

SHIFT-R Transferability Study

Shaping Innovation-Friendly
Territories (Rural Edition)



WE DID IT. YOU CAN SHIFT IT.

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1. THE GOOD PRACTICE

1.1 Introduction

WE DID IT, YOU CAN SHIFT IT!

Fundão has strategically positioned itself as a leading territory in digital transformation and innovation, particularly by addressing the structural socio-economic challenges common to small and medium-sized cities. These challenges include youth unemployment, an ageing population, and declining economic activity, all of which have significantly impacted the municipality's demographic and economic structure.

The challenge: Fundão, like many rural and small and medium-sized cities across Europe, faced a combination of structural, economic and institutional challenges that limited its development potential and long-term resilience.

Structural Challenges

- **Depopulation and demographic imbalance:** Continuous outmigration of young and qualified people, combined with an ageing population, led to a shrinking and less dynamic labour force.
- **Low territorial attractiveness:** Limited employment opportunities, lack of modern infrastructure and reduced access to innovation ecosystems made it difficult to attract and retain talent.

Economic Challenges

- **Economic stagnation and low diversification:** The local economy was heavily dependent on traditional sectors with low added value, limiting productivity and competitiveness.
- **Limited innovation capacity:** Weak links between businesses, research institutions and public authorities resulted in low levels of innovation and reduced ability to generate new economic activities.

Systemic and Governance Challenges

- **Fragmentation across systems:** A lack of coordination between key domains—**education, economy, governance and spatial planning**—created inefficiencies and reduced the impact of public policies.
- **Mismatch between skills and labour market needs:** Education and training systems were not aligned with emerging sectors, particularly in digital and technological fields.
- **Limited collaboration between stakeholders:** Public institutions, private sector and academia operated in silos, preventing the emergence of a cohesive innovation ecosystem.

Core Problem: At the heart of these challenges was a systemic failure of integration – “**The absence of a coordinated framework linking education, economic development, governance and infrastructure prevented the territory from generating and retaining value**”.

Rather than addressing these challenges through isolated projects or sectoral interventions, **Fundão adopted a long-term, systemic approach centred on innovation as a driver of territorial transformation.** By integrating talent development, entrepreneurship support, digital infrastructure, public asset regeneration, collaborative governance and international cooperation into a single place-based innovation ecosystem, the municipality progressively reversed many of the structural constraints that had limited its development.

Today, **Fundão is widely recognised as one of Europe's leading examples** of how rural and low-density territories can successfully reinvent themselves through innovation. The municipality has created hundreds

of qualified jobs, attracted national and international technology companies, developed a vibrant entrepreneurial ecosystem, strengthened digital skills, revitalised public spaces and established itself as an internationally recognised innovation hub. Its experience demonstrates that the future competitiveness of rural territories depends not on replicating metropolitan models, but on building integrated innovation ecosystems tailored to local assets, communities and ambitions.

This success forms the foundation of the SHIFT-R Good Practice. **More than a collection of individual initiatives, the Fundão model represents a transferable methodology for systemic territorial transformation**—one that enables rural and small cities to shift from fragmentation to integration, from demographic decline to talent attraction, and from economic stagnation to innovation-led development. It is this capacity to **shift** local territories towards more resilient, inclusive and innovation-friendly futures that underpins the ambition of the SHIFT-R network.

1.2 EU Policy Context

European Policy Framework for Innovation in Small and Medium-Sized Cities

Across Europe, **small and medium-sized cities and rural territories** are increasingly recognised as critical actors in achieving the European Union's long-term objectives of **territorial cohesion, digital transformation and sustainable development**. However, these territories often face structural challenges, including demographic decline, limited economic diversification and reduced access to innovation ecosystems.

In response, the European Union has developed a set of strategic initiatives aimed at **strengthening regional innovation capacity**, promoting **place-based development**, and reducing disparities between metropolitan and non-metropolitan regions.

Within this context, the SHIFT-R Good Practice aligns strongly with three key EU policy instruments:

- **Regional Innovation Valleys (RIV) Initiative**
- **Interregional Innovation Investments (I3) Instrument**
- **Horizon Europe – European Innovation Ecosystems (EIE)**

Alignment with the Regional Innovation Valleys Initiative

The **Regional Innovation Valleys (RIV)** initiative aims to strengthen innovation ecosystems across Europe by fostering collaboration between regions with different levels of innovation performance. It focuses particularly on **less-developed and transition regions**, supporting them in integrating into European innovation value chains.

The Fundão model is highly aligned with this initiative, as it demonstrates how a **low-density territory can build a functional innovation ecosystem** by leveraging local assets and connecting to broader networks.

Key areas of alignment include:

- **Place-based innovation ecosystems:** Fundão's strategy is rooted in local strengths, including its cultural heritage, agricultural tradition and proximity to academic institutions, while integrating advanced technologies such as IoT and digital platforms.

- **Interregional collaboration:** Through its participation in European programmes such as URBACT and INTERREG, Fundão actively contributes to knowledge exchange and policy learning across regions.
- **Bridging innovation gaps:** By developing infrastructure such as coworking spaces, digital labs and incubation programmes, Fundão reduces barriers to innovation in rural contexts.

In this sense, Fundão can be considered a **practical implementation of the Regional Innovation Valleys concept**, demonstrating how smaller territories can actively contribute to European innovation systems.

Alignment with the Interregional Innovation Investments (I3) Instrument

The **I3 Instrument** supports interregional partnerships that develop **innovation-driven value chains**, particularly in less-developed regions. It aims to facilitate the scaling up and commercialisation of innovation by connecting regions, industries and research actors.

Fundão's approach strongly reflects the principles of the I3 Instrument:

- **Support for innovation-based value chains:** The municipality promotes the development of sectors such as ICT, AgroTech and creative industries, linking local production with global markets.
- **Integration of SMEs and startups:** Through the "A Praça" incubator and Digital Innovation Lab, Fundão supports the creation and scaling of startups, contributing to regional economic diversification.
- **Cross-sector collaboration:** The ecosystem connects public authorities, businesses, academia and civil society, enabling innovation across multiple domains.
- **Investment attraction and scaling:** Fundão has successfully attracted national and international companies, generating significant employment in the ICT sector and strengthening its economic base.

The Fundão model illustrates how **local ecosystems can act as platforms for interregional innovation investments**, even in non-metropolitan areas.

Alignment with Horizon Europe – European Innovation Ecosystems

Under Horizon Europe, the **European Innovation Ecosystems (EIE)** programme aims to create **connected, inclusive and efficient innovation ecosystems** across Europe. It emphasises collaboration, knowledge sharing and the integration of diverse actors.

Fundão's innovation model is strongly aligned with these principles:

- **Ecosystem-based approach:** Rather than focusing on isolated projects, Fundão has developed an integrated system combining infrastructure, skills, entrepreneurship and governance.
- **Living Lab methodology**
The **Living Lab Cova da Beira** acts as a collaborative platform where stakeholders co-create and test solutions, particularly in areas such as smart agriculture and digital services.
- **Open innovation and social innovation:** The municipality promotes participatory approaches and citizen involvement, ensuring that innovation responds to real societal needs.

- **Integration of digital technologies:** The deployment of a LoRa communication network across the municipality enables IoT applications in agriculture, mobility, energy and public services, positioning Fundão as a **rural testbed for smart solutions**.

Fundão exemplifies how **European Innovation Ecosystems can be operationalised at local level**, particularly in small and medium-sized cities.

National and Local Policy Context

Fundão's development strategy is strongly aligned with Portugal's national priorities for digital transformation, innovation-driven growth and territorial cohesion. Since the adoption of the **Fundão Innovation Plan** in 2012, the municipality has implemented a long-term, place-based policy framework centred on the principles of **Open Innovation** and **Social Innovation**, aiming to stimulate entrepreneurship, attract talent, foster digital transformation and improve quality of life.

At the heart of this strategy is the **Living Lab Cova da Beira**, an integrated innovation ecosystem that combines coworking spaces, Fab Labs, incubation services and collaborative platforms connecting businesses, universities, public authorities and civil society. This environment promotes experimentation, prototyping and the co-creation of innovative solutions, particularly in digital technologies, entrepreneurship and smart rural development.

Fundão's policy framework is closely connected to European priorities through its active participation in programmes such as **URBACT**, **Horizon Europe** and **INTERREG**. Projects including **IoTExchange**, **METACITY** and **SHIFT-R** have strengthened the municipality's capacity to test, transfer and scale innovative approaches, while reinforcing its position as an international reference for territorial innovation.

The municipality complements these actions with a strong commitment to **open governance**, using participatory budgeting and collaborative decision-making mechanisms to ensure that innovation responds to local needs. Significant investments in digital infrastructure—including a municipality-wide **LoRa network**—enable smart applications in agriculture, mobility, energy and public services, while initiatives such as the **Coding Academies** and startup support programmes strengthen digital skills, entrepreneurship and employment.

Conclusion

More importantly, Fundão illustrates how rural and small urban contexts can actively participate in and contribute to Europe's twin transition, positioning themselves not as peripheral areas, but as **dynamic nodes within wider innovation networks**. Overall, Fundão's policy framework reflects a proactive and forward-looking vision, where digital innovation, sustainability and inclusive governance are mutually reinforcing. By consistently aligning local action with European priorities—through programmes such as URBACT and Horizon Europe—the municipality has established itself as a **reference model for territorial innovation**, offering valuable lessons for other cities seeking to navigate the complexities of economic transformation and long-term resilience in the digital age.

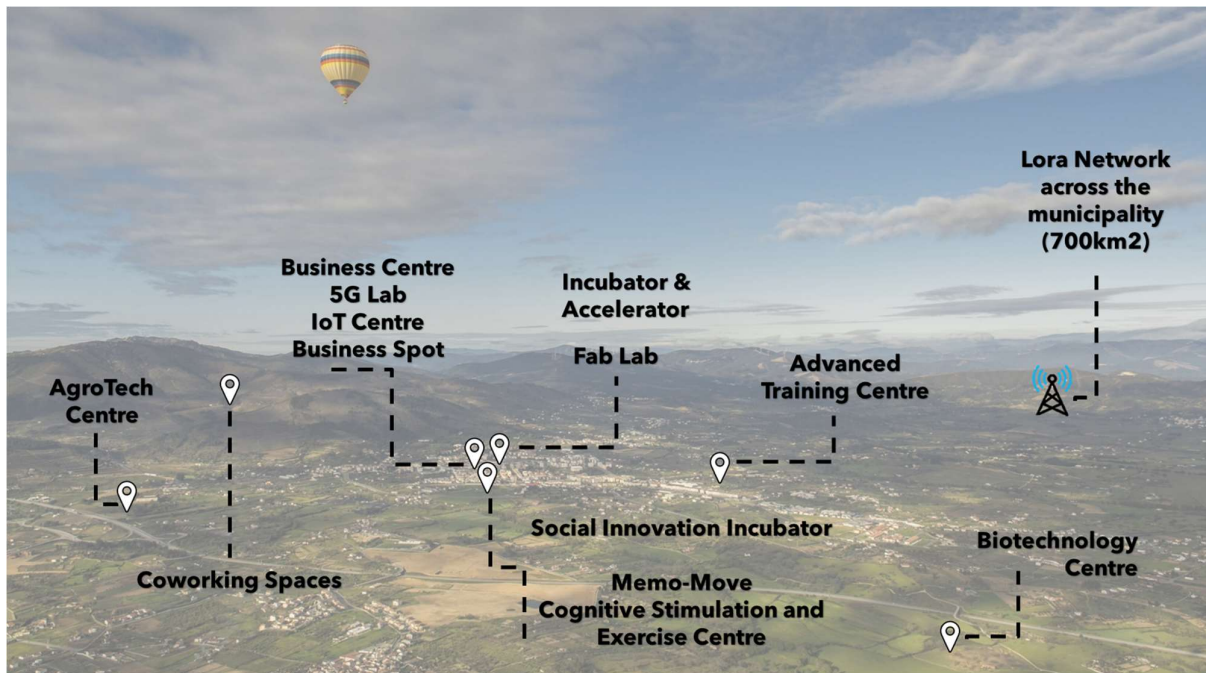
1.3 Fundão Good Practice – Integrated Territorial Innovation Ecosystem

Over the past decade, Fundão has established itself as one of the most dynamic territories in Portugal in the fields of **innovation, entrepreneurship and technological development**.

This transformation is based on a **strategic and integrated approach**, combining infrastructure development, experimentation labs and capacity-building programmes that connect **knowledge, creativity and investment**. This approach promotes **sustainable development** while enabling the attraction and retention of talent in low-density territories.

1.3.1 Innovation and Entrepreneurship Structures

The Fundão ecosystem integrates a **diverse network of interconnected spaces and facilities**, designed to support startups, freelancers, technology companies, creatives and entrepreneurs, as can be seen on the following infographic. To operationalise this vision, Fundão invested heavily in the creation of physical and digital infrastructures capable of supporting experimentation, collaboration and entrepreneurship.



Core infrastructure includes:

- **Digital Innovation Lab (LID – Laboratório de Inovação Digital)**. The central hub supporting entrepreneurship, innovation and technology-based startups.
- **Coworking Network** - A distributed network across the municipality, including Fundão 2, Silves, Alpedrinha, Enxames, Zebras, Orca, Castelo Novo, Alcaide, Alcongosta, Janeiro de Cima and the Gardunha Capsule. This network promotes **decentralised innovation and remote work**.
- **Fab Lab, Craft Lab, Textile Lab and 3D Printing Club** Spaces for experimentation and prototyping, combining **technology, design, craftsmanship and training**.
- **Portuguese Fab Lab Association (APLFD)** Active role in national coordination and implementation of innovation activities.
- **Music Lab and Media Lab (since 2022)** Supporting music and audiovisual production, fostering the **local creative economy**.

- **Gaming Lab Fundão (launching 2025)** Including Virtual Reality Lab, developer rooms and gaming facilities.
- **eSports Municipal Team** With strong engagement, including a significant proportion of participants over 40, highlighting **inclusive digital participation**.
- **Picadeiro Digital Hub (2024)** A flagship project combining **art, science and technology**, located in a regenerated historical building in Serra da Gardunha.
- **Move to Fundão” platform**
- **Investor Guide** promoting business attraction and talent relocation
- Launch of **AI and Smart City project**

1.3.2 Entrepreneurship and Business Support

The **‘A Praça’ Incubator** functions as the central node of Fundão’s entrepreneurial ecosystem. It provides physical and virtual incubation services, mentoring, networking opportunities and business support mechanisms for startups and SMEs.

Since its creation, the incubator has supported dozens of startups, generated employment and contributed to the creation of a growing innovation-driven economy. The municipality complements this support through technical assistance, administrative facilitation and direct engagement with companies.

Fundão’s business support strategy includes the identification of suitable spaces within the ecosystem, connection to academic and technological networks, rapid resolution of operational constraints and continuous follow-up of companies and investors.

This approach has enabled the attraction of national and international companies such as Capgemini, Readiness IT, Softinsa, Inova+ and InnoWave, strengthening the municipality’s position as a technology-friendly territory.

- **“A Praça” Incubator** - is the central node of Fundão’s entrepreneurial ecosystem.

Key figures: 21 startups in physical incubation; 33 startups in incubation pipeline; 125 active virtual offices; 66 startups supported since 2013; Average growth: +5 startups/year

Employment impact: ~10 new jobs/year; 120 direct jobs created since 2014

The incubator acts as a **key engine for business creation and innovation diffusion**.

- **The Coworking Network** - Fundão has developed a **territorially distributed coworking model**, supporting remote work and lifestyle migration.

Key figures: 53 permanent coworkers; 139 temporary users (2024); 194 total fixed users since 2013; 115 Passwork users; 52 active partners.

This network contributes to: **work-life balance**; attraction of international professionals; decentralisation of economic activity.

- **Fab Lab, Craft Lab and Textile Lab** - These labs represent the **experimental and creative dimension** of the ecosystem, combining innovation with traditional knowledge.

Key figures: 90 activities (since 2019); 3,996 participants; 6,446 total participants across all labs

Training examples: Ceramic and clay workshops (Casa do Barro); Basketry training (Casa da Cereja); Food production training (Casa dos Embutidos).

These labs strengthen **local identity, skills and circular economy practices**.

- **Music Lab and Media Lab** - Since 2022, these labs have supported **creative production and cultural innovation**.

Key figures: 257 services delivered; 186 direct beneficiaries

Over the past decade, the Municipality of Fundão has established itself as one of the most dynamic territories in Portugal in the fields of **innovation, entrepreneurship and technological development**. This strategy is based on the creation of **support infrastructures, experimentation laboratories and business capacity-building programmes**, which bring together knowledge, creativity and investment, fostering **sustainable development** and enabling the retention of talent in low-density regions.

Key support actions include:

- Identification of suitable spaces within the innovation ecosystem (incubators, coworking spaces, laboratories and technological hubs);
- Technical and administrative support throughout the business installation process;
- Connection to networks of business, technological and academic partners;
- Rapid resolution of operational, logistical or administrative constraints;
- Continuous follow-up of business development, ensuring conditions for stability and sustainable growth.

Through this approach, Fundão consolidates its position as a **technology-friendly territory**, prepared to attract, support and scale new companies and innovative ideas that contribute to strengthening competitiveness and innovation in inland regions.

Business Support – Areas of Intervention

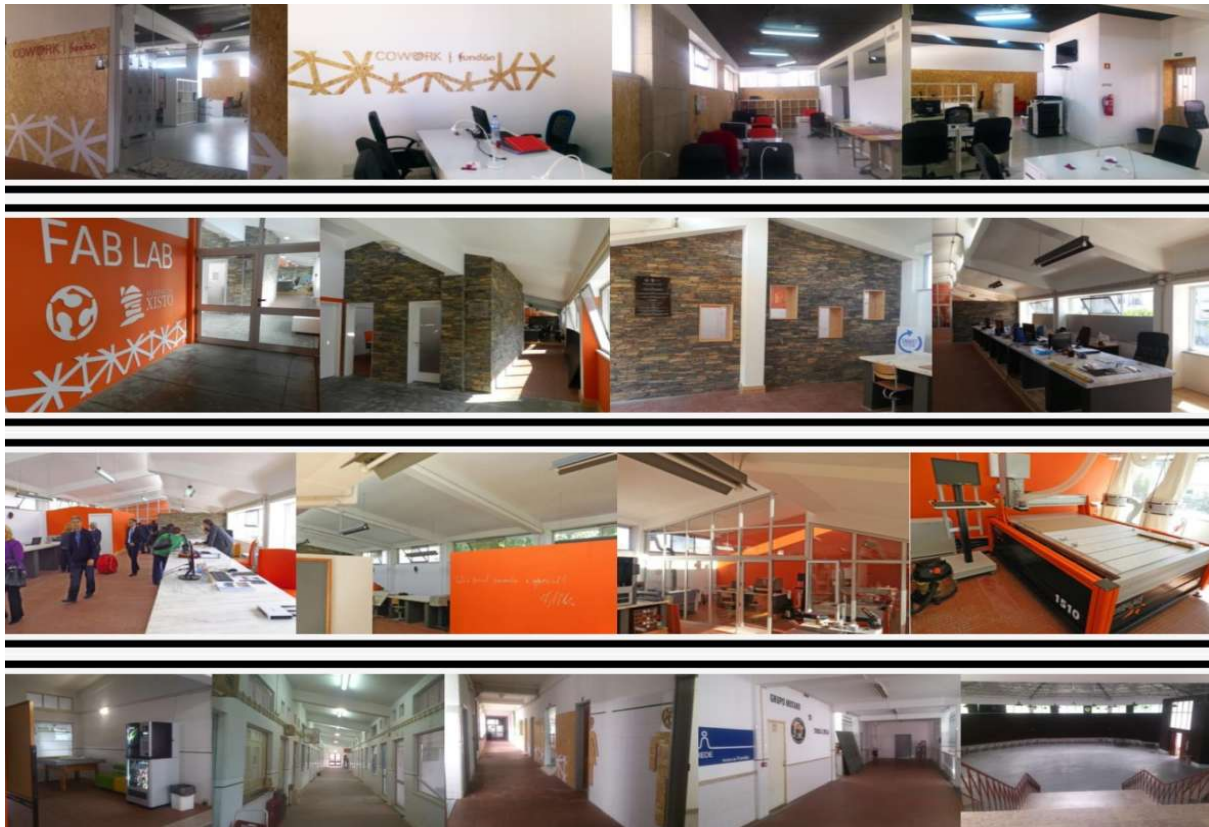
Investment:

- Monitoring and supporting companies established in business hosting facilities, ensuring responsiveness to all needs and coordination with municipal services;
- Companies supported include: Capgemini, Readiness IT, iTech-ON, Incognit Cloud, Convevo, Softinsa, Logikaline, BGA, Inova+, Pcmedic, BL Consulting, InnoWave and Da'Beira;
- Preparation and updating of Cooperation Agreements, in coordination with legal services, including documentation, annexes, signature collection and invoicing;
- Ensuring the maintenance and proper functioning of business facilities, including Moagem, MACB, CNS, CFA-CB, Colégio de Santo António and Senhora da Conceição;

- Monitoring the development of the CAET project, including: equipment maintenance; acquisition and installation of furniture; access control systems and CCTV, as well as parking management; security and cleaning services.

General (Division of Innovation, Investment and Planning)

- Preparation and monitoring of participation in national and international events (e.g. Web Summit, MIPIM, Smart Cities);
- Meetings with companies, startups, projects and potential partners to promote the local ecosystem and identify collaboration opportunities.



1.3.3 Talent Attraction and Quality of Life

As the ecosystem expanded, Fundão recognised that talent attraction and retention required more than economic opportunities. Quality of life, housing availability and social integration became essential dimensions of territorial competitiveness.

To address these needs, the municipality launched initiatives such as the **'Move to Fundão'** platform and developed innovative housing policies through the **Fundão Housing Pool**.

#movetofundao

Move to Fundão Initiative - The **Move to Fundão** initiative is one of the most strategic components of Fundão's territorial innovation ecosystem, designed to support **talent attraction, population retention and territorial internationalisation**.

Created as part of the municipality's broader innovation and demographic revitalisation strategy, the initiative

responds directly to one of the main structural challenges faced by rural and low-density territories: the continuous loss of population and difficulty attracting qualified professionals and new residents.

Rather than focusing solely on economic incentives, Move to Fundão promotes a broader vision of territorial attractiveness, combining **quality of life; digital connectivity; affordable living; entrepreneurship opportunities; community integration; and access to innovation ecosystems**.

The initiative functions as a **gateway platform** for individuals and companies interested in relocating to Fundão, particularly: **digital nomads; remote workers; entrepreneurs; technology companies; creatives, and international professionals**.

The initiative has several interconnected objectives:

Attract and retain talent: Fundão seeks to reverse demographic decline by attracting qualified people who can contribute to the local economy and innovation ecosystem.

Promote remote work and new lifestyles: The municipality positions itself as an alternative to large metropolitan areas, offering: **lower living costs, proximity to nature, better work-life balance, and access to digital infrastructure**.

Support business relocation and entrepreneurship: Move to Fundão facilitates the installation of startups, SMEs and technology companies through: **coworking spaces, incubation services, business support, and access to networks and funding opportunities**.

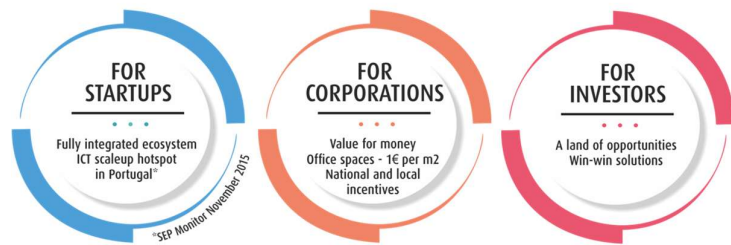
Internationalise the territory: The initiative contributes to positioning Fundão internationally as an innovation-friendly rural territory connected to European and global networks.

Key Components of the Initiative:

Digital Platform: The Move to Fundão website acts as a central information and communication platform, providing: **information on housing, coworking spaces, business opportunities, local services, education and healthcare, events and community initiatives**.

Community Integration: Move to Fundão is not limited to economic attraction. It also promotes: **integration into local communities, cultural participation, networking opportunities, support for international residents**. This social dimension is essential to ensure long-term retention rather than temporary relocation.

Strategic Importance: Move to Fundão represents a shift from traditional territorial promotion strategies toward a **holistic territorial attraction model**.



The initiative connects: **innovation policy, housing policy, economic development, digitalisation, and quality of life**. This integrated approach is particularly relevant for rural and low-density territories, where attracting people often depends on a combination of professional opportunities and lifestyle factors.

Fundão Housing Pool - strategy was created in 2013, with two main objectives (1) To provide a rapid response to the housing needs of employees of technology companies establishing themselves in the municipality of Fundão; (2) To encourage property owners in older urban areas to rehabilitate vacant buildings and integrate them into this programme, thereby contributing to the revitalisation of urban Fundão Housing Pool.

Beyond responding to immediate housing needs, the initiative also aims to promote **affordable housing solutions as a strategic tool for attracting and retaining talent**, particularly young professionals, digital workers, entrepreneurs and skilled employees relocating to the municipality. By combining quality of life with affordable living conditions, Fundão strengthens its attractiveness as an alternative to larger metropolitan areas.

This Housing Pool represents an innovative strategy of the Municipality of Fundão. To support its implementation, it was necessary to establish a regulatory framework under the “Innovation Plan and Polycentric Incubator for the Municipality of Fundão”, which defines the general operating rules for the different facilities within the municipality.

The Housing Pool is a highly dynamic structure. New requests for access are received weekly, and contracts for rental and subleasing may be terminated monthly. At present, there are only four properties available, although by the end of April all are expected to be occupied.

In 2023, this programme included 220 properties. However, as support periods end, rental and subleasing contracts are terminated, and properties are removed from the pool when owners establish direct agreements with tenants. In some cases, tenants purchase the properties where they reside, settling permanently in the municipality with their families.

Currently, there are 56 properties active within the programme.

According to the Regulation for the Exceptional Attribution of Incentives for the Retention of Essential Public Service Professionals in the Municipality of Fundão, and in line with Article 46(2) of the operating rules of the Living Lab Cova da Beira, housing allocation prioritises employees of companies considered of “high municipal interest”, particularly in terms of investment and job creation.

Eligible beneficiaries include: employees of companies with cooperation agreements with the Municipality of Fundão; essential public service professionals covered by the relevant regulations.

The average duration of occupancy by subtenants is approximately **3 years**.

To reinforce this strategy, Fundão has also participated in **international fairs and investment events aimed at attracting real estate investors and development partners**, promoting the municipality as an emerging territory for innovation-driven urban regeneration and sustainable territorial development. These actions contribute to increasing housing supply, supporting rehabilitation projects and strengthening the municipality’s capacity to accommodate new residents and growing economic activity.

1.3.4 European Cooperation and Ecosystem Scaling

European cooperation has been a critical driver of Fundão's transformation. Participation in **EU-funded programmes** has enabled the municipality to access funding, knowledge networks and international partnerships that would otherwise be difficult to achieve in a rural context.

Fundão currently plays a leading role in several European initiatives, including URBACT IV – SHIFT-R, URBACT MetaCity, INTERREG TUTOR, Blockchain.pt, GAMEER, Bauhaus Bites and DesirMED. These projects have reinforced the municipality's international positioning, strengthened institutional capacity and enabled the testing of innovative solutions in areas such as digitalisation, governance, gaming, AI and sustainability.

European cooperation has therefore functioned not only as a funding mechanism, but as a strategic instrument for ecosystem scaling, experimentation and territorial transformation.

This engagement delivers multiple strategic benefits:

- First, it strengthens **international positioning**. By participating in European networks, small rural territories gain visibility beyond their national context, positioning themselves as credible and attractive partners for innovation, investment and collaboration. This visibility is essential to compete with larger urban centres and to attract companies, talent and new opportunities.
- Second, it enhances **financial sustainability**. EU programmes provide access to significant funding that would otherwise be difficult to secure at local level. This allows municipalities to invest in infrastructure, pilot projects and innovation activities without placing excessive pressure on local budgets. Moreover, co-financing mechanisms enable the scaling of initiatives that can later be sustained through local or private investment.
- Third, and perhaps most importantly, participation fosters **knowledge exchange and capacity building**. Through collaboration with other cities, research institutions and organisations across Europe, local actors gain access to new ideas, methodologies and best practices. This accelerates learning processes, reduces the risks associated with experimentation, and improves the quality of local policies and projects.

In addition, European cooperation supports the **testing and adaptation of innovative solutions**. Projects such as URBACT or INTERREG create safe environments for experimentation, allowing small territories to pilot new approaches—whether in digitalisation, sustainability or governance—before scaling them locally.

Finally, these programmes contribute to **institutional strengthening**. By engaging in international partnerships, municipalities develop internal capacities in project management, strategic planning and innovation governance. This is particularly important for small administrations, where resources are often limited but flexibility and responsiveness can be key advantages.

1.3.5 Continuous Innovation and Future Expansion

A defining characteristic of the Fundão model is its capacity for **continuous innovation, experimentation and adaptation**. Rather than operating as a static ecosystem, Fundão has adopted a dynamic and future-oriented approach, continuously expanding and upgrading its infrastructures, services and innovation capacity in response to emerging technological, economic and social trends.

This ongoing evolution is essential to ensure the long-term resilience and competitiveness of the territory, particularly in a rapidly changing digital and global context. The municipality therefore maintains a strong innovation pipeline focused on the development of new infrastructures, pilot projects and experimental initiatives capable of reinforcing the ecosystem and positioning Fundão at the forefront of rural innovation.

Current and emerging projects include:

- the development of **Artificial Intelligence Labs (AI Labs)**;
- **IoT Labs** dedicated to smart and low-cost technological solutions;
- **Gaming Labs** and eSports infrastructures;
- **Rural Innovation Labs (LIR)** deployed across villages;
- expansion of coworking and coliving spaces;
- digital and cultural districts focused on creative industries and immersive technologies.

This strategy demonstrates Fundão's ambition not only to respond to present challenges, but also to anticipate future opportunities linked to areas such as:

- artificial intelligence;
- virtual and augmented reality;
- metaverse technologies;
- digital culture;
- creative industries;
- and video game development.

Innovation Ecosystem Activation and International Visibility

In parallel with infrastructure development, Fundão actively promotes and participates in national and international events, reinforcing its visibility, attractiveness and integration into broader innovation networks.

Key initiatives include: IncubX – National Incubator Network; Fundão Job & Training Fair; AI Incubation Programme; Remote Work Week; MakerFaire and Fab Lab National Meetings; AgroTech Challenge; WAICY – World Artificial Intelligence Competition for Youth; National eSports Competitions.

These initiatives play a critical role in: strengthening partnerships and collaboration networks; attracting talent, investors and companies; increasing the maturity of the local ecosystem; promoting experimentation and knowledge exchange; positioning Fundão internationally as an innovation-friendly territory.

Project Development and Innovation Pipeline

To sustain ecosystem growth, the municipality maintains a continuous process of project development, monitoring and implementation.

Key ongoing actions include:

- Development and upgrading of coworking spaces and **Rural Innovation Cells**, including Fundão Praça, Alcaide and Silvaes, under the INTERREG TUTOR programme;

- Implementation of the **Gaming Lab Fundão** at Praça/CAET, supported through the GAMEER project and Incubation Vouchers under the Digital Innovation Lab (LID);
- Development of experimental remote-working solutions, including a teleworking capsule prototype in Alcongosta;
- Regeneration and activation of heritage buildings, such as the Picadeiro Palace and Chapel of São Sebastião in Alpedrinha, integrated into the **Picadeiro Digital Hub**;
- Operationalisation and expansion of the **Digital Innovation Labs (LID)** following the approval of incubation vouchers worth €150,000;
- Development of the **Hub-In project**, aimed at creating a Cultural District focused on creative industries and advanced digital technologies, including virtual reality and metaverse applications;
- Implementation of an advanced Operations and Control Room at CAET, including data architecture and smart management systems under the Blockchain.pt programme;
- Creation of a new **IoT Lab**, integrating electronics and programming into the Fab Lab ecosystem to develop low-cost technological solutions for AgroTech applications;
- Development of **Rural Innovation Labs (LIR)** to promote experimentation and innovation in low-density villages;
- Design of the **AI Lab Fundão**, conceived as a secure and controlled experimentation environment for companies working with artificial intelligence and sensitive data;
- Organisation of hackathons linked to the video game industry, supporting digital creativity and youth engagement;
- Development of a specialised **coliving space for gamers and game developers**, in partnership with the Swedish organisation Spelkollektivet, combining housing, creativity and entrepreneurship.

By combining experimentation, digital transition, cultural innovation and territorial regeneration, Fundão reinforces its position as a **living laboratory for rural innovation**, capable of inspiring other small and medium-sized territories across Europe.

1.3.6 Governance & Operational Model

Governance as a Key Driver of Innovation

One of the defining success factors of the Fundão model has been its governance approach, particularly the active role of political leadership as a driver and enabler of innovation. Unlike more rigid administrative systems, Fundão has adopted a proactive, agile and action-oriented governance model, where political decision-makers act as stimulators of innovation, capable of:

- **making fast and informed decisions**
- **reducing bureaucratic barriers**
- **maintaining close proximity to local stakeholders and ongoing projects**

This approach has allowed the municipality to move from planning to implementation quickly, ensuring that ideas are translated into concrete actions and measurable outcomes.

Governance and Participation

Fundão's policy approach is underpinned by a strong commitment to open governance, collaboration and citizen participation, which reinforces both the effectiveness and legitimacy of local policies. Key mechanisms include:

- Participatory budgeting, enabling citizens to directly influence the allocation of public resources
- Stakeholder engagement platforms, fostering dialogue between public authorities, businesses, academia and civil society
- Close collaboration with local organisations and institutions, ensuring alignment between policy and practice

Impact of Governance Approach

This governance model ensures that:

- Policies are responsive to local needs, as decision-makers maintain continuous interaction with the territory
- Citizens and stakeholders are actively involved in decision-making processes, strengthening ownership and trust
- Innovation processes are inclusive and socially embedded, rather than top-down or disconnected from reality

The ability to act quickly, adapt policies and support emerging opportunities has been particularly critical in:

- **attracting companies and investment**
- **supporting startups and new projects**
- **implementing innovative solutions (e.g. IoT infrastructure, labs, innovation hubs)**

Strategic Value for Transferability

One of the most distinctive features of the Fundão model is its governance approach. The experience demonstrates that successful innovation ecosystems are not built solely through infrastructure, funding or technology investments; they **depend fundamentally on governance capacity, leadership and the ability to mobilise stakeholders around a shared vision** for territorial development.

Fundão's governance model is characterised by strong political commitment, **proximity between decision-makers and local actors**, and an agile decision-making culture that allows opportunities to be identified and acted upon quickly. In contrast to larger administrative systems, where innovation processes can be slowed by institutional

Governance Insight

Agile, committed and proximity-based political leadership is a critical enabler of innovation in small and medium-sized cities, allowing faster decision-making, stronger stakeholder engagement and more effective implementation of integrated development strategies.

complexity, Fundão has leveraged its scale as a competitive advantage, enabling rapid implementation, experimentation and adaptation.

The experience highlights three key lessons for other cities. **First**, speed and flexibility can become strategic assets for small and medium-sized territories, allowing them to respond quickly to emerging challenges and opportunities. **Second**, the close relationship between local government, businesses, educational institutions and citizens enables more effective and responsive policy design. **Third**, long-term political leadership and commitment are essential to sustain ecosystem development over time, ensuring continuity across projects, investments and strategic priorities.

More broadly, Fundão's success is not the result of isolated initiatives, but of a holistic and integrated territorial innovation system. The model connects spatial planning, innovation, entrepreneurship, talent attraction, community participation and sustainability within a single development framework, where each component reinforces the others. Through this integrated approach, Fundão has transformed innovation into a cross-cutting driver of territorial development rather than a standalone policy domain.

1.3.7 Results, Awards and Recognitions

Tangible Ecosystem Results: The Fundão innovation ecosystem has produced measurable outcomes across multiple dimensions.

Entrepreneurship and Economic Development: 66 startups supported through the “A Praça” incubator since 2013; 21 startups currently in physical incubation; 125 active virtual offices; average growth of +5 startups per year; more than 120 direct jobs created through incubation activities; attraction of national and international companies, including Capgemini, Readiness IT, Softinsa, Inova+ and InnoWave.

Talent Attraction and Retention: coworking and remote work infrastructure; affordable housing mechanisms; digital skills programmes; quality-of-life initiatives; the “Move to Fundão” platform.

Innovation and Skills Development: Fundão established a strong culture of experimentation and learning through: Coding Academies; Fab Labs and experimentation spaces; AI, IoT and Gaming initiatives; creative and digital industries programmes; training and incubation activities.

Territorial Regeneration and Sustainability: regeneration of abandoned and underused buildings; creation of innovation hubs in rural villages; integration of smart infrastructure and IoT systems; deployment of energy-efficient solutions; promotion of circular economy and creative reuse initiatives.

Awards and International Recognition: The municipality's innovation ecosystem is now recognised nationally and internationally for its capacity to combine technology, creativity, sustainability and territorial transformation.

Institutional and Territorial Recognition: URBACT Good Practice 2025; Finalist – New European Bauhaus 2023; National Craft Award 2023; recognition within European innovation and territorial development networks.

Entrepreneurial and Innovation Recognition: Digitality Games – Best Portuguese Game (Indie X Awards 2024); **UPinC Technology** – Winner of the AgriFood Startup Challenge; **Musa Natural Cosmetics** – Silver Award at the Global Green Beauty Awards 2024; investment and funding secured from **Portugal Ventures** for incubated startups.

Brands and Strategic Territorial Identity: Key brands and platforms include: **Move to Fundão**; **Living Lab Cova da Beira**; **Centro Agro-Tech do Fundão**; **Passwork**; **Fundão Terra de Acolhimento**; **Clube de Produtores do Fundão**; **Cereja do Fundão**; **UNESCO – Lugares e Casas do Sentir**.

Networking and Ecosystem Activation: Fundão actively promotes ecosystem activation through participation in national and international events, partnerships and collaborative initiatives, such as: IncubX – National Incubator Network; MakerFaire and Fab Lab meetings; WAICY – World Artificial Intelligence Competition for Youth; AgroTech Challenge; Remote Work Week; national eSports competitions.

1.4 System Logic of the Fundão Innovation Ecosystem

Translating the Fundão Model to Other Cities

Fundão has successfully developed a comprehensive and integrated territorial innovation ecosystem that combines entrepreneurship, technology, governance, sustainability, creativity and community engagement within a coherent long-term development strategy. More than a collection of isolated projects, Fundão as has built a systemic model where **infrastructure, talent, digital transformation, governance and quality of life** mutually reinforce each other, generating cumulative impacts across economic development, demographic revitalisation and social inclusion.

A key strength of the model lies in its ability to **continuously evolve**. Fundão combines technological innovation with strong social and territorial dimensions, integrating digital connectivity, physical infrastructure and community engagement. This multidimensional vision of connectivity—digital, emotional and territorial—has been fundamental in creating an ecosystem capable of attracting companies, retaining talent and fostering a strong sense of belonging and participation.

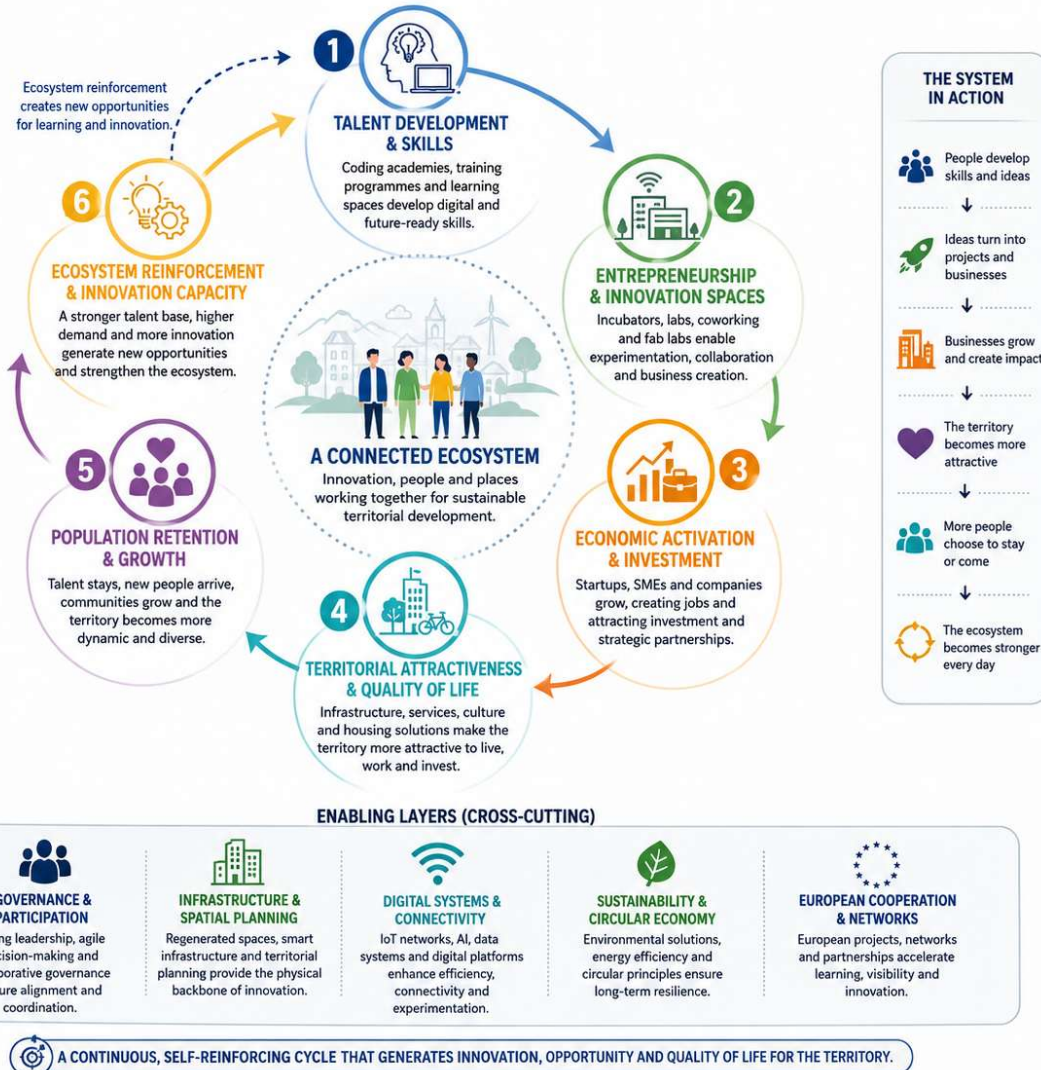
The value of the Fundão Good Practice does not lie in the simple replication of individual projects or infrastructures. Its main strength resides in the **system logic that connects policies, actors, infrastructures and innovation processes** into a coherent territorial development model.

For this reason, the transferability of the Fundão model should be understood not as the reproduction of a fixed formula, but **as the adaptation of an integrated innovation logic that can be reinterpreted according to the specific characteristics**, capacities and ambitions of each city.

The Core Logic of the Fundão Good Practice:

SYSTEM LOGIC OF THE FUNDÃO INNOVATION ECOSYSTEM

A self-reinforcing cycle where talent, innovation, economy and quality of life continuously strengthen the territory.



At the centre of the Fundão model is the idea that innovation ecosystems are not created through isolated investments, but through the continuous interaction between multiple territorial dimensions.

The ecosystem therefore operates as a self-reinforcing system, where each component generates impacts that strengthen the others.

1.5 Fundão Good Practice Transfer Modules

Module 1 (M1) - Integrated Innovation Ecosystem Module

Description

This module focuses on building a connected territorial innovation ecosystem through incubators, coworking spaces, fab labs, living labs, business centres and digital experimentation infrastructures. In Fundão, this ecosystem combines entrepreneurship support, technology experimentation, talent attraction and business acceleration in an integrated territorial model. Examples include the Incubator A Praça, Fab Lab, IoT Testbed, AgroTech Centre, Business Centre and LoRa Network infrastructure.

Transfer Potential

Highly transferable to small and medium-sized cities seeking to diversify their economies and create innovation capacity without relying on metropolitan ecosystems. The module is modular and scalable, allowing cities to start with a single hub or coworking space and progressively expand toward a complete ecosystem.

Main Advantages for Other Cities:

- Creates local innovation capacity and entrepreneurial culture;
- Attracts startups, investors and skilled professionals;
- Supports economic diversification and digital transition;
- Encourages collaboration between public authorities, academia and business;
- Increases territorial attractiveness and competitiveness.

Module 2 (M2) - Talent Attraction and Digital Skills Module

Description

This module combines advanced training, coding education, workforce reskilling and talent attraction strategies. Fundão developed coding academies, professional upskilling programmes, partnerships with universities and international talent attraction initiatives such as “Move to Fundão”. The ecosystem includes programming education from early school years, advanced ICT training and targeted programmes aligned with labour market needs.

Transfer Potential

Very high transferability, particularly for rural and shrinking territories facing demographic decline, youth outmigration and labour shortages. The module can be adapted according to local economic sectors and existing educational capacity.

Main Advantages for Other Cities:

- Helps retain and attract young talent;

- Reduces skills gaps in strategic sectors;
- Supports digital transformation and employability;
- Increases attractiveness for companies and investors;
- Promotes social mobility and inclusion through education.

Module 3 (M3) - Regeneration of Public Assets and Innovation Spaces Module

Description

This module focuses on transforming abandoned or underused buildings into productive innovation and community infrastructures. Fundão regenerated historic and vacant buildings into coworking spaces, incubators, training centres and innovation hubs integrated into the local urban fabric.

Transfer Potential

Highly transferable because most small and medium-sized cities possess vacant public assets, industrial buildings or underused historic centres. The approach is adaptable to different scales, budgets and territorial contexts.

Main Advantages for Other Cities

- Revitalises degraded urban areas;
- Reduces infrastructure costs through adaptive reuse;
- Preserves local heritage while modernising functions;
- Stimulates local economic activity and footfall;
- Improves urban attractiveness and community identity.

Module 4 (M4) - Smart Rural and AgroTech Innovation Module

Description

This module connects agriculture, sustainability and technology through living labs, precision agriculture, IoT systems, experimental farms and agro-innovation centres. Fundão developed the AgroTech Centre, experimental farms and partnerships focused on smart irrigation, climate adaptation and agricultural digitalisation.

Transfer Potential

Particularly relevant for rural and peri-urban territories with agricultural activity or natural-resource-based economies. The module can be transferred incrementally, beginning with pilot projects or demonstration farms.

Main Advantages for Other Cities

- Modernises agricultural sectors;
- Supports climate adaptation and resource efficiency;
- Encourages innovation in traditional sectors;
- Creates new green and digital jobs;
- Strengthens food systems and rural resilience.

Module 5 (M5) - Inclusive Governance and Community Integration Module

Description

This module promotes participatory governance, migrant integration, social innovation and inclusive territorial development. Fundão created integrated governance structures, migration support services, participatory planning processes and inclusive local policies aligned with the SDGs. Examples include the Centre for Migration, participatory local strategies and social innovation initiatives.

Transfer Potential

Very high transferability because social inclusion, demographic change and community participation are common challenges across European territories. The module is adaptable to different governance systems and community realities.

Main Advantages for Other Cities:

- Strengthens social cohesion and community trust;
- Supports integration of migrants and vulnerable groups;
- Improves citizen participation and local ownership;
- Enhances institutional legitimacy and governance capacity;
- Creates more resilient and inclusive local communities.

Module 6 (M6) - Internationalisation, Branding and European Networking Module

Description

This module focuses on territorial branding, international positioning and participation in European cooperation networks and projects. Fundão developed strong territorial brands such as “Move to Fundão” and actively participates in URBACT, Horizon Europe, Interreg and international innovation networks.

Transfer Potential

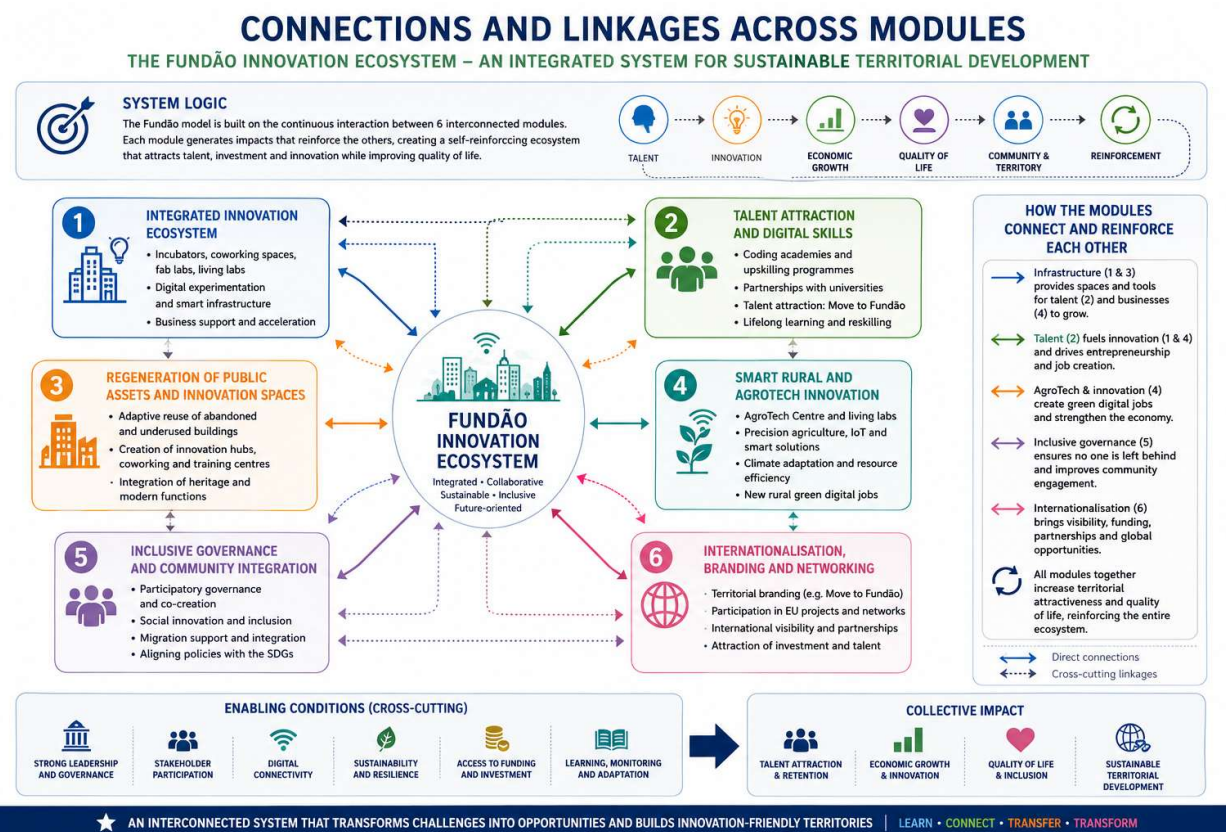
Highly transferable to cities aiming to improve visibility, attract funding and strengthen international partnerships. The module can be adapted according to institutional capacity and strategic priorities.

Main Advantages for Other Cities:

- Increases access to European funding opportunities;
- Strengthens international visibility and reputation;
- Facilitates peer learning and knowledge exchange;
- Supports attraction of investment, talent and partnerships;
- Enhances long-term institutional and financial sustainability.

1.6 Connections and Linkages across Modules

The Fundão model demonstrates how territorial transformation emerges from the **strong interconnection between innovation, inclusion, sustainability, governance, and talent development**. Rather than acting as isolated interventions, each module reinforces the others through a circular ecosystem approach: **innovation infrastructures support entrepreneurship and digital skills; education and training feed local industry and talent attraction; social inclusion and housing policies strengthen demographic resilience; and sustainability initiatives** create the environmental conditions for long-term competitiveness. Together, these linkages generate a self-reinforcing ecosystem where economic growth, social cohesion, and green transition evolve simultaneously, positioning Fundão as a living laboratory for sustainable rural innovation.



2. PARTNERS PROFILES

2.1. Introduction

Section 2 presents the profiles of the SHIFT-R partner cities and assesses their potential to adapt and transfer the Fundão Good Practice to their own local contexts.

The SHIFT-R network brings together a diverse group of rural, small and medium-sized cities from different European and neighbouring regions: **Żory (Poland), Kymi-Aliveri (Greece), Macouria (French Guiana, France), Nykarleby (Finland), Skellefteå (Sweden), Mostar (Bosnia and Herzegovina) and Trostyanets (Ukraine)**. Despite their different geographic, institutional, economic and cultural realities, these cities share common structural challenges, including demographic change, economic transition, talent retention, limited innovation capacity and the need to strengthen local ecosystems for sustainable and inclusive development.

The profiles presented in this section are based on a comprehensive evidence-gathering process carried out during the initial phase of the SHIFT-R network. Information was collected through partner city questionnaires, site visits conducted by the Lead Partner and Lead Expert, online meetings and interviews with local stakeholders, as well as presentations and supporting documentation provided by each partner city. **This process enabled a detailed understanding of each city's territorial context, governance structures, development priorities, existing innovation assets and ambitions for the transfer process.**

The purpose of this section is not to compare cities in a competitive manner, but **rather to understand their starting points, local strengths, challenges and opportunities**. Each profile identifies the main territorial and innovation-related challenges faced by the city, analyses the relevance of Fundão's innovation ecosystem model, highlights key stakeholders and governance capacities, and assesses the conditions that may facilitate or constrain the transfer and adaptation process.

Together, these profiles provide the foundation for assessing transfer potential across the network and for defining realistic, place-based pathways for implementation. They also help identify common learning needs, opportunities for peer exchange and thematic cooperation, and areas where the Fundão model can be adapted, tested and further improved through the collective learning process promoted by SHIFT-R. As such, this section serves as a critical bridge between the analysis of the Good Practice and the development of Local Transfer Plans, ensuring that transfer actions are grounded in the specific realities and aspirations of each partner city.

2.1.1 LEAD PARTNER – FUNDÃO

Fundão, located in the Centro Region of Portugal within the Beiras and Serra da Estrela sub-region, is a municipality marked by its unique geographic and economic characteristics. Spanning **701.65 square kilometres and composed of 23 parishes**, the region is predominantly rural, with a mix of urban and agricultural zones. The town of Fundão itself serves as the primary urban centre, where commerce and service industries dominate, while the surrounding rural areas are renowned for their agricultural output, particularly the production of cherries, peaches, wine, and olive oil.

As of the 2021 Census, Fundão had a resident population of **26,509 people**, reflecting a significant decline of 9.3% compared to 2011. This decrease is part of a longer-term trend, with the population dropping by 15.8% since 2001. **Fundão's demographic profile is characteristic of many rural regions in Portugal, with an ageing population and a low birth rate.** In 2021, young people (aged 0-14) made up only 10.1% of the population, while 32.5% were over the age of 65, a significant increase over the last decade. This ageing trend is a central challenge for Fundão, as it mirrors the broader difficulties faced by Portugal's interior regions, which struggle with depopulation and the loss of a young workforce.



Despite this, the municipality has shown resilience in attracting **new residents, especially from abroad.** In 2020, foreign nationals made up 4% of Fundão's population, the highest percentage in the Beiras and Serra da Estrela region. This growing international community highlights the area's potential to attract those seeking a better quality of life in a rural setting, enhanced by digital connectivity and opportunities in sectors such as agro-technology and sustainable tourism.

Economically, Fundão's traditional reliance on agriculture has been complemented by efforts to **embrace digital innovation.** The town's integration of the Internet of Things (IoT) and other smart city technologies is a clear indication of its ambition to modernise its economic base. Nonetheless, challenges persist, particularly in terms of low average income levels and an ageing labour market. In 2019, the purchasing power parity per capita in Fundão was 21% below the national average, although this marked an improvement from the 28% gap in 2009.

Fundão's housing market has also seen changes over the past decade, with the average sale price of urban properties rising from €56,817 in 2009 to €86,319 in 2019. This indicates growing demand for property, likely spurred by increased investment and the attractiveness of the area for both local and foreign buyers.

Key data:



Fundão's Cherry, recognized brand



> 1,000 IT professionals



1ST Social Impact Bond in Portugal, Code Academy Bootcamps



positive migratory balance



16 IT companies



2015, 1ST place in the European Enterprise Promotion Awards



73 nationalities



90 start-ups since 2013



2016, Municipality of the Year



innovation ecosystem reference in Portugal



supported 250 private investment projects



2018, 1st place in the RegioStars Awards



Digital nomads' home



Coding classes from age 6

City of Fundão in a nutshell:

FUNDÃO, PORTUGAL INNOVATION FRIENDLY CITY

A small city with big ideas building a sustainable, inclusive and innovative future.

-30 000 inhabitants

Cova da Beira region: **-100 000** inhabitants

10 000 students (University of Beira Interior - 10 km)

100 M€ Agribusiness per year

2 100 hotel beds

100 - 1 500 conference seat capacity

ABOUT FUNDÃO

- Main economic activities: Agriculture, Services, ICT, Precision Metalworking
- Agribusiness: 100 million euro per year
- 3 industrial parks (with railway access)
- Hotel accommodation capacity: 2 100 beds
- University of Beira Interior with 10.000 students at 10 km from city center
- Rooms for conferences: 100 to 1 500 seats

FUNDÃO TODAY

- ✓ Fundão's Cherry, recognized brand
- ✓ Positive migratory balance
- ✓ 73 nationalities
- ✓ Innovation Ecosystem

FUNDÃO QUALITY OF LIFE

- Open
- Simple
- Inspiring Place
- Lifestyle

INNOVATION PLAN - 4 STRATEGIC AXES

<h5>1. PROVIDE INFRASTRUCTURES</h5> <p>Urban Regeneration</p> <ul style="list-style-type: none"> Accelerator and Incubator Fab Lab Fundão Business Center Fundão Congress Center (2017) Internet of Things Testbed (2018) European Food Hub Urban regeneration of public assets and spaces CAET - Technology Business Center 	<h5>2. SUPPORT</h5> <p>New Opportunities Attract Investment Establishment of People</p> <ul style="list-style-type: none"> Networking and lobbying Strategic partnerships Turnkey solutions for investors Investor's Guide Attract Business: <ul style="list-style-type: none"> Biotech Plant Lab of Beira Interior - Robotics / Ydreans Telemedicine Research Pole - Advanced training for 60+ entrepreneurs (START OLD) Support for new residents and new lifestyle 	<h5>3. ADVANCED TRAINING</h5> <ul style="list-style-type: none"> Professional training and advanced skills development Advanced Training Center & QuiVver - Competence Center on Cloud Computing SAP Java Development .Net English / French COBOL Soft skills IT 	<h5>4. COMMUNICATE</h5> <p>Organize and Participate Events Online disclosure</p> <ul style="list-style-type: none"> Organize and participate in national & international events Online communication Move to Fundão Promote the territory, its people and brands Fundão - Campinas partner network Connect and share knowledge globally
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SUSTAINABLE & SMART TERRITORIAL DEVELOPMENT

- Landscape Transformation (Gardunha and Pine Forest)
- Digital Hub & Smart Services
- AgroTech & Food Innovation (FoodLab, Cheese Lab, Animal Performance Center)
- Mobility & Sustainable Transport
- AI & Data Hubs
- Circular Economy Pact
- Employment Map - MyMentor
- Water Management (Irrigation, Hydro-agricultural use, Water Quality)
- Social Innovation & Inclusion (Gaming for Social Impact, Passwork, GIP)
- LoRa Network Infrastructure
- Urban Regeneration & Affordable Housing
- UNESCO - Places and Houses of Feeling
- Renewable Energy & Energy Communities
- Planning for Development (New PDM, Tech Campus, SME Support, Business Incubator)

EUROPEAN PROJECTS & FUNDING

23 active projects (examples)

€3.27 M total investment

75-80% average co-financing

Strong international positioning

Fundão plays a leading role in European cooperation (examples):

- URBACT IV - SHIFT-R (Lead Partner)
- URBACT MetaCity
- INTERREG TUTOR
- Blockchain.pt
- GAMEER (gaming ecosystem)
- Bauhaus Bites
- DesirMED
- and more

Reinforces international positioning ✓ Ensures financial sustainability ✓ Promotes knowledge exchange

BRANDS & INITIATIVES

- UNESCO - Lugares e Casas do Sentir
- Clube de Produtores do Fundão
- Fundão Terra de Acolhimento
- Centro Agro-Tech do Fundão
- Living Lab Cova da Beira
- Cereja do Fundão
- Move to Fundão
- Passwork

AWARDS & RECOGNITIONS

- National Craft Award 2023
- Finalist - New European Bauhaus 2023
- URBACT Good Practice 2025
- Entrepreneurship & Innovation Success Stories
 - Digitality Games - Best Portuguese Game (Indie X Awards 2024)
 - UPinC Technology - Winner of AgriFood Startup Challenge
 - Musa Natural Cosmetics - Silver Award (Global Green Beauty Awards 2024)
 - Funding secured from Portugal Ventures for incubated startups

OUR VISION

To be a reference model of territorial innovation in Europe, where technology, people and nature create more resilient, inclusive and attractive communities.

OUR VALUES

- OPENNESS
- SHARING
- EMPOWERMENT
- SIMPLICITY
- QUALITY OF LIFE
- INNOVATION
- SUSTAINABILITY

TOGETHER WE TRANSFORM

Through integrated governance, strong partnerships and continuous experimentation, small territories can shape the future of Europe.

Co-funded by the European Union Interreg

2.1.2 TRANSFER PARTNER – KYMI ALIVERI

City Profile

Kymi-Aliveri is a municipality located on the eastern coast of Evia (Euboea), Greece's second-largest island. Formed through the administrative integration of the historic town of Kymi and the industrial centre of Aliveri, the municipality combines a rich cultural heritage, strategic maritime location and significant industrial assets. Often referred to as the "Balcony of the Aegean", Kymi is known for its traditional architecture and coastal landscape, while Aliveri has historically developed around energy production and heavy industry. Together, they form a territory that reflects both the opportunities and challenges faced by many rural and small cities undergoing economic transition.

Covering approximately 805 km², Kymi-Aliveri had a population of 26,351 inhabitants in 2021, representing a decline from 28,437 residents in 2011. With a population density of approximately 33 inhabitants per km², the municipality is characterised by dispersed settlements and low-density development patterns.

A major demographic challenge is the municipality's ageing population. More than 8,200 residents are over 65 years old, representing almost one-third of the total population. At the same time, younger and highly skilled residents often migrate towards larger urban centres, contributing to talent loss and limiting the availability of specialised skills locally. Despite this trend, the municipality benefits from a strong sense of community identity and a relatively balanced gender distribution.

Economic Profile and Innovation Context

The economy of Kymi-Aliveri has traditionally been built around industry and energy production. The municipality hosts two of the most important industrial facilities in Central Greece:

- Heracles General Cement (LafargeHolcim Group), operating a major cement production facility in Aliveri;
- Public Power Corporation (PPC), operating the Aliveri power generation plant.

These industries have historically provided employment and economic stability, shaping the municipality's economic identity. Alongside these sectors, local services, tourism, retail and small family-owned businesses contribute significantly to the local economy.

The local business structure is dominated by micro-enterprises, which account for the vast majority of economic activity. While this creates a strong entrepreneurial culture at a small scale, it also limits innovation capacity and business growth potential. The municipality currently has very limited representation in technology-intensive sectors, creative industries and startup ecosystems. There are no dedicated incubators, innovation hubs, coworking spaces or structured startup support mechanisms currently operating within the municipality.

Consequently, Kymi-Aliveri faces the challenge of diversifying an economy that remains highly dependent on a small number of traditional industrial sectors while seeking new opportunities linked to digitalisation, entrepreneurship and innovation-driven development.

Innovation Ecosystem Challenge

Like many rural and small cities across Europe, Kymi-Aliveri is confronted with a combination of demographic, economic and institutional challenges that limit its innovation potential.

The municipality has identified several key barriers to ecosystem development: **Limited access to private investment and innovation finance; Continuous brain drain of young and skilled residents; Lack of dedicated innovation infrastructure; Weak collaboration between public authorities, businesses, educational institutions and civil society; Limited presence of knowledge-intensive sectors; Small local market size; Restricted administrative capacity to manage complex innovation projects.**

Although digitalisation has become increasingly important over the last decade, most initiatives have focused on improving municipal services and administrative efficiency. The municipality recognises that isolated digital projects are insufficient to address deeper territorial challenges and has therefore begun exploring a more integrated ecosystem-based approach linking innovation, entrepreneurship, skills development and local economic regeneration.

This ambition aligns closely with the objectives of SHIFT-R and reflects a growing understanding that sustainable territorial development requires stronger connections between governance, education, business support and community engagement.

Policy and Institutional Framework

Kymi-Aliveri benefits from a supportive policy environment at national, regional and local levels.

At the national level, the municipality operates within the framework of Greece's Research and Innovation Strategy for Smart Specialisation (RIS3) 2021–2027, which promotes digital transformation, entrepreneurship, advanced technologies and the integration of green and digital transitions.

At regional level, the Regional Smart Specialisation Strategy of Central Greece prioritises digital technologies, sustainable energy, environmental innovation and stakeholder collaboration.

Locally, the municipality is preparing its Strategic Programme 2026–2030, which emphasises: **digital transformation of public services; citizen engagement; local economic development; participation in European cooperation programmes; alignment with EU innovation priorities.**

Political support for innovation is considered strong. Municipal leadership recognises the importance of innovation and digital transformation for future development and demonstrates commitment through participation in European initiatives such as SHIFT-R. The political environment is described as stable, providing favourable conditions for long-term strategic planning and implementation.

Assets and Opportunities

Despite existing challenges, Kymi-Aliveri possesses several important assets that can support the transfer process:

- **Strategic Location:** Its position on Evia Island provides strong connections to mainland Greece while offering significant tourism and maritime development potential.
- **Industrial Base:** The presence of major industrial employers provides opportunities to connect traditional sectors with innovation, digitalisation and green transition initiatives.
- **Available Public Assets:** The municipality has identified underused public buildings that could potentially be transformed into innovation, entrepreneurship or community spaces.
- **Strong Community Identity:** Local stakeholders demonstrate a strong attachment to the territory, creating favourable conditions for participatory approaches and community-led initiatives.

- European Engagement: Participation in URBACT and other European cooperation initiatives provides valuable exposure to innovative practices, peer learning and funding opportunities.

City in a Nutshell

KYMI-ALIVERI CITY IN A NUTSHELL



Where sea, industry and tradition meet innovation and sustainable development.

EAST COAST OF EVIA, CENTRAL GREECE

Kymi-Aliveri Evia Island

POPULATION ≈ 26,351 (2021)	AGEING POPULATION ≈ 31% are over 65 years old	AREA ≈ 805 km ²	POPULATION DENSITY ≈ 33 inhabitants / km ²	COASTAL MUNICIPALITY Strategic location on the Aegean Sea	COMMUNITIES Historic town of Kymi & industrial centre of Aliveri
AT A GLANCE	ECONOMY	INNOVATION ECOSYSTEM	TALENT & EDUCATION	SUSTAINABILITY	GOVERNANCE & PARTNERSHIPS
<ul style="list-style-type: none"> Combines a rich cultural heritage with strong industrial assets. Home to major industries in energy and cement production. Strong community identity and balanced gender distribution. Facing challenges of ageing population and talent outmigration. Committed to digital transformation and innovation-led development. 	<ul style="list-style-type: none"> A diversified economy anchored in industry, energy and services. Cement industry (Heracles – LafargeHolcim) Power generation (PPC – Aliveri Power Plant) Services, tourism, retail and local businesses Strong entrepreneurial culture with micro-enterprises Potential for diversification in green, digital and creative sectors Galvanizing company Aquaculture Green Energy - wind turbines 	<ul style="list-style-type: none"> Building the foundations for an innovation-driven future. Limited innovation infrastructure today Need for stronger collaboration between public authorities, businesses, academia and civil society Focus on digital transformation, entrepreneurship and skills development Opportunity to become a testbed for green and digital solutions 	<ul style="list-style-type: none"> Investing in people and creating opportunities. Schools and vocational education available locally Need to strengthen links with universities and research centres Upskilling and reskilling initiatives are a priority Attracting and retaining young talent is essential for growth 	<ul style="list-style-type: none"> Protecting our environment and building a sustainable future. Transition towards clean energy and circular economy Protection of coastal and natural ecosystems Climate adaptation and resilience actions Sustainable tourism and local resource management Sustainable agriculture 	<ul style="list-style-type: none"> Collaboration is the key to our development. Strong political commitment to innovation and digital transformation Active participation in EU programmes and networks (eg. SHIFT-R) Engaging citizens, businesses and civil society Building capacity and improving local administration
STRATEGIC PRIORITIES 2026-2030	KEY STRENGTHS	ASSETS & OPPORTUNITIES	DID YOU KNOW?		
<ul style="list-style-type: none"> Digital transformation of public services Local economic development and entrepreneurship Citizen engagement and social inclusion Participation in European cooperation programmes Sustainable growth and quality of life 	<ul style="list-style-type: none"> Strategic maritime location Industrial heritage & assets Strong community spirit Location near Athens Local Agriculture products Natural beauty & cultural heritage Entrepreneurial culture Commitment to innovation & EU cooperation 	<ul style="list-style-type: none"> Available industrial infrastructure and energy expertise Beautiful coastline and mountains, tourism potential and cultural identity Opportunities for green and digital transition projects Motivated local leadership and community engagement 	<ul style="list-style-type: none"> Kymi is known as the "Bacony of the Aegean" for its stunning views. Rich cultural heritage with traditional architecture, neo-classical buildings and local traditions. Aliveri hosts one of the most important industrial and energy facilities in Greece. A welcoming community ready to shape a sustainable and innovative future. 		
<p>Kymi-Aliveri Municipality 340 03 Kymi, Evia, Greece www.kymi-aliveri.gr mayor@kymi-aliveri.gr KymiAliveriMunicipality kymi_aliveri_municipality Kymi-Aliveri Municipality</p>					

SHIFT-R Transfer Potential Canvas - @work second transnational meeting

Kymi-Aliveri can be classified as an **emerging innovation ecosystem** within the SHIFT-R network. While the municipality currently has limited innovation infrastructure and its ecosystem coordination remains at an early stage, it demonstrates strong political commitment, a clear understanding of its development challenges and a strong willingness to adopt systemic, innovation-driven approaches. This creates favourable conditions for the successful transfer and adaptation of the Fundão Good Practice.

The assessment indicates that Kymi-Aliveri's greatest opportunities lie in strengthening its governance model, regenerating public assets, fostering entrepreneurship and developing an integrated local innovation ecosystem. Rather than replicating individual infrastructures, the municipality is particularly interested in adapting the underlying logic of the Fundão model by creating stronger connections between talent, businesses, public institutions and community stakeholders.



Among the six SHIFT-R transfer modules, the city identified the **Integrated Innovation Ecosystem Module** and the **Internationalisation and European Networking Module** as its highest priorities, followed by **Support for Entrepreneurship and Business Development, Smart Rural and AgriTech Innovation, and Talent Attraction and Digital Skills**. The **Inclusive Governance and Community Participation Module** was also recognised as an important long-term component for building a resilient innovation ecosystem. Across all modules, the municipality expects the transfer process to contribute primarily to job creation, economic diversification and the attraction of people, businesses and investment.

Kymi-Aliveri already possesses several assets that can support this transformation. These **include available public buildings suitable for regeneration, links with universities and knowledge institutions, committed political leadership, previous experience in European cooperation projects, entrepreneurial potential and active community networks**. These strengths provide a solid foundation upon which new innovation initiatives can be developed.

Through SHIFT-R, the municipality expects to accelerate its digital transition while fostering entrepreneurship, attracting and retaining talent, revitalising rural areas, regenerating strategic places and strengthening its innovation culture. At the same time, the assessment highlights several barriers that will need to be addressed during the transfer process, including limited financial resources, governance fragmentation, stakeholder engagement challenges and demographic decline.

Overall, Kymi-Aliveri demonstrates a **high level of transfer ambition**. The municipality aims to adapt and progressively implement the key components of the Fundão innovation ecosystem while tailoring them to its own territorial context and development priorities. **Its long-term vision is to create a comprehensive innovation hub capable of stimulating entrepreneurship, supporting economic diversification and positioning Kymi-Aliveri as an attractive and resilient territory for innovation, investment and talent.**

2.1.3 TRANSFER PARTNER – MOSTAR

City Profile

Mostar is the largest city in Herzegovina and the administrative, economic, cultural and educational centre of the Herzegovina-Neretva Canton. Located in southern Bosnia and Herzegovina, approximately 60 km from the Adriatic Sea, the city occupies a strategic position along major north-south and east-west transport corridors connecting the inland Balkans with the Mediterranean region. Covering an area of 1,175 km², Mostar combines a compact urban core with a large rural hinterland, creating a diverse territorial structure with significant economic, environmental and cultural assets.

Founded during the Ottoman period and internationally recognised for its iconic Stari Most (Old Bridge), Mostar represents one of the most important cultural heritage sites in Southeast Europe. The Old Bridge and historic urban core are UNESCO World Heritage Sites and attract hundreds of thousands of visitors annually, positioning tourism as one of the city's key economic sectors. Beyond its heritage value, Mostar is also a symbol of intercultural coexistence, bringing together diverse ethnic and religious communities and serving as an important bridge between cultures, traditions and identities.

The city's strategic importance extends beyond tourism. Mostar functions as the political and economic centre of Herzegovina, hosts two major universities, serves as a regional transport hub and increasingly positions itself as an emerging centre for innovation, digital transformation and knowledge-based economic

development. The city's Development Strategy 2022–2027 identifies innovation, entrepreneurship, digitalisation and sustainable urban development as central pillars for future growth.

Demographic Profile

According to official estimates, Mostar had a population of 103,467 inhabitants in 2024, making it the largest city in the Herzegovina-Neretva Canton and home to approximately half of the canton's population. Population density stands at 88.1 inhabitants per km², significantly higher than most rural municipalities within the SHIFT-R network. Approximately 60% of residents live within the urban area, while 40% reside in surrounding settlements and rural communities.

Mostar's demographic composition reflects its multicultural character. According to the latest census, the city is predominantly inhabited by Croats (48.4%) and Bosniaks (44.2%), while Serbs represent approximately 4.2% of the population. The remaining population includes various national minorities and citizens who identify with other ethnic backgrounds. This diversity represents one of Mostar's defining characteristics and contributes to its role as a city of dialogue, cooperation and cultural exchange.

The age structure reveals both opportunities and challenges. Approximately 66% of residents belong to the working-age population (15–64 years), while 20% are over 65 years old and only 14% are under 15 years old. This demographic profile indicates an ageing trend similar to many European cities and highlights the growing importance of talent retention, youth engagement and economic opportunities for younger generations.

Economic Profile and Innovation Context

Mostar is one of the strongest economic centres in Bosnia and Herzegovina, combining a rich industrial heritage with an increasingly dynamic innovation and digital economy. Historically, the city's economy was built around energy production, manufacturing and metal processing industries, particularly through companies such as Aluminij and Elektroprivreda HZHB. Today, these sectors continue to play a major role while new growth increasingly comes from ICT, entrepreneurship and knowledge-intensive services.

The city hosts more than 4,200 registered companies and over 3,600 crafts and small businesses, creating a highly diversified local economy. The business structure is dominated by micro-enterprises and SMEs, which account for over 94% of all businesses. Tourism remains a major economic driver, supported by Mostar's international reputation and UNESCO heritage status. Hospitality, retail and service activities represent a significant share of local employment and business activity.

Mostar has emerged as one of Bosnia and Herzegovina's most important ICT centres. Companies such as NSoft and ZenDev have established international reputations and contribute significantly to local economic development through software development, gaming technologies and digital services. The city also benefits from the presence of INTERA Technology Park, one of the country's leading innovation support organisations, which provides incubation services, startup support, entrepreneurship training and innovation programmes.

The presence of two universities—the University of Mostar and the University "Džemal Bijedić"—further strengthens the local innovation ecosystem. Together, these institutions educate thousands of students annually and increasingly contribute to digital innovation, research activities and technology transfer initiatives. The recently established Centre for Artificial Intelligence at the University of Mostar illustrates the city's ambition to position itself within emerging technological sectors.

Innovation Ecosystem Challenge

Despite its strong economic position and emerging innovation capacities, Mostar faces several structural challenges that limit the full development of an integrated innovation ecosystem.

The most significant challenge relates to ecosystem fragmentation. While innovation actors exist—including universities, technology companies, INTERA Technology Park, makerspaces and public institutions—collaboration remains insufficiently structured and coordinated. Connections between academia, business and public administration are improving but remain weaker than required to generate a fully functioning innovation ecosystem.

Another major challenge concerns governance complexity. Bosnia and Herzegovina's multi-level administrative structure creates institutional fragmentation and can slow decision-making processes, regulatory reforms and the implementation of innovation-related policies. This often affects the city's ability to develop long-term innovation initiatives and secure coordinated support from different levels of government.

Additional challenges include: Limited access to venture capital and early-stage startup financing; Insufficient innovation infrastructure and collaborative innovation spaces; Skills shortages in advanced digital sectors; Brain drain and outmigration of highly skilled young professionals; Dependence on external project funding and international programmes; Limited institutional capacity to coordinate ecosystem development activities.

These challenges create a strong rationale for participation in SHIFT-R, particularly in relation to ecosystem orchestration, governance models and the development of integrated innovation support structures.

Policy and Institutional Framework

Innovation and digital transformation have become increasingly important components of Mostar's development agenda. The adoption of the Integrated Development Strategy of the City of Mostar 2022–2027 marked a turning point by formally positioning innovation, entrepreneurship and digital transformation as central drivers of economic and social development.

The city's commitment to innovation is further reflected in the Digital Transformation Roadmap, which establishes a framework for modernising public administration, improving digital public services, strengthening municipal data systems and implementing smart city solutions. Planned actions include smart parking systems, smart lighting, environmental monitoring technologies, integrated municipal information systems and digital governance tools.

At national and regional levels, Mostar aligns with several strategic frameworks, including:

- Development Strategy of the Federation of Bosnia and Herzegovina 2021–2027;
- Smart Specialisation Strategy (S3) of Bosnia and Herzegovina (under development);
- Western Balkans Digital Agenda;
- EU integration and digital transition priorities.

These frameworks collectively support the transition towards a more innovation-driven economy, stronger entrepreneurship ecosystems, improved digital governance and increased collaboration between research institutions and businesses.

Innovation Ecosystem Assets

- Mostar possesses several important assets that create strong foundations for ecosystem development.
- Strong ICT Sector: The city hosts some of Bosnia and Herzegovina's most successful technology companies, particularly NSoft, which has achieved international recognition and operates in global markets. This provides a strong anchor for future ecosystem development.
- INTERA Technology Park: INTERA serves as the city's primary innovation intermediary, supporting startups, entrepreneurship, SME development and innovation projects. It is widely recognised as one of the country's leading technology parks.
- Universities and Research Capacity: The presence of two universities and specialised centres such as the Centre for Artificial Intelligence provides significant educational and research capacities that can support innovation ecosystem growth.
- European Project Experience: Mostar has actively participated in several European programmes, including URBACT MetaCity, Interreg IPA and ADRION projects. These experiences have strengthened capacities in digital innovation, smart city development, sustainable mobility and circular economy approaches.
- Cultural and Tourism Assets: The city's UNESCO heritage status, multicultural identity and international visibility create unique opportunities to combine cultural heritage, tourism, creativity and innovation into a distinctive territorial development model.

City in a nutshell

MOSTAR IN A NUTSHELL



A historic bridge between cultures and a rising hub for innovation, entrepreneurship and sustainable development in Herzegovina.



KEY FACTS

- Population (2024): ≈ 103,467 inhabitants
- Area: 1,175 km²
- Population density: 88.1 inh./km²
- 60% live in urban area
- 40% in rural settlements
- Administrative center of Herzegovina-Neretva Canton
- UNESCO World Heritage Site (Stari Most and Old Town)

WHERE WE ARE

Southern Bosnia and Herzegovina, approx. 40 km from the Adriatic Sea
Strategic crossroad between the Balkans and the Mediterranean.

A CITY OF CULTURE AND DIVERSITY

- Predominantly Croats (48.4%) and Bosniaks (44.2%), Serbs (4.2%) and other nationalities.
- A symbol of intercultural dialogue and coexistence.
- Rich cultural heritage, vibrant events and strong community spirit.
- Tourism is a key economic driver hundreds of thousands of visitors annually.

STRONG ECONOMY, DIVERSE BASE

- 4,200+ registered companies and 3,600+ crafts and small businesses.
- Dominated by micro-enterprises and SMEs (>94%).

KEY SECTORS

- Industry & Energy (Aluminij, Elektroprivreda HZHB)
- Trade & Retail
- ICT & Digital (Softwares, Gaming, IT Services)
- Construction
- Tourism & Hospitality
- Education & Research

INNOVATION ECOSYSTEM ON THE RISE

- INTERA Technology Park – leading innovation support organisation.
- Two universities: – University of Mostar – University “Džemal Bijedić”
- Centre for Artificial Intelligence at the University of Mostar.
- Strong and growing ICT companies (NSoft, ZenDev and others).
- Active in EU projects and international partnerships.

CHALLENGES WE FACE

- Ecosystem fragmentation and limited coordination
- Governance complexity and multi-level administration
- Limited access to finance for startups and innovation
- Brain drain and ageing population
- Need for more innovation infrastructure and skills

OUR STRENGTHS & ASSETS

- Strategic location and transport connections
- Rich cultural heritage and UNESCO status
- Strong educational and research base
- Emerging ICT sector with international reach
- Entrepreneurial spirit and diverse communities
- Beautiful natural environment (Neretva River, mountains)

OUR VISION 2022–2027

To become a smart, inclusive and innovative city that creates opportunities for people, businesses and future generations.

- Digital Transformation
- Green & Sustainable Development
- Innovation & Entrepreneurship
- Quality of Life for All

WHAT WE AIM FOR

- A connected innovation ecosystem
- More startups and high-value jobs
- Talent retention and youth engagement
- Sustainable tourism and cultural value
- Green and digital transition

DID YOU KNOW?

- Mostar's Stari Most (Old Bridge) was rebuilt after the war and became a symbol of reconciliation.
- Two universities educate thousands of students and drive innovation.
- Mostar is one of the leading ICT hubs in Bosnia and Herzegovina.



LET'S BUILD THE FUTURE TOGETHER!

Mostar is ready to learn, share and innovate with the SHIFT-R Network to create more innovation friendly territories across Europe.

SHIFT-R
Innovation friendly cities

URBACT
Innovation Transfer Network

Co-funded by the European Union
Interreg

SHIFT-R Transfer Potential Canvas - @work second transnational meeting

Mostar enters the SHIFT-R network with a stronger innovation base than many small and medium-sized cities, benefiting from an established ICT sector, higher education institutions, entrepreneurial support organisations and a growing innovation community. However, while these assets provide a solid foundation for development, they currently operate in a relatively fragmented manner. The city's main challenge is therefore not the absence of innovation resources, but the lack of an integrated governance model capable of connecting education, business, public institutions and civil society into a coherent innovation ecosystem that generates long-term economic transformation, talent retention and sustainable urban development.



The assessment indicates that the Fundão Good Practice is highly relevant to Mostar, particularly regarding the governance and orchestration of innovation ecosystems rather than the replication of individual projects. The city identified **Regeneration of Public Assets** as its highest transfer priority, followed by **Talent Attraction and Digital Skills, Inclusive Governance and Community Integration, Smart Rural and Agricultural Innovation, Internationalisation and European Networking, and Integrated Innovation Ecosystems**. Together, these modules provide the strategic framework required to strengthen collaboration between

local stakeholders, increase the effectiveness of existing innovation assets and create a more connected and resilient ecosystem.

Mostar already possesses significant local strengths that support this transformation. These include available public buildings suitable for regeneration, strong links with universities and research organisations, existing innovation spaces, committed political leadership, experience in European cooperation projects, active civil society organisations, international partnerships and a rich cultural and natural heritage. Building upon these assets, the city expects SHIFT-R to contribute to economic diversification, entrepreneurship development, digital transition, talent attraction and retention, governance capacity, social inclusion, rural revitalisation, green transition, community participation and stronger international positioning.

Despite these favourable conditions, several barriers remain. The assessment highlights governance fragmentation, limited financial resources, weak stakeholder engagement, regulatory constraints, infrastructure limitations and continuing demographic challenges as the principal obstacles to ecosystem development. Addressing these issues will require stronger coordination mechanisms, shared strategic leadership and a more integrated approach to local innovation policies.

Mostar has expressed a clear ambition to **adapt** the Fundão model to its own territorial context rather than replicate it directly. This reflects the city's understanding that successful transfer depends on tailoring the ecosystem approach to local institutional, economic and cultural conditions. Its proposed pilot action—**Retaining Young Talent**—perfectly captures this ambition, recognising that creating opportunities for young people to study, innovate, work and establish businesses locally is fundamental to the city's long-term competitiveness.

Overall, **Mostar is one of the partner cities with the highest potential for systemic transformation within SHIFT-R.** By connecting its existing innovation assets through integrated governance, collaborative innovation spaces and stronger stakeholder coordination, the city has the opportunity to evolve into a mature innovation ecosystem capable of supporting sustainable economic growth, increasing territorial attractiveness and positioning itself as a leading innovation hub in the Western Balkans.

2.1.4 TRANSFER PARTNER – ŻORY

City Profile

Żory is a medium-sized city located in the southern part of Poland, within the Silesian Voivodeship, one of the country's most industrialised and economically dynamic regions. Situated near the borders with the Czech Republic and Slovakia, the city occupies a strategic position at the intersection of major European transport corridors, benefiting from direct access to the A1 motorway (north-south axis) and the A4 motorway (east-west axis). This connectivity places Żory within the broader Upper Silesian metropolitan area while maintaining its own distinct identity and development trajectory.

Historically, Żory developed as part of the industrial heartland of Silesia, with mining, manufacturing and heavy industry playing a central role in its economic growth. The closure of the Żory Hard Coal Mine marked a significant turning point in the city's development path, forcing a transition from a mining-based economy towards a more diversified and innovation-oriented model. Today, Żory is increasingly positioning itself as a "Transformation City 2.0", using the challenges of industrial restructuring as an opportunity to foster innovation, entrepreneurship, sustainability and human capital development.

Covering an area of 65 km² and divided into 15 districts, the city combines a compact urban structure with growing residential expansion in peripheral neighbourhoods. This growth reflects the city's attractiveness as a residential location within the wider Silesian region and provides a strong foundation for future economic and social development.

Demographic Profile

At the end of 2024, Żory had a population of 61,923 inhabitants and a population density of approximately 958 inhabitants per square kilometre, making it one of the more densely populated cities within the SHIFT-R network. The city has managed to maintain relatively stable demographic dynamics compared to many European medium-sized cities facing rapid population decline.

One of Żory's most significant demographic assets is its relatively young population structure. Approximately 20% of residents are under 18 years old, while 57% belong to the working-age population. Although the share of elderly residents is increasing, the city maintains a favourable demographic balance compared to many post-industrial territories. This creates important opportunities for talent development, workforce renewal and innovation-driven growth.

The city is also becoming increasingly multicultural. Beyond the local Polish population, a growing number of international residents have settled in Żory, particularly Ukrainian citizens, who represent approximately 10% of the population. Smaller communities from Belarus, Georgia, Kazakhstan, Korea and other countries further contribute to the city's cultural diversity and international character.

Economic Profile and Transformation Context

Żory's economy reflects its position within one of Europe's most important industrial regions. The city benefits from strong manufacturing traditions, particularly in the automotive, machinery and plastics sectors. Many of the largest employers are located within the Katowice Special Economic Zone (KSSE), which has become a major driver of industrial investment, job creation and economic diversification. Companies operating within the KSSE employ more than 3,500 people and continue to attract new investment into the city.

The local economy is characterised by a strong entrepreneurial base. In 2024, more than 6,700 economic entities were registered in the city, with approximately 78% operating as sole proprietorships or micro-enterprises. While the number of micro-businesses continues to grow steadily, the number of small and medium-sized enterprises has declined, reflecting broader economic restructuring trends and the growing prevalence of flexible B2B business models.

The city maintains an exceptionally low unemployment rate of 3.4%, significantly below regional and national averages. This demonstrates the strength of the local labour market but also creates challenges related to skills shortages and talent attraction, particularly in emerging sectors linked to digitalisation, automation and Industry 4.0.

The economic transition of Żory is increasingly focused on advanced manufacturing, green technologies, digital industries and innovation-based entrepreneurship. The city is actively leveraging the opportunities created by the Just Transition process in Silesia, seeking to transform former industrial assets into new engines of economic development.

Innovation Ecosystem Challenge

Żory's innovation challenge differs from many other SHIFT-R cities. Rather than building an innovation ecosystem from scratch, the city is seeking to transform an industrial economy into a knowledge-driven and innovation-oriented ecosystem capable of supporting long-term competitiveness and resilience.

The most significant challenge concerns the mismatch between traditional industrial skills and the competencies required by a digital and innovation-driven economy. While the city benefits from strong manufacturing expertise, there is increasing demand for digital specialists, automation engineers and advanced technical professionals. Many highly qualified young people continue to migrate towards larger innovation centres such as Katowice, Gliwice or international destinations.

Another challenge relates to the structure of the local business community. The strong growth of micro-enterprises demonstrates entrepreneurial vitality but often limits innovation capacity, as small firms frequently lack the resources, expertise and scale required to invest in research, development and technological upgrading. At the same time, the declining number of medium-sized enterprises reduces the city's capacity to generate innovation-led growth from within the local economy.

The city also faces the complex task of repurposing former industrial and mining sites. Large post-industrial areas require significant investment and innovative approaches to become productive assets within a modern economy. Their transformation is central to the city's future development strategy and represents one of the most significant opportunities for ecosystem-building.

Policy and Strategic Framework

Innovation, entrepreneurship and economic transformation are strongly embedded within the city's strategic vision.

The Development Strategy of the City of Żory 2030+ positions the city as a pioneer of post-industrial transformation and identifies innovation as a key driver of future competitiveness. The strategy promotes a vision of a creative, inclusive, environmentally responsible and economically resilient city capable of leading transformation processes within the Silesian region.

At regional level, the city is closely aligned with the Development Strategy of the Silesian Voivodeship "Silesia 2030" and the Territorial Just Transition Plan for the Silesian Voivodeship 2030, which provide substantial opportunities for investment, innovation and economic restructuring. These frameworks support the transition towards a green, digital and knowledge-based economy while promoting the productive reuse of post-industrial areas.

The city also benefits from strong political continuity and leadership. Mayor Waldemar Socha has led the city since 1998 and was re-elected in 2024 for a seventh term. This long-term political stability has enabled the consistent implementation of strategic priorities and large-scale transformation initiatives.

Innovation Ecosystem Assets

Żory possesses several assets that provide strong foundations for future ecosystem development:

- **Strategic Location:** The city is located within one of Europe's largest industrial regions and enjoys excellent accessibility through major transport corridors. Its proximity to Katowice, Gliwice and other innovation centres provides access to universities, research institutions and business networks.

- **Industrial and Economic Base:** The presence of the Katowice Special Economic Zone provides a strong industrial platform that can support innovation, technology adoption and business growth. The city already hosts a significant concentration of manufacturing firms capable of driving industrial innovation.
- **KSENON Innovation Accelerator:** One of the city's flagship innovation projects is the KSENON Business Accelerator, which is creating a new centre for creativity, innovation and entrepreneurship. The facility will provide coworking spaces, competence centres, startup infrastructure and innovation support services, becoming a key node within the future local ecosystem.
- **Post-Industrial Regeneration Projects:** The "Green Impulse for the Mine of Knowledge and Competence" project represents one of the most ambitious transformation initiatives in the SHIFT-R network. By converting former mining infrastructure into an innovation hub focused on urban agriculture, education, green technologies and entrepreneurship, Żory is creating a flagship example of post-industrial regeneration linked to innovation and sustainability.
- **Talent Development Infrastructure:** The city is investing heavily in vocational education, digital skills and future-oriented competencies through multiple EU-funded projects focused on schools, technical education and workforce development. These investments directly support the transition towards a knowledge-based economy.

City in a nutshell

ŻORY

IN A NUTSHELL

A city of transformation in the heart of Silesia – from industrial heritage to innovation, entrepreneurship and sustainable growth.

KEY FACTS (2024)

- Population: 61,923 inhabitants
- Area: 65 km²
- Population density: 958 inh./km²
- ≈ 20% under 18 years
- 57% working-age population
- Unemployment rate: 3.4% (one of the lowest in Poland)
- Excellent connectivity: A1, N-S and A4 / E-W motorways
- Part of the Silesian Voivodeship near Czechia & Slovakia

WHERE WE ARE

61,923 inhabitants (2024)

65 km² area

958 inhabitants / km²

15 districts

≈ 20% under 18 years

3.4% unemployment rate (one of the lowest in Poland)

TRANSFORMATION CITY 2.0
 From mining heritage to innovation-driven development and a sustainable future.

STRONG ECONOMY BUILT ON INDUSTRY

- Over 4,200 registered companies and 3,600 crafts & small businesses.
- Strong industrial base in automotive, machinery, plastics and metal.
- Companies in the Katowice Special Economic Zone (KSSE) employ over 3,500 people.
- Tourism, trade and services are growing.

INNOVATION & ENTREPRENEURSHIP

- Post-industrial areas revitalised into hubs for modern, high-tech industry.
- Strong B2B micro-entrepreneurship and digital infrastructure.
- Support for startups, SMEs and micro-enterprises through local programmes and business environment.
- Smart solutions improve public safety, energy efficiency and city services.

TALENT, SKILLS AND INNOVATION CAPACITY

Strategic Prioritization of Innovation

Innovation became a formal strategic priority for Żory in the mid-2010s, driven by the need to diversify the local economy following the decline of the coal mining industry. The Development Strategy of the City of Żory for 2014-2020 marked a turning point, moving beyond simple digitalisation towards a broader Smart City approach.

From Isolated Projects to a Systemic Approach

- Foundational Phase - Digitalisation and E-Government: introduction of e-government services and digitalisation of records; innovation emerged through private sector initiatives.
- Integration Phase - Smart Infrastructure & Sustainability: investments in public safety systems, monitoring networks, energy-efficient buildings and smart management systems.
- Ecosystems Phase - Collaborative Innovation: Triple Helix model connecting government, business and residents; revitalisation of post-industrial areas; digital skills development; support for entrepreneurship and flexible labour markets through digital infrastructure and e-services.

Key Strategic Priorities Today

- Revitalisation & Economic Transformation
- Human Capital Development
- Entrepreneurship & Innovation
- Smart & Sustainable Urban Management

SUSTAINABILITY & GREEN TRANSITION

- Commitment to a Just Transition and green economic development.
- Energy efficiency and renewable energy initiatives.
- Sustainable mobility and smart urban development.
- Adapting former industrial assets for future use.
- Active commitment to sustainable development.

GOVERNANCE & PARTNERSHIPS

- Strong local commitment to innovation and digital transformation.
- Active participation in EU programmes and networks (e.g., SHIFT-R).
- Collaboration with businesses, universities, civil society and regional partners.

OUR VISION

To become a smart, innovative and inclusive city that creates quality jobs, retains talent and improves quality of life for all.

OUR PRIORITIES

Innovation & digital transition

Entrepreneurship & SMEs

Talent retention & education

Green & smart city

Inclusion & community

DID YOU KNOW?

- Żory was a historic coal mining city.
- Today we are building a new future based on innovation and knowledge.
- Over 6,700 active economic entities operate in our city.
- Around 20% of Żory's population is of pre-working age.

READY TO INNOVATE. READY TO COOPERATE.

Żory is proud to be part of the SHIFT-R Network and to share, learn and grow with cities across Europe.

TOGETHER WE TRANSFORM. TOGETHER WE INNOVATE.

City of Żory, Poland

www.zory.pl

miaasto_zory

[Miaasto_Zory](https://www.linkedin.com/company/miaasto_zory)

SHIFT-R
Innovation-friendly cities

URBACT
Innovation-friendly cities

Co-funded by the European Union Interreg

SHIFT-R Transfer Potential Canvas - @work second transnational meeting

Żory represents one of the most advanced transformation contexts within the SHIFT-R network. Unlike many partner cities primarily challenged by depopulation and economic stagnation, Żory is undergoing a strategic transition from a traditional industrial economy towards a knowledge-based, innovation-driven development model. The city has already established strong foundations through industrial diversification, long-term strategic planning, investment in education and skills, and the regeneration of former industrial areas. The next stage of its transformation requires strengthening the governance, coordination and orchestration of its innovation ecosystem to maximise the impact of these existing assets.

The Transfer Potential Assessment confirms that the Fundão Good Practice is highly relevant to Żory's ambitions. Rather than replicating individual initiatives, the city is interested in adapting the integrated ecosystem approach that connects talent, entrepreneurship, innovation infrastructure, governance and international cooperation into a coherent territorial development model. The transfer modules receiving the highest priority are **Talent Attraction and Digital Skills, Internationalisation and European Networking**, and the **Integrated Innovation Ecosystem**, followed by **Smart Rural and AgriTech Innovation, Regeneration of Public Assets**, and **Inclusive Governance and Community Integration**. Particular importance is given to addressing talent shortages, retaining young people, improving knowledge transfer and strengthening collaboration between local stakeholders.

Żory already possesses a solid platform on which to build this transformation. The municipality benefits from available public buildings suitable for regeneration, universities and educational institutions, an established SME and industrial base, existing innovation spaces, committed political leadership, experience in European cooperation projects, active civil society organisations and strong international partnerships. Together with its rich cultural and natural heritage, these assets provide favourable conditions for adapting and scaling key elements of the Fundão innovation ecosystem.

Through SHIFT-R, the city expects to accelerate economic diversification, strengthen its entrepreneurship ecosystem, attract and retain talent, advance digital and green transitions, regenerate public spaces and reinforce governance capacity, community participation and international positioning. At the same time, the assessment identifies several challenges that need to be addressed, including limited funding, governance fragmentation, stakeholder engagement, skills shortages, infrastructure limitations and continuing demographic pressures. The lack of young talent and specialised professionals emerged as one of the municipality's principal concerns.

Żory has selected **Adaptation** as its preferred transfer approach, recognising that Fundão's model should be tailored to its post-industrial context rather than directly replicated. The first pilot ideas focus on testing digital solutions and innovation support services for local stakeholders, contributing to the development of a more connected and collaborative ecosystem. Looking ahead to 2030, the municipality envisions the creation of an **Innovation District** that will strengthen Żory's position as a smart, innovative and attractive city within the Silesian region.

Overall, Żory is exceptionally well positioned to become one of the flagship transformation cases within the SHIFT-R network. By combining its strong industrial heritage, existing innovation assets and strategic leadership with Fundão's integrated ecosystem methodology, the city has the potential to become a European reference for innovation-led regeneration in post-industrial territories.

2.1.5 TRANSFER PARTNER – MACOURIA

City Profile

Macouria is one of the fastest-growing municipalities in French Guiana and occupies a strategically important position between Cayenne, the territorial capital, and Kourou, home to the Guiana Space Centre. This location places Macouria at the heart of one of the most dynamic development corridors in the overseas territories of the European Union. Historically a rural municipality characterised by dispersed settlements and agricultural activities, Macouria is undergoing a profound demographic, social and spatial transformation. New urban developments, particularly the rapidly expanding neighbourhood of Soula, are reshaping the municipality and making it a key territory for managing population growth and territorial cohesion in French Guiana.

Unlike many European rural territories struggling with population decline, Macouria faces the opposite challenge: accommodating rapid demographic growth while ensuring social inclusion, access to services, employment opportunities and sustainable territorial development. This unique context positions Macouria as a living laboratory for innovation in social inclusion, youth empowerment and community-based development.

As a municipality situated in an outermost region of the European Union, Macouria also plays an important role in connecting European policies with the realities of a highly diverse and multicultural territory facing significant development challenges but also considerable opportunities.

Demographic Profile

Macouria had approximately 18,807 inhabitants in 2024 and continues to experience one of the highest population growth rates in French Guiana. The municipality has a very young demographic structure, with a significant proportion of residents under the age of 25. This demographic dynamism represents both a major opportunity and a substantial challenge for local development policies.

The population is highly diverse and reflects the multicultural character of French Guiana. Communities of Creole, Brazilian, Haitian, Surinamese and European origin coexist within the municipality, contributing to a rich social and cultural environment. At the same time, this diversity requires inclusive governance approaches capable of addressing different social, educational and economic needs.

A particularly important challenge concerns the high number of NEETs (young people not in employment, education or training). Youth unemployment remains significantly above European averages, while women continue to face additional barriers to labour market participation and economic empowerment. These factors place social inclusion and skills development at the centre of Macouria's development agenda.

Economic Profile

Macouria's economy is primarily based on public services, construction activities, local commerce and agriculture. The municipality has benefited from the broader economic dynamism generated by population

growth and proximity to Cayenne and Kourou, particularly through residential development and public investment. However, the local economy remains relatively fragile and lacks strong diversification.

The business structure is dominated by micro-enterprises and small businesses, while medium-sized companies remain limited and large enterprises are almost non-existent. Entrepreneurial activity exists but faces structural constraints related to financing, skills availability and market size. The digital economy remains underdeveloped despite growing demand for digital services and increasing recognition of digitalisation as a development opportunity.

The municipality therefore faces a dual challenge: creating employment opportunities for a rapidly growing population while simultaneously supporting the emergence of new economic sectors capable of generating higher value-added activities and sustainable jobs.

Innovation Ecosystem Challenge

Macouria's innovation challenge is fundamentally social and territorial in nature. Unlike more mature innovation ecosystems focused primarily on technology or entrepreneurship, Macouria seeks to build an innovation ecosystem that addresses social inclusion, skills development, youth employment and territorial cohesion.

The municipality faces several interconnected challenges:

- **Youth Unemployment and Skills Gaps:** The combination of a rapidly growing young population and limited employment opportunities creates significant pressure on local development systems. Skills mismatches, low levels of higher education attainment and limited access to specialised training reduce employability and increase social vulnerability.
- **Weak Ecosystem Coordination:** Although multiple actors operate within the territory, coordination between institutions, training providers, businesses and community organisations remains limited. Building stronger governance mechanisms and ecosystem coordination structures is therefore a priority.
- **Limited Innovation Infrastructure:** Macouria currently lacks many of the innovation ecosystem components commonly found in more mature ecosystems, such as incubators, innovation hubs, living labs or specialised support structures for entrepreneurship and innovation.
- **Funding Constraints:** Access to sustainable funding remains one of the most significant barriers to ecosystem development. While European programmes provide important opportunities, local capacities for scaling successful initiatives remain limited.

Policy and Strategic Framework

Innovation has gradually emerged as a strategic priority for Macouria through its participation in European cooperation programmes and social inclusion initiatives. The municipality has increasingly recognised that innovation must be linked to employment, education and community development rather than being limited to technological solutions.

Several European-funded initiatives have contributed to this evolution:

Erasmus+: Macouria has actively participated in Erasmus+ initiatives focused on mobility, skills development and social inclusion, creating opportunities for young people and strengthening international cooperation.

FSE+ PAJEM: The PAJEM programme focuses on youth integration and employability, addressing one of the municipality's most pressing socio-economic challenges.

FSE+ GEMA: The GEMA initiative aims to improve childcare services and facilitate labour market participation, particularly for women, strengthening social inclusion and economic opportunities.

Atlas de la Biodiversité: This initiative supports environmental planning and sustainable territorial development, linking innovation with ecological transition and resilience.

Together, these initiatives have helped move Macouria from isolated project-based interventions towards a more integrated understanding of innovation as a tool for territorial development and social transformation.

Governance and Leadership

Macouria benefits from strong political commitment to innovation, social inclusion and European cooperation. Municipal leadership recognises innovation as an essential component of long-term development and has demonstrated consistent support for initiatives linked to skills development, youth empowerment and territorial transformation.

The municipality has also developed valuable experience in managing European projects and building international partnerships. The Europe Unit within the municipality plays a key role in coordinating funding opportunities, project development and cooperation activities.

This institutional commitment provides an important foundation for implementing ecosystem-based approaches and for adapting lessons learned through the SHIFT-R network.

Innovation Ecosystem Assets

Despite being at an early stage of ecosystem development, Macouria possesses several strategic assets that can support future innovation-led growth.

- **Young Population:** The municipality's youthful demographic profile represents one of its greatest long-term resources. Investing in education, skills and entrepreneurship can transform this demographic challenge into a powerful development asset.
- **Multicultural Diversity:** The coexistence of multiple cultural communities provides a rich environment for creativity, social innovation and intercultural collaboration. This diversity represents a unique asset within the SHIFT-R network.
- **European Project Experience:** Macouria has accumulated valuable experience through Erasmus+, FSE+ and other European programmes, demonstrating its capacity to mobilise external resources and participate in international cooperation networks.
- **Strategic Geographic Position:** Located between Cayenne and Kourou, Macouria benefits from proximity to key economic and institutional centres, creating opportunities for partnerships, investment attraction and regional integration.

City in a nutshell

MACOURIA

CITY IN A NUTSHELL



A young, diverse and fast-growing city building an inclusive and innovative future in French Guiana.



18,807 inhabitants (2024)	One of the fastest growing cities in French Guiana	~ 20% under 18 years old (very young population)	Highly diverse and multicultural population	3,4% unemployment rate (2024)	65 km ² area	Rapid urban expansion, especially in the Soula district	OUR IDENTITY A welcoming and multicultural city where communities cooperate to create opportunities for all, with youth, diversity and solidarity at the heart of our development.
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STRONG ECONOMY AND GROWING POTENTIAL <ul style="list-style-type: none"> Economy based on public services, construction, local commerce and agriculture More than 6,700 registered businesses (78% micro-enterprises) Companies in the Katowice Special Economic Zone (KSSE) employ over 3,500 people Low unemployment rate (3.4%) Close to Cayenne and Kourou, two major economic poles 	INNOVATION & ENTREPRENEURSHIP <ul style="list-style-type: none"> Emerging innovation ecosystem focused on social inclusion, youth and community empowerment Active participation in European programmes (Erasmus+, ESF...) Support for youth entrepreneurship and social economy Building local capacities and networks for the future 	TALENT & EDUCATION <ul style="list-style-type: none"> Large youth population - our greatest asset High number of NEETs - prioritising training and inclusion Strong commitment to skills development and lifelong learning Schools, training centres and local associations working together for youth success 	SUSTAINABILITY & TERRITORIAL DEVELOPMENT <ul style="list-style-type: none"> Managing rapid growth with sustainable urban planning Protection of natural environments and biodiversity Improving access to services, housing and mobility Toward a greener, more resilient and inclusive Macouria 	CHALLENGES <ul style="list-style-type: none"> High youth unemployment and skills mismatches Limited innovation infrastructure and ecosystem coordination Need for more funding and investment Supporting women's empowerment and equality Ensuring inclusive and balanced urban development 	GOVERNANCE & PARTNERSHIPS <ul style="list-style-type: none"> Strong commitment to inclusive governance Active cooperation with EU, national and local partners Working with citizens, associations, businesses and institutions Together we build the future of Macouria
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DID YOU KNOW? <ul style="list-style-type: none"> Macouria is home to the fast-growing Soula district. We are the link between Cayenne and the Guiana Space Centre in Kourou. Our youth are our future! 	OUR PRIORITIES <ul style="list-style-type: none"> Youth inclusion & employment Education & skills development Entrepreneurship & innovation Sustainable urban development Social cohesion & equality 	OUR VISION A united, innovative and sustainable Macouria where every young person can build their future and contribute to a prosperous and inclusive territory.	READY TO GROW. READY TO INNOVATE. READY TO COOPERATE. Macouria is proud to be part of the SHIFT-R Network and to learn, share and grow with cities across Europe.
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SHIFT-R Transfer Potential Canvas - @work second transnational meeting

Macouria enters the SHIFT-R network with an innovation ecosystem that can be characterised as emerging. Unlike some partner cities that are primarily focused on technological competitiveness or industrial transformation, Macouria's main ambition is to build an inclusive innovation model capable of responding to rapid demographic growth, youth unemployment, social inequalities and territorial cohesion challenges. In this context, innovation is understood not only as a driver of entrepreneurship and digitalisation, but also as a tool for social inclusion, skills development, community empowerment and improved quality of life.



The Transfer Potential Assessment confirms that the Fundão Good Practice is highly relevant to Macouria, particularly in relation to public asset regeneration, ecosystem coordination, digital skills and inclusive governance. The city identified **Regeneration of Public Assets and Innovation Spaces** as its highest priority, followed by the **Integrated Innovation Ecosystem, Talent Attraction and Digital Skills, Inclusive Governance and Community Integration, Smart Rural and AgriTech Innovation, and Internationalisation and European Networking**. This prioritisation reflects Macouria's interest in creating practical spaces where young people, entrepreneurs, civil society organisations and public institutions can meet, learn, experiment and develop new initiatives.

Macouria already possesses several assets that can support the transfer process. These include available public buildings, active SMEs and entrepreneurs, strong political leadership, previous experience in European projects, active civil society organisations, international partnerships and rich natural and environmental resources. These strengths provide a solid foundation for developing new innovation spaces and community-based initiatives adapted to the specific conditions of an outermost European territory.

Through SHIFT-R, Macouria expects to strengthen talent attraction and retention, entrepreneurship development, digital transition, social inclusion, governance capacity, international positioning and innovation culture. The emphasis is clearly placed on creating opportunities for young people and vulnerable groups, while also reinforcing the municipality's capacity to coordinate local actors around a shared innovation agenda.

At the same time, the assessment highlights important barriers that need to be addressed, including limited funding, insufficient resources, weak stakeholder engagement, low ecosystem maturity, skills gaps and a still fragile entrepreneurial culture. These challenges confirm that Macouria will require capacity-building, governance support and gradual experimentation rather than a direct replication of Fundão's model.

Macouria selected **Adaptation** as its preferred transfer approach, recognising that the Fundão model must be adjusted to its own demographic, social and territorial realities. Its proposed first pilot action is the creation of a **FabLab**, conceived as a practical experimentation space supporting digital skills, creativity, entrepreneurship and community engagement. Looking ahead to 2030, the municipality's vision is centred on three ambitions: a functioning FabLab, strong community spaces and the effective application of digital solutions.

Overall, Macouria represents a particularly valuable case within SHIFT-R because it shows that innovation ecosystems are not only about technology and business growth. They can also be powerful instruments for inclusion, empowerment and social transformation. By adapting Fundão's experience to its own context, Macouria has the potential to become a reference example of inclusive innovation in Europe's outermost regions.

2.1.6 TRANSFER PARTNER – SKELLEFTEÅ

City Profile

Skellefteå is a municipality located in Västerbotten County in northern Sweden, covering a vast geographical territory characterised by a strong urban-rural structure. With a population of approximately 78,150 inhabitants, nearly half of its residents live outside the main urban centre, in villages and smaller communities distributed across the municipality. This territorial configuration makes Skellefteå a particularly interesting example of how innovation ecosystems can operate across large, sparsely populated regions rather than being concentrated exclusively in urban areas.

Historically, Skellefteå's economy has been built around forestry, mining, renewable energy production and manufacturing industries. These sectors have fostered a strong culture of entrepreneurship, practical innovation and cooperation, creating the foundations for the municipality's current development model. For many years, population growth remained relatively stable, and the municipality faced challenges common to many northern and rural territories, including demographic ageing and outmigration.

Over the last decade, however, Skellefteå has undergone a remarkable transformation driven by large-scale industrial investments associated with Europe's green transition. The municipality has become one of Sweden's most prominent examples of industrial renewal, attracting international attention for its role in electrification, renewable energy systems and sustainable manufacturing. This rapid development has generated new opportunities while simultaneously creating challenges related to housing, infrastructure, talent attraction, social integration and ecosystem coordination.

Today, Skellefteå is widely recognised as an emerging hub for the green industrial transition and serves as an important reference point for innovation-led regional development in northern Europe.

Demographic Profile

Skellefteå has a relatively balanced demographic profile, although its population is slightly older than the Swedish national average. In 2024, the average age was 43.1 years, reflecting demographic characteristics typical of northern and rural regions.

Recent industrial expansion has significantly increased international migration to the municipality. The arrival of workers, families and professionals from different countries has contributed to greater cultural diversity and internationalisation. While this trend strengthens the local labour market and supports economic growth, it also creates new challenges in relation to housing provision, integration policies, education services and skills matching.

The municipality therefore faces the dual challenge of managing rapid growth while ensuring social cohesion and maintaining the quality of life that has traditionally characterised the region.

Economic Profile

Skellefteå possesses one of the strongest and most diversified economies in northern Sweden. The municipality combines globally competitive industrial activities with a growing services sector, a dynamic innovation environment and increasing international investment.

The local economy is anchored by two major organisations:

- Boliden, a leading global mining and metals company with deep historical roots in the region.
- Skellefteå Kraft, one of Sweden's largest municipally owned renewable energy companies, playing a strategic role in electrification and sustainable energy systems.

While traditional industries remain important, Skellefteå has experienced significant growth in service-based sectors, including:

- ICT and digital services;
- Professional and technical services;
- Creative and cultural industries;
- Innovation support and entrepreneurship services.

The municipality increasingly views innovation, entrepreneurship and digitalisation as essential tools for economic diversification, resilience and long-term competitiveness. This approach is supported by strong collaboration between industry, academia, innovation intermediaries and public authorities.

Innovation Ecosystem Evolution

Innovation and digital transformation became a strategic priority for Skellefteå during the 2010s, initially driven by industrial modernisation and the energy transition. Early innovation efforts were largely project-based and sector-specific, focused on industrial competitiveness and infrastructure development.

Over time, the municipality adopted a more systemic innovation approach, reflected in its long-term Vision 2030 strategy. This transition involved:

- stronger collaboration between public authorities, industry and academia;
- increased use of testbeds and experimentation environments;
- participation in EU-funded projects;
- development of innovation platforms and intermediary organisations;
- stronger emphasis on place-based innovation and territorial development.

Today, Skellefteå is increasingly recognised as a living laboratory for green and digital innovation, particularly in fields such as electrification, renewable energy systems, sustainable mobility and industrial transformation.

Governance and Leadership

A key strength of Skellefteå is the strong political and institutional commitment to innovation and sustainable development. Innovation is deeply embedded within the municipality's long-term development vision and enjoys broad political support across different parties and administrations.

The municipality actively collaborates with industry, universities, research institutes and innovation intermediaries to support ecosystem development and strategic transformation. Governance increasingly focuses on ecosystem coordination, recognising that innovation outcomes depend on effective collaboration across multiple actors and sectors.

Strategic Policy Framework

Skellefteå benefits from strong alignment between local, regional and national policy frameworks.

National Level

- Sweden's Innovation Strategy;
- National Digitalisation Strategy;
- Industrial Strategy for the Green Transition.

Regional Level

- Västerbotten Regional Development Strategy;

-
- Regional Smart Specialisation Strategy (RIS3).

Local Level

- Skellefteå Municipal Development Strategy 2030;
- Urban Development Strategy focused on innovation, sustainability and attractiveness.

These strategies collectively support digitalisation, green transition, innovation capacity building and territorial attractiveness.

Innovation Ecosystem Assets

Skellefteå possesses a highly mature innovation ecosystem supported by a unique combination of industrial capacity, innovation infrastructure and collaborative culture.

Key assets include:

- Strong Industrial Base: Internationally competitive companies drive investment, innovation and technological development.
- Renewable Energy Leadership: Abundant renewable energy resources position the municipality as a leader in sustainable industrial development.
- Collaborative Innovation Culture: Long-standing cooperation between public authorities, businesses, academia and innovation intermediaries facilitates ecosystem development and experimentation.
- Innovation Infrastructure, the municipality hosts: incubators and accelerators; coworking and innovation hubs; living labs and testbeds; research centres and universities; innovation clusters and networks; public-private innovation partnerships.
- Skellefteå Science City: As the municipality's innovation company, Skellefteå Science City plays a central role in ecosystem coordination, project development and stakeholder engagement.

Challenges and Development Needs

Despite its strong position, Skellefteå faces several important challenges: Skills shortages in engineering, digital and technical fields; Pressure on housing and public infrastructure caused by rapid growth; Need for stronger ecosystem coordination and orchestration; Dependence on a limited number of large industrial actors; Difficulty extending innovation benefits to rural communities and villages; Need to diversify innovation beyond industrial and technological sectors.

A particularly important challenge for SHIFT-R concerns the territorial dimension of innovation. While the municipality possesses a highly mature urban innovation ecosystem, ensuring that innovation reaches smaller communities across its extensive territory remains a strategic priority.

City in a nutshell

SKELLEFTEÅ

CITY IN A NUTSHELL

A northern Swedish city leading the green transition and building the future.

WHERE WE ARE

- Västerbotten County, Northern Sweden
- Coastal location along the Gulf of Bothnia
- Excellent connections via E4, E12 and the Arctic Line railway
- Founded in 1845
Strong industrial heritage and innovation mindset

POPULATION 7,8 150 (2024)	~ 50% live in villages and smaller communities	VAST TERRITORY 17,000+ km ²	AVERAGE AGE 43,9 years (2025)	GROWING DIVERSITY Residents from 100+ countries	RAPID GROWTH Driven by industrial investments & green transition	OUR IDENTITY <ul style="list-style-type: none"> A welcoming, open and inclusive community Strong culture, nature and quality of life Innovative, resilient and future-oriented Proud of our history – focused on the future
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AT A GLANCE <ul style="list-style-type: none"> Emerging hub for the green industrial transition and innovation-led development. Strong industrial base with global players and a growing services & innovation sector. Collaborative ecosystem linking industry, academia, public sector and society. High quality of life, close to nature, with a vibrant culture and community spirit. Strong political commitment to sustainable and inclusive growth – Vision 2030. 	ECONOMY <ul style="list-style-type: none"> Diverse and resilient economy anchored by key industries and a growing services sector. Mining & metals (Boliden) Renewable energy (Skellefteå Kraft) Manufacturing & engineering ICT & digital services Professional, creative and cultural industries Innovation support & entrepreneurship services 	INNOVATION ECOSYSTEM <ul style="list-style-type: none"> A living lab for green and digital innovation Testbeds & experimentation environments Innovation platforms & intermediary organisations Strong collaboration with universities & research institutes Active participation in EU projects Focus areas: electrification, renewable energy, sustainable mobility, industrial transformation Gaming industry 	TALENT & EDUCATION <ul style="list-style-type: none"> Investing in people and skills to power the transition. Strong school system and lifelong learning Campus Skellefteå – higher education & research Vocational training aligned with industry needs Attracting talent from Sweden and around the world SUA – Skellefteå University Alliance 	SUSTAINABILITY <ul style="list-style-type: none"> Building a climate-neutral and resource-smart future. Fossil-free energy & electrification Circular economy & resource efficiency Sustainable mobility Nature-based solutions & biodiversity Strong climate & environmental targets 	GOVERNANCE & PARTNERSHIPS <ul style="list-style-type: none"> Cooperation is key to innovation and growth. Strong political and institutional commitment Cross-sector collaboration (public, private, academia, civil society) Ecosystem-based governance Alignment with national, regional and EU strategies Investments in infrastructures and housing
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STRATEGIC PRIORITIES – VISION 2030 <ul style="list-style-type: none"> A leading region for the green transition Sustainable & inclusive growth Innovation & entrepreneurship Attractive place to live, work and visit Strong communities across the territory 	KEY STRENGTHS <ul style="list-style-type: none"> Green transition leadership Industrial renewal & jobs Innovation capacity Collaboration & trust Quality of life & nature Global outlook – local roots 	LOOKING AHEAD <p>Skellefteå continues to transform today's investments into tomorrow's sustainable prosperity – creating opportunities for people, businesses and future generations.</p>	DID YOU KNOW? <ul style="list-style-type: none"> Used to be one of the Sweden's fastest-growing municipalities before Nortrvolt bankruptcy in 2026. Close to untouched nature – forests, rivers and the Arctic Circle. Strong culture, events and community life.
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Skellefteå kommun | 731 85 Skellefteå, Sweden | www.skelleftea.se/en | kommun@skelleftea.se | +46 910 73 50 00 | skelleftea-kommun

Co-funded by the European Union Interreg

SHIFT-R Transfer Potential Canvas - @work second transnational meeting

Skellefteå enters the SHIFT-R network as one of its most mature and internationally recognised innovation ecosystems. Unlike many partner cities that are focused on building the foundations of innovation ecosystems, Skellefteå's ambition is to strengthen the territorial integration of an already well-developed ecosystem by ensuring that innovation reaches rural communities and contributes to balanced territorial development. The municipality seeks to complement its strong industrial and technological base with more inclusive, place-based approaches that connect urban innovation assets with the wider rural territory.



The Transfer Potential Assessment confirms that the Fundão Good Practice is highly relevant to this objective. Rather than focusing on the creation of new innovation infrastructures, Skellefteå is particularly interested in the mechanisms that Fundão has developed to connect innovation, community development and territorial cohesion. The highest priority is assigned to the **Integrated Innovation Ecosystem Module**, followed by **Smart Rural and AgriTech Innovation, Internationalisation and European Networking, and Regeneration of Public Assets and Innovation Spaces**. The modules related to **Talent Attraction and Digital Skills** and **Inclusive Governance and Community Integration** are considered lower priorities, reflecting the

municipality's already advanced performance in these areas. Overall, the assessment highlights a strong interest in understanding how innovation can be extended beyond urban centres to strengthen rural communities and increase territorial resilience.

Skellefteå benefits from an exceptional set of local assets that provide favourable conditions for adapting the Fundão model. These include a strong industrial base, universities and research institutions, active SMEs, existing innovation spaces, advanced digital infrastructure, committed political leadership, extensive experience in European cooperation, active civil society organisations, international partnerships, and significant natural and cultural resources. These strengths position the municipality as an ideal environment for testing new approaches to territorial innovation.

Unlike many partner cities, Skellefteå identified a relatively focused set of expected outcomes from the transfer process. The municipality expects SHIFT-R to contribute primarily to rural revitalisation, stronger community participation, improved integration between urban and rural areas, and wider diffusion of innovation across its territory. At the same time, the assessment identifies several barriers that must be addressed, including stakeholder engagement, governance coordination and the demographic challenges faced by remote rural villages. Ensuring that innovation opportunities are accessible throughout the municipality, rather than concentrated in the urban centre, remains a strategic priority.

Skellefteå has selected both **Adaptation** and **Systemic Transformation** as its transfer ambition, recognising that the value of the Fundão Good Practice lies in its integrated methodology rather than in individual projects. Its proposed pilot action focuses on developing a **Smart Rural Innovation Model** capable of strengthening connections between urban and rural areas, improving access to innovation services and fostering greater community engagement. Looking towards 2030, the municipality envisions a territory where innovation, sustainability and rural development are fully interconnected, creating an ecosystem in which all communities can actively participate and benefit.

Overall, Skellefteå represents one of the most advanced learning cases within SHIFT-R. While many partner cities will learn from its experience in industrial innovation and digital transformation, Skellefteå sees significant value in Fundão's expertise in place-based innovation, ecosystem coordination and rural inclusion. This mutual exchange illustrates the collaborative spirit of SHIFT-R, where even the most mature innovation ecosystems continue to evolve through shared European learning and adaptation.

2.1.7 TRANSFER PARTNER – NYKARLEBY

City Profile

Nykarleby is a small coastal town located in the Ostrobothnia region on the west coast of Finland, at the mouth of the Lapua River along the Gulf of Bothnia. Founded in 1620 by King Gustav II Adolf of Sweden, the town has historically served as an important centre for trade, education and cultural exchange. Known as the hometown of the renowned Finnish-Swedish author Zacharias Topelius, Nykarleby has maintained a strong cultural identity and continues to play a significant role in preserving Swedish-language heritage and education in Finland. Today, the municipality combines a high quality of life, strong community cohesion and a dynamic entrepreneurial culture, making it an attractive example of a resilient small-town economy.

The municipality has a population of 7,392 inhabitants (2025) spread across a territory characterised by dispersed settlements and strong rural-urban linkages. With a population density of only 4.4 inhabitants per km², Nykarleby exemplifies the opportunities and challenges of low-density territories. While the population has remained relatively stable in recent years, recent demographic trends indicate a slight decline, driven by a combination of natural population decrease and outward migration.

Nykarleby is a bilingual municipality with a strong Swedish-speaking majority. Approximately 83.7% of residents have Swedish as their native language, while 6.5% are Finnish speakers and nearly 10% speak another native language. Foreign citizens represent 8.2% of the population, contributing to a gradually increasing level of international diversity. Demographically, the municipality faces a challenge common to many rural areas: the outmigration of young adults pursuing higher education and career opportunities elsewhere, combined with an ageing population and declining birth rates.

Economic Profile and Innovation Context

Nykarleby forms part of the economically dynamic Jakobstad Region, one of Finland's strongest export-oriented industrial areas. Despite its small size, the municipality hosts 1,980 registered companies and approximately 3,161 jobs, demonstrating an exceptionally strong entrepreneurial culture. The employment rate reaches 81%, while unemployment remains significantly below the national average at approximately 5%.

The local economy is characterised by a strong industrial base, advanced manufacturing capabilities and a dense network of SMEs. Key sectors include metal and mechanical engineering, wood processing, food production, transport and logistics, construction and specialised manufacturing. Major employers include Mirka, a global leader in abrasives and power tools; Prevex, a leading manufacturer of water traps; Adapa Finland, specialising in packaging solutions; and several internationally recognised specialty vehicle manufacturers such as Kaiser Eur-Mark, Norcar and Juro Clean.

Entrepreneurship is deeply embedded in the local culture. Of the municipality's 1,980 companies, over 1,270 are micro-enterprises with fewer than ten employees. This strong entrepreneurial foundation creates favourable conditions for innovation but also presents challenges related to scaling businesses, attracting investment and building critical mass for innovation ecosystems. Unlike larger urban centres, Nykarleby does not host a dedicated technology cluster or large-scale startup ecosystem. However, digitalisation and innovation increasingly play important roles within local manufacturing industries, automation systems and industrial development activities.

The municipality also demonstrates strong resilience in economic transition. Historically dependent on the fur farming industry, local businesses have successfully diversified into new sectors, including insect-based protein production, livestock feed manufacturing and advanced industrial services. This adaptive capacity reflects a strong culture of entrepreneurship and local problem-solving.

Innovation Ecosystem Challenge

Although Nykarleby possesses many of the building blocks required for innovation-driven development, the municipality faces several structural challenges that limit the emergence of a fully integrated innovation ecosystem.

The most significant challenge relates to demographic change. Like many small and rural municipalities across Europe, Nykarleby experiences brain drain as young people leave to pursue higher education and

professional opportunities in larger cities. This trend contributes to an ageing population and creates difficulties in attracting and retaining specialised talent.

A second challenge concerns ecosystem fragmentation. While multiple actors support entrepreneurship, innovation and development—including the municipality, Concordia Regional Development Company, Nykarleby Innovation Center (NIC), universities and local businesses—these efforts are often project-based and insufficiently connected within a long-term ecosystem framework. The municipality identifies the need to move from isolated innovation projects towards a more coordinated and self-reinforcing innovation system.

Additional barriers include:

- Limited municipal staff capacity dedicated to innovation activities;
- Dependence on external project funding;
- Skills shortages in advanced digitalisation, AI and data management;
- Limited critical mass for startups, investors and innovation networks;
- Difficulties in mainstreaming successful pilot projects into regular municipal operations.

These challenges make Nykarleby particularly interested in learning how Fundão has successfully connected talent, entrepreneurship, governance and infrastructure into an integrated territorial innovation ecosystem.

Policy and Institutional Framework

Innovation and future-oriented development are strongly embedded within Nykarleby’s policy framework. Political commitment is anchored in the municipal strategy Nykarleby 2040, adopted in 2024 under the vision of becoming “a small but strong actor in a changing world” and guided by the motto “Dream Big in a Small Town.” The strategy explicitly recognises innovation, adaptability and cooperation as essential responses to demographic and economic change.

At national level, the municipality aligns with Finland’s ambitious research and innovation agenda, including the objective of raising research and development expenditure to 4% of GDP and strengthening innovation ecosystems through industrial policy, skills development and international cooperation.

At regional level, Nykarleby contributes to the Smart Specialisation Strategy (S3) of Ostrobothnia, which prioritises:

- advanced manufacturing and Industry 4.0;
- automation, robotics and AI;
- IoT and data-driven business models;
- circular economy and carbon neutrality.

Institutionally, innovation is supported through strong partnerships with regional and academic actors, particularly Concordia Regional Development Company and Åbo Akademi University. The municipality has also established a Strategic Steering Group responsible for translating the ambitions of the Nykarleby 2040 strategy into concrete actions and investments.

Assets and Opportunities

Nykarleby possesses a number of significant assets that provide strong foundations for ecosystem development:

- **Strong Entrepreneurial Culture:** The municipality has one of the highest concentrations of SMEs and micro-enterprises relative to population size in Finland. Entrepreneurship is deeply rooted in local culture and supported by strong family-owned business traditions.
- **Industrial Excellence:** Global companies such as Mirka and several specialised manufacturing firms provide advanced expertise in industrial innovation, automation and international markets. These companies create opportunities to connect traditional industries with innovation ecosystem development.
- **Regional Innovation Support:** Concordia plays a key role in business support, startup development and regional cooperation, providing capacities that exceed those available to a municipality of Nykarleby's size.
- **Nykarleby Innovation Center (NIC):** NIC provides coworking facilities, entrepreneurship support, networking opportunities and creative community development. It represents an emerging grassroots innovation hub with significant potential for future expansion.
- **European Cooperation Experience:** The municipality has extensive experience participating in European cooperation projects, including URBACT MetaCity, IoTXchange, Interreg Aurora and Erasmus+ initiatives. These projects have strengthened local capacities in experimentation, digitalisation, citizen participation and ecosystem collaboration.
- **Agile Governance and Community Engagement:** The municipality benefits from its small scale, which facilitates close collaboration between stakeholders and enables rapid experimentation. Participatory budgeting, community consultations and innovative citizen engagement practices demonstrate an established culture of inclusive governance.

City in a nutshell

NYKARLEBY IN A NUTSHELL

A resilient coastal town with a strong entrepreneurial spirit, cultural heritage and a future built on innovation.

Dream Big in a Small Town



7,392 inhabitants (2025)	4.4 inhabitants / km ² (low density)	83.7% Swedish-speaking majority	10% foreign citizens	42.6 years median age	81% employment rate	5% unemployment rate	1,980 registered companies	High quality of life, nature and community	OUR IDENTITY <ul style="list-style-type: none"> A bilingual and inclusive community with a strong Swedish heritage. Home of Zacharias Topelius, author and journalist. A close community with a forward-looking mindset.
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ECONOMY & ENTREPRENEURSHIP <ul style="list-style-type: none"> Strong industrial base and export-oriented companies Key sectors: metal & mechanical engineering, wood processing, food production, transport & logistics, construction, specialised manufacturing Major employers: Mirka, Prexev, Adapa Finland, Kaiser Eur-Mark, Norcar, Juro Clean and others 1,270+ micro-enterprises – strong entrepreneurial culture Galvanizing company Aquaculture Green Energy – wind turbines 	INNOVATION & DIGITALISATION <ul style="list-style-type: none"> Active innovation support through NIC – Nykarleby Innovation Center Focus on digitalisation, automation and Industry 4.0 Strong collaboration between businesses, education and development organisations Building an innovation ecosystem for the future Skills development in AI, data and digital technologies Smart and sustainable solutions for local industries 	TALENT & EDUCATION <ul style="list-style-type: none"> High-quality schools and early childhood education Strong Swedish-language education tradition Vocational training, adult education and lifelong learning Collaboration with universities and vocational institutions Challenge: outmigration of young people for studies and work Investing in skills, youth opportunities and retention 	SUSTAINABILITY & GREEN TRANSITION <ul style="list-style-type: none"> Energy efficiency and low-carbon solutions Circular economy initiatives Sustainable forestry and wood industry Sustainable agriculture Protecting the Baltic Sea and local biodiversity Climate adaptation and nature protection Active commitment to sustainable development 	CHALLENGES <ul style="list-style-type: none"> Ageing population and demographic decline Outmigration of young talent Need for more innovation infrastructure and critical mass Limited staff resources for innovation work Dependence on external funding Skills gaps in digital and advanced technologies 	GOVERNANCE & PARTNERSHIPS <ul style="list-style-type: none"> Strong political commitment and clear strategic vision Collaboration with Concordia, universities and regional partners Active participation in EU projects and networks Working together with citizens, businesses and organisations Investments in infrastructures and housing Together we build the future of Nykarleby
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DID YOU KNOW? <ul style="list-style-type: none"> Nykarleby was founded in 1620. It is the birthplace of author Zacharias Topelius. Strong Swedish-speaking majority and rich cultural life. 	OUR PRIORITIES <ul style="list-style-type: none"> Attract & retain young talent Support entrepreneurship & SMEs Digitalisation & innovation Sustainable economic growth Community well-being & inclusion 	OUR VISION A vibrant, innovative and sustainable Nykarleby where people want to live, work and build their future.	READY TO INNOVATE. READY TO COOPERATE. <ul style="list-style-type: none"> Nykarleby is ready to share, learn and grow together with cities across Europe. Strong political will to equip the town for the future.
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SHIFT-R Transfer Potential Canvas - @work second transnational meeting

Nykarleby can be characterised as a **developing innovation ecosystem** within the SHIFT-R network. Although it is a small rural municipality, it already benefits from a number of important assets, including a strong entrepreneurial culture, active regional support organisations, experience in European cooperation projects and emerging innovation spaces. However, these strengths are still relatively fragmented and have not yet evolved into a fully integrated innovation ecosystem capable of generating long-term cumulative impacts. The municipality therefore sees SHIFT-R as an opportunity to strengthen ecosystem coordination and move from isolated initiatives towards a more connected and self-reinforcing model of territorial innovation.



The Transfer Potential Assessment confirms that the Fundão Good Practice is highly relevant to Nykarleby's ambitions. The municipality is particularly interested in understanding how Fundão successfully connected entrepreneurship, talent development, governance, innovation spaces and international cooperation into a coherent ecosystem. Rather than replicating physical infrastructures, Nykarleby seeks to adapt the underlying governance and ecosystem logic that has enabled Fundão to attract talent, support business creation and strengthen territorial attractiveness.

Among the six SHIFT-R transfer modules, the city assigned the highest priority to **Internationalisation and European Networking**, followed by **Talent Attraction and Digital Skills** and the **Integrated Innovation Ecosystem**. **Inclusive Governance and Community Integration** and **Regeneration of Public Assets and Innovation Spaces** were also identified as important areas for transfer, while **Smart Rural and AgriTech Innovation** was considered a lower priority. This assessment reflects the municipality's ambition to strengthen international collaboration, improve local innovation capacity and develop new approaches to rural innovation and ecosystem development.

Nykarleby already possesses several important strengths that provide favourable conditions for this transformation. These include available public buildings suitable for regeneration, universities and educational institutions, existing innovation spaces, strong political leadership, previous experience in European projects, active civil society organisations, international partnerships, and rich natural and cultural resources. These assets offer a solid platform for adapting key elements of the Fundão model to the realities of a smaller Nordic municipality.

Through SHIFT-R, Nykarleby expects to strengthen talent attraction and retention, entrepreneurship development, digital transition, governance capacity, international positioning and participation in European projects. The municipality also identified **learning** as a key expected outcome, highlighting the importance it places on knowledge exchange and peer learning within the network. At the same time, the assessment identifies several barriers that need to be addressed, including demographic decline, skills shortages, limited entrepreneurial dynamics, stakeholder engagement challenges, governance fragmentation and infrastructure limitations. In particular, the municipality recognises the need to create more attractive employment opportunities and stronger conditions for young people to remain in or relocate to the area.

Nykarleby has selected both **Adaptation** and **Systemic Transformation** as its preferred transfer approach, demonstrating its ambition to build a more integrated innovation ecosystem while tailoring the Fundão model to its own territorial scale and context. Although a specific pilot action has not yet been defined, the municipality intends to use the transfer process to identify the most suitable testing actions in collaboration with the SHIFT-R partners. Looking towards 2030, Nykarleby envisions becoming a more innovative, attractive and internationally connected municipality, offering greater opportunities for residents, entrepreneurs and businesses.

Overall, Nykarleby enters SHIFT-R as a small but ambitious territory seeking to transform existing assets into a coordinated innovation ecosystem. By strengthening governance, international cooperation, talent attraction and stakeholder collaboration, the municipality has the potential to become an excellent example of how small rural communities can enhance their competitiveness and resilience through integrated, place-based innovation.

2.1.8 TRANSFER PARTNER – TROSTYANETS

City Profile

Trostryanets is a small city located in Sumy Oblast in north-eastern Ukraine, approximately 60 km from Sumy and close to the Russian border. It serves as the administrative centre of the Trostryanets Territorial Community, which comprises 38 settlements distributed across a territory of nearly 789 km². The city benefits from a strategic transport location, being connected through the Hlukhiv–Kharkiv highway and the Vorozhba–Sumy–Kharkiv railway corridor, with Smorodyne Station functioning as one of the region's main logistics hubs.

Historically, Trostyanets developed as a trading and industrial centre, strongly linked to the sugar industry and later to food production. Before the Russian invasion, the city was widely recognised as a cultural and festival destination within the Slobozhanshchyna region. Today, despite the severe impacts of military occupation and infrastructure destruction in 2022, Trostyanets is positioning itself as a model of resilient recovery, combining reconstruction, digital transformation, green innovation and community participation.

Demographic Profile

The demographic profile reflects challenges common to many Ukrainian and European rural territories, including population ageing, youth outmigration and labour shortages. However, Trostyanets maintains a slightly higher proportion of young people than the regional average, providing an important basis for future development.

Indicator	Value
Population	26,738 inhabitants
Density	35.5 inhabitants/km²
Working-age population	57.5%
Population under working age	14.9%
Population above working age	27.6%
Women	14,638
Men	12,989

Economic Profile

The economy of Trostyanets is characterised by a combination of manufacturing, agribusiness, forestry, logistics and public services.

The city hosts two internationally recognised food manufacturing companies:

- Mondelez Ukraine, producer of brands such as Oreo and Tuc, employing over 600 workers;
- Jacobs Douwe Egberts Ukraine, employing approximately 200 workers.

Together these companies attracted more than €200 million in investments before the war and remain key drivers of local employment and exports. Following the occupation of the city in 2022, Mondelez invested an additional US\$20 million in rebuilding its facilities.

Other significant sectors include:

- Forestry and wood processing;
- Flour and food processing industries;
- Railway logistics and transportation;
- Agriculture and rural enterprises;
- Public services and healthcare.

The community also benefits from a relatively educated workforce, with approximately 45–55% of the working-age population holding higher education qualifications.

Evolution of the Innovation Ecosystem

The development of Trostyanets' innovation ecosystem is closely linked to the decentralisation reforms implemented in Ukraine after 2015.

Between 2016 and 2022, the municipality invested heavily in digital governance and smart public services, creating one of the most advanced digital local government systems among small Ukrainian municipalities. Key initiatives included:

- Open City platform;
- E-petitions and public consultations;
- Electronic council voting and livestreaming;
- Electronic health and education systems;
- Smart Call Centre;
- Resident Card;
- Safe Community surveillance network;
- Smart public transport solutions.

Following the occupation and liberation of the city in 2022, the innovation agenda evolved from digitalisation towards a broader concept of resilient and sustainable recovery, combining reconstruction, entrepreneurship support, renewable energy and community engagement.

Governance and Leadership

Innovation enjoys strong political support from the city leadership and is embedded within the Community Development Strategy. The municipality has designated digital transformation leadership functions and actively collaborates with NGOs, community organisations and international partners.

A particular strength of Trostyanets lies in its highly active civil society organisations, including:

- Centre for European Integration of Slobozhanshchyna;
- Centre for Social Initiatives of Trostyanets Community;
- Youth Centre Korobka;
- Dobrota Foundation.

These organisations have become essential actors in post-war recovery, entrepreneurship support and citizen participation.

Strategic Policy Framework

Trostyanets operates within a multi-level framework supporting innovation and digital transition.

National Level

- Digital Development Strategy of Ukraine 2030;

-
- Digital Economy and Society Development Concept;
 - DIA digital government programme.

Regional Level

- Sumy Oblast Development Strategy 2027;
- SME Development Programme 2022–2026.

Local Level

- Trostyanets Community Development Strategy;
- M4EG Action Plans;
- Post-War Recovery Programme.

The local strategy places particular emphasis on:

- digitalisation of public services;
- SME development;
- social inclusion;
- green reconstruction;
- civic participation;
- youth skills development.

Innovation Ecosystem Assets

Trostyanets already possesses several assets that can serve as foundations for a future innovation ecosystem:

Digital Governance Infrastructure

- Open City;
- E-petitions;
- Public consultations;
- Smart Call Centre;
- Resident Card;
- Digital education and health services.

Business and Entrepreneurship Support

- Trostyanets Business Support Centre;
- Business Hub and co-working services;
- Entrepreneurship accelerator initiatives;

-
- EU4Business and UNDP-supported programmes.

Skills and Youth Development

- Zmistovno Educational Centre;
- STEM programmes;
- Robotics and digital skills training;
- Youth Centre Korobka.

Green Innovation

- First Ukrainian apartment building converted to 100% renewable energy;
- “Trostyanets Without Fossil Gas” roadmap;
- Green reconstruction projects supported by Greenpeace.

Community Participation

- Participatory budgeting initiatives;
- Neighbourhood committees;
- Recovery co-design programmes supported by USAID/Pact.

Main Challenges

Despite its achievements, Trostyanets faces significant structural barriers:

- Lack of universities and R&D institutions;
- Limited innovation infrastructure;
- Dependence on external funding;
- Youth outmigration and talent shortages;
- Fragmented stakeholder collaboration;
- Security concerns linked to the ongoing war;
- Infrastructure damaged during occupation;
- Limited municipal financial resources.

The city therefore seeks to move from isolated projects towards a more integrated innovation ecosystem capable of supporting long-term recovery and resilience.

Among all SHIFT-R partner cities, Trostyanets presents one of the strongest motivations for adopting Fundão’s model. While Fundão transformed demographic decline through innovation and talent attraction, Trostyanets seeks to leverage innovation as a tool for post-war recovery and long-term resilience.

City in a nutshell

TROSTYANETS IN A NUTSHELL

A resilient Ukrainian city rebuilding its future through innovation, community and sustainable growth.

- Strong community
- Green recovery
- Digital transformation

KEY FACTS (2024)

- Population: 26,738 inhabitants
- Area: 35.5 km²
- Population density: 757 inh./km² (low density)
- 57.5% working-age population
- ~45–55% of working-age population have higher education
- 14,638 women / 12,989 men
- 10% foreign citizens

WHERE WE ARE

Trostyanets Sumy Oblast

- North-eastern Ukraine, close to the border and 60 km from Sumy city
- Connected by Hlukiv–Kharkiv highway and Vorozhba–Sumy–Kharkiv railway
- Smorodyne railway station – a key logistics hub

26,738 inhabitants	35.5 km ² area (low density)	57.5% working-age population	~45–55% of working-age population have higher education	14,638 women / 12,989 men	10% foreign citizens
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STRONG ECONOMY BUILT ON INDUSTRY	INNOVATION & DIGITAL TRANSFORMATION	TALENT & YOUTH DEVELOPMENT	GREEN & SUSTAINABLE FUTURE	CHALLENGES	GOVERNANCE & PARTNERSHIPS
<ul style="list-style-type: none"> 1,980 registered companies 3,616 jobs, employment rate 81% Key sectors: food industry, manufacturing, forestry, logistics, agriculture, services Major companies: Mondelez Ukraine (Oreo, TUC), Jacobs Douwe Egberts Ukraine, Mifina, Prever Part of the dynamic Sumy region with strong industrial traditions 	<ul style="list-style-type: none"> One of Ukraine's most digitally advanced small cities Open City platform, e-petitions, e-consultations, e-council Smart Call Centre, Resident Card E-health, e-education, smart transport Safe City surveillance network From smart city initiatives to resilient and sustainable recovery 	<ul style="list-style-type: none"> 20% of population under 18 Active education network and quality schools Zmistovno Educational Centre, skills and innovation hub STEM, robotics and digital skills programmes Strong focus on youth engagement, inclusion and future opportunities 	<ul style="list-style-type: none"> First Ukrainian apartment building converted to 100% renewable energy Trostyanets Without Fossil Gas™ roadmap Green reconstruction of public buildings and infrastructure Protection of forests, rivers and biodiversity Committed to a clean, resilient and sustainable city 	<ul style="list-style-type: none"> Ageing population and youth outmigration Limited innovation infrastructure and funding Skills shortages in digital and advanced technologies Need for stronger ecosystem coordination and scaling of initiatives 	<ul style="list-style-type: none"> Strong political leadership and clear strategic vision Active civil society and community organisations Cooperation with EU, UNDP, Greenpeace and other partners Member of SHIFT-R network Building a coordinated innovation ecosystem for the future

OUR PRIORITIES

- Innovation & digital transition
- Entrepreneurship & SMEs
- Talent retention & education
- Green recovery & resilience
- Community participation

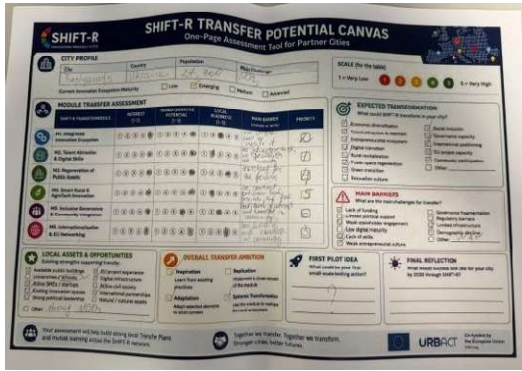
OUR VISION

A prosperous, inclusive and innovative Trostyanets where people want to live, learn, work and build the future together.

Trostyanets, Sumy Oblast, Ukraine |
 trostyanets-rada.gov.ua |
 Trostyanets City Council

SHIFT-R Transfer Potential Canvas - @work second transnational meeting

Trostyanets brings a unique perspective to the SHIFT-R network. While most partner cities view innovation primarily as a driver of competitiveness, entrepreneurship and territorial attractiveness, Trostyanets demonstrates how innovation can become a powerful instrument for post-war recovery, community resilience and social cohesion. Having experienced the devastating impacts of armed conflict, the municipality sees the development of an innovation ecosystem not only as a means of stimulating economic growth, but also as a strategic framework for rebuilding institutions, restoring public confidence and creating long-term opportunities for its citizens.



The Transfer Potential Assessment confirms that the Fundão Good Practice is highly relevant to Trostyanets' ambitions. The municipality is particularly interested in understanding how Fundão successfully connected talent development, entrepreneurship, governance and innovation infrastructure into an integrated ecosystem capable of generating sustainable territorial transformation. Among the six SHIFT-R transfer modules, **Talent Attraction and Digital Skills** emerged as the highest priority, closely followed by the **Integrated Innovation Ecosystem, Internationalisation and European Networking, Regeneration of Public Assets and Innovation Spaces, Smart Rural and AgriTech Innovation, and Inclusive Governance and**

Community Integration. This prioritisation reflects the municipality's intention to use innovation as a comprehensive strategy for reconstruction rather than as a collection of isolated projects.

Despite the challenges created by the war, Trostyanets possesses several important strengths that provide a solid foundation for this transformation. These include available public buildings suitable for regeneration, universities and educational institutions, active SMEs and entrepreneurs, existing innovation initiatives, committed political leadership, active civil society organisations, international partnerships and a highly motivated local community. The municipality also highlighted the fundamental role played by NGOs and community organisations in supporting recovery efforts, reinforcing the importance of collaborative governance and civic participation in rebuilding resilient territories.

Through SHIFT-R, Trostyanets expects to accelerate economic diversification, attract and retain talent, strengthen entrepreneurship, advance digital and green transitions, regenerate public spaces and reinforce governance capacity, social inclusion and international positioning. Unlike many cities, however, these objectives are closely linked to the broader goal of rebuilding the local economy and strengthening community resilience. Innovation is therefore viewed as a cross-cutting mechanism capable of supporting reconstruction, restoring confidence and creating new development opportunities.

The assessment also identifies significant barriers that will need to be addressed throughout the transfer process. These include limited funding and investment capacity, governance fragmentation, skills shortages, weak stakeholder engagement, limited innovation infrastructure, demographic challenges and the continuing consequences of the war. These constraints highlight the need for long-term capacity building, international cooperation and flexible governance mechanisms capable of supporting recovery under highly dynamic conditions.

Trostyanets has selected both **Adaptation** and **Systemic Transformation** as its preferred transfer approach, recognising that the value of the Fundão model lies in its integrated methodology rather than in the replication of individual initiatives. Although the municipality has not yet defined a specific pilot project, it intends to use the peer-learning process within SHIFT-R to identify the most appropriate testing actions for its local context. Looking towards 2030, Trostyanets envisions becoming a resilient, innovative and attractive community where entrepreneurship, digital transformation, talent development and collaborative governance contribute to long-term recovery and sustainable development.

Overall, Trostyanets represents one of the most transformative learning environments within the SHIFT-R network. At the same time, it brings unique added value to the partnership through its experience in post-conflict recovery, digital democracy, green reconstruction, community mobilisation and resilience-oriented governance. This mutual exchange reinforces the core ambition of SHIFT-R: demonstrating that integrated innovation ecosystems can not only improve competitiveness but also support societal recovery, strengthen local resilience and create sustainable futures for communities facing the most complex territorial challenges.

2.2 Network Transfer Potential Assessment

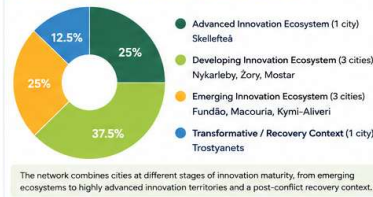
SHIFT-R Network TRANSFER POTENTIAL ASSESSMENT - OVERALL SUMMARY

Based on transfer assessments from 8 partner cities

The SHIFT-R network brings together 8 diverse European cities at different stages of innovation ecosystem development. All cities show strong interest in transferring and adapting elements of the Fundão Good Practice to accelerate territorial transformation, strengthen resilience and address local challenges.



1. ECOSYSTEM MATURITY LEVEL OF PARTNER CITIES



2. TRANSFER INTEREST BY MODULE (Overall Priority)



NETWORK AT A GLANCE

- 8 Partner Cities
- 6 Transfer Modules
- 1 Common Goal
- High Overall Transfer Potential

3. MAIN EXPECTED TRANSFORMATIONS (Top Mentions)

Talent attraction and retention	88%
Entrepreneurship ecosystem development	88%
Digital transition	75%
Economic diversification	75%
Rural revitalisation	63%
Governance capacity building	63%
International positioning & EU project capacity	63%
Innovation culture	63%
Green transition	50%
Social inclusion & community participation	50%
Public space regeneration	50%

4. TRANSFER POTENTIAL BY CITY

Fundão Portugal EMERGING Strong political commitment and clear vision. Needs ecosystem coordination and infrastructure.	Kymi-Aliveri Finland EMERGING Industrial heritage and local assets. High potential in governance innovation, talent and entrepreneurship.	Mostar Bosnia and Herzegovina DEVELOPING Strong innovation assets but needs better ecosystem orchestration and talent retention.	Zory Poland DEVELOPING Post-industrial transition in progress. Focus on talent, skills and ecosystem governance.	Macouria France (French Guiana) EMERGING Focus on inclusion, youth empowerment and skills development in a rapidly growing territory.	Skellefteå Sweden ADVANCED Mature ecosystem leader. Interest in territorial inclusion and connecting urban and rural areas.	Nykarleby Finland DEVELOPING Strong entrepreneurial base but needs more integration, talent attraction and internationalisation.	Trostanets Ukraine TRANSFORMATIVE Post-conflict recovery context. Innovation as a tool for reconstruction, resilience and social cohesion.
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5. COMMON LOCAL ASSETS (Top Mentions)

Available public buildings	88%
Universities and schools	75%
Strong political leadership	75%
EU project experience	75%
Active civil society	63%
International partnerships	63%
Existing SMEs / entrepreneurs	63%
Natural & cultural assets	63%
Existing innovation spaces	50%

6. MAIN BARRIERS (Top Mentions)

Lack of funding	88%
Limited political support / resources	75%
Weak stakeholder engagement	75%
Governance fragmentation	75%
Skills shortages	63%
Limited infrastructure	50%
Demographic decline	50%
Low entrepreneurial culture	50%
Low ecosystem maturity	38%

7. TRANSFER AMBITION



8. FIRST PILOT IDEAS (Examples)

- FabLab / Innovation Lab (Macouria)
- Digital solutions for local entities (Zory)
- Retain young talents (Mostar)
- Smart rural innovation model (Skellefteå)
- (To be defined through the process) (Nykarleby, Trostanets)
- (To be defined through the process) (Trostanets)

9. VISION FOR 2030 (Common Themes)

- Strong, integrated and resilient innovation ecosystems
- Attractive cities able to retain talent and create quality jobs
- Connected urban-rural territories
- Inclusive communities and participatory governance
- Green, digital and innovative territories
- Internationally connected and future-ready cities

OVERALL TAKEAWAY: The SHIFT-R network demonstrates high collective transfer potential. By learning from Fundão's integrated innovation ecosystem, partner cities aim to drive inclusive, sustainable and resilient territorial transformation.

2.3 SHIFT-R Pilot Idea's

As part of the Transfer Potential Assessment, partner cities were invited to identify initial pilot ideas that could be tested during the implementation phase of SHIFT-R. Although several cities are still refining their proposals, the pilot ideas already identified provide valuable insights into local priorities and demonstrate how the Fundão Good Practice is being interpreted through different territorial lenses.

A common feature across the network is that pilot actions are not focused on replicating individual projects from Fundão. Instead, cities are seeking to adapt specific elements of the innovation ecosystem model to address their own strategic challenges and development ambitions.

- In **Kymi-Aliveri (Greece)**, the emerging vision centres on the creation of a large innovation hub capable of stimulating entrepreneurship, supporting local businesses and attracting new economic activities. The city sees innovation infrastructure as a catalyst for reversing demographic decline and generating new opportunities for residents.
- **Mostar (Bosnia and Herzegovina)** identified the retention of young talent as its first pilot priority. The city recognises that brain drain remains one of its most pressing challenges and is exploring how innovation spaces, entrepreneurship support and skills development initiatives could create stronger incentives for young people to remain and build their futures locally.
- In **Zory (Poland)**, pilot ideas focus on digital solutions and innovation support mechanisms capable of strengthening the city's transition towards a more mature innovation ecosystem. Particular attention is being given to talent development, innovation districts and stronger connections between local actors and emerging industries.

- **Macouria (French Guiana)** has already identified the creation of a **FabLab** as a potential flagship pilot action. The municipality views the FabLab as a multifunctional innovation space capable of supporting digital skills, entrepreneurship, creativity and community engagement, while also providing opportunities for young people and vulnerable groups.
- For **Skellefteå (Sweden)**, the proposed pilot direction focuses on strengthening the connection between the municipality's advanced innovation ecosystem and its rural communities. The city is interested in testing a smart rural innovation model that improves collaboration between urban and rural areas and ensures that innovation benefits are distributed across the entire territory.
- **Nykarleby (Finland)** has not yet defined a specific pilot action but has expressed strong interest in exploring initiatives related to international networking, rural innovation and community-based development. The city intends to use the learning process within SHIFT-R to further refine its testing priorities.
- Similarly, **Trostyanets (Ukraine)** is still developing its pilot concept. Given the city's unique post-war recovery context, pilot actions are expected to focus on innovation infrastructure, entrepreneurship support, community resilience and talent development. The future transformation of public buildings into innovation and resilience spaces has already emerged as a promising direction.

Taken together, these pilot ideas demonstrate the diversity of challenges and opportunities represented within the SHIFT-R network. While each city is pursuing a different pathway, all pilot concepts share a common objective: using innovation as a tool to strengthen local ecosystems, increase territorial attractiveness and improve long-term resilience. The pilot phase will therefore play a crucial role in translating the Fundão model into locally relevant actions while generating valuable lessons for the continuous improvement of the Good Practice itself.

2.4 Fundão Improvement Plan Reflection

SHIFT-R is not only about transferring Fundão's Good Practice to other European territories — it is also an opportunity for Fundão itself to evolve. Through peer learning, exchange visits, small-scale testing actions and collaboration with partner cities, Fundão will identify new approaches, methodologies and solutions that can strengthen its own innovation ecosystem.

The Improvement Plan represents this reverse-learning process. It captures how insights gathered from the experiences of Żory, Skellefteå, Nykarleby, Kymi-Aliveri, Macouria, Mostar and Trostyanets can help Fundão refine and expand its model in areas such as social inclusion, green transition, governance, talent retention, community participation and rural resilience.

By embracing mutual learning, Fundão moves from being only a “transfer city” to becoming a continuously evolving innovation territory — demonstrating that successful practices are never static, but constantly improved through cooperation, experimentation and shared European knowledge.

Fundão Improvement Plan - @work second transnational meeting

An important outcome of the exercise is the identification of priorities for Fundão's future Improvement Plan. The canvas highlights the need to further strengthen connections between innovation ecosystems and local communities, continue developing adaptive models for public asset regeneration, reinforce talent attraction and retention strategies, and explore new governance mechanisms that promote participation, collaboration and territorial inclusion. The assessment also underlines the importance of ensuring that innovation remains accessible to different population groups and contributes to balanced territorial development rather than concentrating opportunities in a limited number of actors or places.

Overall, the learning canvas illustrates the transition from **Fundão as a provider of knowledge** to **Fundão as a learning ecosystem**. By systematically capturing reverse learning from partner cities, SHIFT-R transforms knowledge transfer into a process of continuous mutual improvement. This reciprocal approach strengthens the quality and long-term relevance of the Good Practice while demonstrating that European cooperation is most effective when all partners simultaneously act as both teachers and learners. The resulting Improvement Plan will therefore not only reinforce Fundão's innovation ecosystem but will also showcase how collaborative learning across diverse territorial contexts can drive the continuous evolution of innovation-friendly cities.

3. SYNTHESIS, TRANSFERABILITY AND METHODOLOGY OUTLINE

SHIFT-R is built around a structured yet flexible knowledge transfer methodology designed to enable partner cities to understand, adapt and reuse Fundão's Good Practice while simultaneously generating new knowledge that can strengthen Fundão's own innovation ecosystem. The methodology follows URBACT's proven three-step approach — **Understand, Adapt and Reuse** — complemented by continuous peer learning, local stakeholder engagement and practical experimentation.

The transfer process is based on the principle that successful innovation ecosystems cannot simply be replicated. Instead, they must be interpreted through the specific social, economic, institutional and territorial realities of each partner city. SHIFT-R therefore promotes a collaborative learning environment where cities jointly explore challenges, test solutions and co-design locally adapted responses.

The network combines transnational exchange, bilateral support, local co-creation processes and small-scale testing actions to ensure that knowledge is transformed into concrete implementation pathways. Throughout the project, each partner city will progressively develop its own **Transfer and Improvement Plan**, defining how Fundão's Good Practice can be adapted to local circumstances and how lessons emerging from the network can contribute to future territorial development.

The methodology is also designed to be resilient and adaptive. Building on lessons learned from recent global disruptions, including the COVID-19 pandemic and the war in Ukraine, SHIFT-R integrates hybrid and digital collaboration methods capable of ensuring continuity of learning under changing circumstances. Rather than merely replicating face-to-face activities online, the network will apply tailored digital facilitation techniques that promote meaningful participation, collaborative problem-solving and knowledge exchange across different contexts.

The transfer journey is supported by four interconnected pillars:

Pillar 1: Local Co-Creation through URBACT Local Groups (ULGs)

Each partner city will establish and strengthen a URBACT Local Group bringing together public authorities, businesses, educational institutions, civil society organisations and community representatives. ULGs will serve as the main local platform for reflection, co-design and decision-making throughout the transfer process.

Each ULG will meet regularly throughout the project and play a central role in:

- analysing local needs and opportunities;
- assessing the transferability of Fundão's model;
- designing and monitoring small-scale actions;
- contributing to the development of the Transfer and Improvement Plan;
- ensuring long-term local ownership of project results.

Output: ULG in all cities established; Transfer and Improvement Plan; Record of ULG sessions.

Pillar 2: Transnational Learning and Peer Exchange

Transnational Meetings (TNMs) constitute the backbone of the learning process. Each meeting will focus on specific modules of the Fundão model and combine site visits, peer reviews, thematic workshops, practical exercises and collaborative planning sessions.

The objective is not only to understand Fundão's Good Practice but also to explore how different partner cities approach similar challenges, generating mutual learning and opportunities for innovation across the network.

Network consolidation at transnational level (TNM), ADAPT Phase (Sep '26 – Aug '27):

- Third Transnational Meeting (TNM3):
 - Host City: Mostar (Bosnia)
 - Format: In-person (hybrid as plan B)
 - Date: October 2026
 - Duration: 2 working days
 - Participants: all cities and ULG members from host city
 - Objective: Prototyping: Module 1 - Integrated Innovation Ecosystem and Module 6 - Internationalisation, Branding and European Networking. Small Actions ideation.
 - Tools: From Urbact Toolbox
 - Outputs: M1 and M6 contribution to Transfer and Improvement Plans.

-
- Fourth Transnational meeting (TNM4):
 - Host City: Zory (Poland)
 - Format: In-person (hybrid as plan B)
 - Date: April 2027
 - Duration: 2 working days
 - Participants: all cities and ULG members from host city
 - Objective: Prototyping: Module 2 - Talent Attraction and Digital Skills Module and M5. Inclusive Governance and Community Integration and Module 6 - Internationalisation, Branding and European Networking. Prepare the network for the Mid-Term Reflection Process. Small Action into practice.
 - Tools: From Urbact Toolbox
 - Outputs: M2 and M5 contribution to Transfer and Improvement Plans.
 - Fifth Transnational meeting (TNM5):
 - Host City: Nykarlaby (Finland)
 - Format: In-person (hybrid as plan B)
 - Date: June 2027
 - Duration: 2 working days
 - Participants: all cities and ULG members from host city
 - Objective: Prototyping: Module 2 - M3. Regeneration of Public Assets and Innovation Spaces Module and Module 4 - Smart Rural and AgroTech Innovation Module. Small Actions showcase.
 - Tools: From Urbact Toolbox
 - Outputs: M3 and M4 contribution to Transfer and Improvement Plans.

Network consolidation at transnational level (TNM), RE-USE Phase (Sep '27 – Apr '28):

- Sixth Transnational meeting (TNM6):
 - Host City: Kymi-Aliveri (Greece)
 - Format: In-person (hybrid as plan B)
 - Date: October 2027
 - Duration: 2 working days
 - Participants: all cities and ULG members from host city
 - Objective: Fine tuning the Transfer and Improvement Plans. Small Actions fine tuning.
 - Tools: From Urbact Toolbox
 - Outputs: Transfer and Improvement Plans draft.
- Final Network Meeting (TNM6):
 - Host City: Fundão (Portugal)
 - Format: In-person (hybrid as plan B)
 - Date: April 2028
 - Duration: 2 working days
 - Participants: all cities and ULG members from host city, ULG leaders and elected representatives.

- Objective: Present the project results. Small Actions showcase. Celebrate.
- Outputs: Final version of Transfer and Improvement Plans.

All Transnational Meetings will be organized under the following principles:

- The Lead Partner and the Lead Expert will design the methodology and program each meeting.
- Site Visits - Local stakeholders will be incentivized to participate in this process and on the co-organization of the meetings;
- Structured Discussions and Analysis Sessions - Special attention will be given to the local context challenges and needs identified by each Project Partner, in order to facilitate the deepening of the knowledge and experience from each one;
- Prototyping the Modules - Thought will be given to the linguistic, cultural and learning differences between Project Partners, in order to enrich the transnational exchange process through diversified approaches and nuances.

ULG participation in transnational exchange: the ULG members will be invited to participate in various transnational activities, reinforcing its importance as tools for knowledge transfer from local action to transnational and vice versa.

Final ULG event: Each TP city will host its own local event, aimed at a city/regional audience. The purpose of this local event will be to celebrate the city's achievements, to explain how modules have been adapted and to showcase and promote the Investment Plan to key stakeholders and funders.

It should be noted that the connection between transnational meetings and local policy and local governance will be ensured, securing the participation of local stakeholders in defining, organizing and developing the meetings.

We will use different tools and techniques to stimulate learning and sharing among the partners, such as:

- Stimulate Bilateral / Multilateral Exchange Between Lead Partner and Project Partners, even if not foreseen in the project workplan;
- Thematic Clusters: The use of Thematic Groups for the Shift-R modules to deepen the different themes and sub-themes so as to strengthen the backbone of the project (Improvement Plan); To facilitate the exchange of knowledge and experience between partners which share similar interests and challenges; To promote knowledge transfer and comparative testing of initiatives in the same field; To optimize the use of opportunities offered by the project in terms of exchange (study visits, the exchange of experts or Local Group members etc.); etc.

Pillar 3: Small-Scale Testing Actions

Partner cities will implement small-scale actions to test selected elements of the Fundão model in real local conditions. These pilot activities will provide practical evidence on feasibility, stakeholder engagement, governance arrangements and potential impacts.

Testing actions will function as laboratories for experimentation, enabling cities to move beyond theoretical transfer and generate practical knowledge to support future implementation.

Pillar 4: Development of Transfer and Improvement Plans

The principal output of the network will be the Transfer and Improvement Plans developed by all partner cities, including Fundão.

These plans will define:

- local needs and strategic objectives;
- adapted versions of the transferred practice;
- governance arrangements and stakeholder responsibilities;
- implementation roadmaps;
- financing opportunities;
- monitoring and evaluation frameworks;
- long-term sustainability strategies.

In parallel, Fundão will prepare its own Improvement Plan, identifying how experiences, methodologies and innovations emerging from partner cities can further strengthen its innovation ecosystem and territorial development strategy.

Network Outputs and Knowledge Capitalisation

The SHIFT-R partnership will make extensive use of digital collaboration tools and participatory methods to ensure that knowledge transfer remains active, inclusive and resilient, regardless of external circumstances.

The SHIFT-R network follows the URBACT Transfer Network journey and will generate a series of outputs designed to support learning, transfer, implementation and dissemination.

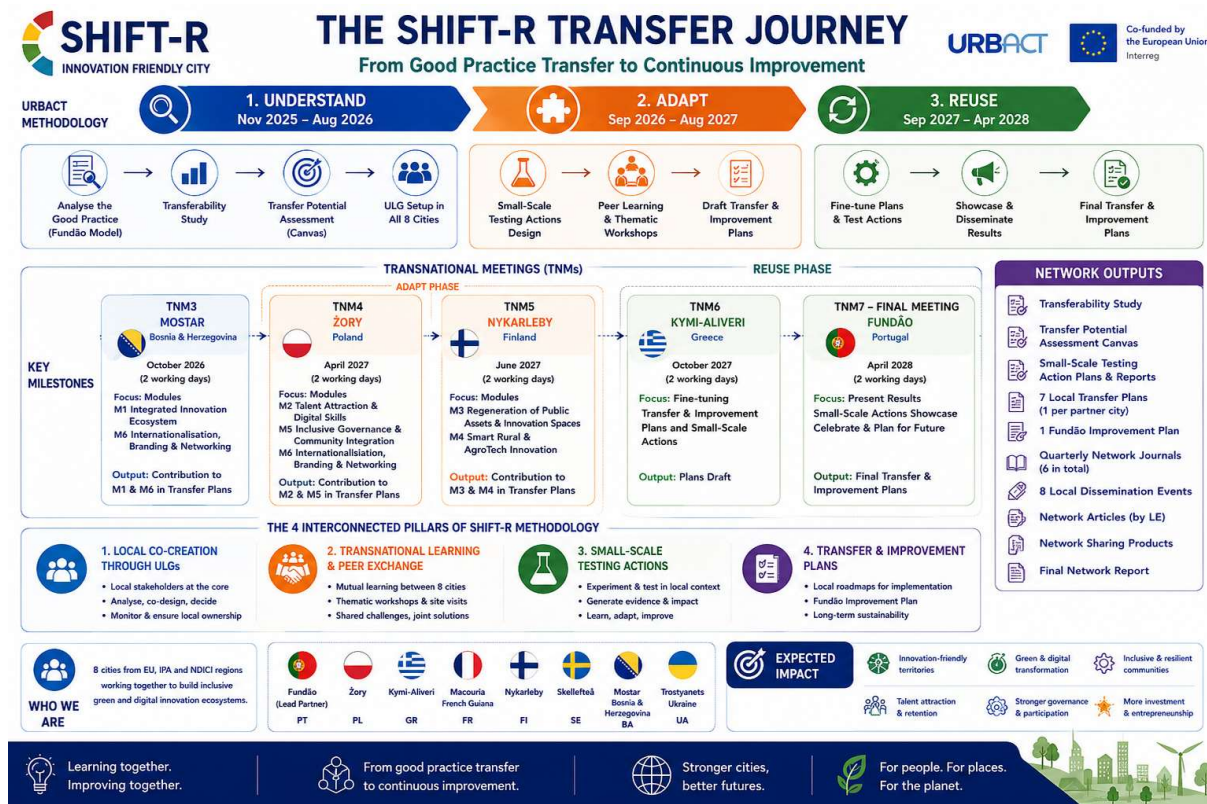
Throughout the project, the partnership will produce:

- **Quarterly Network Journals** documenting key achievements, lessons learned and progress across the network;
- **Network Articles** prepared by the Lead Expert, highlighting emerging insights, good practices and transfer experiences;
- **Network Sharing Products**, developed in line with the Communication Plan, to disseminate knowledge and promote project results to wider audiences;
- **Exchange and Learning Activities**, including transnational meetings, thematic workshops, peer reviews and small-scale testing actions;
- **Draft Transfer and Improvement Plans**, progressively developed and refined throughout the project lifecycle;
- **Final Transfer and Improvement Plans**, providing implementation roadmaps for all partner cities and an Improvement Plan for Fundão;

- **Network Final Report**, summarising the transfer process, key achievements, lessons learned and recommendations for future action.

Together, these outputs will support the creation of a shared knowledge base for the network while providing practical tools for cities seeking to strengthen their innovation ecosystems.

Methodology Infographic:



4. CONCLUSION

The SHIFT-R Transferability Plan represents more than the adaptation of a successful practice from Fundão to a new territorial context. It establishes a strategic framework through which local authorities can strengthen their innovation ecosystems, mobilise stakeholders, and create the conditions for sustainable, inclusive and resilient development.

Throughout the transfer process, partners have demonstrated that the core principles underpinning Fundão’s Good Practice—innovation, talent development, entrepreneurship, regeneration of public assets, and participatory governance—can be successfully adapted to diverse local realities. At the same time, each city has enriched the original model through its own experiences, priorities and challenges, generating valuable reverse learning for Fundão and contributing to the evolution of the SHIFT-R approach.

The implementation of local testing actions, the active engagement of Urban Local Groups, and the co-creation of tailored solutions have strengthened institutional capacities and fostered a culture of collaboration that extends beyond the lifetime of the project. The lessons learned confirm that successful transfer is not based on replication, but on adaptation, ownership and continuous improvement.

Looking ahead, the focus shifts from planning to long-term implementation. The actions, governance mechanisms and partnerships established through SHIFT-R provide a solid foundation for future investment, policy development and innovation-led growth. The Transferability Plan should therefore be seen as a living document, guiding future decisions and helping partners respond to emerging social, economic, environmental and technological challenges.

By the end of SHIFT-R, partner cities will be better equipped to position themselves as innovation-friendly territories, capable of attracting talent, supporting entrepreneurship, promoting inclusion and accelerating the green and digital transitions. Together, the network has created a shared vision for the future of rural and small cities—one that demonstrates how innovation can become a powerful driver of territorial cohesion, resilience and sustainable prosperity across Europe.



Innovation Beyond Scale.
Technology. Talent. Territory.

WE DID IT. YOU CAN SHIFT IT.



Miguel Sousa

URBACT LEAD EXPERT

miguel.sousa@inovamais.pt

[linkedin.com/in/miguelsousapt](https://www.linkedin.com/in/miguelsousapt)