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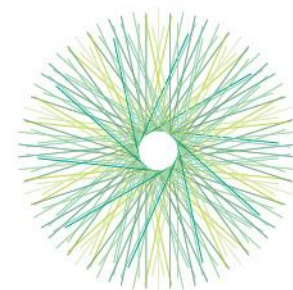


Seminar 'Programming Innovation in Rural Development'

FACILITATOR'S REPORT
JUNE 26– 27 2013

Seminar 'Programming Innovation in Rural Development'

MARK REDMAN – MAIN FACILITATOR
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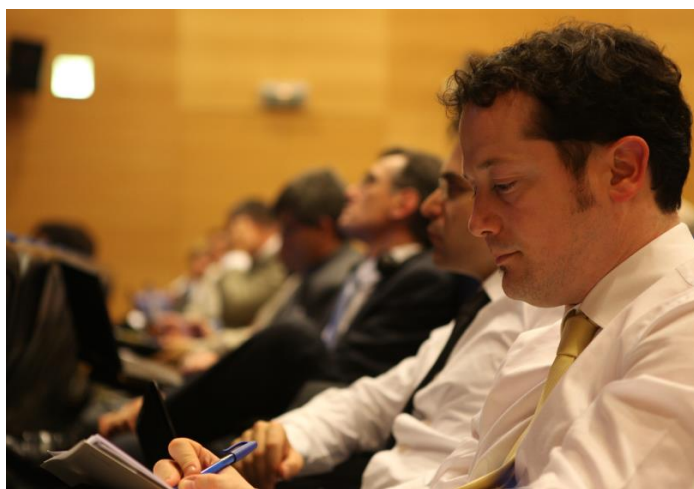
Overview of the Meeting

The benefits of closer collaboration between farmers and the scientific community are well understood, but a huge gap exists in most EU Member States between research and farming practice. The aim of the EIP on Agricultural Sustainability and Productivity is to help close this gap by providing an effective working interface between researchers, farmers and other relevant rural stakeholders with a number of specific tools available for facilitating active interaction and the sharing of innovation-relevant knowledge.

Two EU policies are central to implementation of the EIP in the coming years: 2014-2020 Rural Development Policy and EU Research and Innovation Policy ('Horizon2020'). On 26 – 27 June 2013, DG Agriculture and Rural Development invited national / regional Managing Authorities to a technical seminar in Madrid specifically to discuss how to use the measures in the 2014-2020 Rural Development Policy tool-kit most effectively for the programming and implementation of the EIP. The meeting was organised by the EIP AGRI Service Point and was hosted by the Spanish Ministry of Agriculture, Food and Environment.

The seminar had four objectives:

1. To improve understanding of the guidelines and legal provisions for the EIP
2. To help take stock of 'who is where' in EIP programming issues
3. To learn about some models of implementation which could serve as examples for programming
4. To facilitate mutual learning and exchange of ideas between the participants



Guidelines and Legal Provisions

The EIP is built upon an 'interactive innovation model' which goes far beyond simply speeding-up of the transfer of innovation from the laboratory to the market. The EIP focuses instead upon using bottom-up approaches (including so-called Innovation Brokers) to form partnerships and directly link farmers, researchers, advisors, businesses, and other actors in Operational Groups that implement concrete innovation projects.

Martin Scheele and Inge van Oost from DG Agriculture and Rural Development presented the current 'state of the art' regarding the draft EIP guidelines and legal provisions. Whilst providing detailed insights into the measures available for operationalizing the EIP, they also stressed that these must be applied flexibly and creatively.

"The European Commission is keen not to be prescriptive about innovation", said Mr Scheele, "Innovation depends upon context and we must encourage people to address their specific issues in their specific regional, climatic and structural context. We must therefore keep the requirements for Operational Groups and innovative actions as simple, clear and verifiable as possible. Overly sophisticated rules for the Operational Groups will strangle innovation and increase the risk of dysfunctional administrative burden."

Participants were invited to ask questions and clarification was sought on several open issues, notably regarding the scope of actions that can be financed under Article 36 (cooperation measure). These questions and answers will feed into further development of the EIP guidelines that are due for publication soon, but which will remain a living document that continues to evolve.

One interesting question raised was the issue of intellectual property rights and whether beneficiaries of the EIP are obliged to disseminate results when their innovation leads to a clear market advantage. Mr Scheele replied that, "A good deal of the results from activities under the EIP are obtained with public money. Operational Groups shall, therefore, disseminate results and share experience via the EIP network. Programming authorities and stakeholders are urged to contribute to turning dissemination into a fruitful exchange of knowledge and mutual learning."

Programming Issues

Discussions were greatly enriched by short presentations from representatives from seven Managing Authorities in Spain, Slovenia, Italy, Estonia, Sweden, Flanders (Belgium) and the Netherlands. These gave a quick snapshot of the current state-of-play with the EIP at Member State and regional level, and it is apparent that a variety of different ideas / approaches are emerging. The EIP will clearly be characterised by a great diversity of implementation that mirrors the diversity of the Member States and regions.

Nonetheless, there are also some common issues and patterns that are evident. It is, for example, proving challenging for many Managing Authorities to translate the EIP concept into the "language" of their 2014-2020 rural development programmes. There are tensions between flexibility in the pursuit of innovation and the rigid administrative requirements of the EAFRD (objectivity, verifiability, traceability, rationalisation of administrative procedures etc.). Operationalising the EIP in large Member States with many regional rural development programmes (e.g. Italy) is more complex than in small Member States with a single national programme (e.g. Estonia). But there are already foundations for the EIP in place - it is good to build upon existing experiences (e.g. measure 124 in the Netherlands) and to utilise existing structures (e.g. the national rural network in Sweden), especially where these have already delivered good results.

Implementation Models

Many examples of innovation brokerage and Operational Group-type structures already exist and the lessons learnt from existing experiences of supporting innovation with rural development funding (2007-2013) were presented based upon case studies collected by the ENRD Focus Group on Knowledge Transfer and Innovation (KT&I).

The KT&I Focus Group of the ENRD Co-ordination Committee identified a total of 10 existing groups that are close in structure and function to future Operational Groups, and further 19 existing which provide useful information and insights. From these 29 groups, 11 were funded under measure 124 (cooperation for the development of new products, processes and technologies). A number of clear lessons emerge from the existing groups, including the benefits of building strong and diverse partnerships; encouraging trans-national / inter-territorial cooperation; or maintaining a focus upon the sustainability of the innovative action after RDP funding ceases.

The KT&I Focus Group also collected 17 cases of actors supporting innovation from 8 Member States involving a range of actors (e.g. research institutes, private consultancies, farmers' union, advisory services, etc.) and utilising a variety of different funding sources. The lessons learnt from these existing are very valuable and are already reflected in the EIP guidelines. For example, as Inge Van Oost from DG Agriculture and Rural Development explained, "We clearly understand from the findings of the KT&I Focus Group that effective innovation brokerage in agriculture is often linked to a good knowledge of the sector and a close connection and interaction with farmers and other agricultural services. We also understand that the accreditation of innovation brokers may be too rigid."

Mutual Learning and Exchange of Ideas

During the second day of the seminar the Managing Authorities worked in smaller groups to share their experiences and ideas directly regarding three key practical issues - how to build the "architecture" of the EIP, how to get stakeholders interested and involved in the EIP, and how to set-up Operational Groups. A participatory discussion technique was used with the outcomes of all discussions 'harvested' and reported back to the closing session of the seminar. These outcomes will be reported separately and will also feed into the revision of the draft EIP guidelines.

Koen Desimpelaere, Team Leader of the EIP AGRI Service Point said, "It was essential to organise this seminar for creating a good understanding of the EIP as the basis for programming of the RDPs. We are confident that the seminar was a great success and that participants left with a more complete and shared vision of the scope and huge potential of the EIP".

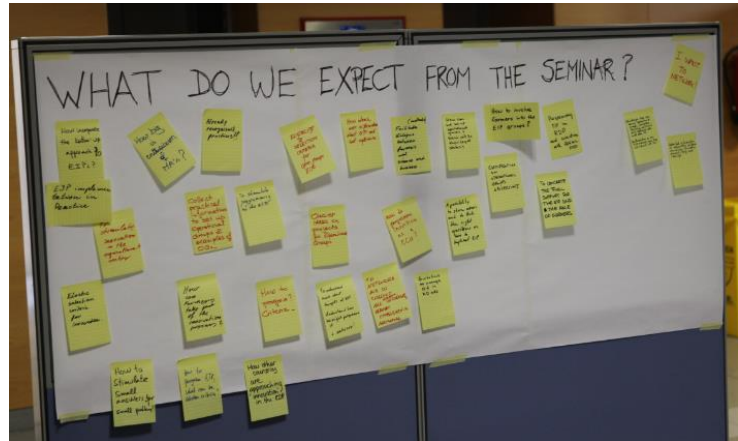
Report on the Interactive Elements of the Meeting

Day 1: Wednesday, 26 June

Expectations Wall – “What do we expect from the seminar meeting?”

As the participants arrived and registered for the meeting they were invited to briefly record on a small note their expectations for the meeting. Around 50 people left comments on the Expectations Wall and these were grouped into 4 main clusters relating to:

- Ideas and information on how to programme the EIP
- The selection, legal status and functioning of Operational Groups
- The challenge of engaging farmers in the EIP
- The importance of networking and information exchange between Managing Authorities



The expectations of participants have also been processed into a 'Word Cloud' as follows. The more a word was repeated in comments on the Expectation Wall, the bigger it has become in the cloud:



Day 2: Thursday, 27 June

Interactive Group Discussions

During the second day of the seminar the Managing Authorities worked together to rapidly “map out” their ideas and experiences regarding the priority actions for delivering the EIP through the 2014-2020 RDPs.

Working in 4 groups, the meeting participants shared their experiences and ideas regarding three key practical issues:

- How to build the “architecture” of the EIP?
- How to get stakeholders interested and involved in the EIP?
- How to set-up Operational Groups (OGs)?

A participatory discussion technique was used with the outcomes of all discussions ‘harvested’ and reported back to the closing session of the seminar. These outcomes have been clustered as bullet points below, plus a number of open questions which emerged under each theme have been drawn out and listed.

Many of the listed questions can be answered from the presentations in the seminar and / or the guidelines issued by DG AGRI. Other questions raise new issues that may be relevant to on-going revision of the AGRI guidelines.

Theme 1: Key issues for building the “architecture” (programming) of the EIP

- Closing the gap between practice and research is a real need, but it will be **challenging because of the strong “compartmentalising” of existing funds** for research, agriculture and education
- **Clear and flexible programming** of the EIP will establish the best context for fostering innovation
- Ensure that the EIP is identified as an opportunity **in the Partnership Agreement** (e.g. Thematic Objective No. 1)
- A robust architecture for programming the EIP at national / regional level should be guided by a **clear vision**. Effort must to be put into interacting / consulting with farmers and other stakeholders to develop a shared vision
- When programming the EIP, consideration should be given to using **existing structures, organisations and networks** - as well as capitalising upon **experience with existing innovation systems** (albeit avoiding the limitations of the linear innovation model)
- Innovation brokerage in agriculture and rural development is a **new concept for many Member States** and it would be helpful to define this concept in a language which is easily understandable to programmers, Paying Agencies and potential beneficiaries
- The selection of measures for programming the EIP should be based upon a **clear logic that includes expressed needs, priorities and objectives**. Programming should not be pre-conditioned / steered by rigid monitoring requirements

- The scope of the EIP should be clearly defined by programmers as extending to incorporate:
 - a) **the whole of the food chain** - innovation in processing and marketing should also be encouraged, especially when linked to farm / local economic diversification, and;
 - b) **the management of all relevant natural resources** – including soil, water, crops, livestock and forestry
- The bottom-up approach to building Operational Groups (OGs) is very welcome, as is the flexibility regarding the range and representation of target groups. But OGs must **always be established with the expressed needs of farmers** as the main focus. Therefore some top-down intervention will be necessary to develop appropriate eligibility and selection criteria for the OGs. Participants requested more guidance on this
- Member States with regional RDPs will need to take account of the fact that **OGs with a thematic focus may include partners from different regions**. This suggests a need for harmonised selection criteria at a higher level than regional
- Since it is not possible to define beforehand what is / is not innovative in different regions and productive sectors, programmers **should not attempt to introduce eligibility or selection criteria that define "innovative"**
- The potential use of different types of funding for OGs was noted by several participants, but doubts were expressed about **how easily different funding sources can be connected in practice**
- The dissemination of results from the EIP will be of utmost importance. Failures should be considered a valid outcome and also disseminated. **Adequate provision (budgeting) for the dissemination of both positive and negative results** should be made during programming
- The unclear role of the national rural networks (NRNs) in the EIP was raised by several participants. The NRNs clearly have many strengths for functions such as the dissemination of project results, but are **not commonly used by farmers** as a first point of contact for information or advice
- Some mechanism for the **exchange of information on the programming of the EIP** would be very useful
- Keeping the **administrative burden of the EIP** to a minimum was noted as an important priority, but this needs to be balanced with its potential impact. The fostering of innovation is likely to be greatest where there many small OGs and projects, rather than a few big OGs
- Dissemination and evaluation of the EIP project results should be **as participative as possible**
- Several participants raised the issue of whether the EU approach of **separate rural development and EIP networks will** be replicated at national level

Some **open questions** raised under this theme:

When in the programming cycle is it necessary to clarify the relationship between the EIP and Horizon 2020?

Is it a good idea to promote innovation brokers via national / regional lists e.g. on the website of the Ministry or rural network?

When programming, how exactly can we define the function of an innovation broker? What are appropriate eligibility criteria for innovation brokers? How can we ensure that brokers are active / effective? Will brokers also be eligible partners in OGs?

What selection criteria can be used to help ensure that OGs are "farmer-friendly" and "not only for researchers"?

In Member States with regionalised RDPs, how can OGs with partners from different regions be financed?

What exactly is the anticipated role of the national rural networks (NRNs) in implementation of the EIP?

What is the relationship between the EIP for agricultural productivity and sustainability, and the EIP for water?

What proportion of an OG budget would be appropriate for allocating to the dissemination of results?

Theme 2: Key issues for getting stakeholders interested and involved in the EIP

- The needs of **farmers must be kept at the heart of the EIP** – they are the priority beneficiary!
- Be aware that the **motivation for getting involved in the EIP will vary** with different types of stakeholder. It may be useful to plan how – and when - to involve different stakeholder groups. Consider incorporating the EIP into a strategic communication plan (e.g. the RDP communication plans required under article 55) with well-defined target groups
- The information needs of farmers, researchers, agri-business are different and there will be a need for **tailor-made information packages for different stakeholder groups**
- Involving stakeholders in the EIP is likely to be challenging at first, but **after the EIP is launched and running the engagement of stakeholders will get easier**
- Farmers must be involved early and at a local level to **avoid the risk of the EIP measures being taken over by consultants, researchers and advisors** that are not close enough to the real, practical problems encountered by farmers
- There is a **variety of existing models for promoting agricultural innovation** at national and regional level. These should be examined further and good practices for engagement with farmers should be disseminated
- There are **many useful "networks" for reaching, involving and motivating farmers**, such as agricultural purchasing cooperatives, local advisory groups, farmer discussion clubs, on-line Twitter communities, etc.
- One of the key factors for getting farmers more interested and involved in exploring and adopting innovative practices will be the **clear demonstration / communication of the "associated benefit" (especially economic benefit)**. The establishment of demonstration farms, pilot projects and field visits should be encouraged early in the programme cycle

- There must be **some investment in promoting the EIP at national / regional level** e.g. events where farmers and researchers can meet to explore the real benefits of knowledge transfer and innovation
- Whilst the role of innovation brokers is clear on paper, many participants found it **difficult to envisage how this new role / profession will work in practice** – especially in the short-term when the first Operational Groups (OGs) are being established and the concept is still new
- There should be targeted actions to support the **capacity building of innovation brokers**
- It is advisable to **simplify administrative procedures as much as possible** to ensure they are not an obstacle to stakeholders' involvement
- There should be a focus on **young farmers and agricultural students** – they are the future of farming
- On-line tools for promoting innovation are potentially very useful, but **do not assume that all farmers are using / have access to the internet**

Some **open questions** that emerged under this theme:

Where can I find out more about the ENRD Knowledge Transfer and Innovation Focus Group?

What type of training is appropriate for innovation brokers? What methods are best for building their capacity? What funding could be used for training / supporting the professional development of innovation brokers?

Are there any sources of good practices for communicating with farmers about rural development measures such as the EIP?

What is the anticipated role of the national rural networks (NRNs) in getting stakeholders interested and involved in the EIP? Are there any examples of NRNs already working to promote innovation?

Theme 3: Key issues for setting-up Operational Groups (OGs)?

- What is the **most appropriate legal identity** for an Operational Group (OG)?
- **Be realistic about the time needed for setting-up the OGs** – it will vary greatly depending upon Member States and regions
- **Keep in mind experiences with LEADER and the establishment of Local Action Groups (LAGs)** – this may be especially relevant in some of the new Member States
- There will be **many different types of OG** depending upon funding, objectives, duration of project, composition of partners
- In order to avoid frustrated farmers and the risk of losing their long-term interest and involvement in the EIP, **Managing Authorities should not "pre-define" OGs during programming**
- The establishment of OGs will probably involve several phases. For example:
 1. There will be a **pre-phase** of intense communication to farmers and other stakeholders in order to raise awareness, stimulate interest and promote involvement in the EIP

2. Next will come a **capturing phase** where the “sparks” of interest and preliminary ideas for projects etc. must be “captured” and carefully nurtured. The involvement of skilled innovation brokers will be very important at this time. Don’t overlook the little ideas!
 3. The **setting-up phase** will begin when the most interested actors start to take concrete steps towards forming their OGs (assuming of course that all required administrative procedures are in place and functional)
 4. Finally, the OGs will move into the **project implementation phase**
- It is anticipated that the establishment of OGs will begin slowly in some Member States and it was suggested that there could be **two calls for proposals**: one for preparing the OG and then one for setting-up the OG and implementing the project plan
 - Several participants raised the question of “**thematic**” vs. “**horizontal / common**” calls for **project proposals** – what are the relative advantages / disadvantages? Further discussion / guidance would be useful
 - The language and motivation of farmers and researchers can be very different. Innovation brokers have a key role to play in **bridging the gap between farmers and researchers** by finding a common language and common interests
 - Some practical examples / further explanation of **different approaches to financing innovation brokerage services** would be useful
 - Concrete criteria will be required for the selection of OGs and projects for funding, but they must be **technically-justified and transparent**. The establishment of a dedicated committee / expert group for the selection of OGs was recommended by some participants
 - The format for project plans will vary according to the actors involved and problems addressed, but **all project plans should follow a pre-defined structure and fulfil some basic criteria**. It was suggested that a clear methodological approach with some basic indicators should be required in all plans
 - Rules for the functioning of OGs should be clear and simple - they must **focus on implementation of the project plan**, whilst allowing flexibility for necessary decision-making
 - Two key issues identified for ensuring the timely and successful establishment of functional OGs were: i) **access to capital**, and ii) **early identification of the most appropriate legal framework** for the OGs. It was suggested that a Guarantee Fund for Innovation would accelerate and facilitate the establishment of innovative projects
 - It may be **useful to define two types of project eligible for funding**: i) short-term projects with a plan that aims to deliver tangible results in 1-2 years, and; ii) long-term projects with plans that aim to delivering results (e.g. public benefits) over a longer time frame (e.g. 5-7 years)
 - In some cases it may be useful to **link OGs to existing research / thematic networks**

Some **open questions** that emerged under this theme:

Are there any existing examples of appropriate legal frameworks for Operational Groups (OGs)?

Are there any possibilities under the remaining 2007-2013 programme period to "kick-start" the establishment of OGs?

What is the relationship of LEADER / Local Action Groups (LAGs) to the OGs?

Can public advisory groups / extension services be paid as innovation brokers?

Is there any guidance available on the practical management / governance of an OG?

How to manage failure? What if no innovative actions / results emerge from the project plan? What if the OG itself fails? What are the financial consequences?

Can project plans be stopped / adjusted?

Will it be possible to connect /network OGs in different Member States? How?