

# Agropol



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# Agropol

Blueprint for strategic  
cross-border cooperation  
in agriculture and food

Agropol Blueprint  
August 2018

Prepared for:  
European Commission  
DG Agriculture





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# Introduction



This document contains the main outcomes from the Agropol project, both in terms of understanding rural development in a cross-border setting, and the practical lessons learnt concerning cross-border cooperation in this domain. Before delving into these issues, and elaborating the practical blueprint for cross-border cooperation in agriculture and food, we outline the background and objective and present the structure of the document.

## BACKGROUND AND OBJECTIVE



The Agropol pilot project was set up as an in-depth and practical exercise to develop and provide practical know-how on how to strengthen the agriculture and food sector through cross-border cooperation. The project supported regional authorities and local actors in two cross-border pilot regions in the development of joint agro-food strategies: Carinthia (AT) - Slovenia and EUROACE [Alentejo (PT) - Centro (PT) - Extremadura (ES)]. Furthermore, the project assisted relevant stakeholders in both regions with setting-up concrete cooperation projects within their strategy.

In this way, the project generated practical insights and tools that could be used by other European regions to facilitate cross-border cooperation in the agro-food sector. The experiences drawn from these pilot regions and other cases studied thus serve as a benchmark for a cross-border agro-food cooperation model (a blueprint).

This document presents this cross-border agro-food cooperation blueprint, elaborating and reflecting on the experiences, lessons and insights acquired throughout the project.

The blueprint's objective is to provide regional administrations, Rural Development Programme (RDP) Managing Authorities and National Rural Networks (NRNs) with a realistic insight into the potential and feasibility of cross-border cooperation in the agro-food sector, and offer practical guidance and tools to set up and organise such cooperation. Hence it aims to help regional actors in realising cross-border cooperation in order to stimulate innovation and growth in the rural agro-based economy.

The blueprint thus goes beyond the description of a specific modelled, stylised type or example of cross-border cooperation and is more than a summary of the conclusions of the steps undertaken in the pilot project. Rather, the document is meant as an attractive user-friendly handbook, based on real-life experiences, with important preconditions to fulfil, necessary to do's, and practical tools and tips for regional actors aiming to set up cross-border cooperation in the agriculture and food sector.

# THE AGROPOL PILOTS

Based on a comprehensive screening and analysis of ongoing/existing cross-border cooperation in agro-food and a thorough selection process, two cross-border pilot regions were selected to develop the Agropol cross-border agro-food strategies. An intensive collaborative process with local authorities and stakeholders was set-up to come to a broadly supported strategy, fully embedded within the regional agro-food structures and fabric. Following the strategic process, Agropol helped local actors in the definition and implementation of cooperation projects within the respective strategies.

## CROSS-BORDER STRATEGIES AND PROJECTS

We briefly outline the joint agro-food strategies that were developed in the two cross-border cooperation areas, which are the main sources for this benchmark

- Carinthia (Austria) - Slovenia
- EUROACE: Alentejo (PT) - Centro (PT) - Extremadura (ES)

### The Carinthia Slovenia cross-border region



**Regions involved:** Carinthia (AT); Slovenia

**Main characteristics:** Mountainous region with many forests (in particular the Austrian side of the border)

**Surface:** 29,273 km<sup>2</sup>

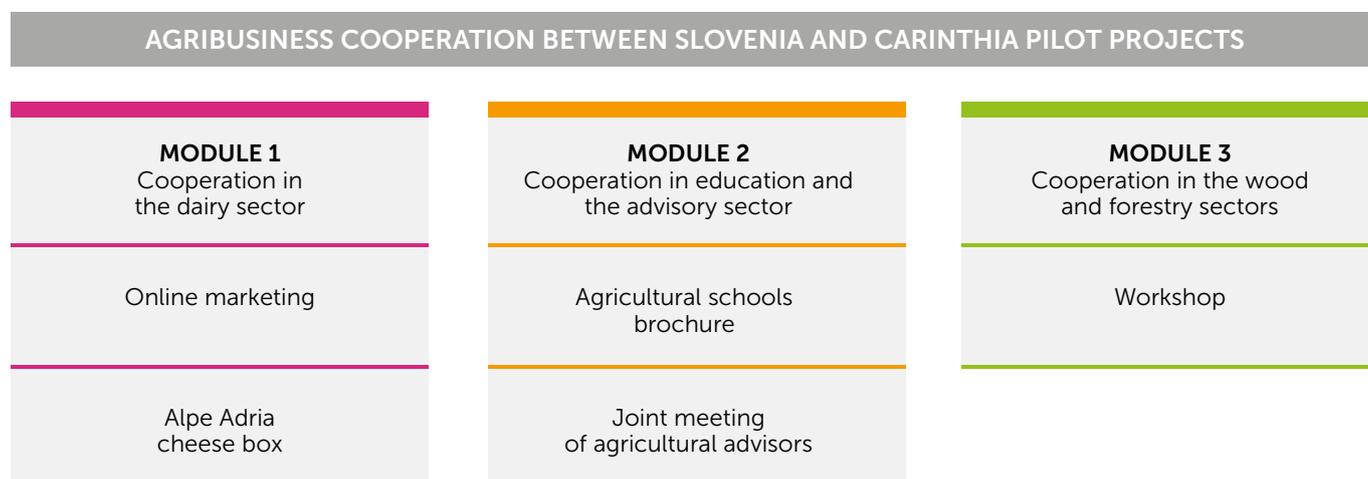
**Population:** 2.6 million inhabitants

**Main business sectors:** Agriculture (beef), milk production, forestry, rural tourism

In Carinthia - Slovenia the strategy is structured in three modules:

- Cooperation in dairy farming
- Cooperation in education and advisory services
- Cooperation in timber and forestry industry

**Figure 1:** Agropol strategy Carinthia/Slovenia



The main strategic focus is on the dairy sector, which has the most elaborated objectives and action lines. This local sector consists of small producers that have to deal with common challenges in the cross-border region. They are experiencing heavy international competition from large multinational players, and their prices are no longer competitive. Therefore, the sector has focused on the production of high quality organic milk products, which are marketed mainly locally. Additional support for these activities is necessary to further strengthen and sustainably establish the sector in the area.

The figure above depicts the strategic approach and structure for the dairy producing sector in the area. The project is situated in the action line of developing alternative (online) marketing strategies for dairy products in the complex geographical mountainous context. Concretely, local actors are working together to compile different product baskets to be marketed online under one cross-border umbrella. This includes joint common packaging, logistics and branding, and a sharing of costs and revenues. In the first instance this targets the local market of retail, hotels, restaurants and catering, and its reach can be extended later.

## The EUROACE Euroregion



**Regions involved:** Alentejo and Centro (PT); Extremadura (ES)

**Main characteristics:** Mainly rural regions with many nature parks and mountains

**Surface:** 92,500 km<sup>2</sup>

**Population:** Scarcely populated with 3.4 million inhabitants (only 36% live in cities)

**Main business sectors:** Agriculture, agro-food industry, fisheries, tourism, renewable energies

The EUROACE agro-food strategy revolves around the fruit and horticulture sector, aiming to diversify the sector into new products and activities with high added value and create new growth for the sector. One of the main emerging activities in the strategy are medicinal and aromatic herbs & plants. This is a relatively new sector for the area (max 20 years) and only has a limited amount of players (+/- 300 in Portugal), but is experiencing a boom of new entries of young, highly educated entrepreneurs open to collaboration and innovation.

The sector uses endogenous resources (endogenous species of herbs) as their raw material, often even stemming from natural ecosystems. The herbs "harvested" in natural ecosystems are often considered as "waste" of the logging industry, and thus valorises the natural ecosystems.

However, the sector lacks maturity, critical mass in terms of production volume and number of large enough companies, and a well-developed local value chain to fulfil its full potential at the moment. Currently, the herbs are mostly used dried, as spices to flavour food and as herbal teas, and sold in bulk to foreign intermediaries and processors.

Consequently, much of the value added is realised outside the region. Some primary producers started already to process their herbs into cosmetics. There is still a high potential of processing into natural drugs and food additives, but this needs expertise and industrial infrastructure, which is quite scarce in the region. The connection with pharmaceutical companies from the region remains low. The small entrepreneurs have difficulties in delivering the requested quantities (to the international distributors and processing companies), so collaboration between entrepreneurs and attracting newcomers in the sector is essential to attain this critical mass.

In Portugal a well-functioning community of producers has developed, instigated by the network organisation EPAM. The sector has deployed a (socially) very innovative model of scaling up businesses. Instead of supporting the individual entrepreneurs, the sector grows in a network through intensive knowledge exchange. A community of small entrepreneurs has been formed: they share knowledge, but also distribution channels, processing facilities and even clients/market shares.

The concrete actions being performed under assistance of Agropol are the organisation of a network and dissemination event for MAP (medicinal and aromatic plants) stakeholders (entrepreneurs, research institutes and public administrations) in the EUROACE-region and the coordination of an Interreg proposal to promote and foster the innovative cooperation among MAP entrepreneurs and research institutes in EUROACE.

## STRUCTURE OF THE BLUEPRINT

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Apart from this introduction, the blueprint document consists of two main blocks:

- A **theoretical section** with an extensive descriptive analysis of the state of play of cross-border cooperation in agriculture and food in Europe, and the institutional supporting framework
  - Existing cross-border cooperation for rural development
  - Rural development, smart specialisation and cooperation
  - Potential for cross-border and interregional rural cooperation
- A **practical section** (or roadmap) focusing on how to set up and perform cross-border cooperation in agriculture and food, structured in the following phases
  - Exploring and initiating cooperation: building support to tackle common challenges
  - Setting up and structuring cooperation: developing a cooperation strategy in a well-structured joint process
  - Implementing cooperation: facilitating and managing structural cross-border cooperation

It is not required to follow all the practical guidelines chronologically step by step; the blueprint is rather meant to provide tips, tricks and tools depending on the status (phase) of the cooperation, or the specific user needs.

# Understanding

## cross-border cooperation in agriculture & food



Our analysis of the state of play of cross-border cooperation in agro-food shows cross-border initiatives in particular within agricultural and rural development are relatively limited. Apart from the challenges and issues valid for all forms of cooperation including for agro-food (cultural differences, regulatory barriers, sustainable financial resources,...), this sector has to deal with specific structural circumstances and barriers to develop cross-border cooperation in agriculture and food.

This section will delve deeper into these particular elements, with attention to the role and effects of the different policy frameworks in innovation-oriented cross-border cooperation in agriculture and food. It will also cover the latest measures and initiatives to stimulate cooperation within the rural development framework, and possibilities regional authorities have to further support this (EIP-AGRI Operational Groups, role of National Rural Networks,...).

## EXISTING CROSS-BORDER COOPERATION FOR RURAL DEVELOPMENT



In order to make a correct assessment of cross-border cooperation in agriculture and food, we have to distinguish between two main policy frameworks on European level:

- Regional Development with the ERDF (European Regional Development Fund) including Interreg instruments and funding, and
- Rural development, with the CAP and the EARDF (European Agricultural Rural Development Fund) instruments and funding.

### **INTERREG OFFERS OPPORTUNITIES FOR CROSS-BORDER COOPERATION IN THE AGRO-FOOD SECTOR**

Interreg provides the main vehicle and mechanism facilitating cross-border cooperation between European regions, mainly in the field of regional economic development. With a focus on innovation and entrepreneurship, Interreg covers highly relevant themes/issues for agro-food businesses that function very well in cross-border cooperation, as in other industries. The industrial agro-food sector is therefore substantially covered by diverse projects under Interreg.

The situation is very different when it comes to rural development with a focus on primary agriculture. This sector seems to have more difficulty to gain access to funds and support under ERDF/Interreg, and is thus much less represented in these frameworks. This is in large part by design, as the agricultural sector is covered under the Rural Development Programmes (RDP), and is thus not a common target for ERDF resources.

Interreg offers a specific framework for setting up cooperation projects beyond the regional/national context, which can be precursors for more sustainable strategic cooperation. However, in many cases, the cooperation remains on the project level, and comes to an end once the Interreg project has finished. Moreover, the cooperation often remains at the institutional level, i.e. between regional authorities or (semi-)public actors dealing with economic development, innovation and entrepreneurship, and does not extend to entrepreneurs and other local actors.

Apart from these general Interreg characteristics, the involvement of regional authorities in the agricultural or rural domain is strikingly rare. Private or (semi-)public rural actors thus have to go around and beyond their regular policy domain (i.e. rural and agricultural policy) in order to engage in cross-border cooperation.

Structural interregional cooperation beyond knowledge exchange between regional authorities is only recently emerging. In agro-food the ERIAFF network<sup>1</sup> is an example of transnational cooperation aimed at setting-up innovative collaborative projects. The European Commission wishes to further structure and facilitate such cooperation through the interregional Thematic Smart Specialisation Platforms<sup>2</sup>, one of which focuses on agro-food<sup>3</sup>.

Interreg has made an important contribution to facilitating and institutionalising cooperation, creating structures and networks to mobilise and organise actors and initiatives. However, the project-based financing and complex administrative conditions (e.g. number of partners) make it hard for smaller, emerging players and cross-domain initiatives to submit cooperation projects and to keep cooperating afterwards. The question is if Interreg can sufficiently capture new economic dynamics, can include such initiatives, to continue to play its role of policy experimentation framework in the era of smart specialisation in which the development of cross-sectoral niches is emphasised.

## **CROSS-BORDER COOPERATION IS LESS SUPPORTED BY EARDF**

The Rural Development Framework (financed through the European Agricultural and Rural Development Fund, EARDF) does not offer its own similar Interreg-type possibilities for the funding or facilitation of cross-border cooperation. The Rural Development Programmes do include a measure aimed at stimulating different forms of cooperation (Measure 16) but this is hardly used to support cross-border and interregional cooperation initiatives as the programmes are managed on a national or regional level.

The Local Action Groups (LAGs) are encouraged within the LEADER framework to engage in transnational, but also intraregional cooperation initiatives through a specific cooperation budget and framework<sup>4</sup>. Again, however, the funding itself remains regionally bound, and in many cases LAGs use this to cooperate with other LAGs within their country<sup>5</sup>. In general, transnational cooperation in EARDF depends on two Managing Authorities allowing for it in their respective RDPs in a flexible way based on certain common shared principles. Without these general principles, it remains hard for concrete cooperation projects to take shape.

Since the start of the current programming period, the European Innovation Partnership for Agricultural Productivity and Sustainability (EIP-AGRI) has been established as a new

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1. <https://eriaff2018.seamk.fi/eriaff-network/about-eriaff-network/>

2. <http://s3platform.jrc.ec.europa.eu/s3-thematic-platforms>

3. <http://s3platform.jrc.ec.europa.eu/agri-food>

4. [https://enrd.ec.europa.eu/leader-clld/leader-cooperation\\_en](https://enrd.ec.europa.eu/leader-clld/leader-cooperation_en)

5. Finland is a remarkable positive exception, as it has good experience with transnational cooperation through the LAG cooperation measure, with the Baltics and Russia. Finland in fact copied the cooperation mechanism for LAGs into the Measure 16 (cooperation) application procedure, to facilitate transnational actions/projects.

tool within the Rural Development Programmes to stimulate innovation in the agricultural and forestry sectors. It functions through the formation of partnerships linking people from different professional backgrounds in the EIP-AGRI network through various activities. Different innovation and agriculture actors - farmers, agro-food advisers, researchers, NGOs and other stakeholders - work together in so-called Operational Groups (OGs), exchange ideas and turn existing knowledge and research into innovative practical solutions.

The OGs have the option to set up and engage in cross-border cooperation initiatives, organise themselves accordingly and do joint investments within the cross-border area. The EIP-AGRI network offers a platform where EU-level exchanges between OGs and other innovation actors are facilitated, promoting for instance closer contacts and cooperation between innovation actors of different regions and/or Member States working on similar topics.

There are examples of Member States promoting transnational cooperation between EIP-AGRI OGs. In December 2017 Estonia opened a call dedicated to cross-border cooperation projects, making support available for farmers, processing enterprises or Estonian OGs to cooperate with a partner, such as an OG, from another country. It is early to assess the success of this initiative, but the starting phase appears promising.

However, the Estonian case remains for the moment an exception, and regions appear until now reluctant to organise actual interregional/cross-border OGs. Regions seem not fully aware of the possibilities and potential of cooperation in dealing with regional issues, also because the budget remains managed on a regional level.

Overall, cross-border or transregional cooperation through the Rural Development Programmes remains very limited, as regions have until now made little use of the opportunities the framework offers. Apart from the LEADER transnational cooperation, agricultural and rural actors thus do not have dedicated tools of support for cross-border or transnational cooperation<sup>6</sup>.

## RURAL DEVELOPMENT, SMART SPECIALISATION AND COOPERATION

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Another determining factor for the position of rural development in cross-border cooperation is the interrelation with innovation policies and smart specialisation. The classic innovation support framework has become increasingly intertwined with regional development through the smart specialisation policies, which has a substantial interregional cooperation dimension. This is not yet the case for rural development, as the rural policy framework and rural innovation is thematically and institutionally much less integrated in the regional development framework (ERDF, Interreg, Regional Innovation Smart Specialisation Strategies – RIS3).

This is related to the relatively low R&D intensity of the rural economy compared to, for instance, the highly R&D and technology driven KETS-sectors<sup>7</sup> (Key Enabling Technologies such as ICT, biotech, nanotech,...). Rural innovation is much more characterised by socio-cultural development, diversification and social innovation and entrepreneurship. Therefore, regional development and innovation strategies focused on R&D investments and high-tech entrepreneurship often do not logically apply to rural economies. This limits the possibilities

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6. see here for further information: <https://ec.europa.eu/eip/agriculture/en/news/cross-border-cooperation-projects>

7. KETS = Key Enabling Technologies, a group of six technologies: micro and nano-electronics, nanotechnology, industrial biotechnology, advanced materials, photonics, and advanced manufacturing technologies, providing the basis for innovation in a wide range of industries such as automotive, food, chemicals, electronics, energy, pharmaceuticals, construction, and telecommunications

for rural actors and territories to become involved in cross-border cooperation based on the ERDF/Interreg and RIS3 framework.

## **INNOVATION IN RURAL AREAS TAKES MORE THAN TECHNOLOGICAL IMPROVEMENTS IN AGRICULTURE**

Past innovation policies for rural areas have mostly meant introducing new technologies for the agriculture sector. Currently, smart or precision farming supported by integrated ICT and robotic systems, advanced indoor climate control systems and biobased technologies are central in innovation in agro-food industry, next to the development of new food varieties, packaging and more efficient food production.

A Joint Research Centre Policy Brief from 2014<sup>8</sup> argues however that “innovatory economic development [in rural areas] is more likely to be understood in terms of social innovation and cultural innovation...”. Moreover, “the innovation that does take place in rural areas is not well incorporated into standard approaches to defining and measuring innovation”.

As a result, the classical innovation policy approach has proven too limited, as the future of rural areas cannot depend solely on improving farming efficiency, but should be seen in terms of wider diversification and modernisation. While lacking density of businesses, networks and knowledge centres, rural areas have endogenous (often unexploited) resources that can be mobilised for their development. The smart combination of these assets is crucial to create the critical mass to sustain more competitive and prosperous development trajectories. The exploration of strategic linkages between agriculture and the wider rural economy thus opens up new opportunities for territorial rural development. Such economic diversification is often based on combining high-quality sustainable crops and products with creative (ICT-based) business models and new forms of marketing, to be applied in new branches and markets like tourism, culture, wellness or health & care.

A concrete example in the Agropol pilot project is the development of the value chain of medicinal and aromatic plants, used either fresh or processed in natural drugs, food additives and cosmetics. Another example is the successful development of the cork value chain, which is based on natural ecosystems in rural areas of Portugal (and Spain), named Montado/Dehesa. This value chain had a significant effect on employment and economic development of certain rural areas in Portugal.

This is accompanied by a renewed emphasis on revalorisation of specific local natural and socio-cultural qualities and resources as integral part of a sustainable economic development of rural regions. This embodies the shift from an agricultural based development to a more holistic approach, combining ecological and social potential in innovative economic development. In this way, rural economies also take up an important role in the development of the bio-economy, circular economy/valorisation of waste and side streams, renewable energy etc.

At the same time, new rural development also depends on enlarging and deepening interactions with the wider national and international economy. External interactions and cooperation play a vital role in building a differentiated rural development that attracts new economic activity and value to rural regions.

## **SMART SPECIALISATION POLICY CONTRIBUTES TO INNOVATION IN RURAL AREAS**

It is increasingly becoming clear that the European agricultural and rural economies could benefit from more integral innovation strategies. Vice versa, rural approaches to innovation have much to contribute to the new generation of European regional policies. Smart Specialisation Strategies (S3), although originating from classic innovation and regional

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8. Smart Specialisation and Innovation in Rural Areas (2014), S3 Policy Brief Series No. 09/2014, Artur da Rosa Pires et. al.

policy, provide a favourable and supportive framework for innovation-driven, place-based development in rural areas. The S3 policy framework can accommodate and foster the specific innovation potential of rural areas, which in turn can make a significant contribution to fulfil the goals of S3, and even further the EU2020 objectives.

Whereas rural innovation has until now been mainly covered under rural development programmes (RDPs), there are now substantial steps taken to integrate rural economies better into the innovation and entrepreneurship focused Smart Specialisation Strategies. The European Commission itself is driving this trend forward with the launch of initiatives like the Smart Specialisation platform on Agri-food at EU level (DG RTD, DG AGRI, JRC), under which European regions can cooperate following their respective S3 strategies. Also the ERIAFF network works to put rural economies more prominently on the innovation agenda of various regions, and stimulate interregional cooperation in relevant domains.

These initiatives aim to put agriculture and the food sector more prominently in both the European and regional policy frameworks for innovation and entrepreneurship (S3), and will generate renewed interest from public and private parties in the sector. This offers interesting opportunities to develop a more coordinated effort to stimulate innovation and entrepreneurship in the agro-food sector in a more effective way.

This also provides new openings for regions with (relatively) low-tech or even rural economies to become involved in the Smart Specialisation platform, as the character of the agro-food sector does not necessarily require a strong position in high tech or KETS sectors. Regions that have felt they do not have the right place in the S3 framework, or even that it does not apply to them at all, could be able to raise their innovation profile in the agro-food sector through this transregional platform.

The new Smart Specialisation Platform for Agro-food, and the links it establishes to initiatives within the CAP, could help bringing different actors closer together, and allow for more integrated and coordinated approaches for joint efforts and investments to strengthen the agro-food sector as a whole, from agricultural production to industrial food processing and distribution.

## POTENTIAL FOR CROSS-BORDER AND INTERREGIONAL RURAL COOPERATION

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The implementation of Smart Specialisation as the general strategic framework for the innovation strategies of all regions opens up the field for cross-border and interregional cooperation in general. It leads to an increased comparability between regional strategies, and therefore a greater understanding of each other's challenges and priorities. This thus makes the potential for cross-border or interregional cooperation more visible, and gives more occasion for it. Smart Specialisation thus facilitates cooperation, and the accompanying stimulating mechanisms are currently being developed and implemented (e.g. thematic S3 platforms).

At the same time, Smart Specialisation is more inclusive than previous policy frameworks for rural innovation, thus facilitating innovative rural development. The effect of this is that the incentive and motivation for rural regions and actors to engage in cross-border or interregional cooperation increased as well.

In cross-border cooperation usually the main motivation and background is a common geographical and economic context and conditions, generating similar challenges and issues to be tackled jointly. Sharing and pooling resources in relative proximity has

advantages in terms of scale and critical mass, leading to more effectiveness and efficiency in dealing with joint challenges and realising joint ambitions. In economic terms this can lead to cross-border cluster development, which is the objective of the two Agropol cases we observed. In practice, this integrated cross-border cluster development is rare in the EU.

Furthermore, cross-border cooperation, certainly also in a rural context, is well suited to support emerging sectors and activities with many small companies, which can maximally benefit from (shared) critical mass to assure quality, stabilise the market, and cope with external competition.

The proximity and scale argument is obviously less important for interregional cooperation. Engaging in this type of cooperation is less self-evident, and is more often focused on information exchange and joint representation.

More intensive economic cooperation is often the result of a strategic decision. Here it is not the similarity but the complementarity between regions that offer the most important advantages to achieve joint strategic objectives. This is more relevant for more mature industrial sectors, e.g. the agro-food industry.

The table provides an overview of some of the main reasons why cross-border or interregional cooperation would be beneficial also in specific agro-food and rural development:

- Scale: joint organisation of production, labour and marketing more efficiently in one cross-border rural area (integrated agribusiness complex)
- Critical mass: joint strengthening of external position of (emerging) rural niche activities/ sectors
- Innovation: combining and connecting complementary local assets, e.g. to speed-up market-oriented innovation and deployment in new value chains

Different motivations for cooperation also require different types of approaches, as demonstrated in the table below. Therefore, it is essential to consider the right approach for the objective of engaging in cooperation, simultaneously being aware that cross-border cooperation does not fit any objective.

**Table 1:** Overview of different objectives and approaches for cooperation in agro-food

APPROACH	OBJECTIVE	TYPE	LEAD ACTORS	EXAMPLES
<p><b>Scale:</b> joint organisation of more efficient production, labour and marketing in one cross-border rural area</p>	<p>Strengthening agri-business complex/ physical cluster development</p>	<p>Cross-border</p>	<p>Semi-institutional organisations (cluster structures, sectoral associations)</p>	<p>Agropol Pilots Dutch-German Agrobusiness (Greenport Venlo – Agrobusiness Niederrhein)</p>
<p><b>Critical mass:</b> joint pooling of resources and stimulate new producers, so new activities can compete and grow in the world market</p>	<p>Strengthening market position of emerging rural niche activities/ sectors (diversification)</p>	<p>Trans-national</p>	<p>Sector federations, public institutions</p>	<p><b>EUROPAM:</b> private federation of EU medicinal herbs/plant producers</p> <p><b>AREPO:</b> Association of European Regions for Products of Origin</p>
<p><b>Innovation:</b> combining and connecting complementary knowledge/assets</p>	<p>Improve innovation chain efficiency Speed up market-oriented innovation and deployment in new value chains</p>	<p>Inter-regional</p>	<p>Regional authorities, (semi-) institutional actors (cluster structures, sectoral associations)</p>	<p><b>ERIAFF</b> AGRI-Food Thematic S3 Platform (&amp; Vanguard Initiative)</p>

# Roadmap

## for cross-border cooperation in agriculture & food



This section delves deeper into the practical aspects and points of attention of engaging in cross-border cooperation, and deploying a strategic approach to it. Following a roadmap perspective, it covers the whole process of the initiation, structuring and implementation of a cross-border cooperation strategy.

It focuses on preconditions of well-functioning cross-border cooperation initiatives, and the creation of the right circumstances and structures to stimulate successful cooperation.

The roadmap is structured along the different phases in the development of strategic cross-border cooperation:

- **EXPLORING AND INITIATING COOPERATION:** building support to tackle common challenges
- **SETTING UP AND STRUCTURING COOPERATION:** developing a cooperation strategy in a well-structured joint process (entrepreneurial discovery)
- **IMPLEMENTING COOPERATION:** facilitating and managing structural cross-border cooperation

©Photo: IDEA Consult



Each phase is introduced with a short description of its relevance and what aspects and steps it exactly entails, followed by an illustrative explanation of how these steps could be undertaken, based on the real-life experiences and examples/cases from the Agropol pilot region.

This is consistently further validated by insights from literature and subsequently elaborated into important conditions for cross-border cooperation and practical to do's, tips & tricks, where relevant with links to websites or documents with interesting additional information.

The description of preconditions and practical recommendations for successful cross-border cooperation should enable readers to assess the extent to which they are able to fulfil these conditions, and what they can do to improve them.

- **Exploring and initiating cooperation**

- Overall motivation: investing time and resources into identifying common overall needs and challenges, and mutually recognised benefits of cooperation
- Ensuring strong continuous support to work together, at both political and administrative level and among the socio-economic actors involved in the cooperation
- Organisation of intensive personal relations and interactive meetings to build trust and urgency
- Taking account of and facilitating for cultural differences (e.g. language barriers)

- **Setting up and structuring cooperation**

- Considering a value chain perspective rather than a traditional sectoral approach
- Going beyond the usual realms of innovation and growth to stimulate rural economic development
- Building a strong multi-faceted partnership of experienced, complementary and reliable partners (triple/quadruple helix)
- Actively involving entrepreneurs/primary producers
- Establishing the role of public authorities as facilitator or driver of the discovery process
- Considering the role of external experts/brokers in the process

- **Implementing cooperation**

- Formulation of the cooperation priorities, measures and concrete, tangible expected feasible outcomes
- Creation of real cross-border structures
- Focus on joint investment opportunities
- Set-up of a monitoring and evaluation plan

## **EXPLORING AND INITIATING COOPERATION: BUILDING SUPPORT TO TACKLE COMMON CHALLENGES**

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Before actually engaging in cross-border cooperation and setting up cooperation projects, it is essential to build a broad administrative and societal support on both sides of the border. If cooperation initiatives are embedded in or even emerge from the socio-economic fabric, they will be more productive and have more sustainable effects in both regions. Therefore, it is important to devote sufficient time and resources to explore the concrete opportunities for cooperation, and create the right environment for cooperation to come to fruition.

In what follows, we elaborate on a number of important aspects to be considered in this initiation stage in the cross-border cooperation development process.

## **IDENTIFYING JOINT NEEDS AND BENEFITS - BUILDING WILL AND SUPPORT TO COOPERATE**

The initial interest and motivation for cooperation and exchange across borders is the mutual learning from different contexts and ways of doing things. However, exchange and learning cannot be the final aim of cooperation, but they create a setting for joint realisations based on common needs and challenges.

Cross-border cooperation is not a goal in itself, but a possible means to better tackle specific socio-economic challenges or stimulate regional development. Not for every issue or need, cross-border or interregional cooperation is the solution or even beneficial. The simple fact that two regions share a border, and are thus in each other's proximity does not appear a sufficient argument to come to engage in cooperation.

Structural cooperation should therefore have its foundation in a shared challenge or need, and a mutual recognition that cooperation will benefit both sides of the border. Rather than building a broad theme-based strategy from scratch, the most clear and sustainable basis for setting-up successful cross-border cooperation are mutually identified challenges and/or perceived benefits.

On the other hand, bordering regions may be very compatible to cooperate based on their own regional strategies and circumstances, but because of various reasons it still does not materialise. For this to happen, institutional and industrial actors on both sides of the border need to invest time and resources into an interactive process to explore the concrete possibilities for cooperation. This initiation process serves to:

- Get to know each other, and become accessible for each other
- Become aware of each other's strategies and needs, and identify shared points
- Listen and learn from their counterparts, and take their needs into account in the cooperation

Although this process will be most intensive in the initiation stage, this interaction should be maintained throughout all stages of cooperation, as it is an essential precondition for sustainable cooperation. The different institutional and socio-economic partners involved in cooperation have different perspectives, and therefore tend to have different understandings of the cross-border priorities and its main objectives. Understanding each other's needs and priorities and their evolution over time is an ongoing effort, to be able to identify new opportunities for concrete cooperation initiatives and actions.

Establishing such a structural interaction contributes to ensuring a strong continuous support to work together, at both political and administrative level and among the socio-economic actors involved in the cooperation. Ideally, this leads to a co-evolution of cross-border needs, and an institutional awareness and conviction that cooperation is the best approach to tackle certain issues and challenges.

### **— Agropol Pilots**

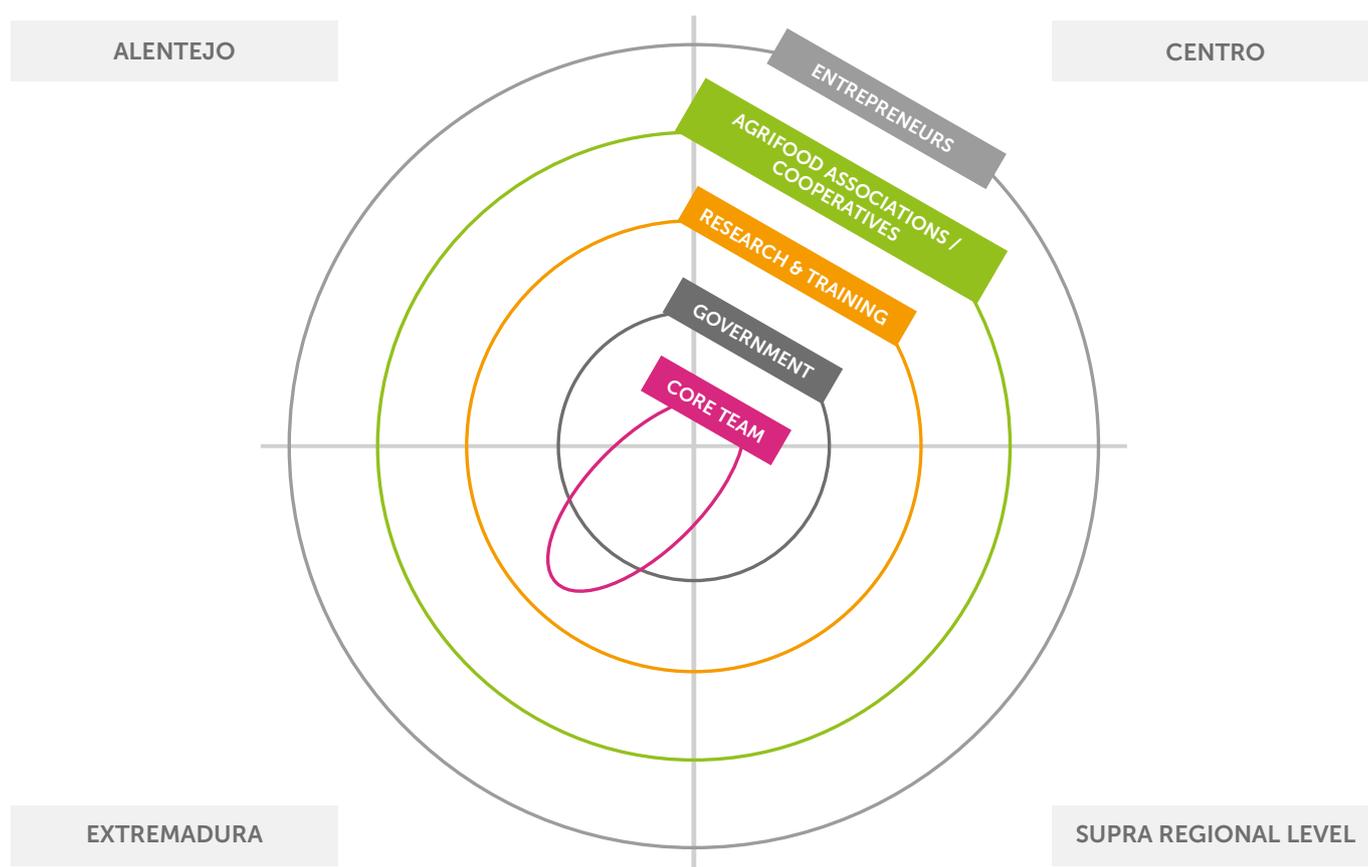
#### **EUROACE**

The Agropol Spanish-Portuguese cross-border cooperation is embedded in the Euroregion EUROACE, established in 2009 between the regional administrations of Alentejo-Centro-Extremadura. The fact they have established a formal Euroregion expresses the shared institutional will that cross-border cooperation is in their mutual interest. This was further elaborated in the EUROACE 2020 Strategy, which already includes agriculture and agro-food as one of the main domains of cooperation.

Key stakeholders in the development of a cross-border strategy for agro-food are the administrative representatives of the three regions. Within Agropol, an exploratory meeting was organised with these stakeholders to confirm their interest to further develop and refine their cross-border strategy in the domain of agro-food. The EUROACE key partners all acknowledged the mutual interest and benefit of engaging in further cooperation in agro-food, and everybody expressed their commitment in a letter of intent.

With the help of the EUROACE key partners, a wide number of institutional and private actors were involved in the development of the strategy. Over 40 stakeholders were consulted either personally or in a collective interactive meeting, and were to some extent included in the cooperation partnership. The following figure provides a structured overview of all stakeholders grouped in five categories: a) the core team of the Agropol cross-border cooperation in EUROACE; b) government agencies and departments; c) research and training organisations and institutions; d) associations and cooperatives; and e) private entrepreneurs.

**Figure 2:** EUROACE: Structured overview of all stakeholders



Subsequently, these stakeholders and the Agropol team formed the core team, for which monthly meetings were organised. Members of the core team were actively involved in each meeting in the following ways:

- Organisation and hosting of the meetings, each time in a different city/region. All core team members participated in all the meetings
- Provision of contacts of key stakeholders to be consulted
- Provision of continuous input into the conceptual framework and elaboration of the content of the strategy

This process helped in efficiently articulating a strategic framework of their common challenges and needs, and complementary strengths and assets that the cooperation should build on. It also helped to focus in the first place on the value chain of medicinal and aromatic plants: a value chain with small, not yet formally organised actors that showed the need and will to invest in a cross-border cooperation trajectory. Although this sector is very new, it is developing fast, especially in Portugal. The (informal) EPAM network ([www.epam.pt](http://www.epam.pt)), working on business development in this sector, provided a direct link to local entrepreneurs and other stakeholders, and facilitated the cross-border relations in the sector.

### **Carinthia-Slovenia**

In the case of the Carinthia-Slovenia cooperation, the Agropol process is embedded in the cross-border working structure in the field of agriculture, "Agrarkontakt", which is part of the general permanent Joint Committee Slovenia-Carinthia. These structures ensured an ongoing institutional communication and information exchange between key stakeholders, mainly the Chambers of Agriculture of Carinthia and Slovenia and the relevant Carinthian and Slovenian administrations. However, there was no consistent elaborated strategy for the agro-food cooperation.

The Agropol team organised a number of phone contacts and pre-meetings with the main stakeholders on both sides of the border to fully explain the aim and approach of the process. The partners welcomed the Agropol initiative as impetus to better explore and deepen the cooperation potential between Carinthia and Slovenia in the field of agro-food and beyond. Based on this expressed interest, a kick-off meeting was organised to present each other's perspectives and interest. The participants reconfirmed their will and commitment to enter the process to structure and found their cooperation in a much stronger, firmer strategic framework.

The meeting also served to discuss the similar natural conditions and challenges for agriculture on both sides of the border. A main shared challenge that was identified as a focus for the strategy development was how to make a living wage from farming in this disadvantaged area.

### **— Other Cases**

#### **Vanguard initiative**

The transregional Vanguard initiative is another interesting example of how to identify specific joint needs. Vanguard's objective is to accelerate the market uptake of new technologies through industry-led, transregional demonstration platforms. The procedure to select and elaborate cases for these platforms happens in different phases.

In a first phase, regional representatives were brought together per industrial domain to understand each other's capabilities, and to identify potential opportunities for joint demonstration. This was underpinned by mapping/scoping activities. This allowed identifying first 'matches' and areas for potential joint demonstration. Further bilateral and multilateral contacts with regional experts and discussions during plenary meetings led to the identification of 25 to 30 cases for cross-regional, joint-demonstration. For each case, a leader was appointed in charge of drafting a concept note on the main activities in the case. Other regions then provided feedback in order to evolve towards a common vision of the project outline. The cases were realised with the involvement of industrial actors during a large matchmaking event, where detailed operational discussions could be organised both on a one-to-one and group basis. This approach formed the basis for the establishment of the DG Regio Thematic Smart Specialisation Platform (e.g. on agro-food).

#### **Taste 2 Seas (2 Seas programme)**

In the Taste 2 Seas project the aim and approach was to encourage collaboration between private and public stakeholders, companies, politicians and research facilities in the food sectors in border regions of Belgium, France and the UK. Because of the differences in approaches and perspectives, this type of collaboration needed extra time input and flexibility from all partners concerned. Partners involved were thoroughly screened on capacities, experience and willingness to work on this project, and as a result the collaboration proved to be very positive.

#### **Baltfood**

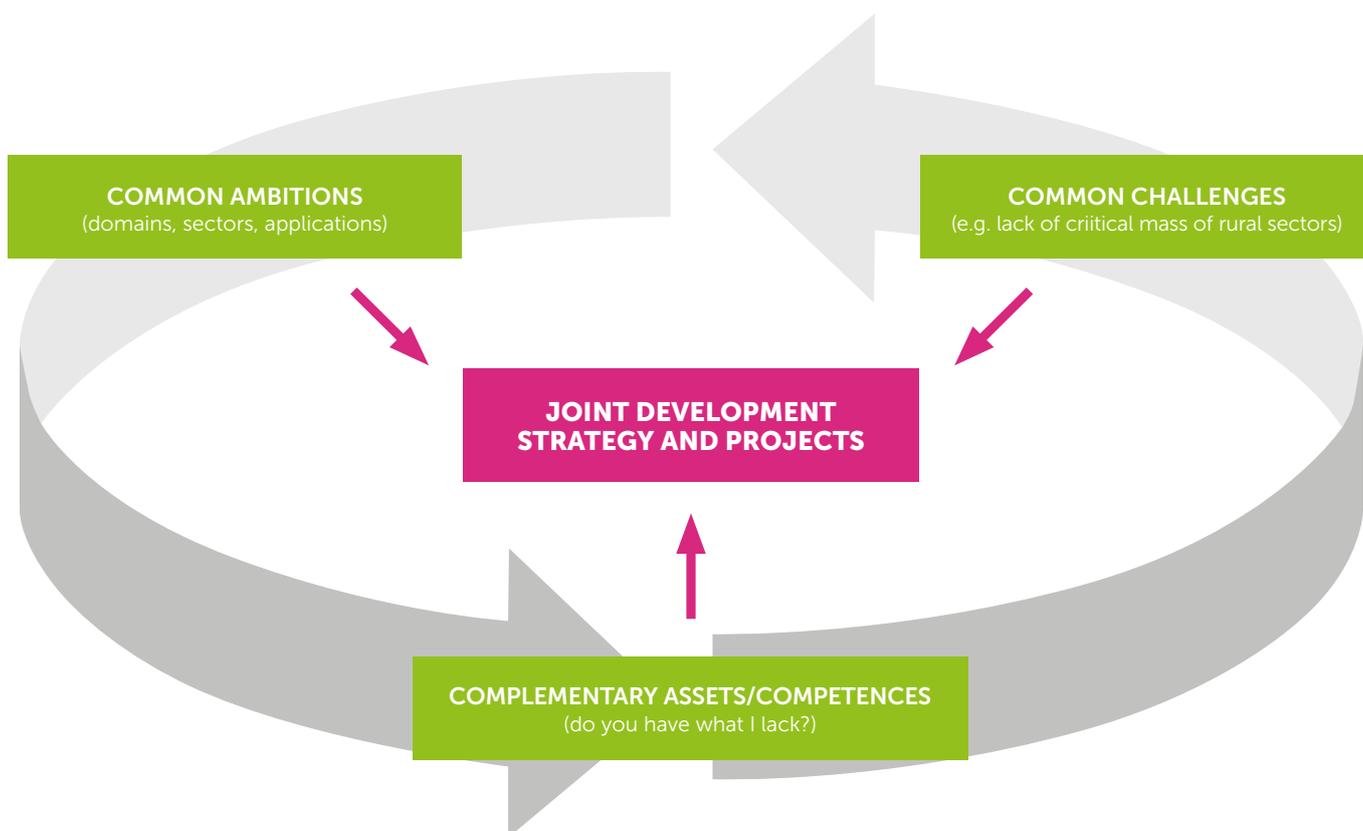
In the Baltfood project, a cross-regional food cluster initiative in the Baltic Sea Region (<http://www.baltfood.de>), the participating regional clusters each have their own approach and perspective. The Swedish and Finnish partners are very technology driven, experimenting with different ingredients and food functionalities, whereas the German and Danish actors are more market oriented, focusing on packaging, the look and feel etc. An

advantage is that all partners are leading actors in their respective food industries and food innovation in their own countries, which means that they can easily understand and relate to each other, and therefore identify joint needs and possible actions.

### — Attention Points

In this exploration and initiation phase, it is important to invest sufficient time and resources in jointly identifying common needs as a basis for strategic cooperation (see figure below). This process is preferably underpinned by sound analysis and broad consultations on the opportunities to be exploited or challenges for the geographic area or thematic domain concerned. In this phase it is especially important to become aware of mutual interests, unite the actors involved around a common need or challenge, and focus on jointly developing new solutions for these.

**Figure 3:** ingredients of strategic cooperation



From the start, it is important to build a strong will and support to work together, both politically/administratively and among the socio-economic actors actually involved in the cooperation. In this respect, it is important that the partners are equally actively involved in building the cooperation. This also ensures that partners have ownership in the project. These are ongoing points of attention for any sustainable cooperation.

### — Tips

- Establish a core team and organise regular meetings to continuously reassess the needs and priorities
- To focus the discussions, meetings can be prepared through a survey and a series of interviews to identify a list of possible topics. A prepared document outlining the possible advantages of the cooperation can spark and structure discussion

- Another useful method to operationalise further is the organisation of matchmaking events to bring people together in a targeted way to start exploring cooperation
- Concrete (good) practices can help to convince actors on both sides of the border about the added value of cross-border cooperation, and stimulate active participation.

## **TRUST AND URGENCY AMONG ALL PARTNERS**

Related to the above, this initiation stage of cooperation has to be used to build mutual trust and a sense of urgency as a foundation for putting the cooperation into practice.

Potential relevant cooperation actors may perceive each other as competitors or 'intruders', and lack an actual equal partner attitude. Particularly entrepreneurs can view each other as potential competitors on the same market, and are reluctant to work together with their counterparts across the border. This attitude resonates in other actors as well, including the management of the participating organisations themselves.

Therefore, from the start, an environment should be created in which trust is established between all participating partners, both on the operational and political level. Mutual trust is the basis for a jointly designed and managed process with clear desired outcomes and a timeline, in which each meeting serves as a particular stepping stone to make progress towards the foreseen outcome. Within this framework, partners can develop a shared sense of urgency and priority to push the process forward and indeed arrive at a fruitful cooperation on the ground.

Mutual trust and urgency will only be built up through long-term intensive personal relations and interactions. In that respect, initiatives building on previous experiences or existing structures of (institutional) cooperation have a strong advantage over entirely new initiatives.

### **— Agropol Pilots**

Mutual engagement and active participation of key stakeholders was high throughout the whole process in both Agropol pilots, mainly due to: a) their existing cooperation experiences which has contributed to the development of professional and personal relationships, and b) their mutually expressed sense of urgency to build on existing cooperation and to develop something more strategic and concrete.

The intensive process with regular meetings that was adopted proved to have a positive impact on the development of the strategy. Although the (institutional) partners said they felt time pressure, there was never any time for the process to "fall asleep". The meetings took place regularly, with mostly the same people and structures in both cross-border regions, with the Agropol consultant bringing in the input and views from other regional actors. This consistency helped to build familiarity and trust, and contributed to the productivity of the meetings in view of the consistently tight agenda. It also helped the process as one could pick up where one left off at each meeting, and efficiently turn to next steps.

In both Carinthia - Slovenia and EUROACE, actors competing on the same market were able to identify specific common challenges and opportunities in which cooperation with actors across the border was possible (e.g. challenges of milk production in mountain areas, quality of production, development of local markets, marketing).

### **— Other Cases**

#### **Danube Winery Places**

(Cooperation promoting a cross-border region through the creation and development of the Bulgarian-Romanian wine tourism - [www.danubewinery.com](http://www.danubewinery.com))

At the beginning, the project had substantial difficulties to convince participants of its usefulness and practicality, mainly due to a lack of trust on the side of the beneficiaries. Initially, the beneficiaries were sceptical of the intentions of the project organisers, and did not believe that all activities were delivered free of charge for them.

However, tenacious and persistent work by the partners, supported by external professionals, led to the creation of a fruitful and prolific relation among the beneficiaries. Also the strong support by the local authorities played an important role in the success of this project.

### — Attention Points

Some distrust in the project and the partners in the beginning can be considered normal. Mutual trust will only grow through regular personal exchange and contact. Intensive interactive meetings prove to be very fruitful for building personal relations, and driving the cooperation forward. It is hence important to organise such events to bring various people together to start building and/or deepening relationships.

## **TAKING ACCOUNT OF CULTURAL DIFFERENCES**

Cultural differences between countries are usually smaller in border regions, but can still form a substantial obstacle for productive cross-border cooperation. The most obvious hindering factor is language, but relatively small behavioural differences in interactions and meeting can soon turn into a real annoyance hampering the process. Existing stereotypes and historic events and developments can affect the relationship between border regions, and have an impact on how actors view each other and thus their ability to cooperate.

Intercultural aspects should be taken into account as much as possible, and practical issues with language should be solved in consensus, for instance through the use of interpreters.

### — Agropol Pilots

#### **Carinthia-Slovenia**

There is a substantial Slovene minority living in Austrian Carinthia. This facilitates the contact with Slovenia on account of the common language. However, the majority of Carinthians do not speak Slovene and English tends to be the first foreign language in both countries. Rather than picking one of the two languages or a 'neutral' language (English), simultaneous interpretation had a positive effect on the process in Carinthia-Slovenia. Instead of working with one common language, the working languages are Slovene and German and these are respected in the strategy as well. Thus everybody is able to fully participate.

Simultaneous interpretation is quite costly and certainly a heavy investment in the initiation stage. However, it does facilitate a smooth continuous contact at all levels of actors (between the regions/governments, the communities and companies), and sufficient resources should be made available for this purpose.

#### **EUROACE**

Language was less of an issue in Spain and Portugal as both languages can quite easily be used in a mixed form, and participants from both sides of the border understand each other. The use of both languages was explicitly agreed upon in the first meeting. Here, English as third 'neutral' language was thus dismissed immediately, as it would limit the range of expression for participants. However, English is also used in informal discussions with the Agropol team and other external stakeholders.

### — Attention Points

It is important to take cultural and language barriers seriously. Regional and local stakeholders cannot all be expected to speak their counterpart's language or English for a fruitful exchange. Moreover, language use can also reflect cultural dominance, and be part of specific sensitivities, that can have real effect on the cooperation.

If language is an obstacle, providing interpretation in cross-border projects is a success factor. If possible, a common (third) language is nevertheless useful between organisations managing the projects.

# STRATEGIC STRUCTURING OF COOPERATION: SETTING-UP AND BUILDING COOPERATION

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Once the necessary conditions to enter into structural cooperation are established (a good view on common needs and a mutual trust, urgency and will to cooperate), the next phase is devoted to structuring the cooperation within a strategic framework. This includes building a strong and well-structured partnership with a clear division of roles, and developing a strategic approach to stimulating rural and agro-food development through cross-border cooperation.

## **CONSIDER A VALUE CHAIN PERSPECTIVE RATHER THAN A TRADITIONAL SECTORAL APPROACH**

Recent experiences of economic development strategies have shown the importance of understanding and trying to improve the functioning of value chains of various economic activities. A cross-border cooperation strategy is very well suited to adopt a value chain perspective, also in agriculture and food, as it can link the primary sector with the processing sector, and, more broadly, to culture, tourism etc.

The purpose of this approach in an agricultural setting is to strengthen the economic position of the local agro-food actors in their value chains based on the specific strengths and assets of the sector. In certain cases, this means strengthening the relations of the basic agricultural production activities to the food processing industry in or outside the region, to benefit both local farmers and the agro-food complex as a whole. In other terms, it means supporting local agricultural actors to access new markets and/or set up new value chains, with products or applications for different industrial demand either in or outside their own region (materials, pharmaceuticals, cosmetics,...).

This approach enables the valorisation of the full potential of the specific socio-economic and natural ecosystem in place. It opens up the possible range of products and services to be generated by this ecosystem, beyond the confines of the classical modern agro-food sector. It facilitates strengthening the links between existing related sectors within the region and has the potential to attract additional industrial processing capacity to the region. This evolution offers local employment and could diminish the dependency on international processing companies which often puts local primary producers in a disadvantageous economic position.

Moreover, with its focus on local assets, this framework can further re-appraise the socio-ecological value of rural activities (landscape and water management, biodiversity, general sustainability of local communities).

### **— Agropol Pilots**

#### **EUROACE**

The value chain perspective has been most explicitly addressed in the EUROACE cooperation, which focuses on aromatic and medicinal plants for different industrial applications. The actors consulted and involved cover various stages of the cross-regional value chain ecosystem and are relevant for the Agropol project in different ways:

- a) Primary producers of different kinds of species, with different end products. This group also includes wild harvest practices
- b) First and second stage processors into various end products, like aromatic oils and specific extracts (1st processors), but also fully finalised end products, like cosmetics, dried spices and food additives

- c) Natural local chemists (pharmacists), using fresh or processed produce
- d) Local restaurants using fresh produce in their kitchen
- e) Tourism/leisure/informal education actors focused on aromatic & medicinal plants, offering all-in experiences, workshops, wellness and spas using natural products,...
- f) Private laboratories and technical consultants offering (quality) tests and certification for aromatic oils (and extracts)
- g) Packaging and cooling industry to transport the produce in the best condition
- h) Marketing and communication consultants
- i) Public administration with services facilitating cooperation and internationalisation, knowledge transfer, infrastructural investments,...
- j) Education/research institutes dealing with aromatic and medicinal plants

### — Attention Points

Value chains are usually visualised through 'vertical links', i.e. the functional relationships that exist between all the actors and activities required to design/conceptualise, produce and market/distribute a certain product or service (including destruction and recycling). Any value chain entails upstream and downstream linkages connecting different activities and (sub)sectors. The upstream linkages consist of the suppliers of inputs. The downstream linkages make the connection towards the consumer/consuming sectors of those players.

In the classical agro-food value chain as illustrated by Figure 3, the supplier side classically consists of agricultural brokers, suppliers of seeds/fertilizer, feed, crop protection and facilities and equipment like stables, greenhouses. On the demand side, there are traders, the food industry (processing, packaging,...), logistics, wholesalers, retailers, catering and HoReCa (hotel/restaurant/café), and consumers. A more extended value chain also includes services like credit institutions, governmental agencies, researchers, trainers and educational institutions.

Clearly the value chain for agricultural activity is more diversified than just agro-food, depending on its industrial application in the further production process and the additional actors that are involved in this (e.g. bio- or nanotech, chemistry for application in biomaterial and pharmaceuticals,...).

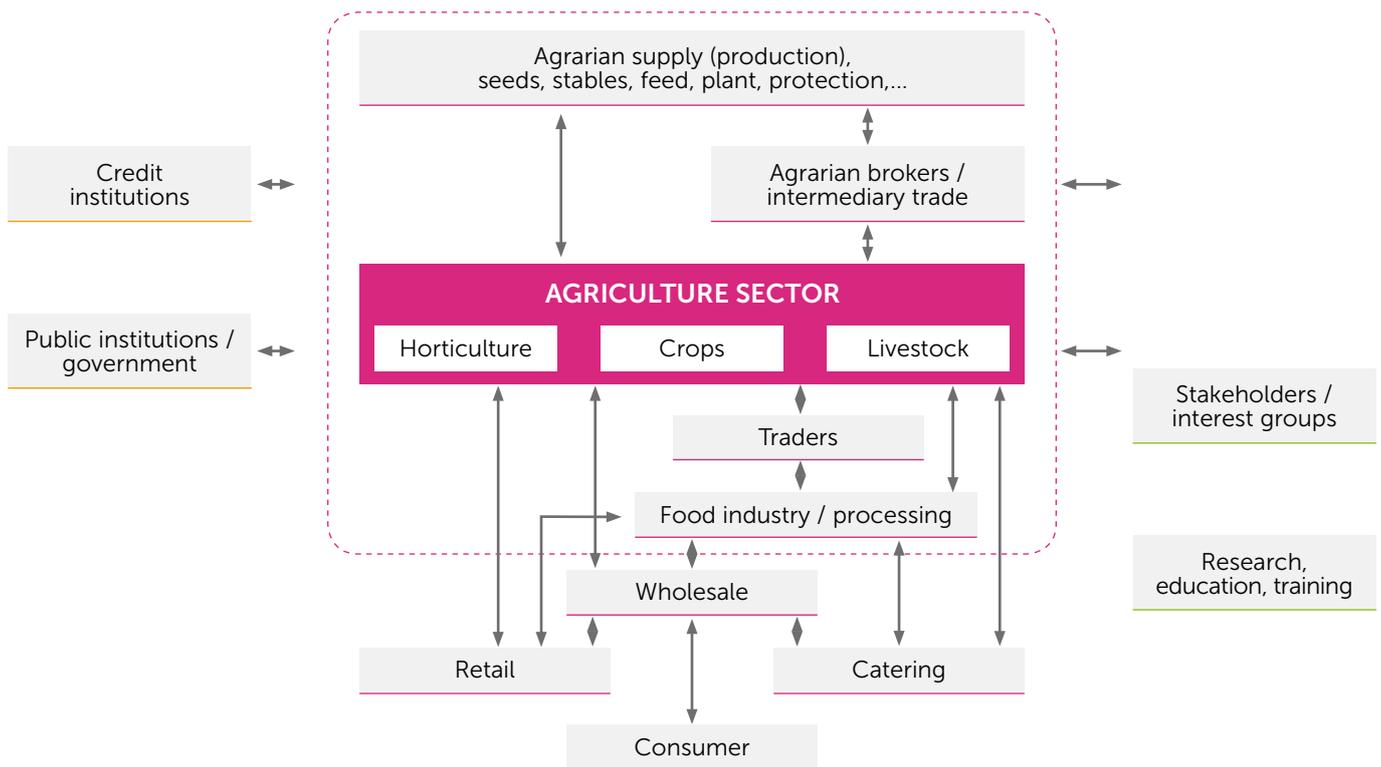
Developing a cross-regional strategy from a value chain perspective requires a deep insight into the role and position of regional actors in these value chains. In first instance, the value chain of the local agricultural players in the sector and their local, cross-regional and international interrelations should be mapped. This can be done on general subsectoral level, or on a very specific activity level.

To obtain additional in-depth insight into the structure and functioning of the value chain, information is needed on:

- The national and international supply and demand relations (incl. international exposure)
- The share of the value added present in the region (~strength of value chain position)
- Which regional actors could be integrated into the existing value chain

This information can be collected quantitatively, e.g. by using regional input-output data, but as these data often do not exist on the relevant level for the cooperation and may not be sufficiently detailed for the respective value chain, a qualitative data collection method using the expertise of the regional economic experts and existing regional and sectoral studies will generate a substantial amount of very useful information for the analysis.

**Figure 4:** Value chain of agriculture



Source: IDEA Consult & UGhent, 2008

In a second stage, the relation of the value chain actors to the regional socio-economic ecosystem can provide useful additional insights, as this is a critical factor for the value chain performance in the region. Important components to map and to analyse this ecosystem are:

- Knowledge and R&D infrastructure (universities, research and technology organisations)
- Entrepreneurial fabric (SMEs, start-ups/scale-ups, role model companies, serial entrepreneurs)
- Business support (business infrastructure, science parks, incubators, clusters, financing,...)
- Human capital & skills (labour markets,...)
- Policy and strategies (regional priorities, Smart Specialisation Strategy)
- Socio-economic quality of life (social services, environmental quality, accessibility,...)

The presence of these components is essential but not sufficient to analyse the functioning of the ecosystem, and the quality of the relations with value chain actors. At least as important are the following functional aspects:

- Technical competencies and mutual relatedness, referring to the rate of specialisation or diversification of the regional economy. This co-determines the possibilities of knowledge transfer between local actors, and their ability to come to joint developments building on existing competencies and technologies.
- Economic embeddedness or integration, referring to the rate at which local industries utilise local supply and demand relations and labour market offer
- Internal and external connectivity, referring to the interaction between actors, presence of local networks, and interactive channels to external knowledge and developments

Building on these insights, specific opportunities for further development or renewal of value chains in the sector can be identified, as well as the challenges that need to be overcome to make this development possible. These insights can then form the basis of a targeted joint cooperation strategy dealing with issues of common interest, and to the benefit of all participating regions.

## **LOOK BEYOND TECHNOLOGICAL INNOVATION AND PRODUCTIVITY TO STIMULATE RURAL ECONOMIC DEVELOPMENT**

As explained in section 2 of this document, rural innovation and development strategies require a specifically different approach than regular 'urban' innovation strategies focusing on highly R&D and technology driven KETS sectors.

Recent experiences (including in Agropol) show that new economic development in rural areas relies heavily on social and cultural innovation, and diversification into other activities than agriculture. This economic diversification is often based on combining high-quality sustainable agricultural crops and products with creative (ICT-based) business models and new forms of marketing, to be applied in new branches and markets like tourism, culture, wellness, health and care, but also pharmaceuticals and biomaterials.

The smart mobilisation and combination of (often unexploited) endogenous resources and assets is crucial for rural areas to sustain more competitive and prosperous development trajectories. Moreover, in this approach socio-economic development also becomes a contributing factor for socio-cultural and ecological sustainability of rural regions.

The exploration of strategic linkages between agriculture and the wider rural economy thus opens up a whole new field for territorial rural development. Digitalisation is an important supporting leverage mechanism in this process. Therefore, it is important to go beyond the traditional sectoral scope and realms to stimulate innovation and growth.

### **— Agropol Pilots**

Both pilots have adopted the above described approach to rural development and innovation in their own way, looking for opportunities in diversification, high-quality products and new (digital) business models.

#### **EUROACE**

Diversification into the emerging value chain of medicinal and aromatic herbs&plants. Young entrepreneurs in the value chain have a highly innovative growth model to gain critical mass towards external markets. They operate in networks in which more established players provide training and guidance to starters that enter the same market (i.e. their competitors). It is through innovative business models like this that such emerging rural niches can grow, and start contributing to the overall development of the region.

#### **Carinthia - Slovenia**

Cooperation in the dairy sector to jointly strengthen the market position of small scale producers of very high-quality organic dairy products. The initiative was taken to develop a joint cheese box with its own branding between dairies on both sides of the border. Possibilities to create an accompanying cross-regional digital marketing platform for this box and other products under a common distribution and revenue sharing model are being explored by the partners.

Even though both cross-border areas are rather peripheral within their own countries, as rural regions often are, the Agropol experience has demonstrated that rural economies can substantially contribute to overall European competitiveness, and that cross-border cooperation can unlock this potential. Cross-border cooperation opens up the opportunities for the local entrepreneurs to cooperate with the knowledge institutions and other entrepreneurs from another context, and thus create new innovative linkages.

### **— Other Cases**

#### **MED-Laine ([www.medlaine.eu](http://www.medlaine.eu))**

By structurally connecting and embedding the wool production in the participating regions to the local rural tourism activities, this project has increased the sustainability of the sector, and at the same time given new stimulus to regional development.

### **Danube winery places ([www.danubewinery.com](http://www.danubewinery.com))**

This project promotes the cross-regional area as a wine-tourist destination, based on the premise that this influences not just the tourism sector, but also the wine and agricultural producers, and thus contributes directly to the overall sustainable development of the cross-border area. The objectives of the project were:

- Promotion of the cross-border region through the creation and development of the Bulgarian-Romanian wine tourism product
- Increasing the flow of tourists and promoting undiscovered natural and cultural treasures in the region
- Establishing a new co-integrated wine tourism product
- Developing joint tourism products based on the comparative advantages of the area
- Training of people to work in conjunction in the integrated market needs (e.g. sommelier skills and knowledge).

### **— Attention Points**

- Go beyond the sectoral innovation approaches: focus on (re-)valorising endogenous resources and competencies, stimulate cross-sectoral links, new business models (ICT) and new value chains
- Clarify and visualise the rural ecosystem, and explore how agro-food activities are linked to culture, industrial sectors and technologies, knowledge institutes, other supporting organisations
- Highlight the contribution of rural economies and the agro-food sector to regional competitiveness as well as local production systems and social and ecological sustainability.

## **BUILDING A STRONG MULTI-FACETED PARTNERSHIP OF EXPERIENCED, COMPLEMENTARY AND RELIABLE PARTNERS**

Based on mutual trust and jointly identified common needs, the core participating parties can start expanding a strong, well-structured partnership. Successful collaboration will take place between reliable partners that have complementary regional expertise and preferably a good network in their respective regions.

A strong and successful partnership includes policy and administration stakeholders, as well as representatives of the entrepreneurial/farming community, knowledge centres and other societal actors reflecting the socio-economic fabric in a so-called triple or quadruple helix structure. This will allow the identification and elaboration of broadly supported strategic objectives and specific aims around which all actors can be united through an inter-active, participatory process. This has proven to be most effective in generating regional economic advantages and dynamics, especially for strategic innovation-oriented development strategies, also in cross-border settings.

### **— Agropol Pilots**

#### **EUROACE**

The EUROACE core team (at institutional level) decided to organise a cross-border networking and capacity building event to bring together key actors of the medicinal & aromatic plants (MAP) value chains, from the three regions. In total 71 actors participated in the event, mainly enterprises throughout the value chain, but also knowledge centres, associations and public administrations.

The participants discussed the cooperation needs together and set the basis for a more structural cross-border cooperation within the MAP value chain, starting with a cooperation project submitted within the POCTEP Interreg programme. The project proposal was elaborated by a balanced partnership of nine complementary and experienced partners coming from the three regions, and including research institutes, (public/private) networking and knowledge brokerage services, a private laboratory and consultancy and a local development agency.

## **Carinthia - Slovenia**

Driving forces of the cooperation in the agro-food sector at the policy level are the Chambers of Agriculture of Carinthia and Slovenia as well as the regional and national ministries of agriculture. They directly actively involved relevant industrial representatives on both sides of the border, in particular cooperatives/associations in the dairy sector, as well as regional educational and research institutions, most of all agricultural and forestry vocational schools. These core stakeholder organisations further relay the cooperation strategy to its members and beneficiaries (companies/ students).

Both Agropol pilots definitely benefited from the existing cooperation on an institutional level. The core partners knew each other on a personal basis from previous experiences, which provided a firm basis for further strategy development in the specific domain of agro-food. This also allowed for the targeted involvement of other relevant socio-economic actors depending on the sector of interest, and their smooth integration in the established cooperation of mutually accepted core partners.

### **— Attention Points**

The driving partners setting up and implementing a cross-border strategy preferably already know each other and have practical experience in working together to limit the risk of failure (i.e. a core team as described above). A more extensive structure of partners can be developed in the so-called triple or quadruple helix of public actors, knowledge centres, entrepreneurs/farmers and civil society. Existing (subsectoral) cluster initiatives may serve as a good starting point to further extend the cross-border cooperation partnership.

## **ACTIVELY INVOLVE ENTREPRENEURS/PRIMARY PRODUCERS**

Any development strategy should reach out to private sector actors as beneficiaries as they are essential in making actual economic development happen. Therefore, entrepreneurs or their representatives are preferably structurally involved or even in the driver's seat of the strategic process. In this respect, it is of utmost importance to make the cooperation activity directly relevant and interesting to entrepreneurs, and to connect it to their market situation, challenges and opportunities.

This is challenging as it is hard to convince entrepreneurs and companies that they will have real direct benefits from the active participation in such a strategy.

In a cross-border setting, however, there are even more obstacles for entrepreneurs to collaborate with partners (other entrepreneurs, distributors, research institutes,...) from another region. As described above, private players sometimes consider their counterparts across the border potential competitors on the same market, and are therefore reluctant to work with them.

Moreover, in the agricultural domain, setting up joint cross-border business cooperation seems even more difficult compared to other sectors, possibly because of the often relatively limited activity scope of farmers and the lack of a cooperation mentality.

Some interesting practices that involve entrepreneurs are the following:

- Consider a good mix of entrepreneurs to involve along the value chain (farmers, processors, knowledge/research actors...)
- Design meetings and adapt the location to facilitate collaborations or matchmaking
- Organise joint external cross-border missions or participation in fairs in order for them to travel together
- Another option would be to initiate exchange programmes for agricultural students, young farmers and small entrepreneurs (even without funding) to experience the other side of the border at first hand

An important factor in actively involving farmers and other rural entrepreneurs could be to reimburse their expenses for participation in cross-border/transnational events to interact

directly with their peers. This would of course require the possibility of such a mechanism in the policy framework at stake.

### **Agropol Pilots**

Both Agropol pilots devoted substantial efforts and resources to involving the private sector, addressing their needs and adapting the cross-border cooperation strategy to their needs. This was a time-consuming investment, but paid off in terms of motivation and commitment from the participating parties, which hugely facilitated the development and implementation of concrete pilot actions/projects.

### **Carinthia-Slovenia**

The strategy revolves around the regional dairy sector, which has similar structures and challenges on both sides of the border. The cooperation is to a large extent carried out by local dairy cooperatives (KärtnerMilch and Mlekarna Krepko) each active on their own regional market. Their shared interest of maintaining and extending their local markets against international competition allowed for focused cooperation on real needs at the direct benefit of local businesses.

Structurally embedding this cooperation remains challenging. It is still unclear if real interest and willingness exists to invest in building a real cross-border cluster or actual cross-border umbrella brands. Competition in the food industry is generally very strong and the sector promotes its own regional brands such as "Genussland Kärnten" or "Kärnten Echt Gut" instead of cross-border brands. Also, there is a fear of competition in farm tourism, because offers are often very similar in Carinthia and Slovenia in the context of a shrinking or stagnating market.

### **— EUROACE**

The EUROACE strategy has adopted a number of principles related to involving and targeting entrepreneurs:

- Empower young dynamic entrepreneurs, that are willing to look beyond their own sectoral activities and have a cooperative mind-set
- Rely on more experienced entrepreneurs who speak foreign languages, are well prepared technically and are outward looking, i.e. interested in international markets
- Build on success and stimulate peer learning (between entrepreneurs, between researchers and between researchers and entrepreneurs). Give successful entrepreneurs a forum to share their experiences
- Develop the capacities of entrepreneurs to better receive and apply new knowledge produced (e.g. transferring existing research into their practices, using new techniques, but also how to enter new markets and how cooperation can help them...)

These principles were put into practice through:

- The organisation of a networking event for the value chain of medicinal and aromatic plants (MAP), mainly focussing on entrepreneurs. Thanks to an attractive programme including an exhibition area for products, an innovative farm visit and lots of networking opportunities throughout the value chain, more than half of the participants were entrepreneurs (39 out of 71).
- The elaboration of a cross-border cooperation project to facilitate cross-border knowledge exchange and training of entrepreneurs in the MAP value chain. As most of the MAP entrepreneurs are very small actors who are not structurally organised, they could not be an official partner in the project. However, their participation in the project is guaranteed through the project lead partner who facilitates an informal network of MAP stakeholders in Portugal. Moreover, dedicated training sessions and knowledge transfer to and between entrepreneurs is one of the three main work packages of the project.

### **— Other Cases**

#### **Baltfood**

Practical cases reviewed in the Agropol project show that it is extremely difficult to involve and activate entrepreneurs in cross-border cooperation in the agro-food sector. For

instance, the Baltfood project intended to be very entrepreneur-oriented and -driven, but it turned out to be complicated to actively involve them. Substantial efforts were undertaken to stimulate the network of entrepreneurs to participate and become active in meetings and activities. However, despite the real interest among the target group, some practical problems hindered them from participating. The meetings and missions were conducted in English, the entrepreneurs had to finance their own trips and the entrepreneurs faced a lack of time (most of the enterprises were rather small-scale).

### **Vanguard initiative**

In the Vanguard initiative, entrepreneurs were only directly involved when potential demonstration cases were identified. The 'connect' phase in the project upscales these opportunities for joint-demonstration by bringing industry players from the regions together to develop and operationalise these ideas benefiting from each other's competencies and expertise for actual projects.

### **— Attention Points**

Actively involving entrepreneurs is a challenging task and requires a substantial effort. This is why the involvement of young and dynamic entrepreneurs active in 'niche' sectors, giving them responsibility and encouraging them to involve others is an interesting approach to develop cooperation.

Below we list some tips that can help in involving the private sector:

- Involve private partners in the cooperation structure design and strategy elaboration: they tend to make the approaches more realistic and sustainable and have a relevant network of private entrepreneurs.
- Relay the involvement of entrepreneurs/farmers through representative organisations they know and trust.
- Make the real benefit of cooperation very clear and visible: besides mutual learning also the potential economic effects to be generated in terms of additional business opportunities are very important.
- Do not stick too long to the strategic, policy level. Make the cooperation as concrete as possible, right from the start.
- In case of true joint entrepreneurial initiatives, facilitate and support (external) expertise for the drafting of a joint project plan, legal expertise regarding Intellectual Property Rights, funding, etc. However, leave the initiative to the business partners themselves, and do not intervene too much.
- Organise (informal/family) events where entrepreneurs can meet in an informal setting without having to commit to anything straight away.
- Take language issues seriously. Meetings in English are an obstacle for a lot of entrepreneurs. Sometimes translation can be a solution.
- Reimburse/compensate travel costs for field trips if necessary.

## **ROLE OF REGIONAL AUTHORITIES**

Strong administrative and political support by regional authorities is essential for any cross-border cooperation. Regional authorities are crucial actors in establishing an institutional and cultural cooperation, which the case studies have shown. They often serve as the first step and pre-condition to obtain an economic cooperation. Regional (political) engagement in the cross-border initiative will give it a stable foundation, and facilitate the generation of additional or continued public financing. Furthermore, public regional authorities are indispensable to stimulate the connection between research and businesses to foster innovation in the agro-food sector, also in a cross-border setting.

However, regional authorities do not necessarily have to be involved in the actual cooperation itself. In fact, the leading roles and daily management are often best left to regional actors who know the sector and are most aware of the opportunities and challenges. The role of the public authorities can be very helpful to build and support

the design of a network, but they should not impose their own strategic objectives and frameworks. Instead they have a more facilitating role in the process, providing strategic openness and flexibility to allow cooperation to develop organically driven by actors on the ground.

### — Agropol Pilots

#### EUROACE

The strong involvement of regional administrations facilitated the process on a general strategic level, as well as working out its governance and funding possibilities. However, the institutionalisation of the partnership sometimes made it more difficult to make the direct link to entrepreneurial associations and grasp new emerging economic activities and developments on the ground, as the cooperation was functioning within relatively static networks and frameworks (e.g. the relations with research institutes).

#### Carinthia-Slovenia

Whereas EUROACE is an established and to large extent institutionalised cooperation managed by the regional administrations, with specific human resources available, the Carinthia-Slovenia cooperation is more project-based driven by the two Chambers of Agriculture, each linking further to their network of agro-food actors and farmers.

### — Other Cases

#### MED-Laine

In the MED-Laine project, aiming at promoting innovation in the production and marketing of products in agriculture, handicrafts and tourism ([www.medlaine.eu](http://www.medlaine.eu)), the public authorities played an important role in bringing together the local farmers, wool collectors, crafts workshops, tailors and fashion houses and product distributors.

Another important role of the authorities was to connect MED-Laine to other ongoing projects in the region. In Tuscany for instance, cooperation was seen between MED-Laine and Vagal+ (also a cross-border project), whose aim is (amongst others) to enhance the rearing of a sheep breed that produces this specific type of wool. The governmental institutions were not only useful in bringing together various local actors, but also in starting new projects that produce actions and norms to favour the breeding of the sheep.

#### Taste 2 Seas (2 Seas programme)

This project can serve as an example where the presence of the public authorities were rather seen as a bottleneck for the development of a joint distribution network for Flemish and Dutch farmers on both sides of the border. The public authorities imposed substantial administrative restrictions and wanted to promote their own region instead of engaging in a joint project, whereas the entrepreneurs often are less concerned about the "regional ownership" of such initiatives.

### — Attention Points

It is important for the participating public actors and authorities in the cooperation to consider the role they have and need to take at this stage of the cooperation. This role and the accompanying tasks are best made explicit, so it is clear to all participants, and no misunderstandings arise.

## THE ROLE OF EXTERNAL EXPERTS/BROKERS

Setting up cross-border cooperation is a time-consuming effort. Therefore, dedicated external experts or consultants (both private or public) can be very helpful in coordinating and structuring the development of a cooperation. Consultants can fully focus on planning, coordinating and driving the cooperation process, while the participating partners can continue devoting time to their regular tasks in their respective region.

Moreover, the independent position of the external consultants reduces the risk of conflicts between partners arising from a lack of trust. Less is at risk if the external consultants “stick their necks out” with ideas or suggestions than if it is the partners who put things forward. It also makes it easier for the partners to voice their disagreement if consultants make proposals. Furthermore, it facilitates the contacts with non-involved partners.

### — Agropol Pilots

In both pilots external coordination substantially helped to structure the process and the strategy itself. The provision of the consultants “free of charge” to the regions, even without additional project funding, was very useful for engendering the strategic process.

#### **EUROACE**

The Agropol process EUROACE pushed the coordination of the regional innovation strategies in EUROACE to a higher level. The three regions intended to coordinate their RIS3 strategies but felt stuck at some point. The external coordination, funded by the Agropol project, brought a new dynamic and input to the cooperation, and enabled a further refinement of the agro-food parts of the respective RIS3 strategies. As the consultants have acted as facilitators of the process meant to be maintained on the basis of strong cross-border links and experience in cooperation, it is also realistic that the three regions will continue running Agropol inspired projects after the consultants have gradually withdrawn.

#### **CARINTHIA-SLOVENIA**

In Carinthia-Slovenia, the Agropol project was welcomed as it helped to reactivate the existing institutional cooperation and bring in additional actors (e.g. in the dairy sector). They appreciated the facilitation by external consultants to push the process forward. The involvement and commitment of consultants made this possible as the regional representatives did not have this at the top of their agenda. Other commitments also prevented them from spending time in drafting the strategy. The most effective process turned out to be that the consultants draft and the regions comment on and discuss the strategy.

### — Attention Points

External consultants require an investment that the participating partners have to be willing to make. As described above, the consultants’ independence is one of their main assets, and should be emphasised in employing them. Partners should also be aware that the consultants’ intervention is always temporary, and start thinking about an ‘exit strategy’ from an early stage onwards. The aim should be for the consultants to bring the cooperation to such a level that once they are gone, the partners can carry forward and sustain the cooperation on their own.

# IMPLEMENTING COOPERATION: FACILITATING AND MANAGING STRUCTURAL CROSS-BORDER COOPERATION

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This chapter elaborates some important aspects contributing to the establishment of a well-structured, sustainable cooperation, and to the realisation of the cooperation in the form of concrete actions on the ground

- The formulation of concrete, tangible and feasible outcomes within domains of common interest
- The creation of the right cross-border structures
- Spotting and utilising funding opportunities
- Evaluation and monitoring of the cooperation
- Dissemination activities

## CONCRETE OBJECTIVES AND MEASURES WITH TANGIBLE, EXPECTED AND FEASIBLE OUTCOMES

The first and main mechanism to implement and manage structural cross-border cooperation is a thorough strategy document with strategic ambitions and operational objectives linked to concrete actions.

Such a strategy, based on common cross-border needs and opportunities, defines specific expected and foreseen outcomes and results, and describes a feasible way to achieve these. The strategy connects and unites all partners around these intended achievements, and structures and targets the cooperation, operationalising it into actions, tasks and work division.

Simultaneously, we stress that the overall strategic framework should be as light as possible and should guide and inspire in the first place the set-up of cooperation actions and projects between local stakeholders of the regions. High-level theoretical frameworks and an administrative burden for the stakeholders should be avoided.

### — Agropol Pilots

#### EUROACE

The basic strategic framework for EUROACE consists of two strategic objectives. The core team of (institutional) partners made this choice deliberately, based on what is realistic and where a joint, cross-border approach is necessary and/or more efficient compared to the regional policy of the three regions separately.

- **Objective 1 - More knowledge transfer to small and medium sized entrepreneurs:** Valorise knowledge and research to innovate in new products (e.g. high quality, new applications...), production and processing (e.g. more resource efficient), smart packaging, marketing and promotion, logistics.
- **Objective 2 - More economic activities with a high value added through innovative business development:** Development of second stage processing, cross-border value chains, promote super-foods, circular and bio-economy, certification and branding,...

An entrepreneurial discovery process led to a focus on the value chain of the medicinal and aromatic plants as this value chain showed a lot of growth potential and interest to cooperate.

After a successful networking event, a concrete cooperation project was submitted within the Spanish-Portuguese Interreg programme (POCTEP). The project includes three main objectives:

- Identification of the biological and market potential of MAP in EUROACE
- Improvement of competences of the actors in the MAP value chain
- Setting up a cross-border Science & Technology Observatory for MAP (digital platform)

### **Carinthia-Slovenia**

The strategy of the pilot project is structured along four operational objectives linked to the overall ambition of ensuring sustainable farm (dairy) production in the mountainous cross-border region, each elaborated into specific actions:

**Development of alternative marketing strategies for dairy products from the mountainous regions:** The milk price is subject to fluctuation which negatively impacts the income of the mountain dairy farmers and threatens their livelihood. The milk is of very high quality, but demand needs to be stimulated through direct marketing and raising awareness for the high quality of the mountain product.

- Development of a concept for the development of an online shop
- Learning from good practice examples in alternative marketing

**Cooperation between dairies in the field of supply management:** Sourcing raw materials and supplies can benefit from pooling resources with other dairies, e.g. in the field of packaging or buying ingredients. Dairies can compare conditions and prices or, probably more promising in terms of lowering costs, they can do joint procurement.

- Development of a concept for joint supply management

**Cooperation in the development of quality products with higher proceeds:** A quality assurance framework with criteria, e.g. less chemical processing, and a certification system for high quality milk need to be set up.

- Development of a platform for the exchange of know-how and the further development of advice services in the field of quality farm products

**Improvement of the agricultural policy framework conditions for agricultural production in the mountainous regions:** Farmers play an important role, not only in producing food, but also in maintaining the cultural landscape, particularly in mountainous areas. Specific support is needed in order to maintain the mountain farms, e.g. promotion and awareness-raising, better policy integration, development of support systems for the maintenance of smallholdings and the farming of mountain meadows and pastures.

- Raising media and policy awareness for the needs of agricultural production in mountainous areas

### **— Attention Points**

In order to facilitate the implementation of strategic and structural cooperation, the following points can be considered

- Formulation of concise common ambitions/objectives, linked to concrete tangible feasible expected outcomes
- Elaboration from strategic objectives to measures and projects – or the other way round: start defining and working on a concrete strategic cross-border project, and build and develop the strategy around it
- Formulating a limited number of implementation principles can further underpin the strategy and clarify the approach to put it into practice
- All points above should contribute to a clear transparent strategy with a clear division of tasks and responsibilities, which is inclusive and open to a wide range of potential partners

## **CREATE JOINT CROSS-BORDER STRUCTURES**

Cross-border as well as transnational cooperation initiatives in the first instance tend to focus on networking and knowledge exchange or on project-based joint realisations. As the number of partners and regions involved with various interests increases, the cooperation becomes harder to manage. In such constellations the creation of actual joint structures or even infrastructure is often too complex.

However, ambitious and structural cooperation initiatives will benefit from the creation of real cross-border structures, which support joint actions targeted at the cross-border area as a whole. A cross-border management structure and team that do not just represent each

region separately, but the whole area, contribute to the continuity of the cooperation from an independent position.

## — Agropol Pilots

### EUROACE

EUROACE is embedded in a Euroregion structure, which is quite heavy. It is managed by a Plenary Council bringing together all the members and sectoral representatives of the Euroregion, with a rotational presidency. There is also an Executive Committee and a Coordination Committee, 16 Sectoral Committees and an administrative office.

The Sectoral Committees (SC) are the most relevant entities as they offer the main structure for linking all regional actors. They are composed of sectoral representatives from all the three regions. One of the Sectoral Committees is on Agriculture, another on entrepreneurship. The role of the SCs is to address present and future cooperation issues, articulate cooperation interests, and to define and organise actions and projects.

In addition to the Sectoral Committees, working groups are formed in relation to specific issues that the Euroregion needs to address. For instance, there was a working group for the coordination of the smart specialisation strategies (RIS3) of the three regions. This working group identified complementarities between the strategies and formulated common domains for joint smart specialisation approaches (e.g. agro-food), facilitating the identification of potential joint actions for the implementation of these strategies.

Specifically for the value chain of aromatic and medicinal plants, an informal cross-border network (like EPAM, [www.epam.pt](http://www.epam.pt) which was only developed for Portugal) and a cross-border Science & Technology Observatory for MAP (digital platform) are to be set up as part of the Interreg project submitted. These actions have to guarantee a structural, long-term cross-border cooperation.

### Carinthia-Slovenia

Since 2013, Slovenia and Carinthia have been institutionally cooperating in the framework of a "Joint Committee". This cooperation addresses the state level in Slovenia and the regional level in Austria, with the Slovene Foreign Minister and the Governor of Carinthia formally chairing the committee. A working group on agriculture and rural development was set up to exchange on agricultural themes and promote cooperation in the sector.

The executive part of the cooperation structure is performed on (Interreg) project basis such as "Agrarkontakt", which makes staff available to operationally support cross-border activities.

## — Attention Points

- The cross-border management structure should fit to the specific needs of the regions. It should assess the administrative weight of any cross-border management structures against the practical needs on the ground. It should also consider the necessity of creating a legal entity like a Euroregion or European Grouping of Territorial Cooperation (EGTC), or of a permanent local working group.
- Continuous institutional cooperation requires sufficient resources made available by the partners involved to ensure its ongoing functioning. Preferably the partners agree on a permanent joint investment in the management of cross-border activities. However, since public resources are limited, project-based financing of staff and facilities to manage cooperation in practice can be a good alternative.

## FUNDING: FOCUS ON STRATEGIC JOINT FUNDING AND INVESTMENT OPPORTUNITIES

Perhaps the most determining factor in the successful implementation of structural cooperation or any strategy is the availability of sufficient financial resources to actually realise concrete actions in the chosen territory. Since regional public resources are limited, EU-funded projects are very important to provide a financial basis for cross-border activities.

In the first sections it was already extensively highlighted that Interreg is the main mechanism facilitating and enabling cross-border cooperation in the domain of agriculture and food, even though this instrument is outside the regular scope of the Rural Development Framework.

In this programming period, more opportunities are created within the EARDF to support cross-border cooperation within the Rural Development Framework and Programmes, namely through facilitating the installation of cross-border or transregional Operational Groups under the EIP-AGRI framework<sup>9</sup> or Local Action Groups under the LEADER framework<sup>10</sup>. However, as explained above, initiatives in this area are still in the early stages, and structural cooperation is very limited.

However, on the basis of an institutionally underpinned cross-border strategy in agriculture and food, regional administrations can start coordinating their funding mechanisms and procedures as well, whether it be EARDF or regional support. In this way the regular regional funding can be partly adapted to the strategic cross-border needs and opportunities, instead of developing a strategy around a funding mechanism (as is the case of Interreg).

Moreover, this funding can possibly be combined with Interreg and European investment funds, meant for strategic joint interregional projects. For instance, the thematic S3 platform for agro-food makes investment resources for such projects available.

### — Agropol Pilots

The Agropol project did not provide funding for concrete actions, and the pilot regions thus had to generate their own funding for the implementation of the strategy and (pilot) projects. Both have no cross-border facilities in their Rural Development Programmes, and thus rely in the first place on Interreg to finance joint actions in the area.

In **EUROACE**, the regional RIS3 strategies and the POCTEP Interreg Operational Programme are coordinated with respect to agro-food, thus facilitating a targeted search for financial means to implement this innovation-driven Agropol strategy. A specific POCTEP proposal (concerning MAP value chain) has been submitted as part of the Agropol project.

### — Attention Points

More information on EU funding opportunities for strategic projects in agro-food can be found here: [https://ec.europa.eu/eip/agriculture/sites/agri-eip/files/eip\\_agri\\_funding\\_for\\_web.pdf](https://ec.europa.eu/eip/agriculture/sites/agri-eip/files/eip_agri_funding_for_web.pdf)

Specific guidance on transnational cooperation in LEADER can be found here: [https://enrd.ec.europa.eu/sites/enrd/files/leader\\_tnc-guidance.pdf](https://enrd.ec.europa.eu/sites/enrd/files/leader_tnc-guidance.pdf)

For cross-border Operational Groups (OG) there are possibilities to be funded under the rural development programmes with EARDF budget, mainly through the approaches below:

- (1) Art. 70 of Regulation 1303/2013 offers a possibility to use up to 5% of the EARDF funding of a programme to finance operations implemented outside the rural development programme area. So you may have an OG formed inside a rural development programme area dedicating some funding to cooperation with actors outside the area.

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9. <https://ec.europa.eu/eip/agriculture/>

10. [https://enrd.ec.europa.eu/leader-clld/leader-cooperation\\_en](https://enrd.ec.europa.eu/leader-clld/leader-cooperation_en)

- (2) On condition that the approved rural development programme leaves room for it, different programming regions can jointly decide to fund projects of OG in their own region on a topic that is common for several regions ("cross-border" themes). Each region will then be funding the OG projects in their own programming area but the project costs of the regional groups will include some coordination actions with OG in other regions to coherently tackle a cross-border problem or opportunity.
- (3) The full cooperation costs of the OG can be borne by one region, while the investment costs are paid by each region, for instance:
- the Managing Authority (MA) of region A confirms that the investment forms a substantial part of the activities of the OG project (information exchange between MAs in regions A and B is needed)
  - the MA in region B confirms that the work of the OG in region A is coherent with the Rural Development Programme (RDP) strategy and priorities of region B
- (4) All activities of the OG could be paid by region A except the activities of one partner. The activities of this partner would be paid for by region B and are located in region B, therefore this case is not falling under the 5% rule (1). The conditions for such an approach are:
- the MA of region A confirms that the activity of the partner in region B forms a substantial part of the activities of the OG project (information exchange between MAs in regions A and B is needed)
  - the MA in region B confirms that the work of the OG in region A is coherent with the RDP strategy and priorities of region B
  - the MAs from region A and B agree on an approach for control on the activities of the OG

Note that an OG can also directly buy services from a service provider located outside the programme area if the operation and the beneficiaries are located inside the programme area (e.g. hiring services from a knowledge expert with particular expertise needed for the objectives of the project).

Thematic networks (funded by H2020 or by other sources), or various multi-actor projects, may provide an opportunity for actors from different regions/countries to find each other around a common theme and in this way may incentivise cross-border OGs with activities under rural development funding.

More information can be found here: [https://ec.europa.eu/eip/agriculture/sites/agri-eip/files/pb\\_guidelines\\_eip\\_implementation\\_2014\\_en.pdf](https://ec.europa.eu/eip/agriculture/sites/agri-eip/files/pb_guidelines_eip_implementation_2014_en.pdf)

## MONITORING AND EVALUATION

To follow up the implementation of the cross-border cooperation strategy, its achievement and results, and to identify obstacles and limitations, it is important to develop a monitoring and evaluation framework. In this plan, Key Performance Indicators (KPIs) should be defined at the beginning of the cooperation that monitor both the progress of the different foreseen actions and projects (output) and towards their expected results. The overall aim of this monitoring and evaluation framework is to ensure the achievement of the strategic objectives and the realisation of added value in the territories concerned.

### — Agropol Pilots

Both strategies foresee the following to develop a monitoring and evaluation framework:

- The setting up of a core or steering committee that will oversee the implementation of the strategy and primarily the new project in the cross-border region
- The success criteria and mechanisms for monitoring and evaluation of the implementation of the strategy, including the setting up of any required data collection and management mechanisms
- The provisions for reporting on the implementation of the strategy, frequency and content of implementation reports

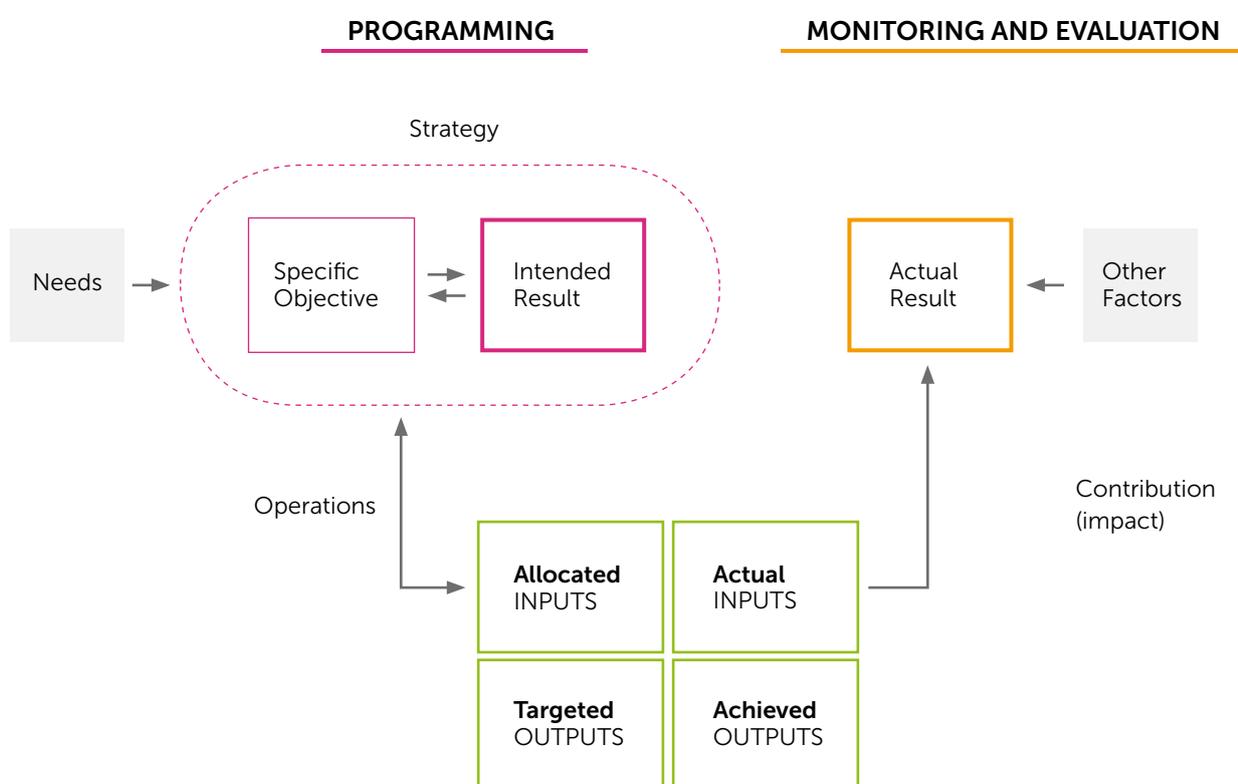
### — Attention Points

The development of a sound monitoring system with targeted output and result indicators is an integral part of the formulation of the strategic framework and action plan. The indication should follow logically from the strategic objectives, expected results and planned actions.

Therefore, it is important to base relevant indicators on a clear intervention logic that connects the actions to the objectives and expected results. This creates the basic framework for sound follow-up and evaluation of the effectiveness and impact of the strategy.

The evaluation guidelines prescribed by DG Regio follow the same logic, distinguishing between output, result and impact, to which different indicator types are linked (see figure below).

**Figure 5:** Monitoring realisations, results and impact



Source: DG Regio, guidance document monitoring and evaluation ERDF Programmes 2014-2020

Indicators are the basis for strategy evaluation, but are not sufficient. It is important to collect additional qualitative information from the stakeholders and beneficiaries of the strategy through face-to-face interviews, questionnaires or focus groups. The following questions can guide the evaluative exercise:

- Are the cooperation activities in compliance with the objectives/KPIs?
- Are the cooperation activities in compliance with all the needs of the region and the target groups?
- To what extent have the objectives and foreseen results been achieved, and how satisfied are you with the progress of the strategy?
- What adjustments are necessary in the strategy, and its implementation?
- To which degree do the activities contribute to the overall rural/regional development?

## **COMMUNICATION WITH RELEVANT REGIONAL STAKEHOLDERS AND THE WIDER PUBLIC IN THE REGIONS**

Finally we want to stress the importance of external communication, disseminating the strategy to build further support and stimulate stronger involvement in its implementation. Specific actions and achievements should be shared with the relevant stakeholders in the participating regions, and the strategy should be promoted among a wider audience.

Communication with stakeholders can focus on specific results through specialised media, designed to disseminate some of the technical details and the achievements for those who are interested. This should also include the extension and strengthening of the network around the strategy, and activate actors to become involved in the strategy. The use of social media can be very useful in this regard, combined with targeted events where stakeholders can meet. Certainly in cross-border contexts this is important, as people will tend not to meet each other otherwise.

The promotion among a wider audience will be more general in traditional media, meant to maintain public support for the cooperation.

### **— Agropol Pilots**

Apart from this blueprint document, the Agropol results are disseminated through:

- An attractive, reader-friendly leaflet, referring to the blueprint as a further source of information
- Three final seminars in the two Agropol pilot regions and in Brussels to reflect further on the findings of the project, aimed at reaching a maximum of European and regional rural stakeholders

The pilots also devote specific attention to communication within their respective regions. A few examples below.

### **EUROACE**

Communication was mainly organised around the cross-border event described earlier. The participating partners took this moment to seek broad publicity on the ongoing cooperation efforts, not only in the sectors concerned, but also in the mainstream media (e.g. radio interview, local newsletter,...).

### **Carinthia-Slovenia**

A brochure listing and describing the agricultural schools and training institutions in Carinthia and Slovenia was produced. The brochure highlights the potential for studies and internships in the different regions, and points out existing cooperation and exchange projects between the two regions in the area of agriculture. This contributes to raising awareness among young rural actors concerning the potential of cross-border cooperation.

### **— Attention Points**

Communication and dissemination are integral aspects of any cross-border cooperation, and should be considered in the development stage. Any communication plan includes the main goal of the project, the main communication objectives, the definition of target groups and messages as well as communication tools and channels.

Messages and tools may differ in each participating region, but it is important to make the communication consistent and coherent and make use of existing cross-border communication mechanisms or platforms (e.g. social media).

# Policy reflections



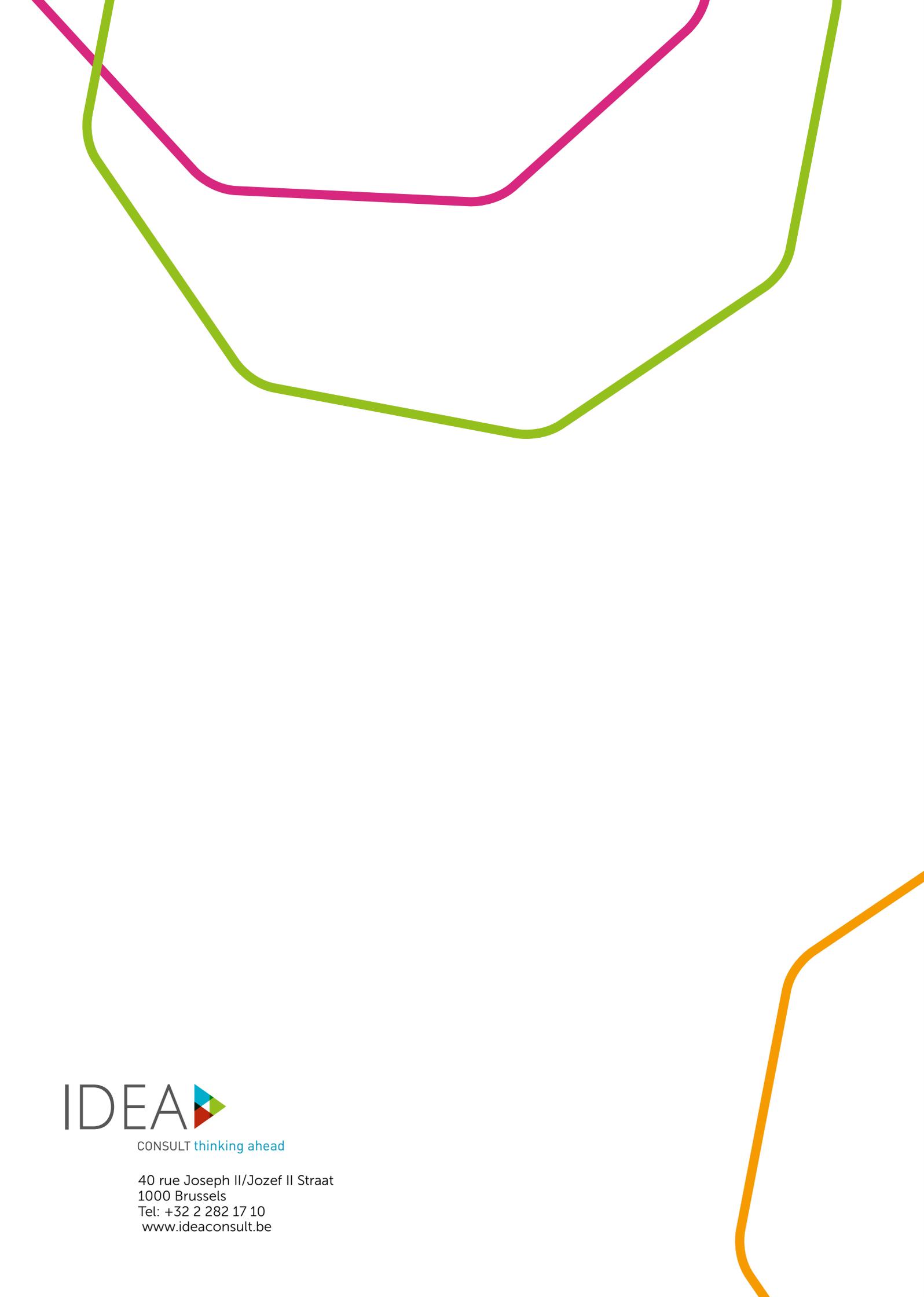
In this final section, we present some policy recommendations to further stimulate cross-border cooperation and innovation in rural areas.

- 1.** Consider a value chain approach which is not only targeted at traditional agricultural sectors producing food, feed and fibre, but also explores the application of primary agro-products in other industries (pharma, materials,...). In the conceptual view developed in the Agropol project, a value chain approach builds on the specific local strengths of the regional ecosystem (including the agro-food sector) and strengthens the linkages between regional actors benefiting from the ecosystem (e.g. primary producers and processors) or delivering meso-services like research, consultancy and management. This broader approach, which looks beyond technological improvements in the traditional agricultural sectors, is key to integrated innovation processes and growth in rural areas.
- 2.** Interreg has widely contributed to facilitating and institutionalising cooperation, creating structures and networks to mobilise and organise actors and initiatives. However, the project-based financing and difficult administrative conditions (e.g. number of partners) make it hard for smaller, emerging players and cross-domain initiatives to submit cooperation projects and to keep cooperating afterwards. The EU support framework needs to evolve to be able to sufficiently capture new economic dynamics and provide a policy experimentation framework in the era of smart specialisation in which the development of cross-sectoral niches is emphasised.
- 3.** There is a need for increased mainstreaming of cross-border cooperation measures, mechanisms and opportunities in the existing framework and programmes. More harmonisation (on e.g. eligibility rules) between the funds and between Member States would make it easier to facilitate and engage in cooperation, e.g. by combining the RDPs with Interreg and H2020.
- 4.** Development of a broader strategic framework steering cross-border or interregional public-private cooperation. ERANET within H2020 could serve as an example of such a framework with compulsory elements for implementing public-private transnational research projects. On a smaller scale, more targeted initiatives can be organised in joint undertakings to tackle complex specific issues and better capture new developments. The EIP-Agri network could be a potential vehicle for this in a rural context.
- 5.** Make cooperation projects (within EARDF or other funding programmes) administratively accessible to new, emerging sectors, with predominantly small actors which are not yet structurally organised. They might benefit the most from cooperation projects.
- 6.** Make sure mechanisms are in place to foresee interpretation and translation costs, as well as reimburse entrepreneurs and other rural actors for their travel and accommodation costs to engage in cross-border cooperation.









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