

# INNOGROW Action Plan

Regional development agency of Pardubice region



The INNOGROW project, launched in 2016, was developed in collaboration with 9 partners from 8 European countries and had a common goal of increasing the competitiveness of small and medium enterprises (SMEs) in rural areas.

Following the first phase, three-years implementation period of the project, after countless opportunities of exchange of experience and learning, we are now ready to present our Action Plan. Each partner has created a different action plan, unique to their regional needs and environment, but all of them with the one mutual aim: to improve their capacity on implementing policies that promote the adoption of technology and business model innovations by rural economy SMEs, to boost their competitiveness.

This Action Plan, has been created and intended for the Czech Republic, the Pardubice region in particular. This Action Plan has been prepared mainly at the regional level, for the needs of the Pardubice Region. It has been developed in collaboration with key INNOGROW partners and stakeholders.

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## 1 Introduction

The Regional Development Agency of the Pardubice Region was established in 1999 as non-governmental, non-political and independent association of legal entities, whose task is to support the overall development of the Pardubice Region. In order to achieve this goal, it closely cooperates with the public administration for the region, in particular with local municipalities. The task of the Regional Development Agency of the Pardubice Region is to represent the interests of local administration in regional institutions, to coordinate problems related to the development of towns and villages and to cooperate with central state authorities and regional administration. For example, it focuses its activities on the development of human resources and education transport infrastructure, the environment, tourism and the restoration of cultural monuments. The mission of The Regional Development Agency of the Pardubice Region is to support the development of the Pardubice Region and to provide support and advice to members and other entities in the area of strategic planning, subsidy titles and other areas related to regional development.

The introduction of innovative business models and practices is a great opportunity to increase competitiveness of a small and medium-sized enterprises in rural areas. INNOGROW plays an important role in supporting the modernization of contemporary business models and practices of SMEs in rural areas and the dissemination of innovative projects. Project INNOGROW is funded from European Regional Development Fund from Interreg Europe. The project activities started in May 2016. The Lead partner of the project is the Region Thessaly from Greece. The project aims to increase the competitiveness of SMEs in rural areas.

The Action plan is output of the INNOGROW project, which is being implemented in the Pardubice region in the period from the 1st of April 2016 to the 31st of March 2019. INNOGROW project is funded under INTERREG Europe and aims to support the modernization of existing SMEs in rural areas and the dissemination of innovative entrepreneurship through policies that promote the adoption of innovative technologies and new business models. The project brings together 9 partners from 8 EU countries, namely Italy, Latvia, Great Britain, Bulgaria, Hungary and Slovenia. The Czech Republic is represented by the Regional Development Agency of the Pardubice Region.

## 2 Outputs of INNOGROW project

During the first phase of the project, which ended on March 31<sup>st</sup> 2019, we focused on managing authorities of program makers, both at local and regional level. Based on several consultations with our stakeholders from The Business and Innovation Agency (API) ([www.gantura-api.org](http://www.gantura-api.org)), who regularly attended stakeholder meetings, we came to the conclusion that Operational Programme Enterprise and Innovation for Competitiveness (OP EIC) that was initially selected as the Policy instrument addressed, is not suitable for INNOGROW target group. This is mainly due to the fact that the selected operational program does not support NACE codes (as the primary criterium in assessing the suitability of the applicant) of the INNOGROW target group.

API is an executive unit of the OP EIC in the Czech Republic. It has regional offices that are first contact point to provide consultations for the OP EIC. On the basis of discussions and consultations with the representatives of the regional office, we came to the conclusion that influencing the current OP EIC in its course is impossible in the Czech Republic. As a possibility it appeared to make recommendations for a change for new programming period, which we did – not to support only to the manufacturing industry, but to extent it to the project target group (wider NACE codes in calls).

The only OP EIC calls available, aiming for INNOGROW target group, to apply for subsidies were calls supporting energy savings, not innovation. For the energy savings calls, we provided consultations for the target group, and even administrated applications. The aim of providing support for the project's target group was primarily to reduce the administrative burden on the applicant.

As a part of influencing policies, based on our excellent cooperation with our key stakeholders, who are also regional policy makers at the Regional Authority of the Pardubice Region, we have been able to oppose and supplement the strategic document "Agriculture, Rural Area and Environment from the Perspective of Sustainable Development – concept of Development of The Pardubice Region". The aim of the document is to support the implementation of the theory of sustainable development into practice. The Regional Development Agency of the Pardubice Region (RDA PR) managed to implement the circular economy theme into this document. The circular economy also contributed significantly to the output of the key activity of the INNOGROW project, where learning process among partners took place.

We have been able to implement the subject of the circular economy as an important driver of innovation in rural SMEs representing project target group into the Regional Innovation Strategy of the Pardubice Region. The RIS3 strategy is an important strategic document which will dictate innovation direction, influencing not only the SMEs. RIS3 is not a financial instrument, but the link between the RIS3 strategy and the drawing of subsidies from OP EIC is significant. Within the implementation of the Smart Accelerator project of the Pardubice Region (thanks to which the RIS3 strategy has been updated) and its subsequent follow-up project Smart Accelerator of the Pardubice Region II, innovative vouchers for SMEs and research organizations dealing with innovation will be provided. As part of the innovation vouchers, we can expect the adoption of a voucher that will address innovations in the circular economy.

An equally important connection of actors supporting entrepreneurs is the link of the INNOGROW project with the Pardubice Business Incubator (P-PINK, z.ú: [www.p-pink.cz](http://www.p-pink.cz)). P-PINK was established in March 2018 with the aim of supporting start-ups throughout the Pardubice Region. P-PINK employees are stakeholders of INNOGROW project, sharing and disseminating projects outputs into the business incubator environment. The main purpose of the link of INNOGROW project and the incubator is that

if a start-up / entrepreneur from the INNOGROW target group is identified, business support via P-PINK will be provided. Besides the availability of co-working spaces, the support provided to the target group will offer the possibility of incubation, mentoring or legal support. At the same time, the P-PINK is a very important source of latest information on innovation and direction of innovative entrepreneurship environment. Thanks to the network of external experts of the incubator, we can approach the region, in particular SMEs (INNOGROW target group), bringing significant and new information from fast-growing fields.

Based on the lessons learnt among project partners, we participated in March 2017 with stakeholders at the international workshop in Lecco, Italy. Among many presentations, we found inspiring the introduction of the Rural Business Knowledge Exchange and Innovation: The contribution of Rural Enterprise Hubs. The concept of support for rural SMEs through a specialized centre dedicated to support of the development of business infrastructure in rural areas via provision of expertise services to SMEs. It was actually the starting point for establishment of **Agriculture support centre**. Without participation at this workshop, the centre would not have been created. Another significant impulse for the establishment of the centre was the intervention of AGROVENKOV o.p.s., which provides information service for farmers, but only in the area of obtaining direct payments for farmers. There was a lack of targeted support in those areas that the Agriculture support centre will be providing, as stated below in this document.

Another significant outputs of international learning process among INNOGROW partners, which are fully reflected in our action for the establishment of Agriculture support centre, are the outputs detected in activities that are aimed at analysing the current situation, including policy recommendations for regional partners. Agriculture support centre fully reflects and respects the recommendations promoted in the INNOGROW Policy briefs.

**The following findings were detected in the Pardubice Region:**

### Barriers, challenges and problems

- ❖ Bureaucratic / administrative burden in supported programs.
- ❖ Insufficiently developed accessibility and ICT infrastructure within rural areas.
- ❖ Lack of information on the possibilities of promoting innovation.
- ❖ Weak innovation partner network.

### Opportunities

- ❖ Organic Farms and Biotechnology.
- ❖ Renewable resources.
- ❖ Satellite agriculture (usage of drones and satellites).
- ❖ Trackable systems for internal processing and supply management.

### Support resources

- ❖ Infrastructure development support.
- ❖ Partner Network / Innovation Platform for Rural SMEs.
- ❖ Possibilities of promoting consultation and training on innovation.
- ❖ Simplifying of procedures and processes to support innovation development.

### 3 Action Plan and its goals

Small and medium-sized enterprises should be able to access a suitable environment for their activities, enabling them to develop their capacity to contribute to economic growth and to maintain and strengthen social cohesion. Small and medium-sized enterprises should play this role not only in the regional and national economies, but also within the European or world economy.

A positive impact on the functioning of the SME sector can only be realized in case that the sector maintains and continues to increase its competitiveness, which is only possible if it is able to innovate and reduce costs to a competitive advantage.

Based on this analysis we decided to establish Agriculture support centre in 2018 – as a platform and source for sharing information to simplify processes and procedures, and also as a platform providing consultations, innovation support, knowledge and know-how sharing through events and trainings which will be based on cooperation with important actors and players in Pardubice region. Agriculture support centre will target all INNOGROW key groups (although the name does not mention all the target groups).

**The following Action Plan targets:**

- ❖ • Innovation support in agriculture,
- ❖ • increasing the competitiveness of SMEs,
- ❖ • education and awareness.

#### 3.1 Action Plan activities

Number / Title Action	Description
<p><b>ACTION 1 – Subsidy opportunities for SMEs in agriculture (investment in competitiveness and agriculture enterprises innovation)</b></p>	<p>In cooperation with the Pardubice Region, AGROVENKOV o.p.s. and the Regional Development Agency of the Pardubice Region (RDA PR), the Agriculture Support Centre was established in 2018. Centre provides professional consultation, coordination and project preparation to assist SMEs and farmers.</p> <p>The main objective of the centre will be creating professional capacities in order to assist SMEs and farmers in providing consultations, coordination and project administration. One of the goals of the centre is to approach general public, aiming SMEs and farmers, to raise awareness so that their interest in services will increase, thereby ensuring greater understanding and stimulating innovation, diversification of production and overall increasing their competitiveness.</p>
<p><b>ACTION 2 – Business climate improvement in the region – consultation</b></p>	<p>Start-ups support. Consultation, professional advice via P-PINK. Internationalization of SMEs support - helping SMEs with innovative products to enter foreign markets by handing them over to the Enterprise Europe Network (funded by the</p>



	<p>European Commission from COSME and the Ministry of Industry and Trade).</p> <p>RIS - communication with platform representatives and regional policy</p> <p>Expanding the innovation potential on the basis of good practice between the Agriculture support centre and the RIS3 strategy team in relation to its activities, complementing regional domains of specialization, providing feedback, bilateral consultations focused on innovation environment of the Pardubice Region.</p>
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### 3.2 General information

Project	INNOGROW - Regional policies for innovation driven competitiveness and growth of rural SMEs
Partner organisation	Regional Development agency of the Pardubice region - RDA PR
Country	Czech Republic
Region	NUTS 2 Severovýchod
Contact person	Petra Smuts
Email address	<a href="mailto:petra.smuts@rrrapk.cz">petra.smuts@rrrapk.cz</a>
Phone number	+ 420 773 126 628

### 3.3 ACTION 1 – Subsidy opportunities for SMEs in agriculture (investment in competitiveness and agriculture enterprises innovation)

The policy instrument that the Action Plan aims to impact is:

Investment for Growth and Jobs programme	YES/ NO
European Territorial Cooperation programme	YES /NO
Other regional development policy instrument	YES / NO

Action	ACTION 1
1. Policy context	<p>Agriculture support centre</p> <p>Agriculture, Rural Area and Environment from the Perspective of Sustainable Development – concept of Development of The Pardubice Region”</p> <p>RIS3 Pardubice region strategy</p>
2. Background (please describe the lessons learnt from the project that constitute the basis for the development of the present action plan)	<p>Farmers are very conservative, so introducing innovative practices into their processes is not easy. At the same time, they are afraid of the administrative burdens within the supported programs, and they do not take advantage of subsidies for their business activities due to their workload. The activities described above should greatly benefit from this change. Due to the ending current programming period, it is likely to expect higher interest and increase of activities from 2021 onwards, when the conditions of the new programming period will be set, introduced and new funds will be reserved again.</p>
3. Action (please list and describe the actions to be implemented)	<p>In cooperation with the Pardubice Region, AGROVENKOV o.p.s. and the RDA PR, the Agriculture Support Centre was established in 2018. Centre creates professional capacities in terms of providing consultation, coordination and project preparation to assist SMEs and farmers.</p> <p>As part of this support service will agricultural entrepreneurs be assisted in obtaining funding for their innovative plans and development. The help will depend on the current possibilities of the grant policy.</p> <p>The Agriculture Support Centre will be supporting other activities of the INNOGROW Action Plan, mentioned further in this document.</p> <p>One of the aims of the Agriculture Support Centre is to raise awareness among the general public, focusing on SMEs and farmers, so that their interest in services will increase, thereby ensuring greater awareness and stimulating innovation, diversification of production and overall increasing their competitiveness.</p>



	<p>The Agriculture Support Centre will provide this service:</p> <ul style="list-style-type: none"> <li>❖ Help to detect the calls that match the actual needs of a particular enterprise.</li> <li>❖ Project plan definition and consultation.</li> <li>❖ Project applications development including mandatory annexes and tenders.</li> <li>❖ Projects administration.</li> </ul> <p>Financial resources for potential project plans are focused on the following areas:</p> <ul style="list-style-type: none"> <li>• OPEIC Energy savings</li> <li>• RDP (SZIF) – Rural development programme (The State Agriculture Intervention Fund)</li> <li>• OPE – Operational Programme Environment (National Programme Environment) <ul style="list-style-type: none"> <li>- Focused on strengthening biodiversity and natural landscape functions.</li> </ul> </li> </ul> <p>The OPEIC offers limited funding for agriculture SMEs, therefore the Action Plan extends the area to include the Rural Development Program.</p> <p>The direction of the Agriculture Support Centre in 2019 will be helping to submit project applications that will help to innovate particular rural agriculture enterprises, their development and help to increase their competitiveness.</p> <p>The Common Agricultural Policy (CAP) for the new programming period 2021-2027 remains a policy designed to support European farmers and ensure food safety in Europe, while ensuring a resilient, sustainable and competitive agricultural sector. The new programming period should bring simplification and modernization of the use of subsidies:</p> <ul style="list-style-type: none"> <li>• No detailed EU rules for individual beneficiaries</li> <li>• Faster technologies to help administrative procedures</li> <li>• Better advice access for farmers and support with applications</li> </ul>
4. Players involved (explain their role)	The Pardubice Region AGROVENKOV o.p.s. RDA PR
5. Timeframe	2018 onwards
6. Costs	100 000,- CZK/ year Staff costs of 0,25 part time
7. Funding sources	RDA PR and The Pardubice Region
8. Expected impacts (please define „KPI“)	1 submitted subsidy project application per year to above mentioned funds

	1 consultation provided per month 3 participation and promotion at the third party events for general public
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### 3.3.1 Official signatures

Date	12.7.2019
Name	Klára Štefančová, Director
Signature	Stamp of the organisation

### 3.4 ACTION 2 – Consultation – improving the climate of entrepreneurs in the region, professional consultations

The policy instrument that the Action Plan aims to impact is:

Investment for Growth and Jobs programme	YES/ NO
European Territorial Cooperation programme	YES /NO
Other regional development policy instrument	YES / <del>NO</del>

Action	ACTION 2
1. Policy context	Agriculture, the countryside and the environment from the point of view of sustainable development - Concept of development of the Pardubice Region RIS3 Pardubice region strategy
2. Background (please describe the lessons learnt from the project that constitute the basis for the development of the present action plan)	SME enterprises should be able to access a suitable environment for their activities, enabling them to develop their capacity to contribute to economic growth and to maintain and strengthen social cohesion. SMEs should play this role not only in the regional and national economies, but also within the European or world economy. A positive impact on the functioning of the SME sector can only be realized in case that the sector maintains and continues to increase its competitiveness, which is only possible if it is able to innovate and reduce costs to a competitive advantage.  Such and all other support coming not only from external experts, but also from other SMEs, is to be used by start-ups



	<p>through P-PINK. P-PINK is as an organisation that was primarily founded to increase and further develop the innovation climate in the Pardubice region. Furthermore, The Agriculture Support Centre will be involved in providing up-to-date information.</p>
<p>3. Action (please list and describe the actions to be implemented)</p>	<p>Support targeted at rural SMEs, in order to increase their competitiveness, will focus on the following topics:</p> <p><b>Business diversification</b></p> <ul style="list-style-type: none"> <li>- <b>Multifunctional agriculture</b> <u>Current situation:</u> Incompatibility and only a few supplementary activities.</li> <li>- <b>Rural agritourism</b> <u>Current situation:</u> Rural agritourism must be specifically emphasized as an important opportunity for rural SMEs.</li> <li>- <b>Authentic local food</b> <u>Current situation:</u> Inability to make a mark on the market, unoriginality, triviality. The absence of a story behind the product.</li> <li>- <b>Marketing of rural areas and their branding</b> <u>Current situation:</u> Rural areas are characterized by a large number of small businesses, which most often are unable to carry out significant marketing and communication activities and thus fail achieve a larger market.</li> <li>- <b>Shared Economy (peer to peer economy)</b> <u>Current situation:</u> The concept of a shared economy is not fully developed, but it can significantly help SMEs. The shared economy is based on the idea that certain property (material or non-material) that are not fully exploited can be shared with someone who is willing and able to use it in a limited period of time. An important aspect of a shared economy is social networks and technologies that provide these opportunities for collaboration. Digital technologies through online platforms provide access to networking and global partnerships that combine demand and supply.</li> </ul> <p><b>Technology and industry</b></p> <ul style="list-style-type: none"> <li>- <b>Smart specialization</b> <u>Current situation:</u> New technologies are more often linked to innovation and play a crucial role in increasing the competitiveness of SMEs.</li> </ul>



	<ul style="list-style-type: none"> <li>- <b>Industry 4.0</b> <u>Current situation:</u> Low use of digital technologies.</li> <li>- <b>Smart, precision agriculture</b> <u>Current situation:</u> There is a number of technical opportunities related to smart and precision agriculture, or drones, satellites or GPS.</li> </ul> <p><b>Information, research and development</b></p> <ul style="list-style-type: none"> <li>- <b>Promoting SME awareness, education, counselling</b> <u>Current situation:</u> Insufficient education and training in innovation and SME competitiveness.</li> <li>- <b>Supporting SME innovation projects</b> <u>Current situation:</u> Too little innovative SME projects</li> <li>- <b>SME participation at the trade fairs and exhibitions</b> <u>Current situation:</u> Low participation of SMEs at the trade fairs and exhibitions.</li> <li>- <b>Involving the SME segment in research, development and innovation</b> <u>Current situation:</u> Low involvement of SMEs in research and innovation</li> <li>- <b>Bioeconomic: Energy efficiency improvements support, increased use of renewable energy sources, deployment of low carbon technologies</b> <u>Current situation:</u> Insufficient usage of renewable energy sources. High carbon load.</li> <li>- <b>Circular economy</b> <u>Current situation:</u> The concept of bioeconomic and deployment of technologies supporting a smaller carbon footprint are moving towards a deeper and more comprehensive concept of circular economy</li> </ul> <p><b><u>ACTIONS:</u></b> In the context of above-mentioned topics, defined within INNOGROW project as significant areas to be addressed, support to rural SMEs and entrepreneurs will be provided.</p> <ol style="list-style-type: none"> <li>1) Consultancy services – new capacity personnel capacity in cooperation with specialists from the Pardubice region and P-PINK.</li> <li>2) Raising awareness on above mentioned topics - organisation of workshops and educational trainings in cooperation with key stakeholders of INNOGROW</li> </ol>
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	<p>project (expected number of participants is estimated 60/ year – to be proved by presence list)</p> <p>3) 1 submitted subsidy project application to relevant funding program</p>
4. Players involved (explain their role)	<p>The Pardubice Region – policy maker</p> <p>AGROVENKOV o.p.s. – cooperation within Agriculture support centre</p> <p>RDA PR – professional consultancy provider</p> <p>P-PINK, z.ú. – professional consultancy provider</p>
5. Timeframe	2018 onwards
6. Costs	<p>100 000,- CZK / year</p> <p>Staff costs of 0,25 part time</p>
7. Funding sources	RDA PR, The Pardubice Region
8. Expected impacts (please define „KPI“)	<p>1 submitted subsidy project application per year to above</p> <p>1 consultation provided per month</p> <p>3 participation and promotion at the third party events for general public</p>

#### 3.4.1 Official signatures

Date	12.7.2019
Name	Klára Štefančová, Director
Signatures	Stamp of the organization