



PILOT PROJECT – AGROPOL: DEVELOPMENT OF A EUROPEAN CROSS- BORDER AGRIBUSINESS MODEL REGION

Final Report



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1/ Introduction

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.

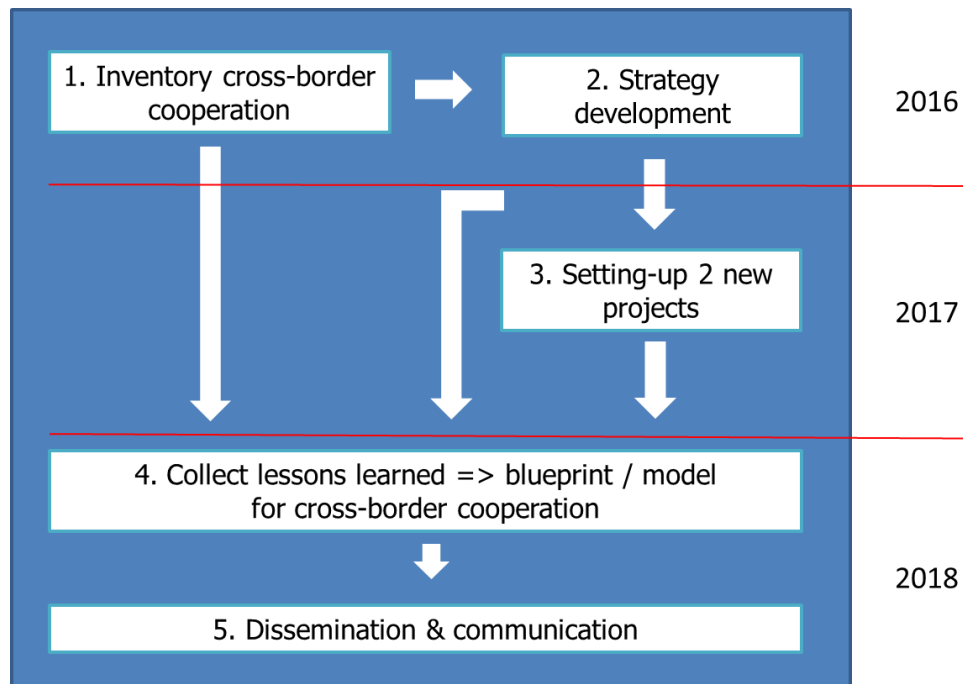
In this way, the project generated practical insights and tools that could be used by other European regions to facilitate cross-border cooperation in the agro-food sector. The experiences drawn from these pilot regions and other cases studied thus serve as a benchmark (or blueprint) for a cross-border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

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 project consisted of 5 main building blocks, as outlined in the figure below.

Figure 1: Agropol building blocks



1. First, an inventory of ongoing/existing cross-border cooperation in agro-food was compiled, from which 10 cases were studied more in depth. This resulted in a comprehensive state-of-the-art of cross-border cooperation in agriculture and forestry.
2. Subsequently a thorough selection process led to the choice for two cross-border pilot regions to develop the Agropol joint agro-food strategy. 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.
3. Following the strategic process, Agropol helped local actors in the definition and implementation of cooperation projects within the respective strategies.
4. All lessons and insights acquired are elaborated in the blueprint
5. Finally, the results of the Agropol pilot project are broadly communicated and disseminated to its target audiences

In what follows, per task, a summary of all steps undertaken will be given, as well as a wrap up of the lessons learned and conclusions. Also the blueprint is included. For more detailed information, we refer to the full report of the different tasks, which are included in the annex.

2/ Task 1: Cross border cooperation: state-of-the-art and inventory

2.1 Process and data sources

To have the knowledge about the past and on-going cross border regional cooperations under relevant policies, an inventory of cross border cooperations was developed, leading to:

- ▶ an inventory of existing and on-going structural cross-border cooperation in agriculture. The inventory focuses on cooperation initiated and funded under European Regional, Rural and Research policy, but also includes examples from other policy and funding frameworks.
- ▶ the identified cooperation structures have been processed into fiches containing their essential characteristics based on desk research
- ▶ 10 case studies of relevant individual cross-regional cooperation structures/projects, delving deeper into the dynamics of cross-border cooperation and the related success factors and challenges
- ▶ a state-of-the-art analysis of cross-border cooperation in agribusiness, focusing on the economic dimension of the cooperation and agricultural value chains, including a typology of this cooperation based a number of characteristic elements

To depart the desk research and to inform the establishment of the inventory, we have performed a literature screening, broadly focusing on cross-border cooperation, with special attention to agriculture. The screening has helped to obtain indications on long-standing cross-border cooperation structures and different types of strategies and/or partnerships to explore further. Moreover, the literature provided first insights on some of the key issues regarding cross-border cooperation in agriculture, different dynamics across Europe, success factors, challenges and structural barriers, and strategies to cope with them.

Further data collection to feed the inventory of cross-border cooperation strategies was conducted through a number of sources, mainly through screening and analysing relevant information in available databases and/or at important networks, such as the KEEP Database¹, The European Network for Rural Development and its project database, The ERIAFF² and AREPO³ Networks, Food networks in Europe and the FP7/H2020 projects & networks through the CORDIS database. Afterwards, the inventory was validated through direct contacts with cooperation structures, internal validation, the ERIAFF Conference and interviews.

¹ The KEEP Database of Interreg projects contains aggregated information regarding projects of European cross-border, transregional and interregional cooperation programmes 2000-2006 and 2007-2013, and allows for specific thematic searches. It has been built with the support of the European Commission and the existing Interreg and ENPI/ENI CBC programmes <http://www.keep.eu/keep/>

² ERIAFF network: European Regions for Innovation in Agriculture, Food and Forestry

³ AREPO network: Association of European Regions for Products of Origin

Case studies: Based on the analytical work performed in context of compiling the inventory, we selected 10 cases to be studied more in depth.

- ▶ Austria (Carinthia)-Slovenia
- ▶ Agrofood cluster Niederrhein (NL-DU)
- ▶ Euregion Euro-ACE Extremadura-Centro-Alentejo (ES-PT)
- ▶ Baltfood (Baltic Sea Region)/Beltfood (DU-DK) - Oresund Food (stopped) (SE-DK)
- ▶ Fish & Chips (2 Seas Region - NL-BE-UK)
- ▶ International Bodensee Conference (DU-CH-AT)
- ▶ Danube Winery Places (BG-RO)
- ▶ EkoConnect (DU-PL-CZ)
- ▶ MEDLAINE (IT-FR)
- ▶ Pilot 'Bio-economy' Vanguard initiative (BE, NL, DE, PL, IT, AT, ES, UK, FI, SE)

For each case, we conducted additional specific desk research, document analysis and consultation of the project coordinators and other relevant stakeholders (2-4) through interviews and email questioning. The results of each case study were reported in a brief separate note, included as annex to report of task 1. The overall conclusions of the case studies are integrated in the final conclusions of the state-of-the-art analysis.

2.2 *Inventory of existing and on-going structural cross-border cooperation in agriculture*

The compilation and analysis of the inventory enables us to formulate a number of relevant findings, which are of interest towards a full insight into the state-of-the-art of cross-border cooperation in agriculture.

First a descriptive analysis was performed, focusing on overall observations and trends from the screening fiches, and its different aspects: Policy framework, geographic scope and spread of different types of cooperation within Europe, main objectives, main approaches and activities, sectoral scope, timeline, lead organisation and its partners.

2.2.1 Typology of cooperation structures

In the frame of this task, a typology of cooperation structures was developed based on the depth and intensity of cooperation. By crossing this typology with two important other characteristics of cooperation, namely the objective and the geographic scope, we could bring more depth in the analysis.

2.2.1.1 Matrix according to approach and objective

Table 1 gives an overview of the 59 cooperation structures found, based on this crossed typology. The following can be observed in this overview.

- ▶ We found 6 cooperation structures developing a cross-border agribusiness cluster development, which we consider as the highest level of cooperation intensity and integration of activities. Typically these initiatives are not thematically limited, but aim for an overall regional development of the agro-food sector. Only the Bodensee Konferenz deploys this cluster approach mainly focused on resource efficiency in agro-food.

In this objective category we mainly find cooperation structures between a limited amount of regions, mostly from maximum 2 member states. The Food cooperation Interreg 2seas, with several regions from 4 MS is an exception to this. The initiatives in this category also have a long(er) tradition of cooperation, which has allowed them to grow into their current level of maturity and intensity.

Three other cooperation initiatives aim for the overall development of the sector by setting up and managing joint infrastructure or tools. Here the adjacency of the regions is somewhat less important, and such an approach thus lends itself better for initiatives like MEDLAINE (involving three islands) and Food Port (with partners in the North Sea Region).

- ▶ Cooperation structures with the objective of business support and competence development, which is the most occurring objective in the inventory, work on this aim through a variety of approaches, and in several cases a mix of those.
 - Most of the cooperation initiatives (10) aim to boost entrepreneurship and business competences through collaboration technology transfer, linking the research community with SMEs and entrepreneurs to support actors in the agro-food sector
 - 5 cooperation structures aim to boost entrepreneurship and business competences in the agro-food region through joint physical and/or IT infrastructure and/or tools cooperation, another 6 work on this through joint marketing and promotion activities.
- ▶ Apart from the Bodensee Konferenz, cooperation structures working on resource efficiency in agro-food deploy a general networking or technology transfer approach. The inventory contains no initiatives with joint marketing and promotion or infrastructure/tools in this domain.
- ▶ Most of the structures working on the remaining other (thematic) objectives (food quality, rural tourism, land use/biodiversity, biomass) do use these two approach of joint marketing and promotion or infrastructure/tools

2.2.1.2 Matrix according to approach and geographic scope

The distribution of cooperation initiatives per approach over the three geographic categories of cooperation reconfirms that approaches higher up in the scale appear less suitable for transnational/-regional cooperation with higher numbers of regions and partners involved.

The table shows that cluster development or joint infrastructure/tools does not take place on a transnational level, but are mainly cross-border

initiatives. Cooperation that on transnational level largely remains in general networking or technology transfer.

Table 1: Typology based on objectives and approach

Objectives ↓	Approach →	Cross-border cluster development (highest level of integration)	Joint physical/IT infra-structure and/or tools	Joint marketing & promotion, labels, quality control	Research/tech transfer cooperation	General network approach
Integrated regional economic development agro-food sector		- Food cooperation Taste2seas - Wirtschaftskraft im Agrofood - Top Cluster Pferd - Euro-ACE - TRANSFORMACION - Oresund Food	- MOVAFOREST (FORESPIR) - MEDLAINE - Food Port			
Business support and competence development			- RegioAgricentrum Czech Republic-Bayern - PEF AGROALIMENTARE - BIO BRAND - Beltfood - FruitTechCentre	- EkoConnect (organic farming) - Bois du Jura - WINE NET and FOODING - NO-BLE IDEAS - Baltfood - Agribusiness cooperation Carinthia and Slovenia	- FoodFuture/Food2020 - Nuthri.net - WINETECH - WINETWORK - RED BIO (organic farming) - Stiftung Kompetenzzentrum Obstbau-Bodensee - INNOVAQUA/INNOV-H2O - VALERIE - EuroAgri FoodChain (EUREKA Network) - FOODLINKS	- ERIAFF - AREPO - AGRISLES - LA RAYA/A RAIA - RURURBAL - AgriSpin - TRADEIT - GIF Project
Improving resource efficiency in agri-food		- International Bodensee Konferenz			- Bacchus - CereAlp - SUSFOOD - IRMA	- Baltic Compact - Innocat - Slowfood network
Improvement and assurance of food quality			APEE	Labelfish	- MILKSENS/FORMILK - ORIGINALP	
Stimulating rural tourism			- Les 3 chablais - La ROUTO	- Danube winery places - GASTRONOMY NET		Infacto
Land use, landscape, biodiversity			MICOSYLVA	Réseau EDULIS		
Agri-food waste (biomass) valorisation			DOVAREC II and PRO VALUE	Food-Feed agrofood waste case Vanguard Initiative	4BIOMASS	

Table 2: Typology based on approach and geographic scope

Objectives ↓	Approach →	Cross-border cluster development (highest level of integration)	Joint physical/IT infra-structure and/or tools	Joint marketing & promotion, labels, quality control	Research/tech transfer cooperation	General network approach
Cross-border (adjacent regions)		- Wirtschaftskraft im Agrofood - Top Cluster Pferd - Euro-ACE - TRANSFORMACION - Oresund Food	- Les 3 Chablais - RegioAgricentrum Czech Republic-Bayern - PEF AGROALIMENTARE - La ROUTO - APEE - BIO BRAND - MOVAFOREST (FORESPIR) - MEDLAINE - Beltfood - FruitTechCentre	- Bois du Jura - Réseau EDULIS - Danube winery places - GASTRONOMY NET - WINE NET and FOODING - Agribusiness cooperation Carinthia and Slovenia	- FoodFuture/Food2020 - Nuthri.net - Bacchus - MILKSENS/FORMILK - RED BIO (organic farming) - ORIGINALP - CereAlp - IRMA	LA RAYA/A RAIA
Cross-regional (2 + regions from multiple adjacent MS involved)		- International Bodensee Konferenz - Food cooperation Taste2seas	- DOVAREC II and PRO VALUE - Food Port - MICOSYLVA	- EkoConnect (organic farming)	- WINETECH - Stiftung Kompetenzzentrum Obstbau-Bodensee - INNOVAQUA/INNOV-H2O	Infacto
Transnational (2 or more non-adjacent regions/MS)				- Labelfish - NO-BLE IDEAS - Baltfood - Food-Feed agrofood waste case Vanguard Initiative	- 4BIOMASS - WINETWORK - VALERIE - EuroAgri FoodChain (EUREKA Network) - FOODLINKS - SUSFOOD	- ERIAFF - AREPO - AGRISLES - RURURBAL - AgriSpin - TRADEIT - GIF Project - Baltic Compact - Innocat - Slowfood network

2.3 *State of the art*

2.3.1 Position agro-food as domain for cooperation is strong...

The overall image emerging concerning cross-border cooperation in agriculture and agro-food is that this sector or domain is largely actually quite similar to other domains of cooperation, and is certainly not blatantly neglected or lagging behind. This is contrary to evidence from the literature, in which specific cooperation in agriculture is hardly a topic of interest.

Although cooperation through the Rural Development Programmes appears limited, as regions have until now made little use of the new opportunities this framework offers, ERDF/Interreg deals with highly relevant themes/issues for agriculture and agribusiness that lend themselves very well for cross-border cooperation. The domain is therefore substantially covered by diverse projects under Interreg.

Furthermore, the industrial agro-food sector is well represented in the FP7/H2020 framework, and industrial and scientific food organisations seem to find each other quite well through in that mechanism, although also mainly project-based.

Agriculture and agro-food seems in that sense not very different from other themes or economic sectors on many aspects. Interreg is the main mechanism for cross-border cooperation, mainly on NUTS2-level, but often remains on project-level (perhaps for Agriculture even more than other domains, as it not prime focus of most Operational Programmes). Structural transregional cooperation aiming for more than knowledge exchange are only recently emerging, such as the ERIAFF, aspiring a similar role as the recent Vanguard initiative.

2.3.2 ...but sector struggles with unattractive image

On the other hand, the interviews did reveal that the food sector struggles with a somewhat old-fashioned image, making it more difficult to attract public and private investments supporting entrepreneurship and innovation in the sector than for certain other sectors (Bio-, nanotech, ICT,...). Despite its economic and societal importance in many regions, agro-food has until now not had the same central place in many regional/national and European innovation-oriented policy programmes. This is probably also related to the relative low R&D intensity of the sector compared to for instance the highly R&D and technology driven sectors like biotech, nanotech, pharma, advanced manufacturing (so-called KETS sectors). The EC Joint Research Centre calculates that the food sector accounts for 1% of all industrial R&D investments in Europe (calculated on the basis of the largest companies), ranking the food sector as number 15⁴.

As ERDF and Interreg programmes are obviously not only innovation oriented, and often have a broader scope, targeting all economic sectors. As the agro-food sector has substantial economic weight in many regions, and thematically lends

⁴ To compare: The pharmaceutical and biotechnology sector is ranked no 3 with a share of 18%.

itself very well for cross-border cooperation, it is able to generate significant resources from these programmes frameworks.

However, it has already long been argued that the European agro-food sector could benefit from more targeted and efficient innovation strategies (ESF/COST, 2009)⁵, and there is a clear trend to integrate the food sector better in the innovation and entrepreneurship focused smart specialisation strategies. The European Commission itself 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) and EIP-Agri, predominantly focused on producers, i.e. farmers (DG Agri). Also ERIAFF work to put agro-food more prominently on the innovation agenda of various regions.

These initiatives put the agro-food sector more prominently in both the European and regional policy frameworks, 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 coordinated and effective way.

This also provides new openings for regions with (relatively) low-tech or even rural economy 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 rightful place in the S3 framework, or even that it does not apply to them at all, could be able to raise their innovation profile through their agro-food sector through this transregional platform.

Apart from strengthening entrepreneurship and innovation in the sector, this development allows the overall agro-food sector to improve its image on these aspects and become more attractive for young highly educated workers and for public and private investments.

2.3.3 Innovation versus marketing orientation of the cooperation structures

Throughout the inventory we could distinguish between two major orientations in the identified cooperation structures:

- ▶ Market oriented: projects that put the strengthening of the market position of businesses central in their approach (marketing/branding, access to market, and entrepreneurial competences)
- ▶ Research & innovation oriented: projects that focus on strengthening the knowledge base in agro-food or on the development of new/adapted products or processes (innovation)

Marketing

Most of the identified cooperation structures/projects aim at better marketing of (quality) food products, gaining better market access (in each other's or external

⁵ ESF/COST (2009), Forward Look on European Food Systems in a Changing World

markets), and supporting and connecting local actors (producers, processing,...) to be better equipped and have more critical mass to compete on the European market. Some clear examples of this are:

- ▶ Beltfood
- ▶ Danube Winery Places
- ▶ Bois du Jura
- ▶ Les 3 Chablais
- ▶ APEE
- ▶ Bio Brand
- ▶ WINENET & FOODING
- ▶ Labelfish

Such cooperation often have a limited sectoral scope, focusing on specific regional products that are in need of external support to obtain or maintain their market position. Some of the initiatives target the agricultural or agro-food sector as a whole, aiming to strengthen overall mutual relations across borders (La Raia/A Raya,...), facilitate mutual market access (Beltfood,...), and develop relevant sector- or business-related competences (RegioAgricentre Bayern-Czech Rep., Kompetenzzentrum Obstbau-Bodensee,...).

Innovation

As explained above, the agro-food sector has some difficulties generating or attracting true R&D and innovation-oriented support and investments. Therefore, it appears regional actors turn to ERDF and Interreg funds to support their innovation oriented efforts, as a substantial group of the cooperation initiatives in the inventory are focused on research and innovation.

The core of the work of the main group of these initiatives is to connect agro-food business and SMEs to actors in the (academic) research world, either cross-border or transregionally. By strengthening these links and stimulating participation in joint R&D projects, such initiatives hope to contribute to useful knowledge creation for the agro-food sector, to the transfer of this knowledge to the business community, and finally to the development of new/adjusted products/product types or processes.

A clear majority of these initiatives thus has a clear objective to stimulate economic progress and growth of the sector through innovation. Three main groups can be distinguished:

- ▶ Transregional networks between researchers and businesses with focus on improved accessibility and availability of new knowledge for the sector (Valerie, EuroAgri Food Chain, FoodLinks, AgriSpin)
- ▶ Focus on promoting new (sustainable, organic) production methods and processes (Bacchus, RED BIO, IRMA, SUSFOOD)
- ▶ Focus on adapting to market circumstance through new/adjusted agro-food products or application (Agrisles, MED-Laine, FruitTechCentre, Innovaqua/InnovH20)

Furthermore, some of the cooperation initiatives in the inventory specifically intend to promote the innovativeness of the agro-food sector to make it more attractive for young highly skilled workers, as the sector has substantial difficulties to recruit people with such profiles (Taste 2 Seas, GIF project, FoodFuture/FOOD2020).

The FOOD Future/FOOD 2020 cooperation (DE-NL) appears to be the most encompassing R&D/innovation oriented initiative, integrating "Development and deployment of new processes", 'Sustainability in food production' as well as "Improving working conditions".

On the other hand, the number of cooperation structures/projects that actively stimulate and support actual deployment of new technologies and methods in the agro-food sector through for instance concrete joint demonstration or prototyping projects is limited. Obviously, agro-food is not the only sector struggling with this, demonstrated by the increased policy attention to this aspect of innovation in for instance the Vanguard Initiative, but the nature of the food sector and general low rate R&D investments could make it even more difficult.

The mix of both the 'marketing' and the 'innovation' orientation in one 'hybrid' cooperation seems the most effective to realise this last step of deployment, and to ensure the innovation efforts finally generate some market benefits, but this takes substantial structural efforts and resources. Therefore, this hybrid form applies to only a limited number of cooperation structures in the inventory, mainly those who deploy a cluster approach.

2.3.4 Cross-border structures facilitate more intensive types of cooperation

The inventory shows that overall cluster development is only identified in cross-border cooperation structures, which might not surprise. Physical and cultural proximity between adjacent regions naturally facilitates the interaction, and allows for more intensive cooperation.

However, only a limited number of cross-border initiatives adopt an integrated cluster approach, as cultural and institutional differences still seem to be a barrier, and there remains reluctance to invest substantial structural resources in real joint interregional initiatives, which will not in full benefit to the own region. Although very relevant, ambitious and intense cooperation structures are undertaken, their scope often remains relatively limited in terms of actors involved, (structural) resources available, and themes/topics covered.

On a transnational/-regional scale, cooperation structures mostly only tend to work on networking and knowledge exchange or to undertake joint research efforts. Transnational cooperation typically involves a multitude of partners from different regions with various interests and competences, which makes such cooperation much harder to manage. For them to each invest in actual joint transregional marketing activities or even infrastructure often goes too far in such constellations.

A relevant exception in this is the Vanguard Initiative (VI) that goes beyond the general networking or joint research approach operating on a transregional level. The Vanguard Initiative brings together not-adjacent regions in which specific (business and research) actors develop joint business cases and jointly invest in demonstration projects for new technologies. Specifically for the VI food-feed

agrofood waste case, we see however that the partners that came to concrete business development until now, are still from regions that are geographically and culturally relatively close to each other (Scotland, Flanders, the South-East-Netherlands).

2.3.5 Interreg projects as a precursor for long term interregional cooperation

Interreg projects open the door for experimentation and innovation: they are often an opportunity to try something new, which would not work in the national context. Often it is the only source of funding for cross-border cooperation projects.

Although in a lot of cases the actual cooperation comes to an end once the Interreg project has finished, these pilot projects prove to be the precursor of other cooperation projects and in some cases to a sustainable cooperation strategy (e.g. Bodensee, Baltfood/Beltfood, EURO-ACE,...).

2.3.6 Links between AGRI and FOOD are limited

Although a lot of cooperation projects in the inventory aim at vertical cooperation within the value chain, the actual linking of farmers with the processing industry was rarely the objective or starting point of cooperation initiatives. Projects target mostly industrial (food) processors OR agricultural actors, not both at the same time. Agriculturally oriented projects/cooperation structures mostly support producers of local traditional/artisanal food products in their small-scale processing at the farm and/or they try to connect these producers (farmers or food industry) directly with the consumers (through fairs, events, festivals, rural tourism,...). However, the linking of farmers with the processing industry was rarely the objective or starting point of the cooperation. Projects mostly target in first place either industrial food processors OR traditional producing actors, not both at the same time.

This seems to be mutually reinforcing process, as the links between agriculture and actual food industry are not as strong as they may seem, and actors operate in very different spheres with diverging interests and challenges, also reflected in the different policy frameworks in place for rural development, regional development and innovation.

The policy framework with the EARDP separated from the ERDF supported cross-border/interregional cooperation puts for instance certain constraints to the support given to the agricultural sector for cross-border cooperation. E.g. in Flanders, supporting farmers with EFRD resources is challenging because administrations/politicians refer to the EAFRD as the funding source for farmers.

The new Smart Specialisation platform for Agro-food, and the links it established to for instance EIP-Agri, could help to bring both communities closer together, and allow for more integrated and coordinated approaches for joint efforts and investments to strengthen the agro-food sector as whole, from agricultural production to industrial food processing and distribution.

2.3.7 Strategic management and monitoring lacking

The articulation of a complete strategy document with strategic and operational objectives for the long term agro-food interregional cooperation, which serves as a framework for the funds available for agro-food related projects, is not very common in the studied cooperation structures. Also a monitoring and evaluation

system with indicators on each strategic level is not often seen in the cooperation structures in the inventory.

However, this was the ambition of the 2 cases to be developed in task 2 of the AGROPOL project: Carinthia-Slovenia and the EURO-ACE region, as well as the Dutch-German Agrofood Cluster initiative.

We are convinced that such a framework will contribute to better structuring and targeting of the cooperation activities. However, we would like to 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. We aim to avoid high-level theoretical frameworks and administrative burden for the stakeholders that want to become actively involved the strategy and its subsequent activities.

2.3.8 Role of regional authorities

The role of regional authorities in the cooperation structures/projects is ambiguous.

The cases proved that institutional and cultural cooperation often serve as the first steps to obtain an economic cooperation. Establishing a sustainable economic cooperation seems much more difficult than an institutional or cultural cooperation in a specific and limited cross-border space. Economic cooperation needs much more far-reaching spaces and often a flexible geometry⁶. Regional authorities and politicians are thus crucial actors in establishing an institutional and cultural cooperation as a pre-condition for economic cooperation. This is also one of the reasons why cross-border cooperation between adjacent regions allows for more intense cooperation with a stronger overall economic dimension.

Furthermore to stimulate the connection between research and businesses to foster innovation in the agro-food sector (through interregional cooperation), public regional authorities are indispensable.

On the other hand, public authorities are certainly not always the driving force behind the cooperation initiatives, and sometimes do not have anything to with it at all. In fact, more often it is semi-public intermediary organisation in the sector that initiate and drive the cooperation, and are also in a much better position than public actors, as they know the sector much better.

In the case Taste 2 Seas, it was even mentioned that the fact that the public authorities were project partners was sometimes seen as a bottleneck for the development of joint distribution network for Flemish and Dutch farmers at both sides of the border. The public authorities imposed (administrative) restrictions and wanted to promote their own region, whereas the entrepreneurs often care less about the "regional ownership".

Furthermore, numerous (successful) cooperation structures exist between (commercial) actors, without any public intervention. The managers of food industry companies we interviewed told us that public interference to actively connect individual actors along the value chain or to connect food industry actors

⁶ Petra Hössl, Karen Ziener (2006) Grenzüberschreitende Wirtschaftskooperationen zwischen Slowenen in Kärnten und Slowenien –Ergebnisse einer qualitativen Untersuchung, <http://www.geographische-revue.de/archiv/gr1-06.pdf>

is not necessary and would not be effective, as they use their own established networks for this. Also different cross-border farmer cooperatives seem to be successful without public interference:

- ▶ ARLA Foods, a dairy cooperative of Danish and Swedish farmers which now unites 12.700 farmers from Denmark, Sweden, UK, Belgium, Luxembourg, the Netherlands and Germany
- ▶ Campina, another dairy cooperative of farmers in the Netherlands, Belgium and Germany
- ▶

However, the establishment of such farmers' cooperatives can publicly be supported in the initial stage (like e.g. the farmers consortium within the MED-Laine project).

2.3.9 Active involvement of entrepreneurs is challenging

Although most cooperation structures/projects in the inventory intend to involve entrepreneurs or to be even entrepreneur-driven, the cases showed that an active involvement of entrepreneurs takes a lot of effort from the project promoters/partners.

Mentioned reason for the fairly low involvement of entrepreneurs were:

- ▶ The real benefit of cooperation for the entrepreneurs was not clear and visible enough: besides mutual learning also the generated economic effects in terms of increased turn-over, value-added, income and employment should be made clear and visible.
- ▶ Strong competition in the food industry and between farmers (especially if they offer farm tourism) which hinders cross-border collaboration
- ▶ Farmers/food industry use the (strong) regional umbrella brand, so there is no interest for a cross-border/interregional label/marketing
- ▶ Practical problems hindering the participation: too much work on the farm/business to be involved

3/ Task 2: Strategy development for the cross-border regional co-operation

3.1 Aim and process

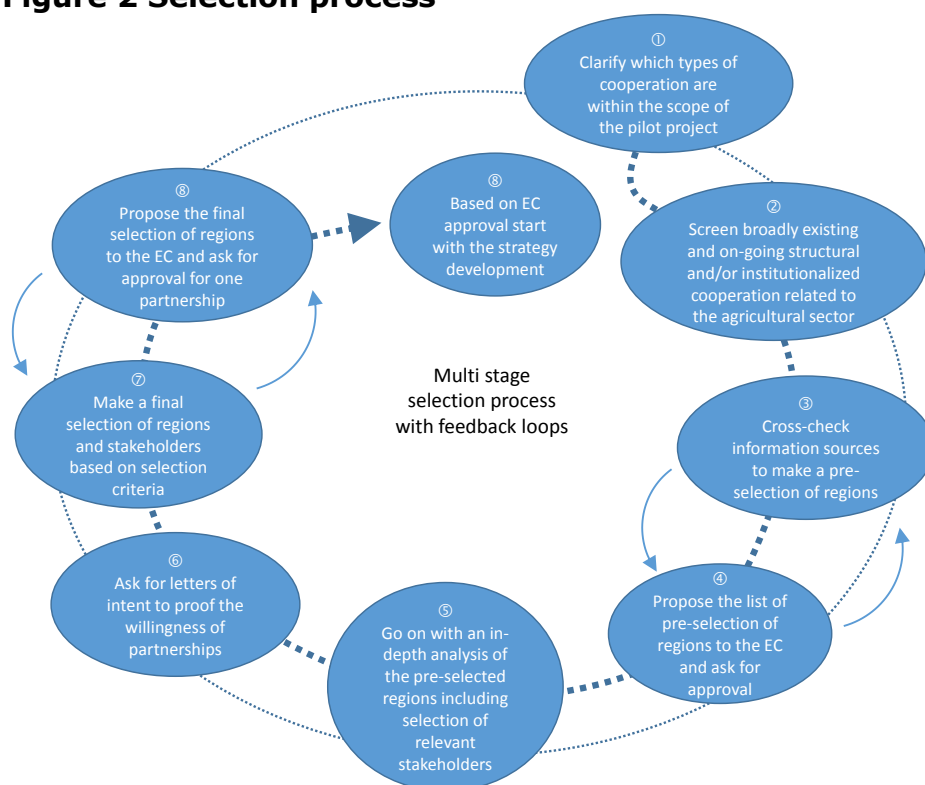
The objective of Task 2 is to develop a strategy for the cross-border regional co-operation in the agricultural sector that involves at least two regions from different Member States – adjacent or in another way linked with each other. The strategy includes: the objectives, scope, participants, and implementation plan and a timetable of actions. The development of the strategy for cross-border cooperation consisted of three main steps.

First we elaborated a structured approach and process for the development of the strategy. Secondly, we identified a number of potential cross-border regions that could be candidates for the development of the strategy and, following a process of analysis and contacts with the regions, decided on two regions instead of the one required by the ToR. The reason was that the two regions had a lot of potential in terms of existing, institutionalised cooperation structures, willingness to engage in such a process proofed by a letter of intent, option to address the entire value chain in the cooperation, and potential to develop something new with added value for the regions. The regions were found to be quite complementary with one in south-western Europe (EUROACE between Spain and Portugal) and the other in central-eastern Europe (Austria (Kärnten)/Slovenia). Further distinguishing features are:

- ▶ Agricultural focus vs regional, industrial & research focus
- ▶ Different geographic circumstances
- ▶ Relatively advanced rural region vs region lagging behind in European context

A further reason was that if one of the strategies were to fail somewhere down the line for whatever reason, the contract can still be fulfilled. Given the reliance of the AGROPOL project on political will and availability of human and financial resources, this is an important consideration.

This selection process is described in the figure below.

Figure 2 Selection process

Source: Consortium

The third step comprised the elaboration of the two cross-border cooperation strategies, which included a series of sub-steps, namely, the production of a SWOT analysis based on the assessment of needs and challenges in the cross-border regions, the elaboration of strategic priorities, the development of action plans for the implementation of the strategy, a communication approach and a monitoring and evaluation framework.

3.2 Strategy development in Carinthia-Slovenia

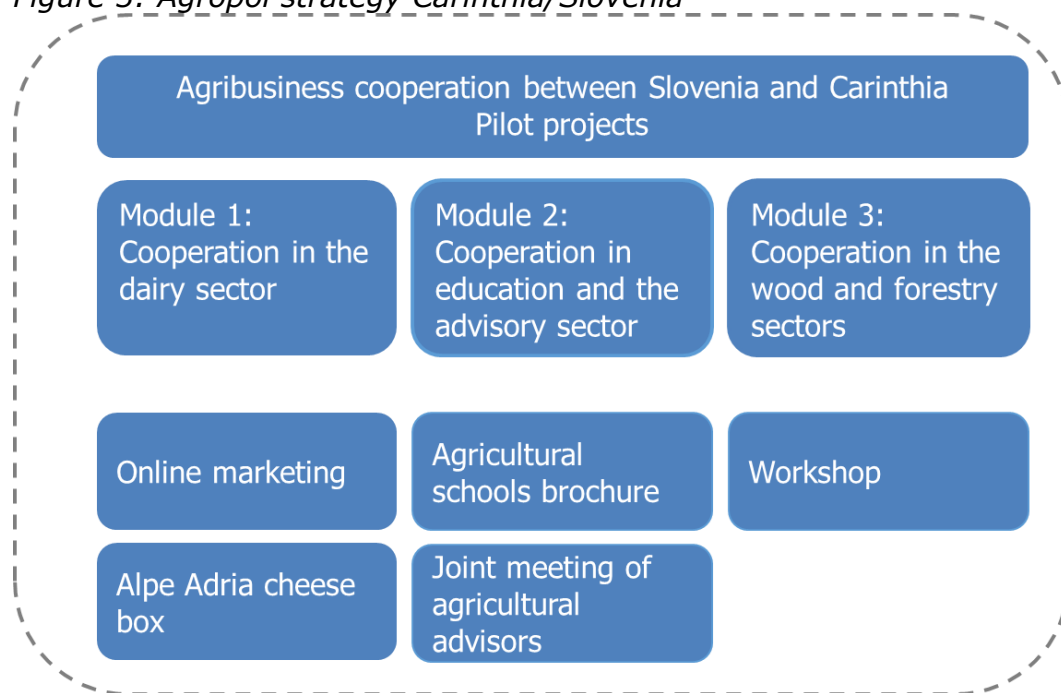
3.2.1 Synopsis of activities in the framework of Carinthia-Slovenia

In **Carinthia - Slovenia** the strategy agreed during the first meeting is structured in three modules:

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

These fields were considered by the participants to be the most relevant to be developed in the framework of AGROPOL.

Figure 3: Agropol strategy Carinthia/Slovenia



The tables below give an overview of the activities performed in the framework of cross-border agribusiness model region Carinthia-Slovenia, divided according to the three modules.

Table 3: Timetable of activities within strategy development of the Cooperation in dairy sector

Milestone	date, location
Cross-border workshop with dairies from Carinthia and Slovenia, governments and interest groups (chamber of commerce, chamber of agriculture)	23.09.16, Chamber of agriculture and forestry, Ljubljana
Cross-border workshop with dairies from Carinthia and Slovenia, governments and interest groups	11.11.16, Kärntnermilch, Spittal/Drau
Internal workshop with Kärntnermilch re online-shop	03.03.17, Kärntnermilch, Spittal/Drau
Meeting with Mlekarna Celeia	16.03.17, Mlekarna Celeia, Arja vas
Cross-border dairy visit and workshop	21.03.17, Mlekarna Planika d.o.o., Kobarid, Slovenia
Cross-border dairy workshop (composition of thematic boxes)	13.06.17, Ljubljana, Slovenia
Cross-border dairy workshop (branding of Alpe-Adria cheese box)	12.09.17, Mlekarna Celeia, Petrovče, Slovenia
Cross-border dairy workshop (re-start with 2 cooperation partners)	18.01.18, Kärntnermilch, Spittal/Drau
Reflection meeting of the steering group (progress in the pilot projects)	23.01.18, Klagenfurt (Carinthia)
Cross-border dairy workshop (design and content of the Alpe-Adria cheese box)	17.03.18, Mlekarna Krepko, Logatec
Finalisation of the Alpe-Adria cheese box	March to May 2018

Table 4: Timetable of activities within the education and advisory sectors between Carinthia and Slovenia

Activity	date, location
Cross-border education and advisory workshop	13.01.17 Schloss Krastowitz, Klagenfurt, Carinthia
Cross-border follow-up workshop on education and advisory	30.03.17, KISNET, Tainach, Carinthia
Participation of Austrian agricultural advisors at the yearly symposium in Slovenia	20. & 21.11.17, Laško, Savinja Valley, Slovenia
Education brochure featuring agricultural schools and educational organisations on both sides of the border	September 2017 to May 2018

Table 5: Timetable of activities within the wood and forestry sectors between Carinthia and Slovenia

Activity	Period/date, location
Cross-border workshop on wood and forestry	21.04.17, FAST Ossiach, Carinthia
Follow-up phone calls concerning the setting up of a pro-wood association in Slovenia (unsuccessful).	

3.2.2 Engaging stakeholders in the process

From the beginning, the AGROPOL project team for Carinthia/Slovenia (Andreas Resch and Julija Marošek) worked very closely with representatives in Carinthia and Slovenia. These are:

- ▶ Kmetijsko gozdarska zbornica Slovenije
- ▶ Ministrstvo za kmetijstvo, gozdarstvo in prehrano
- ▶ Landwirtschaftskammer Kärnten
- ▶ Land Kärnten

Numerous telephone calls and a pre-meetings were arranged before the official kick-off meeting was convened on 10th June 2016. The participants welcomed the initiative to rekindle the existing cooperation and all confirmed their interest in participating in AGROPOL for the development of the cross-border strategy. All subsequent steps were agreed with the Chambers of Agriculture of Carinthia and Slovenia and with the Carinthian and the Slovenian Governments.

After the meeting, relevant actors in all these fields were contacted in order to a) to ensure the strategy is on a firm and realistic footing b) develop the pilot project in the dairy sector, and c) to organise workshops in all three fields on existing and future cooperation opportunities. It was extremely time-consuming getting people on board (people did not phone back, were never available for an interview etc.) but now that the project is running, stakeholders are more motivated. This shows that a lot of effort and commitment on the part of the project partners is needed at the beginning of such a process.

3.2.3 Summary of the strategy

3.2.3.1 Analysis of the situation

The main strategic focus is on the dairy sector, which has the most elaborated objectives and action lines. Once the stakeholders had decided to focus on this sector, a SWOT analysis was carried out.

The milk production sector is of very high significance for the mountainous areas on both sides of the border and the natural preconditions for agricultural activities are very similar. Because of the natural conditions, the mountainous areas allow only low input and output farming and are not capable of competing in terms of volume with more favourable areas. Through the liberalisation of the market and the large price variability in the dairy sector, the milk producers are under enormous pressure. The competitive position and the challenges facing the dairy sector in the next 5 to 10 years as well as potential activities to face the

challenges were the subject of the SWOT analysis. The SWOT is summed up briefly below.

Table 6: SWOT Analysis Dairy Sector

Strengths
Around 70% of the raw milk in the cross-border region is produced in mountainous areas and is of a very high quality.
There are still local and regional dairies in Slovenia and Carinthia, which are sometimes organised as cooperatives and are either in the possession of the farmers or the cooperatives. Cooperatives can pay the farmers a higher price for their milk.
Weaknesses
Strong fluctuation of the milk price.
The low retail milk price leads to the destruction of the value of the product.
The dairy sector is undergoing structural change and there are fewer and fewer milk suppliers. To secure milk production in the region, sufficient incomes for producers is necessary
More and more farmers of smallholdings in the mountainous areas are giving up and there are too few young farmers in the mountainous areas.
There are few agricultural alternatives to milk production in the mountainous areas.
The logistics for the milk delivery are expensive and are a disadvantage for the production in the mountainous areas compared to the lowlands.
The amount of milk produced at regional level is not regulated making it difficult to stabilise the prices.
Opportunities
Communicating the excellent quality of the milk from the mountainous areas and the contribution of locally produced dairy products to a healthy diet to the consumers better may result in being able to ask for higher prices and higher revenues for the farmers.
Securing and stimulating regional and local markets.
More product innovation including more organic products and haymilk products. The diversification of dairy products.
The extension of the outlet markets for quality products and specialities.
Increasing competencies for producing quality products. Improving the advisory services to the dairy farms.
Development and improvement of quality assurance and certification systems.
Building trust and exchange of information between Slovene and Austrian actors and enterprises.
Developing an improved link to the tourism sector and to public bodies (schools etc.) in order to push local products.
Threats
Global mass-produced products are increasingly coming onto the market and

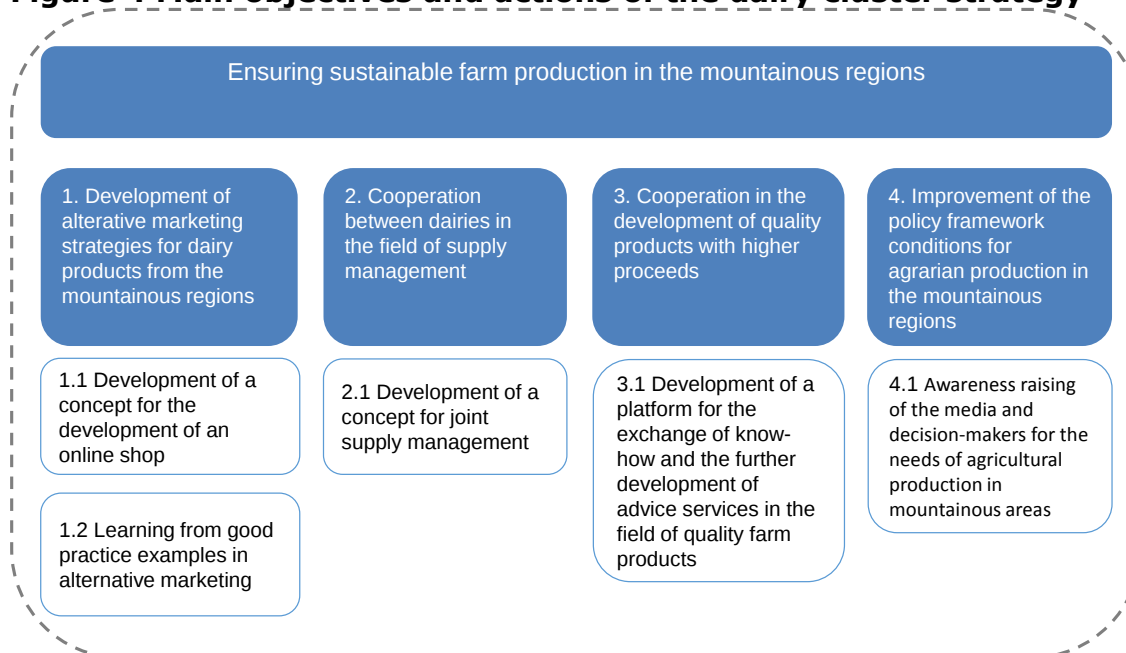
squeezing out local produce.

Having to lower the production costs of the dairy farms in order to remain competitive (to 25 cents according to the Milchforum in Berlin).

3.2.3.2 The main objectives and actions of the strategy

The main objectives and actions of the strategy focus on the dairy sector at this stage and are summarised in the figure below.

Figure 4 Main objectives and actions of the dairy cluster strategy



Source: Consortium

Each of the main objectives is developed in the strategy document for Carinthia/Slovenia. Here we briefly summarise the rationale and the main actions foreseen.

1. Development of alternative marketing strategies for dairy products from the mountainous regions

Rationale:

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 and the idea would be to be able to raise the price through direct marketing and raising awareness for the high quality of the mountain product.

Actions:

1.1 Development of a concept for the development of an online shop

1.2 Learning from good practice examples in alternative marketing

2. Cooperation between dairies in the field of supply management

Rationale:

Sourcing raw materials and supplies can benefit from pooling resources with other dairies, for example in the field of packaging or buying ingredients. Dairies can compare conditions and prices or, which is probably more promising in terms of lowering costs, they can do joint procurement.

Actions:

2.1 Development of a concept for joint supply management

3. Cooperation in the development of quality products with higher proceeds

Rationale:

Mountain milk is of a very high quality. This message needs to be got across if higher prices are to be obtained. A quality framework with criteria, e.g. less chemical processing, and a certification system for high quality milk need to be set up.

Actions:

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

4. Improvement of the agricultural policy framework conditions for agricultural production in the mountainous regions

Rationale:

Farmers play an important role in maintaining the cultural landscape and not only in producing food. This is particularly important in mountainous areas. Specific support is needed in order to maintain the mountain farms, e.g. better publicity and awareness raising, cooperation in the formulation of rural development programmes, development of support systems for the maintenance of smallholdings and the farming of mountain meadows and pastures.

Actions:

4.1 Awareness raising of the media and decision-makers for the needs of agricultural production in mountainous areas

3.3 Strategy development in EUROACE

3.3.1 Synopsis of activities

The table below gives an overview of the activities performed in the framework of cross-border agribusiness model region EUROACE, covering the regions of Extremadura in Spain and Alentejo and Centro in Portugal.

Table 7: Timetable of activities within strategy development of the Agrofood Cooperation EUROACE

Activity	Period/date (where relevant also location)
Preparatory desk and fieldwork to the identification and selection of the model region	April-May 2016
First contact and identification of potential for the development of a cross-border cooperation strategy	27-28 April 2016, Badajoz (Spain)
Kick off meeting	13 June 2016, Coimbra (Portugal)
Analysis of the situation and cooperation potential in the cross-border area through the expert team: interviews with key actors and review of documentation	June-July 2016
Coordination meeting of IDEA and Metis experts (Vienna) to exchange development approaches in EUROACE and Carinthia-Slovenia	18 July 2016
Preparation of the next workshop of the core working group	July-September 2016
Working group meeting	19 September 2016, Evora (Portugal)
Working group meeting	24 October 2016, Badajoz (Spain)
Working group meeting and stakeholders workshop	15 November 2016, Evora (Portugal)
Working group meeting	13 December 2016, Coimbra (Portugal)
1 st stakeholders meeting	6 February 2017, Centro region (Portugal)

3.3.2 Engaging stakeholders in the process

Key stakeholders in the development of a cross border strategy for regional development based on agri-food are the representatives of the three regions, namely:

- ▶ FUNDECYT-PCTEX in Extremadura
- ▶ Comissão de Coordenação e Desenvolvimento Regional do Centro (CCDR-R)
- ▶ Comissão de Coordenação e Desenvolvimento Regional do Alentejo (CCDR-A)

The AGROPOL experts (Marili Parissaki, Rein Dessers and Isabel Naylor) worked closely together with these stakeholders from the beginning of the project. The

first contact was established prior to the AGROPOL strategy development in an EU level conference⁷ organised by ERIAFF in Badajoz (Spain) where the EUROACE key stakeholders were present. These three stakeholders and the AGROPOL experts formed the **Core team** of the AGROPOL project.

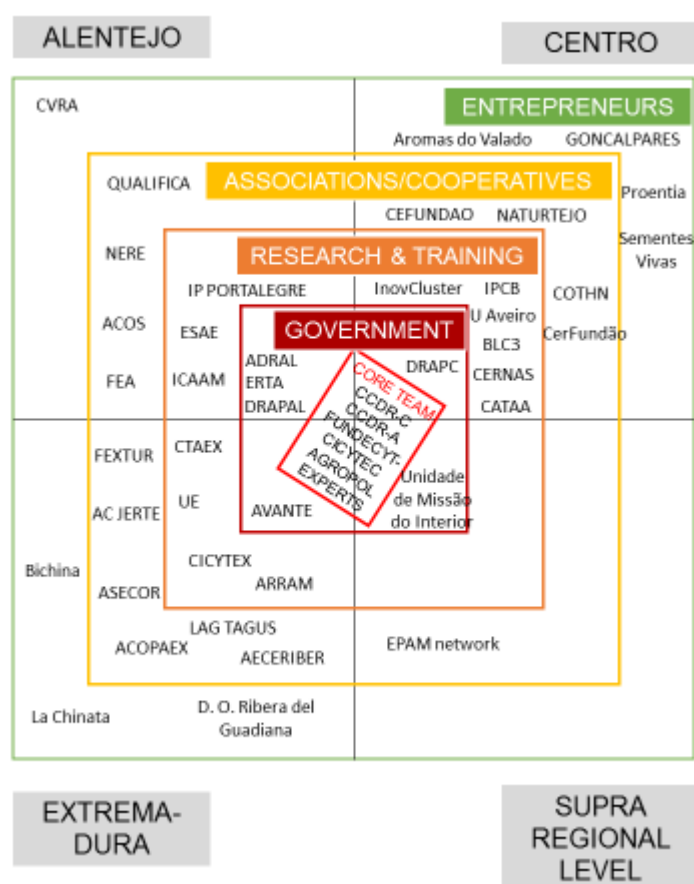
Participation and engagement of these key stakeholders has been high since the beginning of the project, mainly due to: a) their existing cooperation experience which has contributed to the development of professional and personal relationships, and b) their interest in building upon the existing EUORACE 2020 strategy onto something more concrete and focused.

The following figure gives an overview of the actors involved in the development of the EUROACE strategy.

All the monthly working meetings were characterised by the active involvement of the core team members from the three regions in the following ways:

- ▶ Organisation and hosting the meetings, each time in a different city/region, including the large scale meeting with various stakeholders of the three regions. So far, all core team members have participated in all the meetings.
- ▶ Provision of contacts of key stakeholders who were interviewed.
- ▶ Provision of continuous input into the conceptual framework and elaboration of the content of the strategy.

Figure 5. Main stakeholders in the Euro-ACE Strategy



⁷ ERAFF 2016 Conference – Agriculture, water and climate change present & future challenges for EU regions, 27-28 April.

3.3.3 Summary of the strategy

3.3.3.1 SWOT analysis

Although agriculture does not represent a majority weight in total economic activity of EUROACE, agriculture, animal breeding, forestry and related industries are still strategic for this territory and it offers great potential for endogenous growth. The territory offers extremely favourable conditions for producing wine, olive oil and cereals, livestock and cork.

As a result of the interviews and extensive documentary analysis, a SWOT analysis of the agri-food sector with a view to cooperation, reveals the following aspects:

Table 8: SWOT analysis of the agri-food sector in the EUROACE region

Strengths	Weaknesses
• Landscape, soil and climate conditions for strategic sectors (viticulture, olive oil, fruit and horticulture, cork oak forests, meat & cheese, forestry) • existence of traditional and emerging clusters with growth potential in the agri-food sector • well-established cross-border relations between EUROACE stakeholders • well-developed cooperative structure (especially in Spain) for commercialisation (and other services) to primary producers (olive oil, wine, horticulture and fruit) • existing research and technology facilities for the agri-food sector	• low productivity of agriculture • agricultural sector with heavy reliance on Community payments and grants • lack of processing agri-food industries; only first level processing takes place • a weak link between the research and technology system and agri-food businesses • limited cooperation culture at the enterprise level • predominance of very small and small and medium enterprises with limited capacities (human and financial resources) to engage into cooperation • limited capacity of enterprises to incorporate new knowledge
Opportunities	Threats
• growing demand for safe, high-quality foods • successful CBC cooperation (and internationalisation) examples in the cork sector and (more recently) in aromatic and medicinal herbs sector • Recent policy support for circular economy: huge potential to valorise by-products and “waste” that is currently not used. • Irrigation opportunities offered by the Alqueva dam • increasing evidence of small private initiatives to scale up businesses and cooperate along the value chain (especially in the aromatic herbs and spices sub-sector)	• depopulation / progressive abandonment of the countryside and agri-food sector • climate change threats, especially in relation to water supply and adaptation to extreme climate conditions • Differences in administrative processes, legislation, funds and administrative structures in the 3 regions

In addition to the overall SWOT for the agri-food sector, an analysis of sub-sectors was also carried out in order to focus the cross-border cooperation strategy further. The stakeholders decided that here was most potential for capturing added value through cooperation in the **fruit & horticulture sector**:

- ▶ strong potential for growth
- ▶ social benefits as it affects mainly small producers
- ▶ supportive climate and natural conditions

- ▶ potential in cooperation in research & innovation (new techniques and varieties)

3.3.3.2 Needs assessment

Based on the SWOT analysis three categories of overall needs were identified:

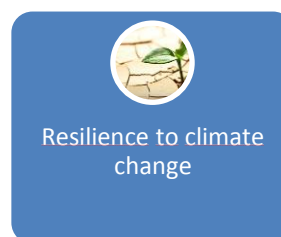
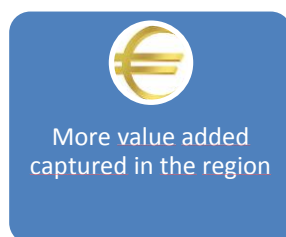
- ▶ Make the agri-food sector economically sustainable, which in turn includes more specific needs, namely: a) integrate processing in the cross-border regions, i.e. invest more in further stages of processing and keep most of the value chain within the border regions; b) promote internationalisation, by making the agri-food sector more outward looking, i.e. keeping the value within the cross-border region and selling products to external markets; c) increase the transfer of knowledge from the product perspective by introducing innovation into the value chain and from the producer/entrepreneur perspective by building their capacity to incorporate knowledge; d) improve processes, i.e. transport and logistics; and e) promote diversification, e.g. towards tourism.
- ▶ Make the agri-food sector resilient to climate change, e.g. through irrigation/water efficiency and pest control.
- ▶ Address depopulation to reverse the negative effects on the environment and to increase attractiveness and retain young people in rural areas of EUROACE.

The AGROPOL cross-border strategy aims to address all these needs, except the need to promote internationalisation. The rationale for this is that a cross-border policy intervention may not be efficient to stimulate the internationalisation of businesses. The issues of internationalisation are probably more efficiently covered by the regional policies. The exception to this is the aromatic and medicinal herbs sector where a joint policy intervention stimulating joint internationalisation would probably be beneficial.

3.3.3.3 Overall objectives of the strategy, timeframe and sectoral scope

Stemming from the SWOT and identified needs, the central aim of the cross-border cooperation strategy is twofold:

- ▶ to capture **more value added** in the EUROACE area and to promote the global competitiveness of the socioeconomic fabric linked to the agri-food sector;
- ▶ to make the agri-food sector **resilient to climate change**



By raising the competitiveness of the agri-food sector, depopulation will also be addressed, although this topic is out of the scope of this limited AGROPOL strategy.

The strategy will cover the period 2016-2023.

The sectoral focus of the strategy is the fruit and horticulture sector as it seems to offer more opportunities for cross-border cooperation and presents no identified limitations. It is notable that cooperation in this sector can bring a combination of economic, social and environmental benefits.

3.3.3.4 Specific objectives of the strategy

The core team deliberately chose to have a limited number of objectives, namely those which are realistic and for which a joint, cross-border approach is necessary and/or more efficient compared to the regional policy of the 3 regions separately. Innovation is the key approach for this cooperation strategy because it is deemed essential to economic development and it needs collaboration in an open environment. Cross-border cooperation opens up opportunities for the local entrepreneurs to cooperate with the knowledge institutions and other entrepreneurs in the whole EUROACE area.

Objective 1: More knowledge transfer to small and medium sized entrepreneurs

To stay competitive and resilient the agri-food-forestry sector should rely more on existing knowledge and research to innovate the production & processing techniques (e.g. more energy and/or water efficient), products (e.g. new products, higher quality products, ...), packaging (e.g. smart packaging), marketing and promotion, logistics & storage and distribution.

Objective 2: More economic activities that create a high value added

More activities to be stimulated encompass innovative business development combining actors of different regions. They include inter alia:

- ▶ Development of processing, especially the second stage of processing;
- ▶ Appreciate the indigenous assets and brand them accordingly;
- ▶ Develop cross-border links between producers and processors so that, for example, products can be produced in one region and processed in the other, always within EUROACE;
- ▶ Promote super-foods (probiotic food, medicinal use of food, health benefits of food);
- ▶ Stimulate the circular economy, e.g. making use of by- and “waste” products of the agri-food-forestry activities as inputs into other food products, animal feed, fertilizers, cosmetics, medicaments, bio-plastics, bio-energy, etc.
- ▶ Establish (joint) certification centres and exchange of experience/approaches on certification of fruit and horticulture products

3.3.3.5 Implementation principles of the strategy

To focus the strategy even more, a number of implementation principles have been identified. These are important prerequisites for the successful implementation of the actions in the context of the strategy.

- ▶ Focus on **cross-sectoral links** (e.g. agri-food with health, with cosmetics, energy, tourism, etc.) because that is where innovation and new markets are more likely to arise.
- ▶ Focus on specific **endogenous resources** and strengths of the EUROACE region.
- ▶ Take into account **societal trends**: e.g. ageing population and demand for agri-food products with health benefits (probiotic food, therapeutic and “wellness” use of agricultural and forestry products, agri-food waste processed in food supplements, etc.)

- ▶ Empower **young entrepreneurs**: There are increasingly more young entrepreneurs who think differently and are not cemented in the low associative culture of the past, who learn quickly and have a more cooperative mind-set.
- ▶ At the same time, rely on more experienced entrepreneurs who speak languages, are well prepared technically and are more 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 and to catalyse the involvement of others.
- ▶ **Build the capacities of entrepreneurs**. Entrepreneurs need to become better prepared to receive and apply new knowledge produced (e.g. transferring existing research into their practices, using new techniques, etc.). Capacity building can encompass also the benefits of cooperation, for instance, farmers know how to produce but do not know how to enter new markets; better organisation / cooperation can help them enter new markets.
- ▶ Empower **micro and small enterprises** rather than big settled companies, in order to stimulate an equitably distributed economic growth.

3.4 *Lessons and conclusions*

3.4.1 Lessons from the processes in the two pilot regions

- ▶ External coordination helps 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.
 - The AGROPOL-process pushed the co-ordination of the RIS3 policies in EUROACE to a higher level. The three regions intended to co-ordinate their RIS3-strategies but felt stuck at some point.
 - 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 in their agenda in the first place. 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 and discuss.
 - For the pilot regions, 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 it is the consultants who propose things. The independence of the external consultants also makes it easier for them to contact hitherto non-involved partners (e.g. the research institutes in Carinthia).
- ▶ Regular meetings proved to have a positive impact on the development of the strategy. There was never any time for the process to “fall asleep” although partners sometimes complained of being under time pressure. The meetings took place on almost the same dates in both strategies. The same

people attended most of the meetings in both cross-border regions, with the consultant bringing in the input and views from other actors. This consistency helped build familiarity and trust and contributed to make meetings more productive in view of the always tight agenda. It also helped the process as one could pick up where one left off at each meeting.

- ▶ Transparency in the work carried out and regular checks on whether “the client” was in agreement with the process and results lead to the strategies being accepted with few disagreements.
- ▶ The fact that there was no extra budget for the strategy made it necessary to opt for a very targeted strategy with a limited number of objectives. It has proven possible to enhance cooperation without significant additional funding except for the consultants and interpretation.
- ▶ A further aspect of there being no additional project funding was that this allowed greater freedom in developing ideas. The stakeholders were encouraged to think of what would be most useful for the region rather than what would fit into the funding schemes available.
- ▶ While language was not an issue in Spain and Portugal as the participants from both sides of the border understand each other, simultaneous interpretation was a positive aspect of the process in Carinthia/Slovenia. Rather than working in English as a common language, the working languages are Slovene and German and these are respected in the strategy as well. Thus everybody is able to participate fully.
- ▶ The external coordination offered by the consultants has complemented the already close and active cooperation between the partner regions. In EUROACE, this external coordination was used to support the partners develop a project proposal for future funding under the cross-border cooperation programme Spain-Portugal (POCTEP). The project proposal builds on the AGROPOL cross-border cooperation strategy and expands the pilot project. In this way, the consultants may gradually withdraw and leave the three regions to continue running AGROPOL inspired projects. This is realistic given that consultants have acted as facilitators of a process that can survive on the basis of strong cross-border links and experience in cooperation. Similarly, it is expected that the AGROPOL support will be able to be gradually withdrawn once the strategy is finalised and the pilot project carried out. The AGROPOL support came at a propitious time when the cross-border cooperation needed new inputs and renewed efforts but, basically, already existed and has good chances of continuing to exist.

3.4.2 Lessons relating to cross-border cooperation and the Agri-food sector

- ▶ In both Carinthia-Slovenia and Euro-ACE, actors that are 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, innovation in marketing). Also in EUROACE all partners acknowledge that they can gain more from cooperation and this has helped them in articulating quickly and efficiently a strategic document that frames their common strengths and weaknesses and identifies strategic priorities that benefit all three regions.
- ▶ Integrating knowledge transfer and innovation into the agri-food sector is more difficult than in other sectors. In their RIS3 strategies the EURO-ACE

regions therefore deliberately chose to focus (amongst others) on innovation in the agri-food sector. In a Euroregion like EUROACE, which is peripheral and highly dependent on the State, innovation is essential to economic development. But innovation does not work in closed environments: the CBC opens up the opportunities for the local entrepreneurs to cooperate with the knowledge institutions and other entrepreneurs in the whole EURO-ACE area.

- ▶ There are still many obstacles for entrepreneurs to collaborate with partners (other entrepreneurs, distributors, research institutes,...) from another region. Setting up joint (cross-border) cooperation/business models seems more difficult in the agri-food sector (compared to other sectors), possibly because of the many small (micro) entrepreneurs and the lack of cooperation mentality. This is why 'niche' sectors and young entrepreneurs should be sought where a win-win situation can arise from cooperation (e.g. the aromatic herbs sector, or 'super-quality milk'). Sources of funding are also not always amenable to cross-border cooperation.
- ▶ The strategy development process was very smooth in both cross-border regions. This can be attributed to the fact that the strategic actors already knew each other on account of the existing strategies in both regions. The long-standing cooperation in the EURO-ACE Euroregion and between the Carinthian and Slovene Chambers of agriculture and governments was one of the main success factors. Partners have known each other for years, even on a personal basis and this is a great asset for sustainable cooperation. The lesson to be drawn is that established cooperation structures provide a firm basis for new projects without the need for lengthy discussion processes and allow the strategic involvement of new partners depending on the sector of interest.

3.4.3 Comparison between the two processes in both regions

There are some interesting differences between the two regions, and the processes they went through in the strategy development. The fact we're able to work on the Agropol strategies in two different cross-border regions really does provide mutual learning experiences for the teams in both regions, as well as additional insights that were useful in the development of the blueprint/model. We list a few of them:

- ▶ First of all, the different stages of cooperation intensity in both region affected the process. Whereas EURO-ACE is an established and to large extent institutionalised cooperation managed by the regional administrations, with specific HR available for it, the SLO-CAR cooperation is a project-based cooperation between the two chambers of agriculture, each linking further to their network. In both cases the existing cooperation formed a good basis for specific elaboration of the strategy and finding those domains where AGROPOL can add value through focus and specialisation.

The strong involvement of regional administrations in EURO-ACE facilitates the process on a general strategic level, as well as figuring out its governance and funding possibilities. However, its institutionalisation 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 network and framework (e.g. the relations with research institutes).

- ▶ Furthermore, the focus of both cooperations and their perspective towards agri-food was very different. In EURO-ACE the framework for cooperation has

in first place an industrial orientation, working to strengthen the competitiveness/productivity of the food producing and processing sector. With departments of regional economic development involved in the cooperation, the strategy discussions had a strong (smart specialisation oriented) focus on research and technological innovation. Basic agricultural production and the link it has to the wider agri-food sector was not a prominent part of this.

In Slovenia-Carinthia it was the other way around. The existing cooperation was set-up and built around the chambers of agriculture in both regions, and thus had strong agricultural focus, aiming to improve direct marketing, set-up short supply chains etc. The industrial perspective was lacking here. This counts also for the dairy sector, where competition is extremely high, and some dominant industrial players are active.

The challenge in both processes is to balance and unite both the industrial and agricultural perspective into something that is mutually beneficial in both regions, will protect local agricultural production systems, and increase competitiveness of the agri-food sector. The RIS3 does not automatically provide the most effective reasoning framework for the development rural regions, and integrated economic strategies in such regions need to be adapted according to the specific circumstances and challenges rural regions have to deal with. On the other hand, the Agropol experience has demonstrated to us that rural economies can substantially contribute to overall European competitiveness, although they are not technologically advanced urban regions, and that cross-border cooperation can unlock this potential.

- ▶ One of the main differences in the existing infrastructure between the two regions is the existence of a research sector (universities, laboratories,...) in the Agrofood field in the EUROACE region. While Carinthia and Slovenia both have universities, the University of Klagenfurt does not have an institute for agricultural studies. This actually only exists in Vienna (and Ljubljana). There are private research institutes on both sides of the border but these have not been involved in the cooperation so far. In the framework of AGROPOL, they have been contacted and are open to cooperation in future, perhaps in the framework of an EIP.

The EURO-ACE cooperation, being already oriented towards (technological) innovation, did involve the main relevant research institutes in the process.

4/ Task 3: Pilot projects in the cross border cooperation strategy

4.1 Aim and process

The aim of task 3 was to operationalize a pilot project for each of the cross-border strategies, to be implemented under assistance of the project team. The experiences and lessons generated from these projects have fed into the blueprint/model for cross-border cooperation in the field of agriculture (Task 4).

The cross-border cooperation strategies outline the potential and opportunities to set-up concrete actions and projects that contribute to the defined strategic objectives. The selected pilot project in each cross-border region aimed to provide the first steps to realizing this, to contribute to the strengthening of the cross-regional agro-food sector.

Within Task 3, the project team provided a broad support framework for the set-up and implementation of the project. The team members involved in the strategy development in both pilot regions worked intensively with the local stakeholders to directly support and assist the pilot projects in their practical implementation in the cross-border area. Furthermore, where necessary we have called on external experts to provide sound expertise, tools and functions, adapted to the content, structure and objectives of the project (legal, financial,...).

Concretely the project team provided assistance in the following steps and tasks:

- ▶ Step 1: Selection and definition of the projects managed by relevant and motivated regional actors;
- ▶ Step 2: Further project elaboration: objectives and expected results, actions, output and result indicators;
- ▶ Step 3: Budget/financial arrangements;
- ▶ Step 4: Assistance in their implementation, governance, communication;
- ▶ Step 5: Monitoring/control and (evaluative) progress reporting.

In what follows, a description of the implementation of the pilot projects in the two Agropol pilot regions, and the support provided by the Agropol project team are discussed.

4.2 Description of implementation of projects in Carinthia/Slovenia

4.2.1 Selection of the pilot projects

The cross border strategy for Carinthia/Slovenia is focused on three main pillars: the dairy sector, the wood and forestry sector and the education and advisory sector.

The core group (composed of chamber and government actors of both countries) decided to launch pilot projects in all three modules of the cross-border strategy between Carinthia and Slovenia and not to focus just on one stand-alone pilot. The aim was to gain implementation experience in all three areas where a different mix of actors is involved.

Cooperation in the dairy sector and in the wood and forestry sector is based on a significant role of enterprises whereas education and advisory is conducted primarily by public bodies and chambers.

4.2.2 Activities in the dairy sector

The dairy sector is at the centre of the cross-border strategy between Carinthia and Slovenia. The pilot projects in the dairy sector included developing a feasibility study and concept for the online marketing of dairy products and launching an Alpe-Adria cheese box. The rationale for this is that the milk price is subject to fluctuation, which negatively impacts the income of the mountain dairy farmers and threatens their livelihood. The local milk production is of very high quality and the idea would be to be able to raise the price through alternative direct marketing and raising awareness for the high quality of the mountain product.

Alongside the dairy sector, the cross-border strategy also included the education and advisory sectors and the wood and forestry sectors. Activities were also carried out in these sectors. The 5 pilots in the three modules were largely implemented.

- ▶ The two pilot projects in education and advisory were implemented;
- ▶ The two pilots in the dairy sector were mostly implemented (the joint Alpe-Adria cheese box was created and marketing started mid-2018; a comprehensive checklist for the establishment of online shops was developed and a pilot application was implemented in one dairy);
- ▶ The pro-wood platform was not implemented.

The public-sector-related pilots in education and advisory could be implemented without major modifications in the course of 2017 and early 2018. The pilots with an enterprise focus were subject to more changes and could be implemented during 2018. The online-shop got stuck in the exploratory phase and was newly implemented only in one dairy. The highest visibility of cooperation action was achieved in the joint meeting of agricultural advisors and with the joint Alpe-Adria cheese box, which is probably unique in Europe and has a strong symbolic value.

All pilots were supported by Agropol only as no additional sources of funding were identified due to a lack of timely funding opportunities (no suitable Interreg call, no cross border extension of the M16 cooperation measure in the Rural Development Programmes). The activities in each sector are described in detail below.

Milestones to develop the dairy sector pilot project

The table below gives an overview of the milestones performed in the framework of the pilot project in the dairy sector. The activities in the other sectors are summarized below.

Table 9: Timetable of milestones within strategy development of the Agribusiness Cooperation Carinthia-Slovenia

Milestone	date, location
Cross-border workshop with dairies from Carinthia and Slovenia, governments and interest groups (chamber of commerce, chamber of agriculture)	23.09.16, Chamber of agriculture and forestry, Ljubljana
Cross-border workshop with dairies from Carinthia and Slovenia, governments and interest groups	11.11.16, Kärntnermilch, Spittal/Drau
Internal workshop with Kärntnermilch re online-shop	03.03.17, Kärntnermilch, Spittal/Drau
Meeting with Mlekarna Celeia	16.03.17, Mlekarna Celeia, Arja vas
Cross-border dairy visit and workshop	21.03.17, Mlekarna Planika d.o.o., Kobarid, Slovenia
Cross-border dairy workshop (composition of thematic boxes)	13.06.17, Ljubljana, Slovenia
Cross-border dairy workshop (branding of Alpe-Adria cheese box)	12.09.17, Mlekarna Celeia, Petrovče, Slovenia
Cross-border dairy workshop (re-start with 2 cooperation partners)	18.01.18, Kärntnermilch, Spittal/Drau
Reflection meeting of the steering group (progress in the pilot projects)	23.01.18, Klagenfurt (Carinthia)
Cross-border dairy workshop (design and content of the Alpe-Adria cheese box)	17.03.18, Mlekarna Krepko, Logatec
Finalisation of the Alpe-Adria cheese box	March to May 2018

4.2.3 Challenges and lessons learned in implementation

The pilot projects with the four dairies focused to a great extent on “exploratory” action in a flexible but well supported setting. Through this it was possible to bring together new business partners, diffuse know-how and generate and also implement innovative ideas.

- ▶ Bringing together new business partners: as stated by the participants, the dairies had never had the chance before to participate in a cross border exchange project. It was very favourable that government actors and representatives of the chambers participated regularly in the meetings as they have an overriding interest in cooperation and think in terms of the whole cross-border region.
- ▶ Diffusing know-how: the company visits were very welcome. It is essential that potential partners can visit each other to familiarise themselves with a specific context. Krepko brought in its experience in direct marketing, Planika brought in its experiences with unique feature products based on hemp; Kärntnermilch demonstrated its highly developed quality control system of the raw milk. The positive exchanges are also a result of the provision of

professional interpretation by the Agropol expert team. Language issues are important and should not be ignored.

- ▶ Generating innovative ideas: the cross-border cheese box is an innovative product which does not exist anywhere in Europe - as far as the participants from the dairies are aware. The idea of an online shop is common standard in many branches but not in the milk sector which faces severe constraints in the logistics of fresh products.

The crisis situation in autumn of 2017, in which two dairies withdrew from the project, turned out to be very productive in retrospect. With the two remaining forerunner-dairies, the joint product could be finalized in a relatively short time. The two remaining dairies brought a high level of motivation with them that goes beyond pure information exchange. The Agropol team supported the development process through a structured project management approach (following a timeplan, conducting workshops, securing communication and ongoing activities). The design costs for the common brand were covered by Agropol (in total around EUR 7,500), which significantly reduced the financial risk for the small dairies. It was very important to overcome this first financial hurdle. If the entry costs can be covered, the project will – hopefully – run by itself. The other production and marketing costs will be borne by the dairies themselves which expect to profit from the sale of the product.

4.2.4 The activities in the education and advisory sectors

The other pillars of the strategy are also developed. There was a large workshop on the 13th January on the theme of education and advisory with a strong presence of schools from both sides of the border, which already have cross-border exchanges. There is a lot of interest in continuing these exchanges and developing them further to include longer *stages* in each other's countries and a stronger presence at each other's events.

There is also an interest in further developing study visits and excursions for farmers: the Chamber of Agriculture and the cross-border cooperation agency KIS organises up to 10 excursions annually for farmers, in the past up to 25. The purpose of these exchanges is for the farmers to get to know good practices, to become familiar with the countryside and language on the other side of the border, and to establish direct contacts between the farmers. These exchanges were not pursued by Agropol. Agropol supported the exchange between agricultural advisors instead.

The workshops and activities in the education and advisory sectors are summed up in the table below.

Table 10: Timetable of activities within the education and advisory sectors between Carinthia and Slovenia

Activity	date, location
Cross-border education and advisory workshop	13.01.17 Schloss Krastowitz, Klagenfurt, Carinthia
Cross-border follow-up workshop on education and advisory	30.03.17, KISNET, Tainach, Carinthia
Participation of Austrian agricultural advisors at the yearly symposium in Slovenia	20. & 21.11.17, Laško, Savinja Valley, Slovenia
Education brochure featuring agricultural schools and educational organisations on both sides of the border	September 2017 to May 2018

4.2.5 Challenges and lessons learned in implementation

In the field of education, existing cooperation is essentially fuelled by the good personal relationship between the schools and the motivation of the school directors. Both Austrian and Slovene pupils see themselves carrying out their placements in English-speaking countries, as the language is a barrier for pupils who do not speak Slovene or German. However, concrete experience shows that pupils adapt quickly and the placements in Austria and Slovenia go well. It is hoped that the schools brochure will enhance the interest of the pupils in engaging in more cross-border exchanges and placements.

In the agricultural advisory sector, cooperation is welcome and fruitful. Here, the main problem is the language so interpretation services are an important framework condition for cooperation to take place. Agropol provided this service and was thus able to support the cooperation.

4.2.6 Activities in the framework of the wood and forestry sectors

Cooperation in the wood and forestry sectors is not so easy to support as existing cooperation is mainly in the private sector with firms doing business together. A workshop was organised in April 2017 which allowed a first exchange of ideas. No follow-up activities have yet taken place.

Table 11: Timetable of activities within the wood and forestry sectors between Carinthia and Slovenia

Activity	Period/date, location
Cross-border workshop on wood and forestry	21.04.17, FAST Ossiach, Carinthia
Follow-up phone calls concerning the setting up of a pro-wood association in Slovenia (unsuccessful).	

4.2.7 Challenges and lessons learned in implementation

Existing challenges for the wood and forestry industry were discussed and potential topics for future cooperation were proposed. Potential fields of cooperation discussed were the creation of a joint Pro-Wood platform for the common promotion of wood and increased exchange between forestry

consultants from Slovenia and Austria on issues of common interest (bark beetle, etc.). The idea of creating a pro-wood platform in Slovenia did not find enough support in the months following the meeting.

As the sector is strongly in the hands of private landowners and businesses, cooperation in the field of wood and forestry is more difficult to organize at institutional level.

4.3 *Description of implementation of projects in EUROACE*

Out of the interview round as part of the agro-food strategy drafting process in EUROACE, the subsector of **aromatic and medicinal plants (PAM)** deemed very interesting to showcase a first cross-border pilot project within the strategy. The core team decided in early 2017 to organise a cross-border **networking and capacity building event** for the PAM value chain stakeholders, as a first pilot project implemented within the agro-food strategy. The event was called Coop4PAM and took place on 28/09/2017. The second pilot project consisted of the drafting of an Interreg (POCTEP-programme) proposal for a cross-border PAM project.

4.3.1 Selection of the pilot projects

This paragraph explains why the core team focused on the PAM sector and selected the organisation of an event and eventually the drafting of an Interreg (POCTEP) proposal as pilot projects.

The focus of the PAM sector has already been explained in the agro-food strategy. During the interview round it was clear that, compared to other agro-food subsectors, the further development of this young subsector had a huge potential to reach the objectives of the agro-food strategy and was completely in line with the guiding implementation principles as described in the strategy. Furthermore, this young subsector would benefit more from a cross-border cooperation project than other, more mature, agro-food subsectors where the need for cooperation is less pronounced.

4.3.2 Organisation of network event for the aromatic & medicinal plants (PAM) sector

The action selected for implementation in 2017 was the organisation of a cross-border networking and capacity building event. The reasons for selecting this action are the following:

- ▶ Promote cooperation and peer learning: A cross-border event focused on a specific small sector with potential can help overcome one of the main difficulties, namely to mobilise entrepreneurs and other stakeholders on a cross-border level. Entrepreneurs from Extremadura rarely collaborate across the border, it may however be different in PAM sector.
- ▶ Momentum: the Ministry of Agriculture of Portugal has certified on 27/2 a Centre of Competence for PAM. It considers the sector as mature enough to have its own centre of Competence.
- ▶ Easy to finance: The event was organised as a Committee of the Regions' event within the scope of interregional activities of the Centro region.

The objectives of the cross-border networking and capacity building event were to bring together key actors of the PAM sector from the three regions, with emphasis on the participation of companies, with a view to exchange

experiences, get to know each other and network and explore possibilities for cooperation. The event paves the way for more concrete cooperation in a new and growing sector, characterised by young and dynamic entrepreneurs and with potential to contribute to entrepreneurship development in the EUROACE cross-border region.

The event was organised with the participation of the EUROACE and AGROPOL partners and the coordinator of the EPAM network, with a larger organisational weight on the region of Centro which hosted the event. The choice of the venue was also relevant for the promotion of innovation in the agrofood sector: the Centre of Innovative Enterprises (CEi) in Castelo Branco.

The event was organised as a Committee of the Regions' event within the scope of interregional activities of the Centro region. This provided the source of funding which represents a pragmatic way of carrying out an AGROPOL pilot action, given that AGROPOL does not provide funding for the implementation of projects.

The programme of the event is available on <http://www.coop4pam.com/web/pt/programa/>

Overall conclusions of the working groups

Out of the discussions in the 6 working groups the following conclusions were withdrawn:

More cooperation • Between producers and industrial processors: more value added could be captured within the region. • Between producers and scientific organisations: e.g. the producers need access to certified laboratories for their quality analyses. • Between the PAM sector and other sectors: e.g. with horticulture to use unused arable land and with tourism & leisure to promote local PAM products. • Between PAM producers and the public administration of both countries (e.g. legislation for wild harvest, product licences, financing of shared equipment, financing of crossborder innovation projects).	More research • Inventory of different components and residual components to find the (economical) optimal valorisation for each component • (animal) health effects of PAM use in animal production • Potential of EUROACE indigenous species for medicinal use • to shorten experimentation period before market entry (for new species) • plant characteristics of all relevant species should be mapped and made easy accessible • development of specified PAM production equipment • breeding programme to improve and safeguard the genetics of wild species (seed database) • phytosanitary products adapted to PAM
More education • on production techniques taking into account climate change and typical soil characteristics	More competitiveness (on world market) • cooperation for scale optimisation within EUROACE ○ Pooling produce

• on wild harvest methods/legislation • on business models (diversification, efficiency, certification, cooperation,...) • on the juridical guidelines of the European Medicines Agency to register PAM based medicines Suggestion to include PAM courses at Agricultural Schools	◦ Sharing equipment ◦ Joint (international) marketing based on special advantages of EuroACE produce => joint EUROACE brand? • Joint price setting • Joint certification (to facilitate cooperation) • Joint Technical Center to share and rent out PAM machinery • Market studies to identify the main buyers and their requirements • Integration of Portuguese and Spanish seeds in the Catálogo Nacional de Variedades or in the Common Catalogue, to prevent production of imported plants and so loss of indigenous species. Only the species within this catalogue should be commercialised.
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The creation of a crossborder network would facilitate the achievements of these objectives. First priority of this network should be to list the most relevant species in order to channel the investments and optimal specialisation. This network facilitation unit should also facilitate the communication with the legislative agencies to treat questions like which labels to use to indicate the (medicinal) efficacy of products based on PAM.

The network should also attract processing companies to the EUROACE region. This will increase the market for fresh herbs and so it will improve the competitiveness of the producers.

This network should also support the sustainable development and innovation of the PAM sector, and link them to other Mediterranean and European networks.

4.3.3 Lessons learned

The preparation of the cross-border event entailed several challenges and identified useful lessons for the future:

- It is difficult to reach consensus on the topics of a cross-border event, even amongst regions with very similar agricultural contexts like Alentejo, Centro and Extremadura. The former two regions rely more on smaller scale production while the development model of the latter is dominated by strong and big sectors such as tomatoes or olive oil. In Extremadura for instance the PAM sector is very small and insignificant in the regional economy. The following factors play an important positive role in achieving consensus despite these differences:
 - Existing cooperation (the three regions have a long history of cooperation and personal relations)
 - Focus on a common area of interest (here it was the potential to promote cooperation amongst young entrepreneurs in a sector where economies of scale can still be gained through cooperation and where cooperation rather than competition is the best way forward for maintaining the value chain within EUROACE).

- The organisation of a large cross-border event that attracts the interest of a large number of stakeholders should build on an iterative process where the objectives, content and expected outcomes are discussed several times amongst the cross-border regions. Discussion is needed to make sure all perspectives and interest of all relevant actors are incorporated or taken into account.
- Despite the perception that entrepreneurs are less prone to cooperate, the preparation and subsequent implementation of the event showed that young entrepreneurs in this sector have several needs and are aware that they can better address them through cooperation. The interest and participation of entrepreneurs was therefore higher than expected.

4.3.4 Interreg project proposal on crossborder cooperation in PAM sector

The success of the Coop4 PAM cross-border event has set the basis for taking the agrofood strategy forward in 2018 with the development and implementation of more concrete actions. EUROACE stakeholders agreed to develop other cross-border projects for the PAM sector. The rationale for this rests on the large growth potential of this sector, while it is aligned with the cross-border agro-food strategy objectives to capture more value added in the cross-border region and to contribute resilience to climate change. The development of projects in the PAM sector is also aligned with the RIS3 objectives of EUORACE, notably the promotion of agro-food, the valorisation of natural ecosystems and tourism, the latter offering potential for making PAM a niche sector in the regions. The creation of a cross-border PAM network is also envisaged to offer a stable framework for the development of cross-border activities in a sector that is relatively immature and therefore with significant scope for development. In addition, PAM is a sector where Portugal and Spain can agree on a common strategy, while for other sectors, like fruits, the strategies of both countries are different.

The project group therefore decided to set up a project proposal in the PAM sector for funding under POCTEP (the cross-border cooperation programme Spain-Portugal).

4.3.5 Award for best valorised thesis

Another project idea that came out the COOP4PAM event was the organisation of an award for the best valorised thesis, financed by GIT (Cabinet for cross-border initiatives) EUROACE.

- ▶ **Objective:** increase awareness of the potential of the PAM sector in the cross-border region
- ▶ **Content:** Technical colleges (and universities) offer to their last year students the possibility to solve a specific question of an entrepreneur (in PAM value chain) as their final thesis. The best thesis will win an award, consisting of a small amount of money for the student and larger amount for the entrepreneur or specific services to implement the thesis results or to elaborate another research project.
- ▶ **Expected outcomes:** This award would not only stimulate research valorisation but eventually also employment of researchers in local companies.
- ▶ **Potential partners:** EUROACE partners (CCDR Centro, CCDR Alentejo, Fundecyt and Cicytex Extremadura) and regional universities.

There was however no time left within the AGROPOL project to implement this project idea. The EUROACE partners will implement this project at a later stage.

5/ Task 4: Blueprint

The objective of the blueprint 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.

5.1 *A roadmap for cross-border cooperation in agriculture & food*

The blueprint 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 roadbook perspective, it covers the whole process of the initiation, structuration 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 roadbook 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

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 & challenges, and mutually recognised benefits of cooperation
 - Ensuring strong continuous support to work together, both politically/administrative 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 involve entrepreneurs/primary producers
 - Establish 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

5.1.1 Exploring and initiating cooperation: building support to tackle common challenges

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.

5.1.1.1 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 creates 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 successful cooperation.

Structural cooperation should therefore have its foundation in a shared challenge or need, and a mutual recognition that cooperation is at the benefits to 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 at 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, both politically/administrative 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 Euregion EUROACE, established in 2009 between the regional administrations of Alentejo-Centro-Extremadura. The fact they have established a formal Euregion 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.

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 aromatic and medicinal 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), 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 at both sides of the border to fully explain the aim and approach of the process. At that instance, 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 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 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 on 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-by-one and group basis.

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.

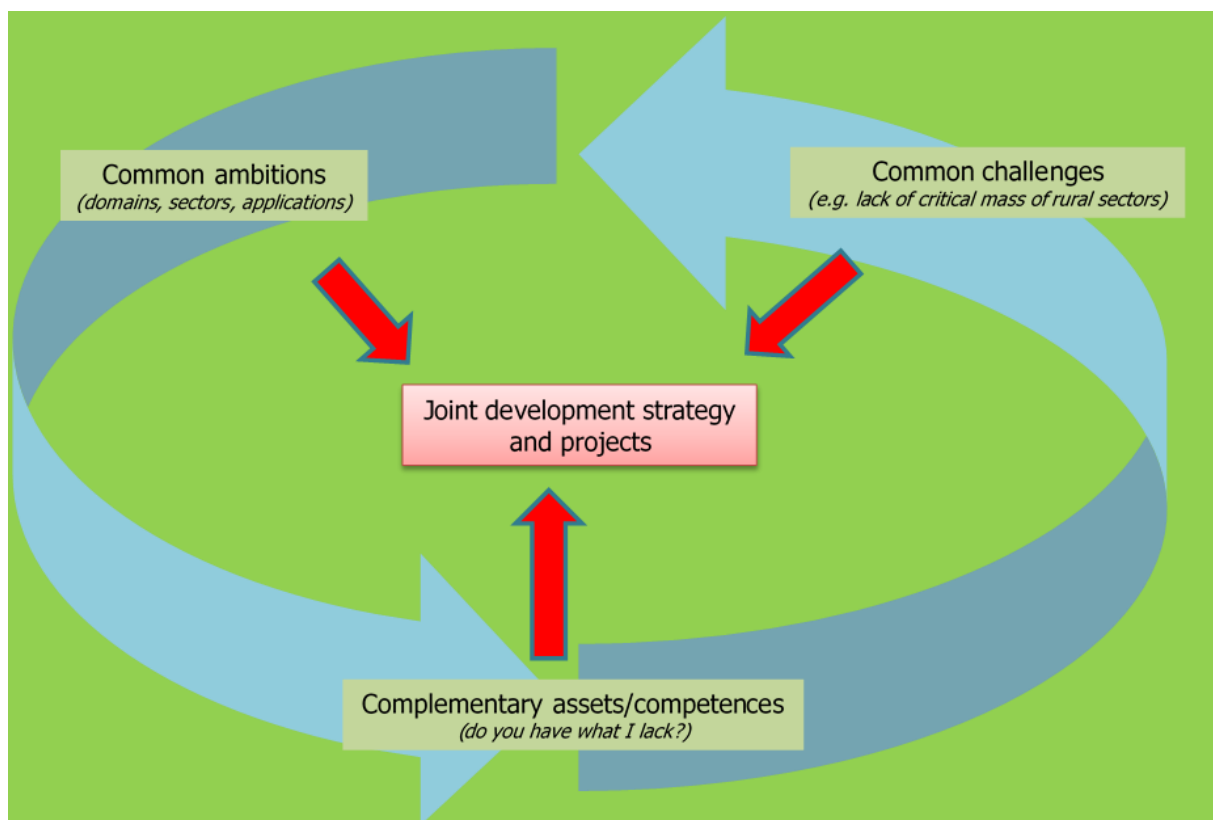
Baltfood

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. On the other hand, an advantage is that all partners are leading actors in their respective food industries and food innovation in their own countries, which makes 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 to jointly identify 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 to counter 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 6: 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 in consensus. 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 re-assess 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.

5.1.1.2 Trust and urgency among all partners

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

Potential relevant cooperation actors may perceive each other rather as competitors or 'intrudors', 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 timeline, in which each meeting serves as a particular stepping stone to make progress towards the foreseen outcome. Within this framework, partners can grow towards 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 upon existing cooperation onto 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 expressed they felt time pressure, there was never any time for the process to "fall asleep". The meetings took place with fixed regularity, with similar compositions of 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 always 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)

At the beginning, the project met 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 as normal. Mutual trust will only grow by regular personal exchange and contact. Intensive interactive meetings prove to be very fruitful to build personal relations, and drive the cooperation forward on that basis. It is hence important to organise such events to bring various people together to start building and/or deepening such relationships.

5.1.1.3 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 real annoyance hampering the process. Existing stereotypes and historic events and developments can affect the relation between border regions, and have actual 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 a heavy investment certainly 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 externals.

ATTENTION POINTS

It is important to take cultural and language barriers seriously. Regional and local stakeholders cannot all be expected to speak the 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.

5.1.2 Strategic structuring of cooperation: setting-up and building cooperation

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 clear division of roles, and developing a strategic approach to stimulating rural and agro-food development through cross-border cooperation.

5.1.2.1 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 wider 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, pharma, 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 of international processing companies often putting 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 kind of species, with different end products. This group also includes wild harvest practices
- b) 1st and 2nd 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 (pharmacist), 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 & spa's with 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 & medicinal plants
- k) ...

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 7, the supplier side classically consists of agricultural brokers, suppliers of seeds/fertilizer, feed, crop protection and facilities & equipment like stables, greenhouses. At the demand side, there are traders, the food industry (processing, packaging,...), logistics, wholesalers, retailers, catering and horeca, 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,...).

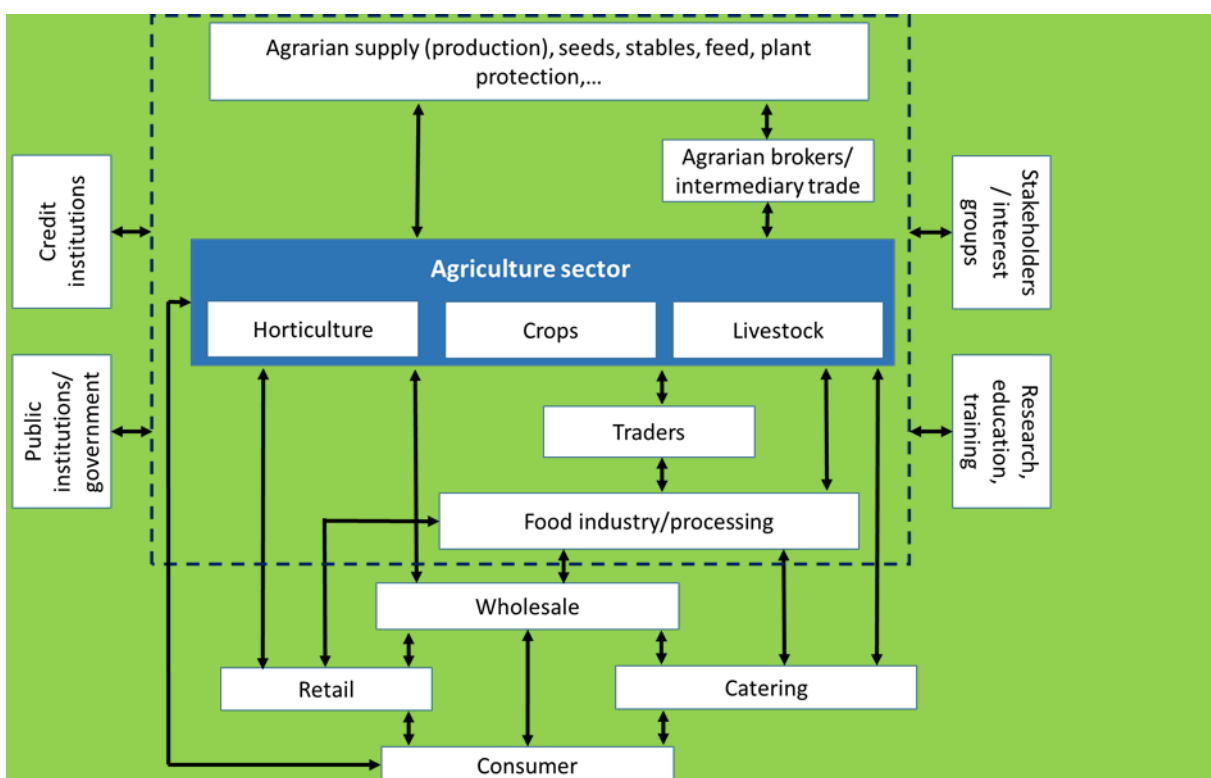
Developing a cross-regional strategy from a value chain perspective requires a deep insight into the role and position of regional actors in these value chains. In first instance, the value chain of the local agricultural players in the sector and their local, cross-regional and international interrelations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

To obtain additional indepth 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 7: Value chain of agriculture



Source: IDEA Consult & UGhent, 2008⁸

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

⁸ Gellynck X., Van Dingenen K., Vermeire B. & Wautelet A. (2008), Analyserapport voor het agrobusinesscomplex in Vlaanderen, Idea Consult & Agro-Business-Consultancy NV in opdracht van Departement Landbouw en Visserij, Brussel/Gent

- ▶ Economic embeddedness or integration, referring to the rate at which local industries utilise local supply & 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 (so not physical accessibility)

Building on this insight, 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.

5.1.2.2 Look beyond 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 & 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 aromatic and medicinal 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)

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)

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 competences, 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 agro-food sector to regional competitiveness as well as local production systems and social and ecological sustainability.

5.1.2.3 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 best 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 aromatic & medicinal plants (AMP) 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 AMP value chain, starting with a cooperation project submitted within the POCTEP Interreg programme. The project proposal was elaborated by a balanced partnership of 9 complementary and experienced partners coming from the 3 regions, and including research institutes, (public/private) networking & knowledge brokerage services, a private laboratory & consultancy and a local development agency.

As most of the AMP entrepreneurs are very small actors that are not structurally organised, they could not be an official partner of the project. However, their participation in the project is guaranteed through the project lead partner who facilitates an informal network of AMP 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.

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 at both sides of the border, in particular cooperatives/association 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 core of 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.

5.1.2.4 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 in any case 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 agriculture 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 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 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 in involving the private sector, addressing their needs and adapting the cross-border cooperation strategy to be at their benefit. This was a time-consuming investment, but paid off in terms of motivation and commitment from the participating parties, which hugely facilitate 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 (e.g. KärtnerMilch, Mlekarna Celeia, Mlekarna Planika), 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 relevant principals 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 principals were put into practice through:

- ▶ The organisation of a networking event for the value chain of aromatic and medicinal plants (AMP), 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 AMP value chain. As most of the AMP 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 AMP 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 mentioned above 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 let them 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, be aware to 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 take any engagement.
- ▶ Take language issues seriously. Meetings in English are an obstacle for a lot of entrepreneurs. Sometimes translation in the local languages can be a solution.
- ▶ Reimburse/compensate travel costs for field trips if necessary.

5.1.2.5 Role of regional authorities

A 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 that are embedded in the domain of cooperation, and 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 terrain.

AGROPOL PILOTS

EUROACE

The strong involvement of regional administrations facilitated the process on a general strategic level, as well as figuring out its governance and funding possibilities. However, its institutionalisation 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, handicraft and tourism (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 production of sheep breed that produces this specific type of wool. The governmental institutions were not only useful to place together various local actors, but also to start 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 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 at 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 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 in the same way to all participants, and no misunderstanding can arise in that respect.

5.1.2.6 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 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 will 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 the one that the consultants draft and the regions comment on and discuss.

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 consultant's 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 out and sustain the cooperation on their own.

5.1.3 Implementing cooperation: facilitating and managing structural cross-border cooperation

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

5.1.4 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 & 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 2nd 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 aromatic & medicinal 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 & market potential of AMP in EUROACE
- ▶ Improvement of competences of the actors in the AMP value chain
- ▶ Setting up a cross-border Science & Technology Observatory for AMP (digital platform)

CARINTHIA-SLOVENIA

The strategy 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 around: 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

5.1.4.1 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 allows for undertaking joint actions targeted at the cross-border area as a whole. Establishing a real cross-border management structure and team, that does not merely represent the regions separately, but the whole area, and contributes to the continuity of the cooperation from a certain 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 & medicinal plants, an informal cross-border network (like EPAM, www.epam.pt which was only developed for Portugal) and a cross-border Science & Technology Observatory for AMP (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

- ▶ Cross-border management structure should fit to the specific needs of the regions. Assess the administrative weight of any cross-border management structures against the practical needs on the ground. 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.

5.1.4.2 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 framework⁹ or Local Action Groups under the LEADER framework¹⁰. 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 administration can start coordinating their funding mechanisms and procedures as well, whether it be EARDF or own 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 AMP value chain) has been submitted as part of the Agropol project.

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

¹⁰ https://enrd.ec.europa.eu/leader-clld/leader-cooperation_en

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

Specific guidance on transnational cooperation in **LEADER** can be found here: https://enrd.ec.europa.eu/sites/enrd/files/leader_tnc-guidance.pdf

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

- (1) Art. 70 of Regulation 1303/2013 offers a possibility to use up to 5% of the EAFRD funding of a programme to finance operations implemented outside the rural development programme area. So you may have an operational group formed inside a rural development programme area dedicating some funding to cooperation with actors outside the area
- (2) On condition that the approved rural development programme leaves room for it, different programming regions can jointly decide to fund projects of operational groups in their own region on a topic that is common for several regions ("cross-border" themes). Each region will then be funding the operational group projects in their own programming area but the projects costs of the regional groups will include some coordination actions with operational groups 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:
 - a. the Managing Authority (MA) of region A confirms that the investment forms a substantial part of the activities of the operational group project (information exchange between MAs in regions A and B is needed)
 - b. the Managing Authority in region B confirms that the work of the operational group 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:
 - a. the MA of region A confirms that the activity of the partner in region B forms a substantial part of the activities of the operational group project (information exchange between Managing Authorities in regions A and B is needed)
 - b. the Managing Authority in region B confirms that the work of the operational group in region A is coherent with the RDP strategy and priorities of region B
 - c. the Managing Authorities from region A and B agree on an approach for control on the activities of the operational group

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

5.1.4.3 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 action and projects (output) and towards their expected results. The overall aim of this monitoring and evaluation framework is to ensure the achievement of the strategy 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

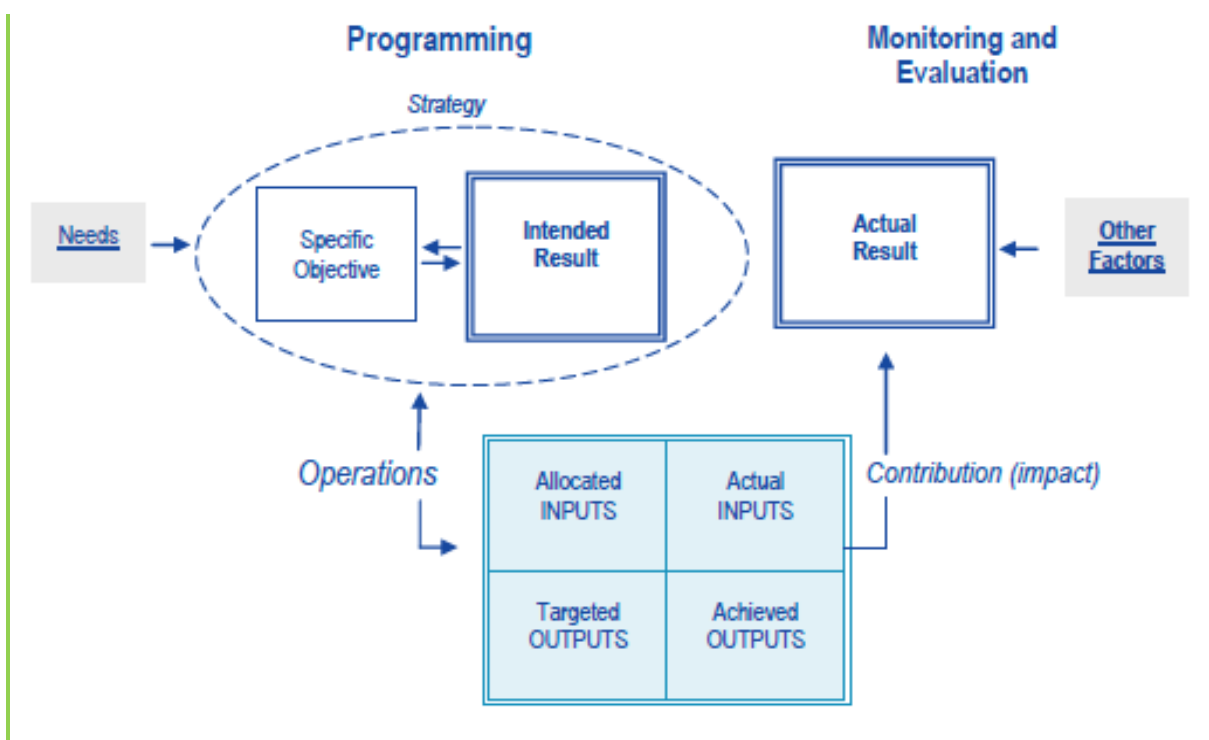
ATTENTION POINTS

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 connect 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 8: 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?

5.1.4.4 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 realisations 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 meet each other less naturally.

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 more information in the blueprint
- ▶ 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

Agricultural schools on both sides of the border published a brochure with their mutual offer to be disseminated in the cross-border area aimed at future students. 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).

6/ Task 5: Dissemination events

The activities and results, the blueprint for strategic cross-border cooperation in agriculture and food and the project leaflet were presented during three dissemination events in Austria, Belgium and Portugal in autumn 2018, under the title **Linking Europe's rural regions**. Below we describe the main contents and outcomes of the events. For further information, you can download the different presentations, photos and publications on our Agropol website: www.agropolevents.eu.

6.1 *Raising the competitiveness of agricultural value chains in rural regions through cross-border cooperation (Klagenfurt, Austria)*

70 representatives of national and regional authorities, educational institutions, NGOs, the European Commission as well as the private sector gathered in Schloss Krastowitz in Klagenfurt on 19 October 2018 to learn more about the pilot activities realised between Carinthia and Slovenia.

The participants were welcomed by Slovenian and Carinthian government officials Tadeja Kvas-Majer and Michael Eichhübl and by the director of the Carinthian Chamber of Agriculture Hans Mikl. Cross-border cooperation activities between the Republic of Slovenia and the self-governing region of Carinthia developed gradually since the 1990s and were driven by a number of key events such as the EU membership of Austria and Slovenia, the establishment of the Chamber of Agriculture in Slovenia and numerous Interreg projects in rural development between 2000 and 2006 (nowadays rural development is no longer an explicit priority in Interreg programmes). Since 2013, Slovenia and Carinthia have been cooperating in the political framework of a Joint Committee. In this context, the Agropol project was seen as a useful impulse and resource to further advance the existing cooperation activities.

Following the introductory words, Andreas Resch from Metis and his Slovenian counterpart Julija Marošek from Novna explained the main Agropol milestones and achievements to the audience. Agropol does not provide any direct financial support to projects but process support and expertise. It offers an "experimental space" without a high administrative burden for the cooperation partners. The activities could be developed and implemented in a flexible way according to the requirements and partner dynamics. The unbureaucratic assistance at the beginning of the cooperation without the prospect of sanctions in the event of failure was essential to the project's success. Equally important was the support from higher levels of the administration in both regions.

The next session was dedicated to the cooperation activities between two dairies in Slovenia and Carinthia which currently deal with common challenges such as their remote and mountainous location and strong competition with large multinational players. Sandra Turnšek from the Slovene dairy Mlekarna Krepko and Wolfgang Kavalier from Kärntnermilch in Austria spoke about the high quality dairy products they managed to develop together thanks to the Agropol project: a cheesebox under a common brand including both Slovenian and Austrian cheeses and an organic Kefir which is already available in Spar supermarkets in Austria and Slovenia. The participants of the event had the opportunity to taste these innovative products during the event and they can also be purchased

directly from the producers by e-mail: bestellung@kaerntnermilch.at or in the Mlekarna Krepko's online shop: <http://www.ekokrepkospletni-butik.si/>.

Another example of successful cross-border cooperation activities was the cooperation between Carinthian and Slovenian agricultural schools. Maria Innerwinkler explained the cooperation between the Biotechnical Schools in Ptuj and Naklo in Slovenia and the agricultural colleges of Buchhof, Drauhofen, Ehrental in Carinthia, which has been very lively since 2013. The schools organised several exchange visits between the teachers and students, internships and other cooperation activities. Several students and teachers from both schools were present at the final event to share their personal impressions and to show a video on the cooperation activities. Agropol supported the school cooperation through the production of a bi-lingual brochure presenting the agricultural education landscape in the area. It helps the schools and vocational training institutions to be more visible and attract new potential students in the cross-border region.

Hans Mikl explained the long-standing cooperation between the Chambers of Agriculture (LK) of Carinthia and Slovenia. On 20 November 2017, the first joint congress of the LK Carinthia and the LK Slovenia advisory staff took place in Laško. Besides getting to know innovative companies, the aim was to offer a joint vocational training system for the future and to equip the agricultural advisors to better face the challenges of the future. Agropol supported the Advisors' Congress with interpreting services.

The event was rounded off by a presentation on the Common Agricultural Policy after 2020 by Mariusz Legowski from DG AGRI at the European Commission and a panel discussion on the success factors and future of cross-border cooperation in the agri-business sector. Hans Mikl, from the Carinthian Chamber of Agriculture closed the event with an emblematic speech, reminding the participants of the importance of a spirit of solidarity and cooperation in times of growing Euroscepticism and populism.

6.2 *The relevance of cross-border cooperation for rural development and agro-food value chains (Brussels, Belgium)*

The event in Brussels on October 24th 2018 gathered around 45 representatives of EU institutions, academia, regional authorities, the private sector and other EU affairs stakeholders. It started off with a detailed presentation of the main results and outcomes of the project by the Agropol project leader Steven Knotter. Prof. Xavier Gellynck from the University of Ghent which formed part of the project consortium continued with a thorough theoretical introduction to cross-border cooperation in the agribusiness sector. During the second part of the event, several experts and practitioners shared their good practice examples of cross-border cooperation in the agro-food sector which were of relevance to the Agropol project:

Thomas Högmänn from the Swedish Region of Östergötland talked about the Thematic Smart Specialisation Platform on consumer involvement in agrifood innovation. Konstantin Mihhejev shared his experience from the cross-border operations groups EIP-AGRI in Estonia; David Lamb gave some practical examples of the European Network of Rural Development (ENRD) which coordinates a series of activities to enable learning, networking and exchange between rural development stakeholders across the EU. And finally, Evangelos

Koumentakos from Copa Cogeca, the European farmers and agri-cooperatives network, spoke about their role in representing the interests of more than 22,000 European agricultural cooperatives to the EU institutions.

DG AGRI was represented by Antonella Zona and Alexia Rouby who both praised the innovative nature of the pilot project and stressed the relevance of the outcomes for regional stakeholders. The latter participated in a short panel discussion with Prof. Xavier Gellynck and Evangelos Koumentakos on the success factors for cross-border cooperation in the agri-business sector, and how to facilitate such processes further.

At the end of the discussion, the moderator asked the speakers to summarise the success factor in one word which gave way to the final recommendations of the event: the need to meet, network, and the political will to make crossborder cooperation in food and agriculture work.

6.3 Rural economies built on natural ecosystems in Spain and Portugal (Herdade do Freixo do Meio, Portugal)

More than 50 people mainly from the cross-border region between Spain and Portugal, but also interested entrepreneurs and other stakeholders from all over Europe, participated in the last Agropol dissemination event 7 November 2018 to learn more about the pilot activities in the EUROACE region including Centro (PT), Alentejo (PT) and Extremadura (ES) which was established in 2009.

Despite the long-standing contacts, links between research institutes and agro-food businesses in the cross-border region have not been fully exploited yet. The agro-food industry also lacks processing companies located in the region. The Agropol cooperation activities focused on medicinal and aromatic plants (MAP), involving mainly small entrepreneurs who are new in the sector and who have an interest to innovate and collaborate.

After a short general introduction by Steven Knotter from the Agropol project, the event started off with a first round table debate concerning the Agropol pilot activities in the MAP sector. Paulo Silva from CCDR Alentejo presented the multi-sectoral EUROACE strategy that was developed 25 years ago and explained how the Agropol project was a natural continuation of the existing cooperation model. Carlos Cabo from FUNDECYT-PCTEX welcomed the innovative nature of the Agropol cooperation activities and according to Teresa Jorge from CCDR Centro, the MAP sector offers a huge potential for growth and joint work in particular for young people from Portugal and Spain despite its small size. Francisco Vasquez from CICYTEX added that more than 60 different herbs grow in the cross-border region at present of which most are produced organically as Clara Lourenço from ADC Moura and the EPAM network stressed.

The second panel discussion was dedicated to a broader debate on the “Economic and ecological impact of rural cross-border value chains based on natural ecosystems.” One of the recurring elements was the question on how to produce food in a sustainable way but also how to give a voice to small producers. José da Veiga from the Portuguese NRN Alentejo Antenna introduced the “Novas Fileiras”, a project which strengthens innovative value chains and he was grateful for the support received by the common agricultural policy (CAP) of the European Union. However, Maria- José Trinidad from the ProDehesa Montado project expressed doubts whether the CAP was really supporting a balanced

agroforestry system, since many farmers living from the dehesa/montado system were not considered farmers and were subsequently excluded from the financial support the CAP offers. Conceição Santos Silva from UNAC explained that they are currently collaborating with FEDEHESA to generate a common regulatory framework to sustain and add value to the dehesa and montado system.

One of the main messages of the round table was the spirit of cooperation which is so important today and that “we should no longer be in competition as we were told when we were kids” as Alfredo Cunhal, founder and overall manager at Herdade do Freixo do Meio put it.

With the chilly temperatures outside, the participants could heat themselves up by tasting the rich “cozido” and other locally produced food during the lunch break.

After lunch, the participants had the opportunity to get to know the practices and philosophy behind the ecological farm, Herdade do Freixo do Meio, at which the event took place. The farm is well-known across Portugal and internationally because of its innovative agroecological management system. In 1990 the owner, Alfred Cunhal, decided to return to the agroecosystem of the “montado” (a type of cultural landscape in Portugal, in Spain it is known as “dehesa”), dating back to medieval times. The farm also uses permaculture and agroforestry in their 600ha territory to optimise “what the ecosystem offers”.

Alfred Cunhal guided the participants around the farm. He explained that many of their practices are following a “learning by doing” approach with the aim to better understand the right balance between all the elements in the ecosystem. A team of 35 people is employed here and they produce 200 different types of products from organic meat to olive oil, aromatic plants, cork, legumes, bread, wine or their very special acorn teas, spreads and pastries. In addition to selling their products in Lisbon and other cities in Portugal, they also run an online store, a restaurant/canteen, a guesthouse and an eco-camping site. They have also introduced a community supported agriculture system in which they share the production risk with the consumer by selling 6-month subscriptions to around 100 families all over Portugal which reduces food waste but also the risk of losing money due to unforeseen weather or other harvest losses.

Climate change is already a considerable challenge, in particular droughts can threaten the agricultural production in this region. The farm constitutes a positive example of innovative and ecological agriculture and the team also actively cooperates and exchanges know-how with their neighbours in Spain or in other European countries.

6.4 Conclusions

The three Agropol events followed very different formats, but it became apparent in all of them that what really matters is the “spirit of cooperation” rather than competing against each other. The project provided an important business platform for entrepreneurs and stakeholders in both pilot regions: they could meet their counterparts from neighbouring regions and exchange on common business ideas. The project did not provide any direct funding for the products concerned but showed that through support for cooperation activities in the form of meetings, workshops and interpretation, new cross-border projects can be

successfully fostered. Hopefully, the new relations will continue to flourish which has been already the case in Carinthia and Slovenia with the recent launch of an organic kefir produced by both dairies that took part in the project.

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