



Agricultural Policy Forum 2019

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Contribution of Diversification of Economic Activities to Sustainable Rural Development in SEE

Working Group 3: Research capacities – factor of sustainable development in rural areas in SEE

“Agricultural policy, innovation and knowledge transfer in agriculture and rural areas: the EU approach”

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1. Policy Overview 2014-2020

The Europe 2020 strategy: *“future economic growth in the EU should be smart, sustainable and inclusive”*

Five ambitious goals in the areas of:

- Employment
- Innovation
- Education
- Poverty reduction and
- Climate/energy

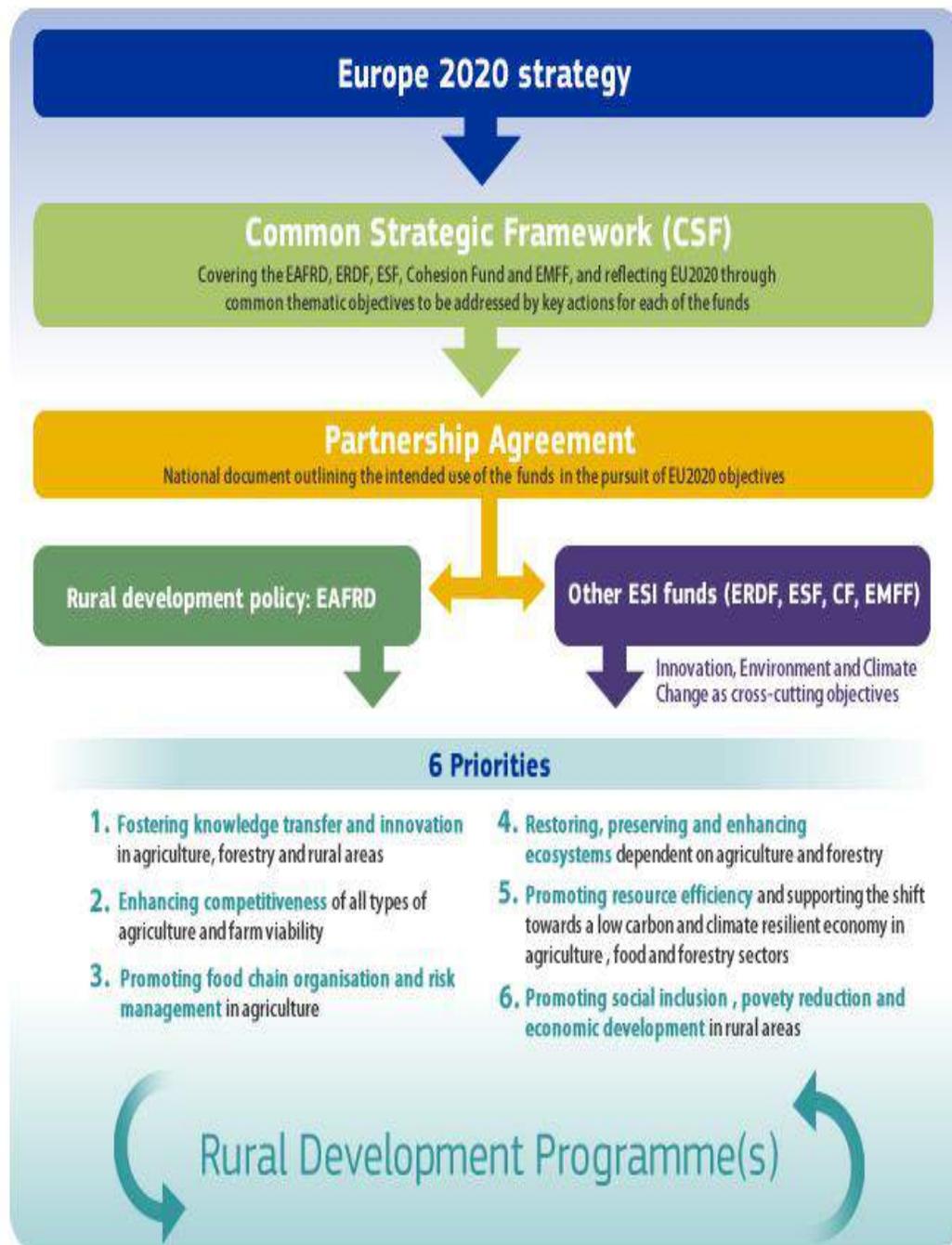
A **Common Strategic Framework (CSF)** coordinates all European Structural and Investments funds (ESI funds) and

a **Partnership Agreement** reflects the EU common strategic approach for each Member State, setting out how they will coordinate the different policies and use the ESI funds accordingly.

In line with Europe 2020 are set the overall CAP objectives

Three long-term **strategic objectives for EU rural development policy** in the 2014-2020 period:

- The improvement of the competitiveness of agriculture
- the sustainable management of natural resources and climate action
- the balanced territorial development of rural areas



RDP priorities and focus areas provide the basis for programming the European Agricultural Fund for Rural Development (EAFRD) support to EU rural areas.

Several **other EU funds** provide additional support alongside the EAFRD, like: the European Regional Development Fund (ERDF), the European Social Fund (ESF), the Cohesion Fund (CF) and the European Maritime and Fisheries Fund (EMFF).

2. EIP: part of EU's growth strategy for the decade

European Innovation Partnerships (EIPs) have been launched in the context of the **Innovation Union**, which has been established to support EU Member states improve their competitiveness, their quality of life and employment opportunities.

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EIPs help to pool expertise and resources by bringing together public and private sectors at EU, national and regional levels.

EIP-AGRI for more productive and sustainable agriculture and forestry

The relationship between farmers, society and the natural world is changing due to **diminishing resources, demographic growth and pressure on the environment, changing society expectations, new technologies and the increasing impacts of climate change.**

For these reasons **farmers and foresters need new knowledge, new skills and innovative ideas to develop and manage smarter and more sustainable production systems.**

Launched in 2012, the EIP-AGRI aims to **"achieve more from less"**.

It brings together innovation actors (**farmers**, advisors, researchers, businesses, NGOs, etc) and helps to build bridges between research and practice.

Three areas of Intervention (Focus areas)

1. Fostering innovation and the knowledge base in rural areas.
2. Strengthening research and innovation links in agriculture and forestry.
3. Fostering lifelong learning and vocational training in agriculture and forestry sectors.

Innovation under EIP-AGRI is multivariate and takes time to succeed

It may be technological, non-technological, organisational or social, and based on new or traditional practices.

EIP-AGRI goes beyond the "linear innovation model" of acceleration from lab to practice, introducing the "**interactive innovation model**" which brings together specific actors to work together in multi-actor projects to find a solution for a specific issue or to develop a concrete opportunity.

Operational Groups

With the formation of Operational Groups new insights and ideas are generated and existing **tacit knowledge is built into focused solutions** that are quicker put into practice.

The Operational Group approach makes the best use of different types of knowledge (practical, scientific, technical, organisational, etc) in an **interactive way**.

3. Governance and Orientation of the EIP-AGRI

A Standing Committee for Agricultural Research, engaged in assisting EIP through the development of innovative Horizon 2020.

It provides advice via a dedicated working group on Agricultural Knowledge and Innovation Systems (AKIS)

Term is used to describe the whole **knowledge exchange system**

AKIS can include farming practice, businesses, authorities, research, etc. and can vary a lot, depending on the country or sector.

A “**systems approach**”, which helps bridge the gap between science and practice.

4. Observations and key messages

a. Promoting innovation, exploiting knowledge

Substantial amount of **knowledge available** stays **fragmented and insufficiently applied in practice**.

The **agricultural sector has considerable and under-used innovation capacity**. On average, twenty years separate the start of research from the mainstream application of its outcomes in agriculture.

The 2030 Agenda for Sustainable Development leaves just ten more years to provide effective solutions.

b. Co-creating knowledge and innovation through an interactive approach in innovation projects

The EIP-AGRI benefits from instruments funded under two European policies in close synergy: **Horizon 2020 and the Rural Development pillar of the CAP.**

Around 1000 Operational Groups have started. More than 3 000 Operational Groups are expected by the end of 2020.

Openness to involve relevant groups operating in the EIP context (Operational Groups) is strongly recommended in the Horizon 2020 bi-annual work programmes.

One **billion euros** to fund around **180 multi-actor projects** and **29 thematic networks**.

Three work programmes launched so far (2014-2015, 2016-2017 and 2018-2020). Next opportunities under **calls 2020**.

The cornerstone of both types of projects is the **interactive innovation approach**.

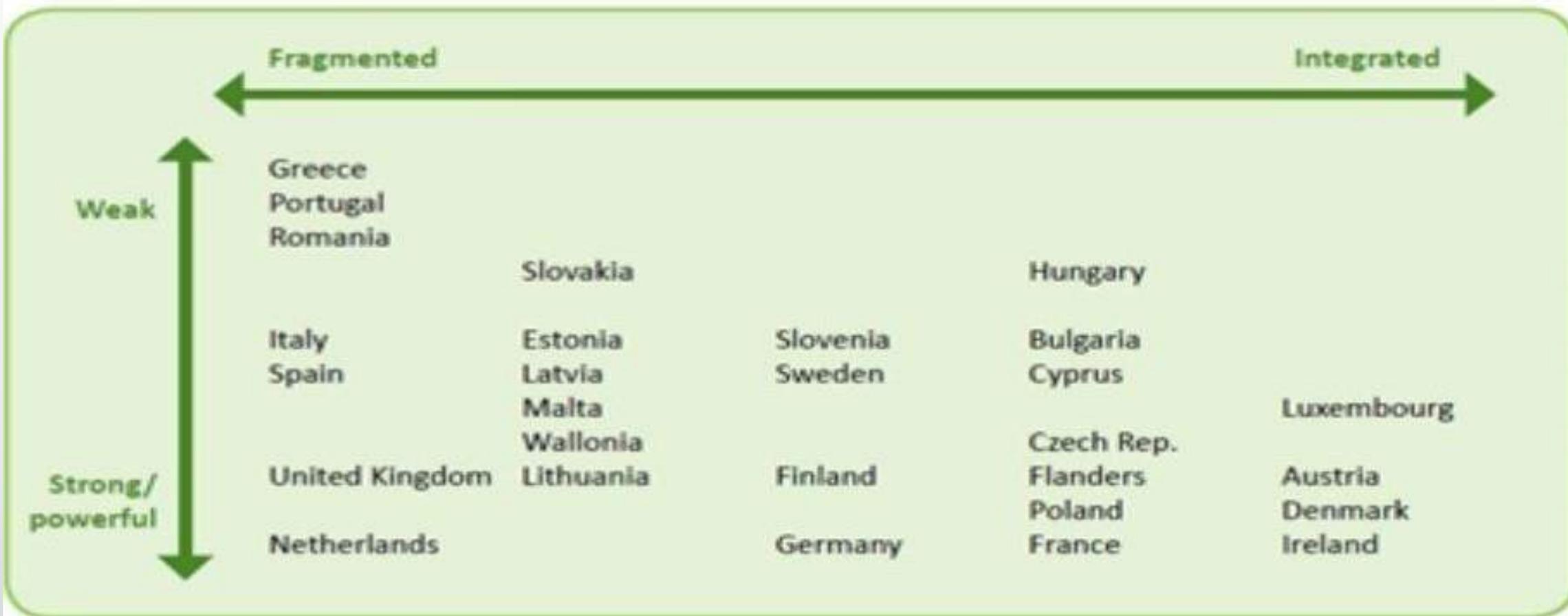
c. Structuring knowledge exchange and fostering innovation processes in each Member State

The current AKIS is not sufficiently up to the challenges of today and tomorrow.

Performance varies from one Member State to another.

PROAKIS study: Characterising MS' AKIS

An overview (as of 2014)



Need for structuring knowledge exchange and fostering innovation processes in each Member State.

Need to incentivise the creation of flexible innovation ecosystems in each Member State in new combinations of knowledge, actors, technology and related investments.

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5. The case of Greece – M16

The Greek RDP 2014-2020 contributes to Thematic Target 1 «Strengthening research, technological development and innovation», through the following two focus areas of EU policy:

- a) Promotion of innovation, cooperation and knowledge base in rural areas
- b) Strengthening the links between agriculture, food production, forestry, research and innovation including environmental management and performance

Supported actions under Measure 16 (M16) and its sub-Measures are implemented by groups of at least two cooperating entities.

In Greece the call of M16 was launched in May 2018.

With M16 we attempt to promote innovation in the rural areas through the development of **cooperation between farmers and researchers** and the establishment of Operational Groups (OGs).

It is not an investment Measure and does not finance basic research. On the opposite, it lays the foundation for the extroversion and cooperation of farmers and the research community.

M16 was consisted of two sub-measures

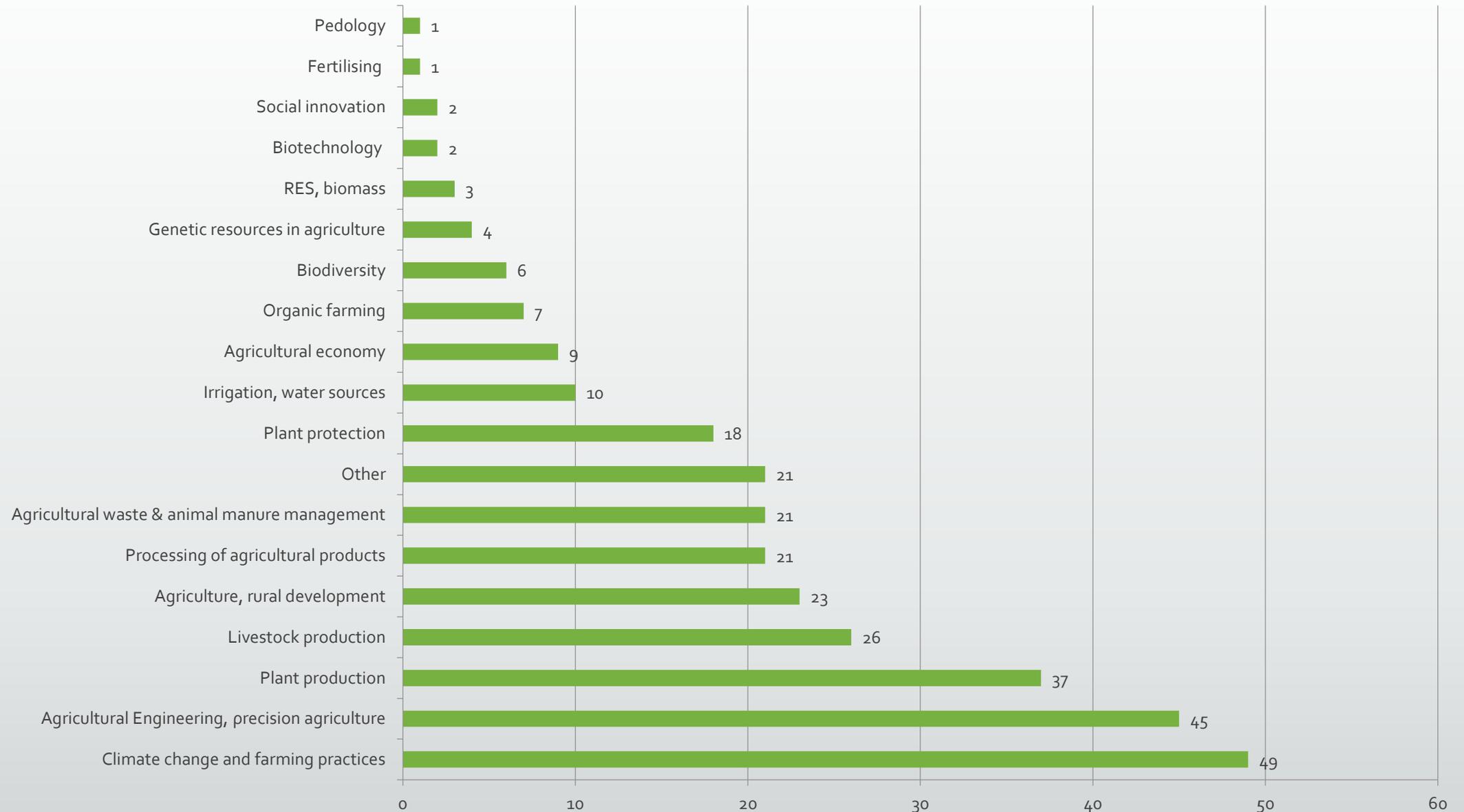
Sub-measure 1 is a preparatory stage for the setting-up of OGs in the context of EIP-AGRI with a budget of nearly 1.5 million euros to finance with 5.000 euros each set up OG for its functional expenses.

Sub-measure 2 had a budget of 45 million of interventions under Cooperation in:

- Productivity and sustainability of agriculture
- Environmental projects, practices and actions for climatic change

A marathon of visits and seminar work led to the submission of **306 national OG proposals, 345 regional and 17 transnational.**

M16 National proposals per sector



M16 Regional proposals: spatial allocation

Region	Number of submissions
Eastern Macedonia and Thrace	45
Attica	7
North Aegean	15
Western Greece	28
Western Macedonia	27
Epirus	14
Thessaly	48
Ionian Islands	9
Central Macedonia	66
Crete	31
South Aegean	10
Peloponnese	25
Central Greece	20

Almost 50% of the approved proposals are concentrated in three regions; the most important agriculturally

6. Which way forward then?

New CAP proposed Regulation on National Strategic Plans for knowledge-based and innovative agriculture and rural areas of the future

New AKIS 2.0, following the cross-cutting post 2020 CAP objective on 'modernisation of the sector by fostering knowledge, innovation and digitalisation of agriculture and rural areas (Art. 5 of the CAP Strategic Plan regulation).

The CAP Strategic Plans will include a description of the organisational set up of the new national AKIS

Farm Advisory Services (FAS) and other interrelated services, researchers, farmer organisations and other relevant stakeholders will form the new AKIS.

**Integrated approach for modernisation, innovation and knowledge flows:
Overview of relevant AKIS provisions**



Art. 71, 72 and 113 are a key part of an integrated approach supporting modernisation, innovation and knowledge flows



Successful AKIS 2.0 strategies include four main groups of actions:

a. Enhancing knowledge flows and strengthening links between research and practice

An increasing **privatization of knowledge** and ever stronger dependency of farmers on commercial solutions is identified and the

- **need for sharing and building knowledge in an open way** that creates space for actors to meet and develop ideas and generate innovation accessible to all, is expected.

A range of interventions from the CAP regulation can support these incentives.

b. Strengthening farm advisory services within the AKIS

FAS can upgrade their efficiency and effectiveness by improving their connections within AKIS, sharing knowledge and innovative applications more widely.

Farm advisors should identify and feed needs and opportunities of farmers into AKIS for further development – possibly as an **"innovation support service"**.

Farm advisors within the AKIS should be trained to act as **innovation brokers/facilitators**

c. Enhancing interactive innovation

Essential to establish **innovation support services (ISS)**, **one-stop shops** to capture farmers'/foresters' needs and innovative ideas.

Supported by these ISS, EIP OGs or Horizon multi-actor project ideas can develop more easily.

d. Supporting digital transition in agriculture

FAS with sufficient digital knowledge and access to the data is very important to help minimise a digital divide.

To maximise the positive contributions of digitalization, a comprehensive approach is needed, combining investments in knowledge and in the enabling environment.

Support for digitalization at farm level and for the establishment of high-speed internet connectivity across Europe is essential.

Good ideas for digital innovations need attention and funding, possible via Operational Groups on digital tools and Digital Innovation Hubs.



New Governance and networking

Each Member State shall establish a **national Common Agricultural Policy Network** (national CAP network) for the networking of organisations and administrations, advisors, researchers and other innovation actors.

A **European CAP network** shall be put in place for the networking of national networks, organisations, and administrations in the field of agriculture and rural development at Union level.

The EAFRD may support actions including **the establishing and operating of the national CAP networks**.

Concluding remarks

The focus is now on **improving information flows** within the AKIS.

It is essential for generating innovation to **build and to share knowledge in an open way and to create space for actors to meet and develop ideas.**

Innovation depends on this combined performance of AKIS actors.

The CAP modernisation will provide this enabling framework for the transition pathways towards resilient, sustainable and climate friendly farming systems and value chains.