

Smart RDP support for smart rural businesses

The EAFRD Regulation for 2014-2020 states that *"SMEs are the backbone of the rural economy of the Union. Farm and non-agricultural business development should be aimed at employment promotion and the setting up of quality jobs in rural areas, the maintenance of existing jobs, the reduction of seasonality fluctuations in employment, the development of non-agricultural sectors outside agriculture and agricultural and food processing. At the same time it should foster business integration and local inter-sectoral links."*

The ENRD thematic group on smart businesses argued that **rural areas and rural economies are undergoing massive change**. Rural businesses, both farm and non farm, are having to **navigate the future in the face of a series of emerging challenges and opportunities**.

There was general agreement that the specific challenges that businesses are facing in rural areas require specific tailor-made responses. Among others rural businesses need:

- **inspiration** for new creative business ideas;
- **access to knowledge and peer-to-peer learning** (research and skills as well as inspiration, learning from past mistakes, avoid new ones, and find solutions to shared challenges)
- **networking** to create links with relevant stakeholders, advisors, research institutions, public (funding) institutions, urban areas;
- **flexible finance** adjusted to the needs of businesses, dealing with risk and programmes, ideally provided through a 'one-stop-shop'.
- **access to key services**, and especially IT and broadband.

These needs can be met by a wide range of European and national programmes. Authorities are faced with several strategic choices when designing their programmes:

They need to decide **which EU fund** and **which national source of funding** to use for meeting the specific needs of rural businesses. Many RDPs focus almost entirely on farming and land based businesses, relying on LEADER and other programmes to deal with other types of rural firms.

On the other hand, some, RDPs take a much broader approach to the rural economy and use the **full range of measures for rural businesses**.

The authorities responsible for rural development need also to **avoid overlaps between different sources of business support**, identify potential gaps for rural businesses, reduce complexity and administrative burden and, above all ensure that rural businesses have a clear and simple access to the support they need.

The TG found that that different methods can be used to achieve this goal, for example setting-up joint programming and selection committees, coordinating RDP delivery at provincial/local level (one stop shop), grouping measures into schemes or coordinating the business support services of publicly and privately funded bodies. However, better coordination between programmes and measures and clear communication and sign posting remain a major priority.

Workshop on 'Using the RDPs to implement smart business support packages'

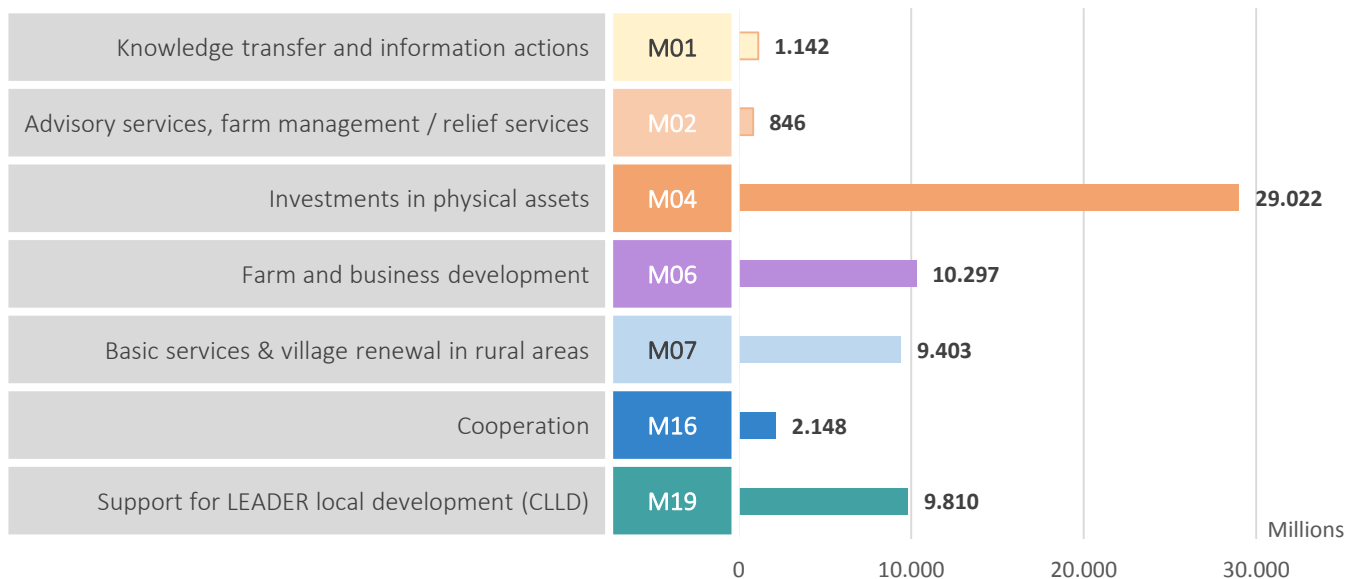
The workshop will discuss how RDP Measures can be combined to support the creation and development of rural businesses.

It will discuss the following questions. In your experience:

- What are the **specific rural businesses needs** that the RDP should support?
- What are the **examples of RDP implementation** that meet these needs? How are the RDPs achieving this?

Rural Development Programmes' tools

The following graph presents the 2014-2020 EU RDP planned expenditure on **RDP Measures** expected to contribute the most to the creation and development of rural businesses. The figures includes only the total planned expenditure under P2, P3 and P6 (EAFRD + national contribution).



The comparative analyses carried out by the ENRD also identified a number of ways in which different RDP measures can be used in a more flexible way to meet the specific business needs mentioned earlier:

1. Inspiration for new creative business ideas - Most innovations are incremental improvements of existing practices and products. Identifying and nurturing them requires close contact and patient listening by business advisors. Various MSs found different methods for kick starting new business ideas such as developing mentoring programmes for start-ups using M06, LEADER and nationally funded business support providers.

2. Access to knowledge and peer to peer learning – Experience showed that innovative and traditional ways of knowledge transfer can be complementary. MSs are using M1 for Knowledge Transfer and are expanding the role of Farm Advisors (M2), but are also experimenting with demonstration farms, peer to peer groups, etc.

3. Networking and cooperation – Networking and cooperation are key to exchange knowledge, create new ideas and find potential business partners. MSs are using NRNs to support thematic groups, innovation camps, road shows etc. M16 and LEADER as well have a great potential to fulfil this need.

4. Flexible finance - One off grant schemes can come in the wrong shape and time to meet business needs. RDPs have explored various approaches to this problem: two stage selection processes for grants (e.g. M06), accompanied by advice for business planning, support for feasibility studies, lump-sum start-up support, financial instruments and support for experimental activities.

5. Access to key services – Basic services are key for business development and broadband among these was identified as at the centre of emerging economies in rural areas. RDPs provides several opportunities for investing in basic services but these need to complement the interventions of several other ESIF and national funded policies.

ENTREPRENEURIAL NEEDS	SOME POSSIBLE MEASURES	
IDEAS, BUSINESS PLAN, ADVICE	M01 M02 M06	M16 M20 LEADER
SKILLS ACQUISITION & PEER-TO-PEER LEARNING	M01 M02 M07	M16 M20 LEADER
FINANCE FOR INVESTMENTS	M04 M06	LEADER M16
NETWORKING & COOPERATION	M01 M16	M20 LEADER
BASIC SERVICES	M07	LEADER