owned business models can maintain services, create employment and retain economic value in rural areas.

Improving access to finance for rural social economy initiatives through tailored strategies (Spain)

Mauricio O'Brien, NANOMA S. Coop. Astur (PPT)

NANOMA

NANOMA is a rural-based cooperative that provides technical support to social economy organisations, non-profits and public bodies to develop projects and identify financing adapted to their different stages. **La Benéfica de Piloña**, a community-led initiative to restore a former cultural building in Asturias, shows how complex rural projects can combine different funding sources rather than depend on a single fund.

Its financing strategy has included **crowdfunding and matchfunding, private and philanthropic contributions, municipal support and public funding**, alongside potential instruments such as LEADER, Creative Europe and the New European Bauhaus. The approach links financing decisions to the successive phases of project development and to a longer-term revenue model.

Participatory grocery shops: a social economy model for rural services and local value (France)

François Michel, Bouge ton CoQ (PPT)

bouge ton coQ
Le futur s'écrit au village

Bouge ton CoQ supports rural communities to establish **participatory grocery shops** operated by residents, particularly in villages with fewer than 3 500 inhabitants and no grocery shop within 5 kilometres. Participating households generally contribute **two hours of voluntary work per month**, while municipalities provide vacant premises without rent and local associations charge a small annual household membership fee.

Since 2020, the initiative has supported **more than 290 municipalities**, mobilised over **15 500 volunteer households** and created new market outlets for more than **4 000 local producers**. Participatory shops generate around **EUR 40 000 in average annual gross revenue**, while more than **EUR 6 million is reinjected directly into local economies each year**. More than 95% of supported projects remain operational after two years.

Stakeholder panel discussion: what is needed to strengthen rural competitiveness and diversification?

A panel of four stakeholder representatives reflected on the conditions needed to strengthen rural business competitiveness and diversification, drawing on perspectives from business support, microfinance, the circular bioeconomy and the social economy.

Spyros Kellidis, Enterprise Europe Network

Rural SMEs need business support that is tailored to their specific needs and combines finance with mentoring, skills development, networking and access to markets. Smaller businesses may not require large support programmes, but rather an adviser able to identify a concrete obstacle and connect them with the appropriate expertise, partner or market.

Business support networks can also help rural firms overcome geographical limitations by connecting locally identified needs with opportunities beyond their region. The Enterprise Europe Network is a mechanism for facilitating international partnerships and linking smaller businesses with potential buyers, suppliers and technology partners.

Marie Vial, European Microfinance Network

Rural businesses, particularly micro and small businesses, can face difficulties accessing conventional finance because of limited collateral or credit history, their small scale and seasonal or volatile cash flows. Geographical distance from financial providers can create an additional barrier. Financial products, assessment methods and delivery channels therefore need to reflect the circumstances of rural entrepreneurs.

Relationship-based lending can help financial providers understand businesses and their cash flows directly, while combining finance with mentoring, financial literacy and business advice can improve the viability of investments. Guarantees and risk-sharing mechanisms are also important for enabling finance providers to serve entrepreneurs perceived as higher risk.

John Brosnan, Working Group on Primary Producers, Circular Bio-based Europe Joint Undertaking

Primary producers need to participate actively in emerging bioeconomy value chains rather than only supplying raw materials. Cooperative and shared-ownership models, including joint ventures between industry, primary producers and their organisations, can enable them to capture a greater share of the value created and contribute to more resilient regional value chains.

Structured facilitation is needed to bring fragmented actors together and develop viable projects across value chains. Particular support is required between demonstration and commercialisation, when promising technologies and business models need investment to reach commercial scale. Funding instruments should therefore support collaborative project development and consortium building, rather than focusing only on individual organisations. Rural investments cannot follow a one-size-fits-all approach but need to be adapted to each place and community.

Gianluca Pastorelli, Diesis Network

Social economy organisations can strengthen rural economies across sectors including housing, energy, food, care, tourism, mobility, digital services and culture. Their territorial roots can help communities combine local skills, knowledge, natural resources and other assets into economic activities responding to needs that conventional markets or public provision may not address.

Moving from isolated initiatives to stronger rural business ecosystems requires cooperation between enterprises, public authorities, research organisations, finance providers and other local actors, alongside business support and access to appropriate finance. Blended public-private financing can help mobilise investment and share risk. Social economy models can also help retain value locally through employment, services, local supply chains and reinvestment in community development.

Next steps for the Rural Pact Support Office (PPT)

» upcoming **Rural Pact activities and events**

https://ruralpact.rural-vision.europa.eu/become-member_en

Cover photo by Thomas P on Pexels

https://ruralpact.rural-vision.europa.eu

info@rural-pact.eu