IN SITU
place-based **innovation** of **cultural and creative** industries in **non-urban** areas

(GA Project 101061747)

Deliverable 5.3 (D5.3)

Innovation policy proposals (for KICs) for CCIs in non-urban areas

Work package WP5 – Innovation and Cultural Policy
Version 1.0

Delivery date: 31/12/2025
Dissemination level: PUBLIC
Nature: R — Document, report
Lead Beneficiary and Coordinator: INRAE

Funded by the European Union

IN SITU project has received funding from the HORIZON Research and Innovation Actions under Grant Agreement number 101061747

Revision History

Author Name, Partner short name	Description	Date
André Torre, Olivier Frey, Tongjing Wang Maryline Filippi (INRAE)	Draft 1	17.12.2025
Hugo Pinto (CES), Erna Guðrún Kaaber, Anna Hildur Hildibrandsdóttir (Bifrost)	Review and comments	21 and 22.12.2025
André Torre, Olivier Frey, Tongjing Wang Maryline Filippi (INRAE)	Draft 2	23.12.2025
Sílvia Silva, Nancy Duxbury (CES)	Review and editing	30.12.2025
André Torre (INRAE), Nancy Duxbury (CES)	Finalisation and submission of report	31.12.2025

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Executive Summary

The aim of this report is to present policy recommendations for the maintenance and development of Cultural and Creative Industries (CCIs) in non-urban areas, drawing on our expertise in KICs policies, based on different field experiences, interactions with cultural practitioners and policymakers, and analyses of European territorialised innovation projects.

The Cultural and Creative Industries (CCIs) have become a central pillar of Europe's economic and social architecture. Beyond their artistic and symbolic value, they are now widely acknowledged as key contributors to economic growth, regional innovation and social cohesion across the continent—including in non-urban territories. Their relevance is both structural and strategic, particularly in the context of Europe's green and digital transitions and the ambition to promote inclusive, place-based development.

Part 1 examines two distinct funding channels supporting CCIs in non-urban areas: Smart Specialisation Strategies (S3) under EU Cohesion Policy and LEADER under the Common Agricultural Policy. Chapter 3 focuses on Smart Specialisation Strategies (S3), which promote entrepreneur-led diversification through regional priority setting. Chapter 4 focuses on the LEADER programme, which supports rural development through locally defined, bottom-up, and hybrid initiatives led by local actors. CCI-related projects in both S3 and LEADER were identified from project summaries using methods tailored to each dataset. A machine-learning process was applied to the analysis of one million S3 projects, and more than 1,000 LEADER narratives.

S3 results indicate a wide coverage of CCI-related investments and clear territorial differentiation. Non-urban portfolios draw more strongly on heritage, tourism, agriculture and environmental assets, and they connect to renovation, infrastructure upgrading, childcare, youth services, social support and environmental conservation. This profile positions non-urban CCIs as part of comprehensive local capacity building rather than a narrowly defined cultural sector. Evidence from the six IN SITU Lab regions underscores substantial heterogeneity across non-urban contexts, with distinct specialisation portfolios and development needs. The classification of strong, latent and missing links offers a practical diagnostic for region-specific prioritization. The results indicate that CCI strategies need territorial differentiation, supported by a broader conceptual framing in non-urban contexts. Selection criteria should also value social outcomes alongside economic and technological outputs. Policy should encourage urban–non-urban collaboration, since their CCI strengths can be complementary.

LEADER results show that CCI-related projects rarely operate as a stand-alone "creative sector." Local Action Groups and other local associations lead most projects and act as coordinating intermediaries. Pathway analysis identifies a small set of common problem-solving pathways that structure a large share of interventions: a *tourism pathway* that combines local product development with routes and branding at wider scales; a *culture heritage pathway* that emphasizes capacity

building and knowledge production prior to promotion; and a *social inclusion pathway* that uses cultural practices to sustain everyday services in remote and aging communities. These findings highlight the central role of intermediaries and coordination, and show that foundational cultural work often conditions later promotion and scaling.

Taken together, S3 provides scale and enabling investment, while LEADER supports locally governed coordination and experimentation. Stronger policy coordination can connect these strengths, allowing locally tested LEADER approaches to inform S3 priorities and enabling S3 investments to sustain and extend successful local practices.

Part 2 is devoted to an analysis of the conclusions drawn from interactions with policymakers and local practitioners. The research is grounded in a structured, multi-layered engagement process with policymakers, carried out within the IN SITU project in 2025, which combined semi-structured interviews of key institutional actors—local, regional and national—with two European-wide policy workshops. These interactions formed a key empirical basis for the policy recommendations outlined in Part 4, ensuring they are both context-sensitive and institutionally grounded.

A consistent diagnosis emerged regarding the structural misalignment between existing cultural and innovation policies and the operational realities of CCIs in non-urban territories. Policy frameworks remain largely shaped by urban-centric assumptions, sectoral silos and output-driven logics that fail to capture the hybrid, cross-sectoral and process-oriented nature of cultural work in rural and semi-rural contexts. Policymakers themselves acknowledged that many support instruments—particularly funding schemes—are ill-suited to small-scale organisations, informal collectives and multi-functional cultural actors operating in low-density areas. Moreover, the interactions revealed a profound temporal mismatch: while cultural ecosystem development relies on long-term trust-building, intergenerational engagement and cumulative learning, policy instruments are predominantly short-term, project-based and tied to electoral or budgetary cycles. This temporal disconnect undermines continuity, discourages risk-taking and often results in "pilot fatigue," where innovative initiatives are repeatedly launched but rarely sustained or embedded institutionally.

The exchanges highlighted growing awareness of the need for policy reorientation and innovation. A key point was the recognition of intermediaries—cultural labs, development agencies, municipal cultural officers, hybrid organisations, etc.—as essential ecosystem enablers. They play a critical role in translating policy objectives into territorial action, facilitating cross-sectoral collaboration and supporting capacity-building among local cultural actors. The importance of ecosystem-based approaches that recognise culture as a transversal driver of territorial development, social cohesion and innovation was also emphasised. This implies stronger coordination across governance levels, better integration of culture within territorial innovation and development strategies, and more adaptive policy tools capable of responding to territorial diversity. Overall, while current frameworks

remain misaligned with non-urban cultural realities, there is a growing institutional readiness to experiment with more relational, place-based and learning-oriented policy models.

In order to formulate policy recommendations that are both empirically validated and context-sensitive—capable of addressing the specific challenges and opportunities faced by CCIs in non-urban territories across Europe—the IN SITU research results were also considered in a broader research context. Thus, **Part 3 synthesises findings emerging from a triangulation process that draws upon multiple complementary inputs: results obtained in INRAE's research within the IN SITU project and issued in previous IN SITU reports as well as external research and policy frameworks from European institutions and partner initiatives.**

Part 4 presents a series of recommendations, organised by level / intended audience, as follows:

General recommendations for Policymakers and Local stakeholders:

1. Adopt a broad, inclusive definition of innovation, including social, cultural and territorial dimensions.
2. Integrate more systematically public innovation policies into cultural and creative practices.
3. Tailor rural-proofed CCIs policies that recognise the diverse assets, identities and potentials of non-urban communities.
4. Base the effective support to CCIs on an ecosystem logic, and not on isolated project funding or siloed sectoral tools.
5. Promote a place-based systemic approach by aligning the innovation potential of CCIs, cultural development, technological transformation, diversity, local roots and social cohesion in non-rural areas.
6. Institutionalise the role of intermediaries and ecosystem enablers by treating them as essential infrastructure.
7. Develop collaborative governance, cross-sector experimentation and tailored support mechanisms.
8. Strengthen funding flows to support small and medium-sized European cooperation projects.
9. Identify the appropriate level of decision-making—national, regional or local—and combine different but complementary decision-making levels.

Other recommendations for EU policymakers:

1. Integrate cultural agendas into broader EU priorities, such as the green and digital transitions, regional cohesion and social resilience.
2. Improve development policies in favour of CCIs, particularly between LEADER and S3, by integrating more social and institutional innovation into S3 and maintaining and developing LEADER projects in the CAP.

3. Strengthen capacities by implementing specific training programmes to equip CCI stakeholders with the necessary skills in emerging technologies, business models and strategic management.
4. Support cross-sector partnerships with local associations, NGOs and municipalities, which appear to be the main drivers of CCI development.

Other advice for <u>local stakeholders</u>:

1. Deepen knowledge about the content of social and cultural innovation.
2. Don't do *for* but *with* people. Support local communities in identifying and expressing their needs, and empower local populations to shape their own development.
3. Monitor EU policies and programmes to be able to apply to various funding related to CCIs activities.
4. Prepare projects that associate different types of CCIs expression (tourism, heritage, arts, festivals, etc.).

1 Introduction

The recognition of the Cultural and Creative Industries (CCIs) as a central element of European integration and development is part of a strategic vision of the EU. It is formalised by various actions and major texts that position CCIs as instruments of social cohesion, cultural diversity and balanced territorial development. These objectives align closely with the fundamental aim of bringing European people closer together and reducing regional disparities.

While the question of the importance of the CCIs for economic and social development is no longer the subject of major discussions, their definition, their exact role, their contribution and the place they occupy in contemporary economies still remain debated. This is particularly true regarding the spatial dimension, with a major question about the form taken and the role played by the CCIs in non-urban areas, as well as about the drivers that determine their emergence. This is an important issue concerning the role of the CCIs in European cohesion. In particular, what forms of knowledge and innovations are mobilized in non-urban areas to give rise to the activities of CCIs? The answers to these questions will determine the policies needed to promote the growth and success of CCIs in non-urban territories, and their links with other activities.

Studies on the place and role played by the CCIs in contemporary economies are generally based on four main types of sources:

- Macro-economic and social data giving a more or less general overview of the place of the CCIs in non-urban or peripheral areas;
- Retrospective and extensive literature reviews;
- Detailed analyses of case studies situated in non-urban areas, most often located in the EU; and
- Analysis of the documents produced by the European Commission, including texts on policies intended for or in favour of the CCIs, and reports on the implementation of the measures taken.

In this report, we propose to change the focus of analysis, and shift the point of view, by adding a fifth dimension to this approach: **the in-depth analysis of the projects financed and actually carried out** by the EU in the field of Knowledge and Innovation Communities (KICs).

This involves:

- **Reviewing the practices finally put in place** in terms of CCIs in non-urban areas by the EU;
- **Identifying the main lines of force of the policies thus implemented** in collaboration with local actors; and

- **Analysing the choices** that have actually been made, in particular in terms of priority domains of action.

Our main object of investigation concerns the policies carried out in the field of KICs, based on an analysis of the projects carried out by the policies in favour of the development of innovation and knowledge.[1] In the IN SITU report on the *State of Policies and S3s on Innovation and CCIs in Non-urban Areas* (Torre & Filippi, 2024 – IN SITU Deliverable D5.1), we carried out a detailed analysis of the EU's policies for innovation and creative industries in the context of KICs, drawing on two main sources of information:

- Texts and regulations creating measures to promote innovation, knowledge and creative activities—Agricultural Common Policy (CAP) and, more particularly, the LEADER programmes; Cohesion policy, with special attention to mountains, islands and sparsely populated regions; and Smart Specialisation Strategies (S3); and
- The study of projects funded under the LEADER and S3 programmes, with particular attention to projects focused on CCIs.

In this report, we continue the analysis of the policies and their main results, going further by analysing the projects in detail and therefore to study the way in which policies in favour of the CCIs have taken shape and have been implemented in European territories. This work also allows us to highlight the major options that have been chosen regarding the main CCIs domains and to study the way in which local actors have received and perceived these actions, or even have been able to implement them.

We rely on **three main bodies of data** emerging from a triangulation process that draws upon multiple complementary inputs**:**

- **An analysis of the EU development projects with a focus on CCIs in non-urban areas**, based on a study of the recent projects actually funded under the S3 and LEADER (CAP) programmes; A machine-learning text classification method, BERTopic, was applied to nearly one million Kohesio projects to identify S3 CCI-related ones and compare urban and non-urban portfolios, and to examine S3 CCI investment portfolios in the six IN SITU Lab regions. For LEADER projects, a large language model (LLM)-assisted review framework was developed for converting over 1,000 LEADER project narratives from the EU CAP Network Good Practice database into structured variables covering fields, problems, actors, actions and territorial scope.

[1] Parallel work is being carried out within the framework of Deliverable 5.4 on devoted cultural policies by the Stifftung University of Hildesheim (SUH).

- **An analysis of the discussions with different stakeholders**, including semi-structured interviews with cultural actors and other stakeholders in the IN SITU Lab areas and recommendations from workshops held with local CCI managers and European policymakers. We recorded different participants of the IN SITU Labs, during long discussions, in order to have them express their opinions on the implementation of actions in favour of the CCIs but also on their perception of the local impacts of EU policies in this field. In parallel, during two workshops conducted with local stakeholders and policymakers (from the EU, OECD, etc.) we discussed about the vision of policymakers of their own actions and hindsight on the actions undertaken.
- **An inquiry into multiple complementary inputs:** results obtained in INRAE's IN SITU project research (e.g., case studies, fieldwork, stakeholder interviews and thematic analyses) and issued from previous IN SITU reports and deliverables (i.e., Deliverable 5.2 on the *State of Cultural Policies for CCIs in Non-Urban Areas* [Heinicke et al., 2024], and Deliverable 2.5 on a *Roadmap for Competitiveness of the Most Innovative CCI Subsectors* [Berasategi et al., 2025]), as well as external research and policy frameworks from European institutions and partner initiatives (i.e., strategic vision and structural priorities from Creative Europe, EKIP (European CCI Policy Platform), Rural Pact and the Rural Vision Platform, EP Study on Cultural and Creative Sectors, and Rural Innovation Highlights Report [RPSO, 2025]).

Our **objective** is twofold:

- To advise policymakers in terms of actions in favour of the CCIs, and enable them to make the right decisions and implement the appropriate actions to develop and protect these activities; and
- To provide recommendations in terms of elements of action and reflections for local actors involved in or related to CCIs in non-urban areas of the EU.

Our comments are accompanied by a series of examples to illustrate good practices implemented in the field.

This report is organized as follows. First, to contextualize our analyses, we show the importance of CCIs in contemporary economies, their links to knowledge innovation activities and their crucial role in European cohesion and development policies (Chapter 2). Then, in Part 1 we situate ourselves at the level of European policies and carry out an evaluation of the ongoing EU projects of innovation related to CCIs in non-urban areas; based on an analysis of financed S3 and LEADER projects (Chapters 3, 4 and 5). We show that S3 provides scale and investment, while LEADER provides local coordination and experimentation. In Part 2, we move on to a bottom-up approach, with the analysis of the results from interactions with policymakers and other stakeholders, whether they are interviews with the cultural practitioners in the IN SITU Lab regions or the information and statements reported from the IN SITU Policy Workshops (Chapters 6, 7 and 8). In Part 3, we present and synthesise the main findings

from IN SITU research with information and analyses from an array of external sources (Chapters 9, 10 and 11). Finally, in Part 4, informed by all of this, we issue a number of policy recommendations for the development of CCIs in non-rural territories, aimed at local and EU decision-making levels (Chapter 12), and a concluding chapter. These are complemented by 12 annexes that present background information.

2 CCIs in Europe, what is at stake?

Cultural and Creative Industries (CCIs) have become a central pillar of Europe's economic and social architecture. Beyond their artistic and symbolic value, they are now widely acknowledged as key contributors to economic growth, regional innovation, and social cohesion across the continent—including in non-urban territories. Their relevance is both *structural* and *strategic*, particularly in the context of Europe's green and digital transitions and the ambition to promote inclusive, place-based development. In this chapter, we briefly summarize their crucial role in modern industrialised industries, their place in the EU vision of development, their link with innovation and knowledge activities, the remanent question of the uncertain role they play in non-urban areas, and their position as a key instrument of cohesion policy.

2.1 The crucial role of CCIs in modern industrialised economies

In 2022, the European Union counted over 2.03 million cultural enterprises (Eurostat, 2024), representing 6.3% of all businesses in the broader business economy (excluding public administration). Together, these enterprises generated around €199 billion in value added, which corresponds to 2.0% of total EU business value added, and approximately €503 billion in net turnover (1.3% of the EU's total turnover in the business economy).

CCIs thus form a major economic sector—comparable to or surpassing traditional industries such as telecommunications or automotive, depending on the metrics used. Their structural weight highlights their enduring importance and positions them as engines of economic diversification and resilience.

The geographic distribution of value creation within the European cultural sector is notably concentrated. In 2022, Germany accounted for the largest share of the EU's cultural sector value added with 26.4%, followed by France with 17.4% and Italy with 11.5%. Together, these three countries generated 55.3% of the sector's total value added, and 53.9% of total turnover, making them the clear economic leaders of the European CCI landscape.

In terms of enterprise numbers, France hosted 17.5% of all EU cultural enterprises, Italy 12.5%, the Netherlands 12.0% and Spain 9.4%. These four countries alone concentrated over half (51.5%) of all

EU cultural businesses, reinforcing their strategic role in driving the sector's development and transformation.[2]

A defining characteristic of CCIs is the dominance of small and medium-sized enterprises (SMEs). In 2022, SMEs generated the majority of the sector's value added, especially in subfields like:

- Photographic activities (89.5%);
- Specialized design (82.4%);
- Creative, arts and entertainment (78.0%); and
- Translation and interpretation (74.1%).

Micro-enterprises play a key role in local economic systems, particularly in rural and semi-rural areas. Their agility, proximity to communities, and capacity for experimentation make them crucial actors in local innovation ecosystems[3]. This entrepreneurial dynamism is both a strength and a challenge, as it calls for targeted policies that can support start-ups and freelancers, while ensuring the long-term sustainability of cultural ecosystems.

The consumption of cultural goods and services in the European Union reveals much about the socio-economic weight of CCIs and the unequal access to culture across both social groups and national contexts. In 2020, households allocated an average of 2.7% of their total consumption expenditure to cultural goods and services (Eurostat, 2020)—a figure that underscores the sector's non-negligible role in everyday life, despite the constraints imposed by the COVID-19 pandemic.

However, there remain significant disparities between countries. For instance, in Denmark, cultural spending reached 3.9% of total household expenditure—the highest in the EU—while Greece recorded the lowest share at just 1.3%. Such differences reflect a variety of factors, including income levels, price structures, access to cultural infrastructure, and national cultural policies. Notably, all EU countries where households allocated more than 50% of their budgets to food and housing recorded

[2] Relative shares vary by country and sub-sector. Publishing activities accounted for the largest share of value added in Cyprus (75.7%), while Architectural activities dominated in Belgium (33.4%) and Austria (24.9%). Creative, arts and entertainment enterprises were especially numerous in Sweden, comprising 45.1% of the country's cultural enterprises.

[3] The cultural sector has shown strong entrepreneurial vitality. In 2022, specialized design activities exhibited an enterprise birth rate of 16.4%, well above the EU average (10.7%). Employment in cultural start-ups was also markedly higher than in other sectors, particularly in Creative, arts and entertainment (9.3%), Photographic activities (10.7%) and Translation and interpretation (7.3%).

less than 2.5% of expenditure on culture, highlighting the inverse correlation between essential needs and discretionary cultural spending.

In terms of spending structure, European households in 2020 divided their cultural budget as follows:

- 27.0% on information processing, audio-video equipment and media;
- 25.1% on books and newspapers;
- 20.9% on broadcasters' fees and cultural equipment rentals;
- 13.6% on attendance at cultural events and entertainment; and
- 13.4% on artistic creation and expression.

Above all, income level remains the strongest predictor of cultural consumption. In 2020, in more than half of the EU countries for which data are available, households in the top income quintile spent at least 1.5 times more on culture than those in the fourth quintile—and often over 3 times more than the poorest households. In Cyprus, the disparity was particularly acute: top quintile households spent nine times more than the bottom quintile.

2.2 Cultural and creative industries: The vision of the EU

EU's vision of the CCIs is structured around a set of guiding principles in various founding documents. Article 167 of the Lisbon Treaty (Official Journal of the European Union, 2007) explicitly mandates the Union to "encourage cooperation between Member States" and "support and complement their action" in the cultural field, with full respect for their national and regional diversity. This principle of subsidiarity and cooperation is operationalized by framework programmes such as Creative Europe (2021-2027), whose objective is twofold: (1) to preserve and promote Europe's cultural and linguistic heritage, and (2) to strengthen the competitiveness of the cultural and creative sectors, in particular through innovation and digital adaptation (EU Regulation 2021/818 [European Parliament and Council, 2021]).

This EU approach aims to build a common cultural space, and is further developed in the New European Agenda for Culture (European Commission, 2018). It identifies the CCIs as a lever to foster social resilience and a sense of belonging to a common destiny. Initiatives such as the European Heritage Label or the European Capitals of Culture program are thus developed. The latter, initiated in 1985, perfectly illustrates the desire to "highlight the richness and diversity of European cultures" while regenerating cities through culture, thus creating a tangible European narrative for citizens. The EU's cohesion policy, governed by Article 174 of Treaty on the Functioning of the European Union (TFEU) (Regulation (EU) 2021/818 [European Parliament and Council, 2021], and Consolidated version of the Treaty on the TFEU, 2012), also aims at "reducing disparities between the levels of development

of the various regions and the backwardness of the least favored regions" and thus to build and develop a tool at the service of cohesion policies.

CCIs hold the promise of making a significant contribute to this process, and they have a proven territorial dimension. As highlighted in the European Commission's Report on the impact of the CCIs on regional and local development (European Commission, 2021a), CCIs can support the "smart specialisation" of territories, that is, the central strategy of European regional policy (European Regional Development Fund [ERDF]). The EU has thus gradually established the CCIs as a truly cross-cutting public policy, articulated around founding texts and dedicated programmes. Their stakes go beyond simple economic development; they are consubstantial with the European political project of building an inclusive identity and harmonious territorial development. The realization of their potential should enable the Union to strengthen cross-sectoral cooperation to ensure fair accessibility to all its territories, from the metropolitan core to its rural periphery.

Following the enlargement of the EU, differences in levels of development and crises (e.g., COVID-19), CCIs have become increasingly important for the EU, not only in a traditional approach to culture or as an economic sector but also for the promotion of social cohesion. This has resulted in a broadening of their definition as associated supports. CCIs are nowadays supported by two types of European policies: those aimed at supporting innovative activities and economic development, and those aimed at improving cohesion, territorial development and the well-being of populations. However, these policies do not always converge.

European policies must be assessed according to two criteria: the innovation activities and geographical areas that are the focus of attention. CCIs are not at the heart of the EU's strategies. EU innovation policies for non-urban areas focus mainly on technological innovation, often neglecting CCIs, and based on top-down approaches that tend to ignore local specificities and potential. However, LEADER programmes are more bottom-up and rooted in local projects. Support for CCIs is an essential driver for public policy in these areas, promoting social cohesion and innovation by creating networks of local actors.

2.3 The link between CCIs and knowledge: What innovations are we talking about?

The question of innovation and knowledge is at the heart of the understanding of the ways in which CCIs operate and develop, and therefore of the role they can play in urban and non-urban areas. This idea is echoed in Banks & O'Connor's (2017) study of two decades of research on local and urban CCIs, which reveals that the link between the creative industries policy paradigm and issues of innovation and knowledge is very close, but also often ambiguous. This has led to a shift from a hopeful and liberating approach, exemplified by the New Labour elections in England in 1997, which promoted the creative industries as an engine of economic growth and urban regeneration (especially in cities like

Manchester), to neoliberal policies that have often neglected cultural and civic values in favour of pure economic logic. The technological innovation dimension then largely took precedence over other types of innovation (social in particular), with a significant lack of interest in the issues of precarious and unequal labour markets, or marginalized populations, sometimes even exacerbating economic and social inequalities (Oughton et al., 2002; Pinheiro et al., 2022).

A part of the roots of this paradox lies in the spatial dimensions of the innovations or knowledge sharing at stake in CCIs dimensions. Indeed, the notions of *creative clusters* and *creative cities* have been central to the reflection on the cultural economy. Creative clusters, inspired by Porter's work (Porter, 1998, 2000) and Marshall's initial research (1919), highlight the importance of interrelationships between companies and local anchoring to foster innovation and the dissemination of knowledge at the local level (Chapain et al., 2010; Oakley & O'Connor, 2015):

> The cluster was more than a recognition of geographical focus, but suggested that the nature of industrial production was itself changing in a 'post-Fordist' age. The picture was … now more about a complex network of smaller players mutually benefiting from local skills and learning effects, along with a range of 'shared externalities', which—like Marshall's 'atmosphere'—could sound very much like a local 'culture'. (Banks & O'Connor, 2017).

In this approach, the core of the development of the creative, in most perspectives and aspects is knowledge, and the creative sector appears clearly as a knowledge driven sector by definition.

This idea is also found in Scott (2000), who is nevertheless relatively critical of the purely economic dimensions highlighted in most approaches to creative clusters. He believes that the geographical concentration (clusters) of creative firms generates crucial positive externalities: a pool of skilled labour, a rapid flow of information and ideas, and economies of scale. But for him and his followers, Porter's approach, while accurate in its definition of a local culture reminiscent of the Marshallian atmosphere, is insufficient; and it brings an important inflection to it. These agglomerations—like Montreal's video game district or London's Silicon Roundabout—are not accidents. They are in themselves organisational innovations that reduce transaction costs, stimulate collective innovation and thus cause a move beyond the Porterian approach, which is primarily focused on a more technical or technological vision of knowledge creation, by introducing an additional dimension in terms of sociability (Gong & Hassink, 2017).

We find Scott involved in another debate, which will unfold around the concept of *creative cities*. This concept bases innovation and knowledge creation on the urban atmosphere (Landry, 2000), with culture at the centre, as the driving force behind creativity. This idea sticks well to the dominant 1990s discourse, which held that economic growth is driven by innovation, and gave birth to numerous devoted policies and concrete interventions (Cooke & Lazeretti, 2008). According to this view, cities have been, and are, the primary source of innovation, functioning as creative magnets that would

draw in the most talented individuals. The apogee is reached with the notions of *creative class* (Florida, 2002) and *symbolic value*, where innovation is less about producing an object than about creating an experience, a brand or a narrative that generates subjective value, which therefore marks a shift towards the experience economy. There is an important debate between Florida's vision, which focuses on the mobility of individual "talents" (or people-based), and Scott's more structural one (or place-based). The latter insists more on production systems and institutional infrastructures, and considers that it is the ecosystem of the cluster that is the real driver of innovation.

As can be seen, this debate on the role and place of knowledge and innovation in creative industries has long focused on urban areas, with a particular focus on cities. Non-urban areas, whether rural or peri-urban, appeared to be largely excluded from the generation of these innovations, for two main reasons:

- The distribution and concentration of talent was supposed to take place above all within cities, because of their power of attraction, and also in view of the dispersed geographical structure of peripheral areas, in contrast to the highly spatialized concentration of urban areas (Florida, 2002; Glaeser, 2011); and
- Innovations created in cities are primarily technological in nature and mainly concern domains often can be found in design, digitalisation and advertising activities (Siepel et al., 2020). Afterwards, they are disseminated and used in non-urban areas. In the best case, there are organisational innovations, as in the case of creative clusters.

However, as pointed out in our previous IN SITU research (Torre & Filippi, 2024), **other types of innovations are at work in rural or non-urban areas, in particular social, institutional and also organisational innovations** (Dargan & Shucksmith, 2008). Knowledge transfer and collective learning processes can then take various paths, through formal or informal interactions (Slee & Polman, 2021; Tödtling et al., 2006). Some authors propose to rely on the functions of social networks—whether bonding, bridging or linking—in order to build an organized proximity capable of supporting the formation of rural clusters (Kristensen & Dubois, 2021). Others advocate a regional strategy that values the diversity and related variety of activities, thus facilitating the circulation of knowledge between sectors and allowing these territories to "borrow size" of more developed neighbouring regions (Torre et al., 2020).

It is also observed that **innovation in these territories is mainly bottom-up, driven by local initiatives and communities** (De Toni et al., 2021; Zoomers, 2022). Renewed governance must thus link global developments with grassroots dynamics, drawing on existing networks and local resources to compensate for the absence of dynamic clusters or specialized knowledge providers (Eversole, 2021; Pelkonen & Nieminen, 2016). Beyond regional productivity, human capital formation and diversification (Berti Mecocci et al., 2022; Cicerone et al., 2021; Innocenti & Lazzeretti, 2019), CCIs can play a pivotal role in social innovation, community well-being and participatory development (Kalfas

et al., 2024; Sica et al., 2025), which are essential for non-urban areas. Unlike many technology-intensive activities, they depend less on large agglomerations and research infrastructures and more on locally embedded cultural assets, networks and practices (Andres & Chapain, 2013; Chapain & Comunian, 2010; Harvey et al., 2012). This makes CCIs a distinctive development avenue for rural, small-town and peripheral regions that struggle to attract R&D-intensive investment.

In another way, a large part of the literature also points out that **an over-reliance on local networks can hinder innovation, by limiting creativity due to the strong social and cognitive homogeneity of these restricted circles** (Varis et al., 2014). To avoid this pitfall, it is crucial to strengthen the absorptive capacity of the territory and individuals, that is, their ability to assimilate and exploit external knowledge (Cohen & Levinthal, 1990). This implies encouraging cooperation between local and external actors at the regional or sub-regional levels (Dahlström & James, 2012), even if the introduction of new ideas and practices can upset or destabilise existing local balances.

2.4 CCIs and their development in rural or non-urban areas: A subject little addressed in the literature

This question of the importance and role played by the CCIs in rural areas is rarely addressed and has only recently been considered in public policies and in research literature.

From the very first studies on the issue (Ray, 1998), the idea emerged that **CCIs make it possible to create value from specific resources that cannot be relocated**. Unlike an exogenous industrial model, development is rooted locally. The aim is primarily to encourage both tangible heritage, such as historic buildings and landscapes, and intangible heritage, including traditional craft skills, customs, local legends and cuisine, in order to boost local economic development. Cultural and experiential tourism, the sale of handicrafts (via local distribution network or e-commerce) and the organisation of events (festivals, artists' residencies) create direct and indirect jobs (accommodation, catering, services), helping to diversify an economy that is often too dependent on agriculture. Various examples of these valorisation methods are presented from field studies in various rural areas, for example, England (Bell & Jayne, 2010), Sweden (Skoglund & Jonsson, 2013) and Iran (Pourzakarya, 2022).

The literature also emphasizes **the social role of CCIs, particularly in terms of social cohesion and identity construction** (Gibson et al., 2010). A shared cultural project (the renovation of a heritage, the organisation of a community festival) strengthens social ties, pride in belonging and cooperation between inhabitants. It allows rural communities to reclaim their history and build a positive and forward-looking identity, fighting against the feeling of isolation and downgrading. The catalytic effect of festivals and artist residencies is also emphasized. Festivals in rural areas (music, street theatre, cinema) have a significant impact (Rossetti & Quinn, 2021). They generate occasional but intense

economic activity, animate the territory, improve its image and promote community cohesion. Artist residencies, on the other hand, allow for cross-fertilisation between external creators and the local community, giving birth to original works inspired by the territory.

Digital technology is also presented as having a potential to help develop rural areas. The European Parliament's report (European Parliament, 2020) highlights the dual role of digital technology. On the one hand, it compensates for geographical distance by allowing the online sale of handicrafts, territorial marketing or remote working for creatives. On the other hand, it facilitates the promotion and dissemination of intangible heritage through digital technology platforms such as digitised archives and virtual tours. However, this potential is conditioned by access to broadband or 5G, which remains a major challenge (OECD, 2025; Salemink et al., 2017): without robust and affordable broadband access, the potential of digital remains a dead letter. This idea can be linked to the ability of CCIs to attract "new populations" (Bell & Jayne, 2010) such as "neo-rurals," remote workers (digital nomads) and "creatives" who are seeking a quality living environment and meaning to their activity and leverage digital technology in their work. These newcomers often bring skills and openness to the world that revitalise the local social and economic fabric. They contribute to reversing the narrative of decline by creating a new dynamism and maintaining public services (schools, shops, pubs) thanks to a stabilized, even rejuvenated, demography.

However, the literature also highlights **significant barriers found in rural areas**, such as entrepreneurial fragility, relatively low technical skills and difficult access to finance. The structures of the CCIs in rural areas are often very small, associative or artisanal. These territories lack skills in management, marketing and the preparation of complex files to access European (ERDF, Creative Europe) or national funding. Their economic model is precarious. The distance from decision-making centres is also problematic, for example from markets and professional networks (gallery owners, producers, investors). Moreover, the lack of support structures and specialised contacts on site can lead to the loss of momentum and isolation of project leaders.

Silva et al. (2024) provide a recent, comprehensive literature review highlighting a research bias toward urban areas in studies of CCIs, with low-density areas often overlooked. This work aims to fill this gap by conducting a systematic review of the literature on creative industries in non-urban areas, using bibliometric methods—specifically the analysis of 152 results from the SCOPUS and Web of Science databases, plus bibliometric software. The result is three literature clusters, which provide a theoretical basis for a better understanding of the challenges and opportunities for the creative industries in low-density areas.

The first cluster concerns **the relationship between the CCIs and the different types of geographical areas, in particular rural, regional and suburban areas**. It is essential to understand how creative industries can develop in less densely populated territories (Flew & Cunningham, 2010). This is particularly challenging because the evolution of the definition of creative industries complicates the

analysis of cultural policies, which vary significantly across the major continents. Some authors criticise the focus on the agglomeration of creative industries, arguing that policies should respect the diversity of geographical scales, ranging from individual creative workers to small businesses and larger clusters (Jayne, 2005). Particular attention is placed on the importance of the local environment for creativity, in particular through the fact that the characteristics of places can influence the results of creative activities (see Drake, 2003, for a place-based approach).

The second and third clusters are more about **the transition to a cultural economy**. Several authors bring critical perspectives on Richard Florida's creative class theory (Florida, 2002), and question the exclusivity and elitism associated with this approach, which can fuel inequalities (Peck, 2005). Creative class and creative city theories have flaws for the economic growth of places or territories; they ignore the role of regions and fail to focus beyond the city as the desirable place for the creative class (Silva et al., 2024) or to take into account factors like tolerance and openness (Markusen, 2006; McGranahan & Wojan, 2007). Those limits emphasize the need for a more inclusive approach that considers the realities of low-density areas (Duxbury, 2020). Other works deal with the question of goods of symbolic value and the shift from a manufacturing economy to an information economy and finally to a cultural economy (Galloway & Dunlop, 2007; Hall, 2000). The authors emphasize that cultural policies must be active and serious to control the economic destiny of places, highlighting their importance in the processes of economic development (Scott, 2000).

2.5 CCIs and spatial cohesion, a contested conception

The EU's ambition is to make CCIs a key instrument of its **cohesion policy**, not only in social dimensions towards a more inclusive society, but also in the spatial dimensions, and particularly for the convergence of different types of territories. This is true regarding the convergence between its Member States, with the desire to build an integrated cultural space, in particular through the construction of transnational collaborative projects (film co-productions, artists' tours, co-publishing), making it possible to create interdependencies and common interests.

In this context, the **'innovation paradox'** is especially relevant. Policies intended to support lagging regions often reinforce spatial inequalities, because funding tends to flow toward technologically complex, research-intensive and easily measured activities (Oughton et al., 2002). Non-urban regions where innovation is more practice-based, experiential and socially embedded are disadvantaged. CCIs offer a way to challenge this paradox. By generating new forms of value, building community capacity and diversifying local economies where R&D-driven innovation is less viable, they enable forms of innovation that are feasible and meaningful in non-urban contexts. Yet **because policy frameworks still privilege technologically advanced and easily quantifiable activities, the soft, practice-based and relational innovations typical of non-urban CCIs often remain under-recognised and underfunded.**

Beyond the differences between Member States and their convergence, the question of the cohesion of the different territories or areas that make up the European geographical chessboard is at stake. In particular, the difference between urban and non-urban areas is significant, and the situation and role of CCIs appear radically different. Schematically, the general strategy developed by the EU is as follows:

- In metropolitan areas, CCIs nurture innovation ecosystems and creative clusters that generate highly skilled jobs and strengthen international attractiveness;
- In non-urban or rural areas, CCIs allow for development from below, based on the enhancement of local tangible and intangible heritage, cultural tourism and craft industries based on endogenous and non-relocatable resources, thus meeting the objectives of territorial cohesion and the fight against demographic decline.

However, despite this robust policy framework and effective carving, challenges remain. The fragmentation of fundings between different programmes (Creative Europe, CAP-ERDF, ESF+) can undermine their effectiveness and lead to overlaps, duplication and even contradictions between the actions and the rationales. Questions also arise regarding the scope of the programmes, the effectiveness of the projects implemented and the coverage of peripheral territories targeted by these policies. The European Parliament, in its resolution of 17 September 2020 on the CCIs, called for better coordination and simplification of access to funds for small actors (European Parliament, 2020). In addition, the digital transition, which is a clear priority for the EU (see European Commission, 2025b), risks deepening divides between already highly connected territories and others if it is not accompanied and treated with care, especially in rural areas (see the DESIRA H2020 project).

Part 1: S3 and LEADER: An evaluation of the ongoing EU innovation projects related to CCIs in non-urban areas

Within the EU, CCIs are supported through multiple funding channels. Our analysis focuses primarily on **Specialisation Strategies (S3)** and the **LEADER programme (Liaison entre Actions de Développement de l'Économie Rurale)**, as these instruments are particularly relevant for non-urban CCIs development. Nowadays, the concept of *innovation* extends beyond technological breakthroughs. "Soft" innovations, such as those produced by Cultural and Creative Industries (CCIs), are now recognised as a central pillar of Europe's economy and society.

Other EU programmes play a complementary role, including the Digital Europe Program, which supports digital innovation across sectors including CCIs and media; Erasmus+, which strengthens skills pipelines relevant to creative, digital and entrepreneurial activities; and the Connecting Europe Facility, which supports trans-European transport, energy and digital infrastructure (see Table 1).

Table 1 - Main EU policies involving CCIs financing

Policy name	Financing	Goal	Approach
Smart Specialisation Strategies (S3) in European Regional Development Fund (ERDF) and Cohesion Fund[4]	ERDF €226 billion and Cohesion Fund €48 billion for 2021–2027	Strengthen regional innovation and competitiveness	EU regulatory framework with mandatory S3; strategic priorities defined at regional level through entrepreneurial discovery
LEADER from the Common Agricultural Policy (CAP)[5]	European Agricultural Fund for Rural Development (EAFRD) €95.5 billion for 2021–2027; minimum 5% earmarked for LEADER; national co-financing	Support local development and diversification in rural areas	Strongly place-based and bottom-up; decisions delegated to Local Action Groups
Creative Europe[6]	€2.44 billion for 2021–2027	Support cultural production, circulation, and sector competitiveness	Place-neutral and centralized; project selection through EU-level competitive calls
Horizon Europe[7]	€93.5 billion for 2021–2027	Advance research and innovation addressing EU priorities	Highly centralized and competitive; excellence-based selection at EU level

[4] https://ec.europa.eu/commission/presscorner/detail/en/qanda_21_3059?utm_source=chatgpt.com

[5] https://agriculture.ec.europa.eu/common-agricultural-policy/financing-cap/cap-funds_en

[6] https://culture.ec.europa.eu/creative-europe/about-the-creative-europe-programme?utm_source=chatgpt.com

[7] https://research-and-innovation.ec.europa.eu/funding/funding-opportunities/funding-programmes-and-open-calls/horizon-europe_en?utm_source=chatgpt.com

However, these instruments operate through different mechanisms, involve different participants, and emphasize different priorities, which can dilute the overall focus and limit coordination across programmes. To strengthen future policy support, Part 1 aims to understand how existing instruments promote CCIs and where their approaches diverge.

Chapter 3 focuses on S3, the cornerstone of EU cohesion policy. Through analysing CCIs-related S3 projects, we assess the extent of CCI support and how CCIs relate to other industries across urban and non-urban regions, followed by an examination of how these priorities play out in selected six IN SITU lab contexts.

Chapter 4 turns to the LEADER programme, a grassroots initiative centered on local development. By synthesizing CCIs-related LEADER practices, we identify common local strategies by examining the problems communities address, the participants involved and the actions they pursue. We then complement this with detailed case studies to illustrate how these strategies operate in practice.

Chapter 5 compares these two programme analyses and discusses **complementarities between S3 and LEADER strategies**.

3 Analysis of S3 projects

Smart Specialisation Strategies (S3) is the current cornerstone of EU Cohesion Policy to support regional development. Yet S3 tends to emphasize technological advances that are also more easily quantified, the softer forms of innovation, particularly those associated with CCIs, often remain under-recognised and underfunded. This gap is especially evident in non-urban areas, where CCIs are more practice-based and embedded in everyday social and cultural contexts, which makes them less compatible with S3's dominant technology-orientation. The neglect is striking, given that CCIs hold substantial potential for non-urban development by generating diverse social benefits, building community capacity and diversifying local economies where R&D-driven innovation is less viable.

This mismatch between what CCIs offer and what policy tends to reward reflects deeper structural fragmentation in how CCIs are understood and supported. Regarding S3, three types of fragmentation are particularly relevant:

- **Coverage fragmentation.** CCIs are difficult to delimit. Many CCI innovations are tacit, experiential and relational, and are therefore poorly captured by conventional innovation indicators (Flanagan et al., 2011; O'Connor, 2004, 2010). A substantial share of creative work

also occurs in sectors not formally classified as “cultural” or “creative”; around 40% of creative employment is located in other sectors, such as design in manufacturing (European Commission, 2025b). These factors make it unclear which industries should be counted and targeted. If the scope is too broad, targeted CCI support becomes diluted; if it is too narrow, policy misses the interdisciplinary synergies between CCIs and the sectors they contribute to, as well as the foundational sectors that enable CCIs to develop.

- **Development path fragmentation.** Rather than evolving toward ever more cutting-edge, technology-intensive innovations as the main goal, CCI policies need to balance multiple objectives: economic growth, diversification and social outcomes such as cohesion, local identity and reduced inequalities (Sica et al., 2025). When these aims are not aligned, support measures become partial and inconsistent. The diverse benefits of CCIs are also much harder to quantify than R&D expenditure, patents or high-tech outputs (Shearmur, 2012; Tödtling & Trippl, 2005). This measurement bias reinforces a preference for conventional technological innovation and makes it more difficult to justify investment in the softer, embedded forms of innovation that CCIs generate.

- **Evidence fragmentation.** S3 explicitly encourages regions to identify their own strengths and to define place-specific diversification paths. While this is central to its place-based rationale, it also means that evidence on CCI development is generated in highly heterogeneous and context-dependent ways. Nations and regions use their own definitions and classification of CCIs, with some emphasising the cultural dimension and others focusing more on the creative. As a result, evidence on widely shared CCI development patterns remains scattered, and it becomes difficult to build comparable indicators, monitor development across territories or assess the broad contribution of CCIs. Consequently, policymakers lack a coherent overview of how CCIs fit within regional innovation strategies.

This weak and fragmented evidence base tends to encourage reliance on generic, place-neutral templates. In the absence of clear, generalizable insights into how CCIs function across different territories, support is often designed and implemented in ways that overlook territorial differences. De facto, this leads to one-size-fits-all instruments that ignore key differences in local capacity and institutional infrastructure. For example, infrastructures and forms of institutional support taken for granted in urban areas, including specialized intermediaries, dense networks and access to finance, are often weak or absent in non-urban contexts, yet many schemes implicitly assume their presence (Duxbury, 2020; Duxbury & Campbell, 2011).

This chapter has three **objectives**, each addressing a key issue in how CCIs are understood and supported under S3:

1. To clarify how CCIs appear within S3 implementation by identifying core CCI activities, the enabling conditions around them and the wider sets of related fields to which CCIs can contribute;
2. To examine how S3 mobilises CCIs toward different combinations of economic growth, diversification and social and environmental outcomes in urban and non-urban regions;
3. To analyse how the development paths are assembled territorially by tracing strong, latent and missing links in six IN SITU Lab regions, showing where the fields are well supported and where key connections remain weak or absent.

These objectives are pursued through large-scale text mining (BERTopic) of S3 project descriptions from the Kohesio database (2014–2025).

The analysis focuses on Smart Specialisation Strategies (S3) as the main EU framework for place-based development. We collected S3 projects from the Kohesio database from its launch in 2014 until July 2025 and analysed project summaries to derive bottom-up evidence. Using BERTopic, a machine learning-based text-mining method, we identified dominant key features in these project descriptions, classified CCI-related projects at scale, and linked them to territorial typologies, which was followed by detailed analysis of the six IN SITU Lab regions. In doing so, the research aims to contribute to debates on improving S3's support for CCI development in non-urban regions.

3.1 Methodology and description of S3 project data

This section introduces the S3 policy framework**,** describes the data sources and the text-mining method BERTopic for analysing project summaries, and outlines the steps used to build the urban/non-urban typology, assign budgets to keywords and links, and identify strong, latent and missing links for the IN SITU Lab areas.

Three main datasets were used in the analysis:

- **Kohesio** – A project-level database developed by the European Commission's Directorate-General for Regional and Urban Policy (DG REGIO) and the Directorate-General for Communications Networks, Content and Technology (DG CNECT). It provides project descriptions, budgets and geocoded information (NUTS codes) for projects supported by Cohesion Policy. The dataset is accessible at https://kohesio.ec.europa.eu/en/
- **S3 CoP Observatory** – A database in which regions declare their S3 priority areas, each accompanied by *descriptive keywords* and *semantic keywords*. This information can be found at https://ec.europa.eu/regional_policy/assets/s3-observatory/index_en.html

- **EU territorial typologies** – These typologies are used to classify NUTS 3 regions as urban or non-urban and to ensure consistency across different revisions of the NUTS system. We mainly refer to the following sources:
    - NUTS 2021–2024: https://ec.europa.eu/eurostat/documents/345175/629341/NUTS2021-NUTS2024.xlsx
    - NUTS 2016–2021: https://ec.europa.eu/eurostat/documents/345175/629341/NUTS2021.xlsx
    - NUTS 2013-2016: https://ec.europa.eu/eurostat/cache/RCI/#?vis=urbanrural.urb_typology&lang=en
    - NUTS 2010-2013: https://ec.europa.eu/eurostat/documents/345175/6807882/Ttypologies%2Band%2Blocal%2Binformation%2Bcorresponding%2Bto%2BNUTS3.xls

3.1.1 S3 policy introduction[8]

Smart specialisation policies were introduced in the 2014–2020 programming period of the European Regional Development Fund (ERDF), with the aim of encouraging European regions to obtain funding based on their **specific competitive advantages**. The concept has since taken strong hold in EU regional policy and is a major component of economic policy for the 2021–2027 period. Smart specialisation policies are intended to be **place-based** and **evidence-based**, characterised by **co-creation with local actors** and predominantly **participatory governance**.

The Smart Specialisation approach marked a major shift in European economic policy. It emerged from work in the economics of innovation carried out for the European Commission as part of the Knowledge for Growth expert group (David et al., 2009). This work responded to dissatisfaction with the Lisbon strategy, which aimed to make Europe the world's leading technological power but instead saw the continent fall behind key trading partners such as the United States and some Asian economies.

In this context, principles for a new development policy were defined that distinguish between "core" regions**,** with the capacity to create generic R&D activities thanks to research laboratories and

[8] This subsection is extracted from Chapter 3 of IN SITU Deliverable D5.1 (Torre & Filippi, 2024).

entrepreneurial ecosystems, and “periphery” regions**,** which are more oriented toward specialized knowledge domains linked to external partners.

Smart Specialisation Strategies (S3) differ from previous EU policies by placing stronger emphasis on **knowledge networks**, **spatial dimensions** and **region-specific governance arrangements**. S3 is a place-based policy whose basic principles have been progressively defined and refined. Its core rationale is that public funding decisions should take into account the **structure of local productive systems and institutional architectures**, rather than only the comparative advantages of a region in particular production sectors.

S3 policies are closely linked to the selection of “best” actions or measures based on three core concepts: **embeddedness**, **connectedness** and **related variety (relatedness)**. Regions are expected to engage in broad activity domains where related activities share technologies, capabilities or production logics, rather than specializing in a single narrow sector. *Smartness* can also be understood in terms of specific, measurable, achievable, relevant and time-based goals in European policies, and has been translated into concrete growth and development strategies.

The relevance of S3 for rural and non-urban development is not automatic. S3 builds on principles—embeddedness, relatedness, connectedness, entrepreneurship, critical mass—that can be difficult to apply in sparsely populated areas. A lack of critical mass can undermine connectedness and prevent the emergence of embeddedness and related variety at scale. These constraints risk condemning such areas to slower or structurally weaker development trajectories.

3.1.2 Topic modelling of project summaries

The Kohesio database contains almost one million S3 projects. To identify CCI-related projects within this large corpus, we first classified all the projects into thematic topics and then filtered those related to CCIs based on specific keywords.

We started from the project summaries in Kohesio and applied BERTopic, a word embedding–based topic modeling method. In this method, each project summary is first translated into high dimensional numerical vectors that captures its semantic meaning. This allows projects with similar meanings to be compared directly, even when they use different vocabularies. Then those vectors are then systematically organized and compressed so that the broad textual structure is preserved while minor textual noise is reduced. On this basis, projects with similar meanings were grouped through an automated unsupervised clustering procedure.

The next step was to assign projects that are initially found as weakly connected or isolated. Rather than excluding them, these projects were then reassigned to nearby thematic groups if their semantic proximity is sufficiently strong. This improved thematic coverage while avoiding artificial inclusion.

In the end, each project was assigned to a single topic, and each topic was characterized by a small set of highlight distinctive keywords. These keywords were identified by contrasting the language used within each topic against the rest of the corpus, highlighting the terms that best captured its thematic focus. Together, the topics and their keywords provided a concise and interpretable overview of the main thematic structures present across the Kohesio project portfolio.

The entire process followed a fixed configuration to ensure fully reproducibility.

3.1.3 Identifying core and relevant CCI topics

To identify which BERTopic topics were CCI-related, we proceeded in two steps.

- **Step 1 – Build a candidate CCI keyword list.** From the S3 CoP Observatory[9], we extracted the Descriptive and Semantic keywords associated with S3 priorities. Then we identified those priorities whose keyword sets include terms such as *cultural* or *creative*. For these priorities, we considered the entire keyword sets (not just the terms *cultural* or *creative*) as candidate CCI keywords, to capture both core CCI industries and closely related activities. We then manually screened these candidate keywords and removed terms that are clearly not related to CCIs.

- **Step 2 – Classify topics as core or relevant CCI topics.** We matched the cleaned CCI keyword list to the topic keywords produced by BERTopic. Topics whose keyword sets contained at least one such CCI keyword and were confirmed through a second manual check were labelled core CCI topics. These topics were strongly associated with CCIs within the broader S3 landscape and form the core CCI layer. To capture the broader ecosystem, we then used the keywords from the core CCI topics to identify additional topics that contained at least one of these keywords. These topics were treated as candidate relevant topics and were again manually checked and validated as relevant CCI topics.

By distinguishing **core** from **relevant** topics, we could analyse both **direct support to CCIs** and the **broader set of activities** that share certain similar features with CCIs. This helped us understand the scope of CCIs, identify activities that enable or benefit from CCI development, and highlight potential fields in which CCIs could become potentially involved.

[9] https://ec.europa.eu/regional_policy/assets/s3-observatory/index_en.html

3.1.4 Urban–non-urban typology and spatial allocation of budgets

Fragmentation is not only industrial but also territorial. CCI support may differ systematically between urban and non-urban regions. To differentiate this, we classified project locations and allocated topic budgets to NUTS 3 regions.

Projects in the Kohesio database are geolocated with NUTS 3 codes whenever possible. To classify project locations, we use Eurostat's territorial typology, which categorises each NUTS-3 region as urban, intermediate or rural. Given our emphasis on urban vs. non-urban contexts, we merged intermediate and rural regions as non-urban regions:

- *Urban:* NUTS-3 regions where more than 80% of the population live in urban clusters.
- *Non-urban:* combination of intermediate and rural NUTS-3 regions, where less than 80% of the population live in urban clusters.

The typological classification of some NUTS-3 regions changes over time, and the Kohesio database records only project start years, not precise funding approval dates. To avoid inconsistencies, we assigned each NUTS-3 code a stable territorial classification.

We used the NUTS 2021 classification as the primary reference. For regions that have the same typology as urban or non-urban in NUTS 2010, 2021 and 2024, we simply retained that classification. For regions with inconsistencies across the three versions, we applied a majority rule, leading to four resolution scenarios:

Urban → Non-urban → Non-urban: Non-urban

Urban → Non-urban → Urban: Urban

Non-urban → Urban → Non-urban: Non-urban

Non-urban → Non-urban → Urban: Non-urban

There are eight regions with outdated NUTS 3 codes that do not align with any of the three versions. For these, we assigned classifications manually, using the NUTS 2021 typology as reference. All project locations are then expressed as NUTS 3 codes consistent with NUTS 2021.

Project locations are sometimes recorded at higher territorial levels or across multiple regions. They are mainly three cases:

- If only NUTS 2 or NUTS 1 codes are present, we split the project budget evenly across all NUTS 3 regions inside those codes.
- If no NUTS code is available but a **country code** is given, the project was treated as a **purely national-level** project.

- If several NUTS codes are present in one project, the project's budget was split evenly across all listed NUTS regions.

Based on this procedure, project's budget can be allocated to **urban or non-urban territories** and to specific NUTS 3 regions.

3.1.5 Budget assignment to keywords and links based on typology

We used **keywords** and their **co-occurrence within topics** to represent how themes relate to each other and how much CCI funding flows through them. Each topic has a budget share w_t. Instead of dividing this share across its keywords, we adopted a **non-decomposed assignment**: **Each topic's full budget share is credited to every keyword and every keyword pair appearing in that topic.**

This approach allows us to compare concepts consistently across topics. Because topics often contain only a few keywords or several semantic variants, dividing the budget evenly would understate the importance of recurrent features. Under this assignment, a topic with a budget share of 3% contributes **3% to each keyword** it contains, regardless of how many keywords are present.

To measure whether a keyword is more strongly associated with urban or non-urban spending, we computed the **urban–non-urban ratio**:

$$\text{Ratio}(k) = \frac{\text{share\_nonurban}(k)}{\text{share\_urban}(k)}.$$

This tells us whether the funding associated with topics containing keyword k leans more toward **non-urban (ratio > 1)** or **urban regions (ratio < 1)**.

The same logic applies to **edges**. If a topic contains both *funding* and *finance*, the full topic budget was attributed to the pair **funding–finance**. Because multiple keywords within the same topic may receive credit, **keyword-level or pair-level totals cannot be summed**, as they could overlap within the same topics.

In short, the **ratio** indicates how each keyword (or keyword pair) is territorially oriented across all CCI budgets in which it appears. This provides a straightforward measure of **urban vs non-urban tilt** in CCI-related funding.

3.1.6 IN SITU Lab regions by identifying their strong, latent and missing links

After establishing the overall CCI link structure across Europe, we examined the six IN SITU Lab regions in more detail.

While in related variety and economic complexity literature, desirable structural change is often framed as diversification into more complex or technologically advanced activities, for CCIs, and especially for non-urban CCIs, we think the development challenge is different. Strengthening, connecting and valorising existing cultural and creative capacities can be at least as important as branching into entirely new activities, particularly given that 'complexity' within CCIs is difficult to quantify and may not follow the same technological trajectory as other sectors. In this sense, reinforcing links around what regions already do well in CCIs can be a key development strategy.

To do this, we first determined what counts as a **strong link**. We began by identifying the most common CCI keyword pairs across the EU portfolio**.** Links that appear frequently acro**s**s regions were treated as widely acknowledged CCI combinations. We then ranked these EU-wide links by the number of regions in which they appear with a **revealed comparative advantage (RCA).** For each IN SITU Lab region, we identified its own RCA-positive links and compared them with the EU ranking to determine which strong EU-level links the region also emphasizes.

We computed RCA using a standard formulation for each region–pair combination:

- **Regional share of pair** p

$$\text{Share}_r(p) = \frac{\text{local link budget}_r(p)}{\text{total CCI budget}_r}.$$

- **EU-wide share of pair** p

$$\text{Share}_{EU}(p) = \frac{\text{EU link budget}(p)}{\text{total EU CCI budget}}.$$

- **Revealed comparative advantage**

$$\text{RCA}_r(p) = \frac{\text{Share}_r(p)}{\text{Share}_{EU}(p)}.$$

An **RCA > 1** indicates that link $p$is more prominent in region r than in the EU CCI portfolio as a whole.

Because urban and non-urban regions often prioritise different link combinations, we also calculated RCA separately for each typology. To maintain the focus on CCIs, we excluded **relevant–relevant** links from the analysis.

Each CCI-relevant link in each IN SITU Lab was then assigned to one of three categories:

- **Strong** — the link appears locally and has **RCA > 1**.
- **Latent** — the link appears locally but has **RCA ≤ 1**.
- **Missing** — the link does not appear locally, but (i) exists elsewhere in the EU and (ii) both constituent keywords occur in the region, indicating an **untapped local combination**.

Taken together, these categories show which CCI linkages are already part of the region's development path, which ones are present but not prominent, and which ones represent **potential diversification opportunities** grounded in existing local capacities.

3.1.7 Summary

To summarise, the empirical pipeline consisted of five main steps:

1. **Topic modeling.** Use BERTopic on Kohesio project summaries to obtain topics with keywords and budgets, addressing fragmentation across heterogeneous project descriptions.
2. **Core and relevant topic identification.** Match topics to CCI keywords derived from the S3 CoP Observatory, classify topics into **core** and **relevant** CCI sets, and thereby separate **direct CCI support** from **adjacent ecosystem support**.
3. **Urban/non-urban classification.** Allocate topic budgets to NUTS 3 regions, harmonize NUTS codes and typologies, and classify regions as urban or non-urban.
4. **Keyword and link network.** Assign topic budgets to keywords and keyword pairs to identify which concepts and combinations carry CCI budgets.
5. **RCA and link typology.** Compute RCA for each keyword pair in each region relative to the EU pattern and classify links as **strong**, **latent**, **missing** or **irrelevant**, which distinguishes patterns of specialisation, gaps in regional CCI support and the territorial articulation of different **development paths** for CCIs.

3.2 Results of general analysis of S3

This section presents the empirical results in five points. It includes the description of S3 project corpus and the BERTopic classification; the core and relevant CCI topics and their territorial heterogeneity; the backbone of CCI keyword relationships and the associated territorial differentiation; the broader business, infrastructural and social support schemes for CCIs; and a final zoom in on the six IN SITU Lab regions, identifying strong, latent and missing links that characterise their specific CCI development paths.

3.2.1 Data description and BERTopic classification result

The starting dataset contained 1,977,765 project records. Restricting the data to projects funded by the European Regional Development Fund (ERDF) or ERDF in combination with other funds, and removing duplicate operation identifiers and projects with empty summaries, we retained a final corpus of 776,915 unique projects.

The summaries are generally short: the median length is 27 words**.** Many projects are described only by brief labels such as *Restaurant, Urban logistics centre,* or *Energy upgrade*, which are not very informative for content analysis. To focus on summaries that contain at least some description of the project and allow more reliable classification, we excluded texts with fewer than five words**.** This filter removed 375,143 projects (48.3%) and left **401,772 projects** (51.7%) for topic modeling.

In the initial BERTopic run, 63.1% of documents (253,704 of 401,772 project summaries) were labelled as noise by HDBSCAN. Given the short and heterogeneous nature of the corpus, a high noise share is normal. To improve coverage, we apply BERTopic's **outlier reassignment** procedure. This substantially reduced the noise share from 63.1% to 24.5% without altering the underlying topic structure and is consistent with recommended practice in BERTopic applications.

The outlier-reassigned classification yielded **633 topics**, ranging from **102 to 1,917 projects** (excluding the noise category). On average, a topic contained 479 projects, with a median of 367.

Among these, the most frequent **CCI-related topics** align well with clearly recognizable cultural and creative themes. One large topic was characterized by keywords such as *art, prospective, fairs, aid, promotional*, relating to **cultural promotion and support for artistic events**. Other prominent CCI topics concerned **tourism infrastructure** (*hotel, upgrading, rooms, upgrade, tourism*), **internationalisation and trade** (*abroad, fairs, trade, participation, foreign*), and **festivals and live performance** (*music, artists, festival, Portuguese, musical*).

Taken together, these examples show that the model organises **a very large and diverse set of short project descriptions** into coherent thematic clusters, providing a robust foundation for identifying CCI-related activities and tracing the different development paths they support.

3.2.2 Top CCI topics and relevant ones

Figure 1 presents the top keywords in urban and non-urban core CCI projects. For clarity, keywords that lean strongly toward non-urban regions are shown in bold and all bracketed numbers indicate the keyword's ranking position, presented as **non-urban / urban**.

Figure 1 shows that **many core CCI activities exhibit strong overlaps between urban and non-urban regions.** Within the core CCI keywords, *education* (1 / 1) emerges as the most important theme, indicating CCIs have a strong connection with the education industry, and a common reliance on skills

development and learning as foundational conditions in both environments. Several other core CCI keywords occupy similarly high positions in both contexts—*dining* (2 / 2), *accommodation* (3 / 4), *monument* (5 / 7), *heritage* (7 / 6) and *strategy* (9 / 10)—pointing to a shared emphasis on services and strategic planning linked to heritage. These consistently high-ranked themes suggest that urban and non-urban CCIs are anchored in **similar needs for visitor infrastructure, cultural activation and coordinated strategic support.**

Within the set of topics relevant to core CCIs, **funding, finance and enterprise** emerge as the dominant cross-cutting concerns: *funding* and *finance* rank 1 / 1 and 2 / 2, respectively, and *enterprise* ranks 3 / 4. Both urban and non-urban contexts also share an emphasis on *accommodation* (5 / 6), facility (4 / 8), *renovation* (6 / 13) and *infrastructure* (10 / 14), all of which relate to **basic operational and infrastructural conditions** that support CCI functioning.

Keywords that rank consistently higher in non-urban areas—such as *vocational* (4 / 11), *museum* (10 / 13), *culture* (11 / 15), *castle* (24 / 35), *infrastructure* (12 / 18), *marketing* (15 / 21) and *renovation* (16 / 26)—point to **non-urban CCIs' strong emphasis on place-based cultural heritage, tourism-oriented assets and the upkeep and improvement of physical sites**.

In contrast, the urban profile is marked by themes such as *software* (14 / 5), *AI* (30 / 23), *game* (27 / 9), *film* (37 / 20), and *media* (52 / 39), alongside *regulation* within the broader CCI-relevant set (86 / 23). These highlight **urban CCIs' orientation towards digital, entertainment and media-related creative industries**. Overall, non-urban core CCIs appear more closely tied to tourism, cultural facilities and land-based resources, whereas urban CCIs are more embedded in technology-intensive and media-driven sectors.

Within this broader relevant set, three major concerns organize the non-urban CCI profile:

- First, there is a strong focus on **enabling factors** that are closely related to basic infrastructure, including *renovation*, *material inputs* and *equipment* (15 / 75);
- Second, **social concerns** are prominent: relevant non-urban CCI topics extend towards *childcare* (22 / 42) and related notions such as *young* (16 / 24) and *social* (17 / 25), signaling stronger linkages with social welfare;
- Third, non-urban CCIs connect more directly to **sectors that build on non-urban place advantages**, notably *agriculture* (13 / 17), *bioenergy* (9 / 51) and *conservation* (20 / 61).

In contrast, relevant urban CCI topics concentrate more on general support and coordination functions such as *strategy* (31 / 12), *assistance* (50 / 15), *institution* (12 / 7) and *service* (40 / 16). These administration-oriented keywords highlight the importance of institutional support, regulatory frameworks and organisational coordination in urban CCI development.

Overall, despite common ground in education, basic infrastructure and financial support, the **non-urban and urban CCI profiles remain strongly differentiated. Non-urban CCIs place greater weight on place-based cultural and environmental assets such as culture, museums, agriculture, bioenergy and conservation, while also demanding enabling factors such as facilities, renovation and equipment.** Urban CCIs, in contrast, are more closely associated with digitalisation, media-oriented industries and structured organisational and regulatory support as key enabling conditions for development.

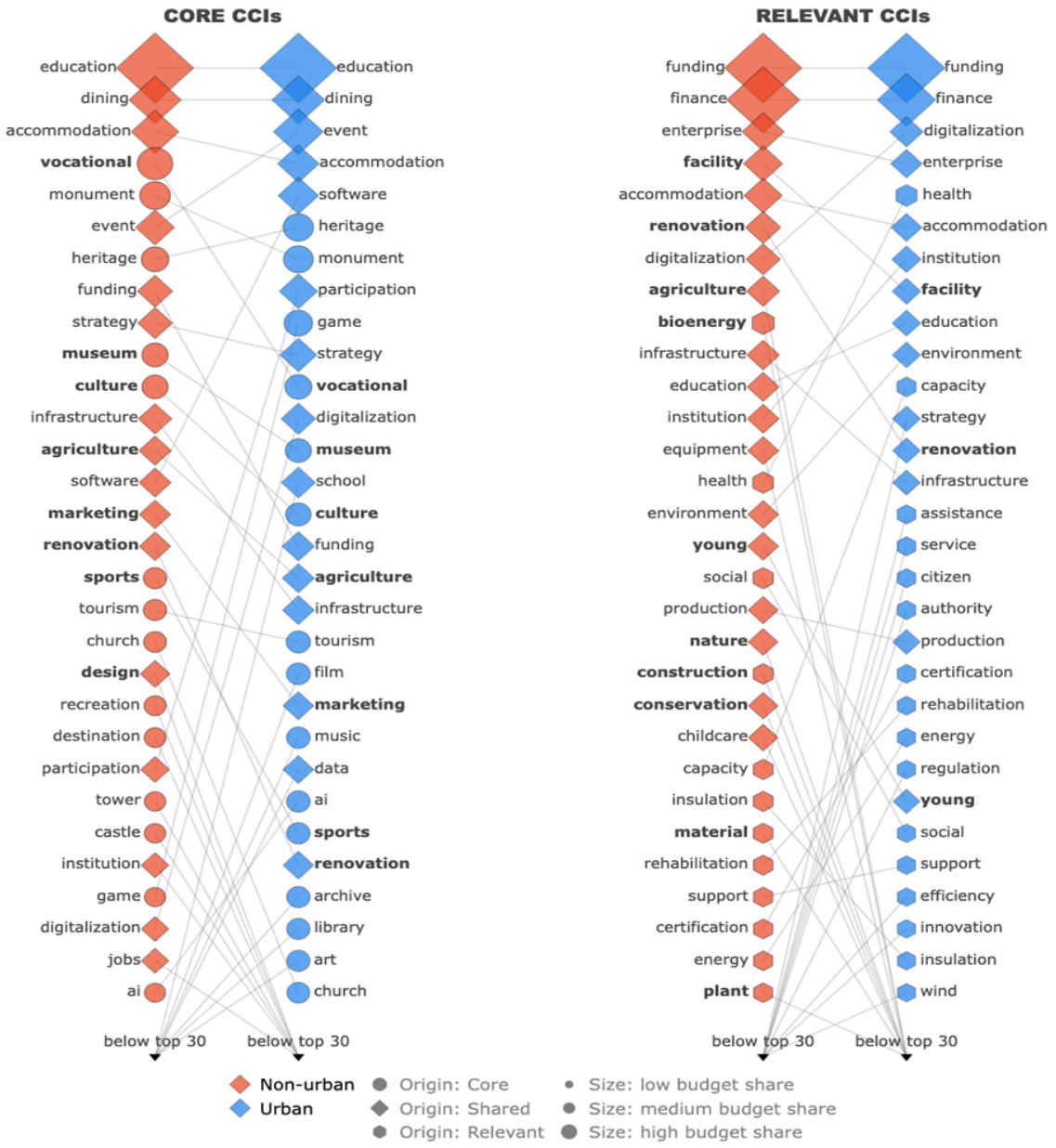

Figure 1 - Top 30 keywords in non-urban vs. urban CCI projects

3.2.3 CCI keyword relationships and typology differentiation

Figure 2 maps CCI keyword relationships, which reinforces the contrasts between urban and non-urban CCIs. **Red nodes** indicate features more prominent in **non-urban** regions, while **blue** ones indicate stronger **urban** emphasis. **Square nodes** denote keywords that also appear in relevant (enabling) topics, whereas **spherical nodes** are **unique to core CCI topics**.

In both urban and non-urban settings, heritage and visitor-related activities form some of the largest edges in the network. Links such as *heritage–culture* (9.7% of total budget), *heritage–museum* and *culture–museum* (both 9.3%), and **combinations among heritage, culture, events, museums and monuments** (around 8.6%) indicate that **cultural content is funded in bundled ways** rather than as separate items. The visitor economy appears through links like *accommodation–guest* (9.0%) and *dining–agriculture* (5.0%), while *heritage–marketing* (0.9%) captures branding and promotion. Together, these links show that a large share of the CCI budget supports projects about cultural content, tourism services, local agri-food catering and promotional tools.

Non-urban projects lean more toward physical places and social conditions. On the *heritage–tourism* side, CCIs are tightly coupled with construction, maintenance and conservation, as seen in *monument–renovation* (4.6%), *monument–castle* and *renovation–castle* (both 2.3%). On the social infrastructure side, education sits at the centre of another dense cluster: *education–vocational* (7.7%), *environment–education* and *education–digitalisation* (both 2.6%), *education–young* (1.1%), *education–facility* (0.9%) and *education–disability* (0.7%).

Together with non-urban-leaning keywords such as *childcare, young* and *social*, these patterns suggest that **non-urban CCIs are used as tools to improve local living conditions**, such as upgrading facilities, supporting youth and vulnerable groups, and linking cultural projects to broader investments in education and infrastructure.

In urban regions, the main focus shifts toward digitalisation, media and institutional coordination. Digital links such as *AI–data, AI–software* and *software–data* (each 2.8%), together with equally strong links to *strategy* (2.8%), show that CCIs are strongly connected to **digital transformation**. These patterns indicate that urban CCIs often provide design, content and interaction capabilities for IT and business services, reinforcing their role in broader digital transformation agendas. Another urban-leaning domain is **entertainment**. Dense links between television, media, music and film, and from media into *advertisement* (0.4%) and *website* (0.5%), show CCIs acting as core suppliers of content, branding and audience engagement for entertainment, communication and platform industries. These activities are supported by a substantial layer of institutional and regulatory infrastructure, as reflected in keywords like *institution, assistance* and *regulation*.

While CCIs in S3 generally act as coordinating devices that link heritage, tourism, agri-food, education, infrastructure, social welfare, media and digitalisation, the "real purpose" of CCIs diverges territorially. In non-urban regions, CCIs strengthen place-based cultural and environmental assets while supporting local services and social infrastructure. In urban regions, they are closely tied to technology-intensive, media-driven industries and the institutional architectures that sustain those development paths.

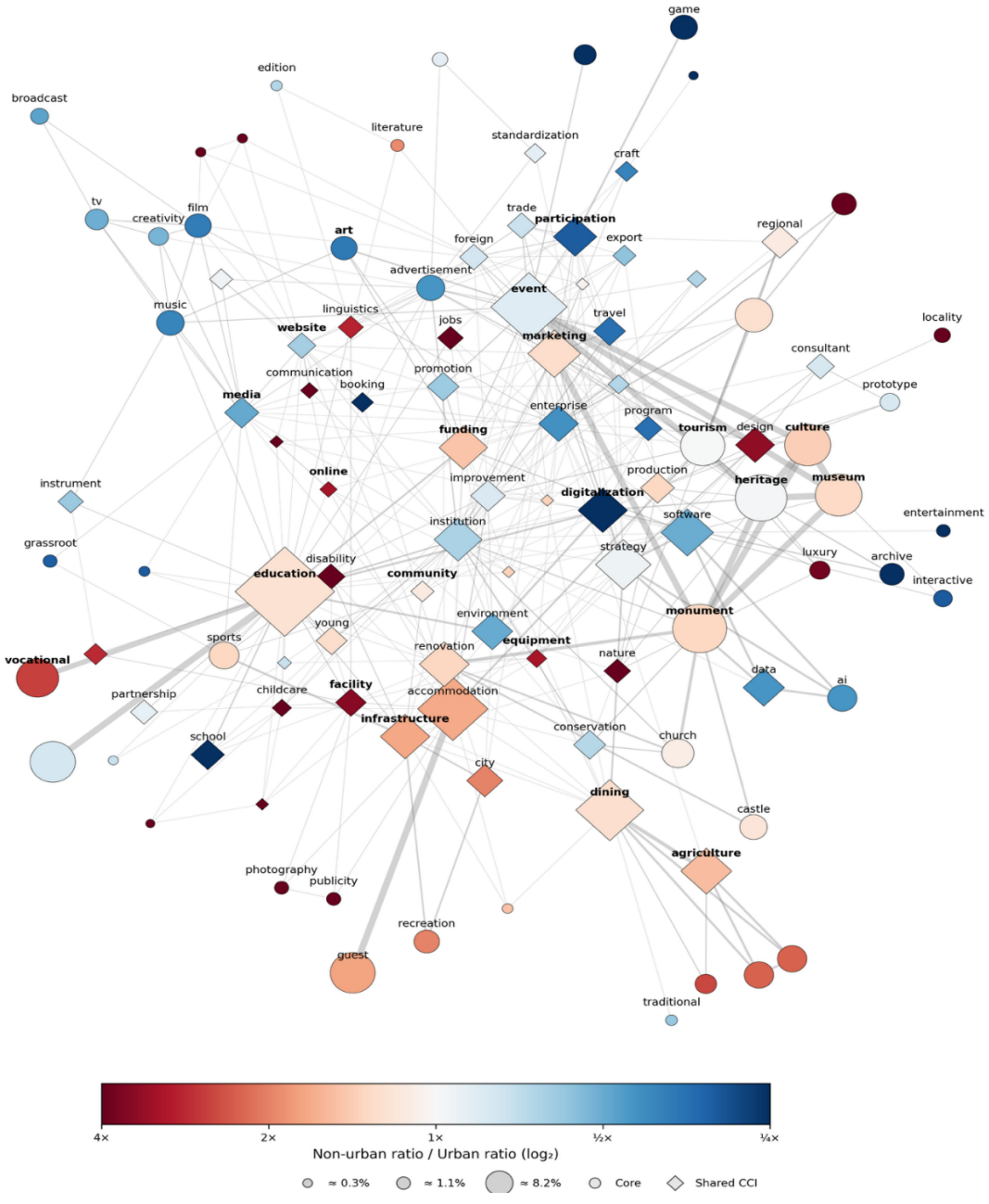

Figure 2 - Relationship between unique and shared CCI keywords

3.2.4 CCIs within the broader innovation ecosystem

By including topics that share keywords with core CCI topics, we placed CCIs within a broader S3 landscape, showing not only core CCI activities but also the wider policy fields where CCIs may appear, contribute or be potentially needed. Figure 3 shows how CCI topics are embedded within this broader S3 support and highlights the domains that CCIs could plausibly connect.

These topics show the strongest affinities with policy domains concerned with **business development, sectoral upgrading and employment**. The most prominent link, *finance–funding* (35.7% of the budget associated with these core and relevant topics), indicates that projects sharing features with CCI themes are largely situated within **general S3 financial support measures**. Other notable edges—*digitalisation–health* (4.0%), *institution–digitalisation* (3.5%), *capacity–digitalisation* (3.3%) and *innovation–enterprise* (2.3%)—suggest that **CCIs could be embedded within the broader digitalisation, institutional strengthening, capacity-building and enterprise support agendas**.

Around this enabling core, Figure 3 also points to **material and organisational supports** such as *equipment–facility, construction–facility, construction–equipment, facility–certification, facility–education* and *education–certification* (each around 2.1%). These links suggest that CCI-related activities may connect to general improvements in **buildings, facilities and skills**. Additional links, such as *bioenergy–agriculture* (2.3%) and *environment–nature/conservation* (1.8–1.7%), suggest that non-urban CCIs have the potential to co-develop with **agri-food, environmental and energy-related activities**.

A clear territorial contrast emerges in how CCIs connect to these wider fields:

Non-urban-leaning themes (e.g., construction, thermal, material, insulation, childcare, parent, young and social) cluster around *equipment, facility, accommodation* and *support*. Here, CCIs are embedded less as a discrete economic sector and more as a lever to enhance local living conditions—improving housing and public facilities, strengthening childcare, school–parent connections, youth support and providing services for vulnerable or disabled groups.

Links to agriculture, environment and bioenergy illustrate how non-urban CCIs build on place-based cultural, environmental and resource assets rather than opening entirely new industrial paths.

Urban-leaning themes (e.g., health, capacity, assistance) tend to link with *digitalisation, institutional functions, funding mechanisms, participation* and *regional coordination*. In these regions, CCIs are woven into a policy agenda focused on business diversification and knowledge-intensive upgrading, supported by robust institutional and financial infrastructures.

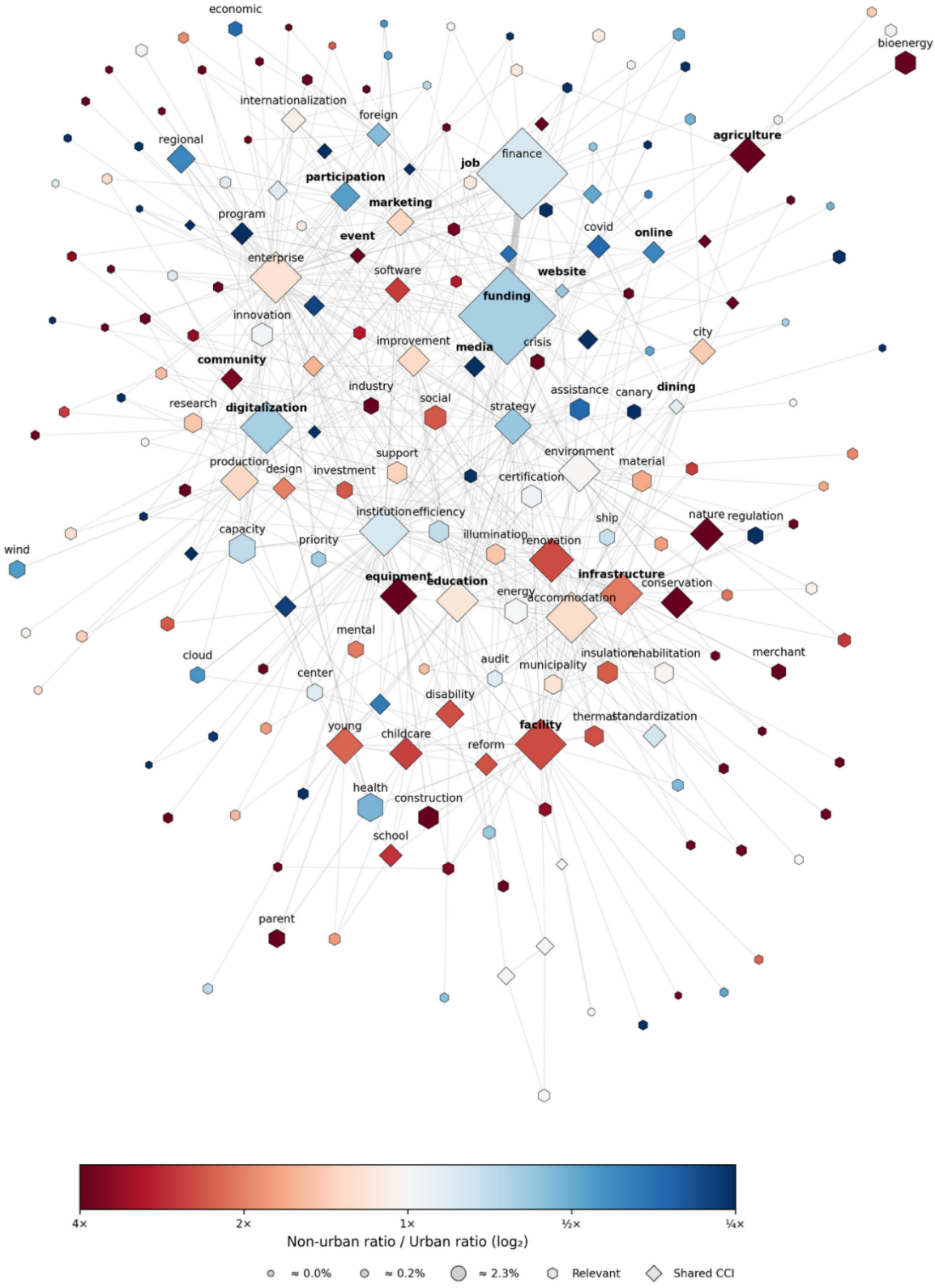

Figure 3 - Relationship between shared and relevant CCI keywords

3.3 S3 and the IN SITU Labs: Strong, latent and missing links

Building on the general CCI relationship patterns described above, we now zoom in on how these CCI relationships play out in specific territorial contexts. We used the six IN SITU Lab locations as illustrative regional cases to examine how CCIs are configured locally. While the IN SITU Labs are in rural village scale, we incorporated them into their NUTS 3 scale, as NUTS 3 is the smallest consistent territorial unit for comparing regional patterns across Europe. This allows us to contextualise the local CCI portfolio in which S3 strategies are formulated and implemented. However, there is one IN SITU Lab in Iceland's West Region which is an exception to this: since Iceland is not part of the EU, S3 cohesion fund does not apply so we do not have data for that region.

For each of the five remaining Lab regions, we identified the keyword relationships that the region prioritises by calculating the relationship's RCA values. A link is considered prioritised when its RCA value exceeds 1, meaning it appears more prominently in the region than in the overall EU CCI portfolio. We then ranked the most common CCI linkages across all the EU regions as a reference for widely acknowledged relationships that are worth prioritising. Finally, we compared the six IN SITU Lab region's RCA links with the EU-wide pattern to extract up to five top strong, latent and missing links for each Lab. This approach shows in each region which capacities are **already strong**, which combinations are **present but underused** and which potentially important connections are **absent**, offering a clearer picture of each region's position within the broader European CCI landscape. The results are plotted in Figure 4.

3.3.1 Results by Labs

In the **Azores** (PT200, Região Autónoma dos Açores), the strongest links emphasize *facility renovation, visitor services* and *education–facility* relations, complemented by connections in *media and creativity*. Latent ties around *environment–nature–conservation, equipment–production* and *digitalisation–institution* point to insufficient attention to environmental assets, production upgrading and institutional digitalisation. Missing top links such as *institution–production* and *environment–infrastructure* suggest that these dimensions are not yet central among the dominant relations.

In the **Western coastal periphery of Ireland** (IE041, Border Region), strong ties bring together *dining–strategy, material-related facility upgrades,* and *efficiency* or *consultancy links with enterprises*. Several enterprise-related strategic and production links appear among the missing top ties, indicating that explicit connections between *creative activities, production systems* and *strategic enterprise planning* are currently not prioritised in the region's main CCI-related configurations.

In **Rauma–Eurajoki, Finland** (FI196, Satakunta), the strongest ties cluster around *institution–production, event–participation, event–trade* and *participation–trade*, revealing an institutional and coordination-oriented configuration. A latent *equipment–production* link signals technical upgrading potential, while the most absent top ties—such as *digitalisation–institution* and *capacity–*

digitalisation—suggest that digital or organisational enhancements of these institutional–production structures are not yet prominently linked.

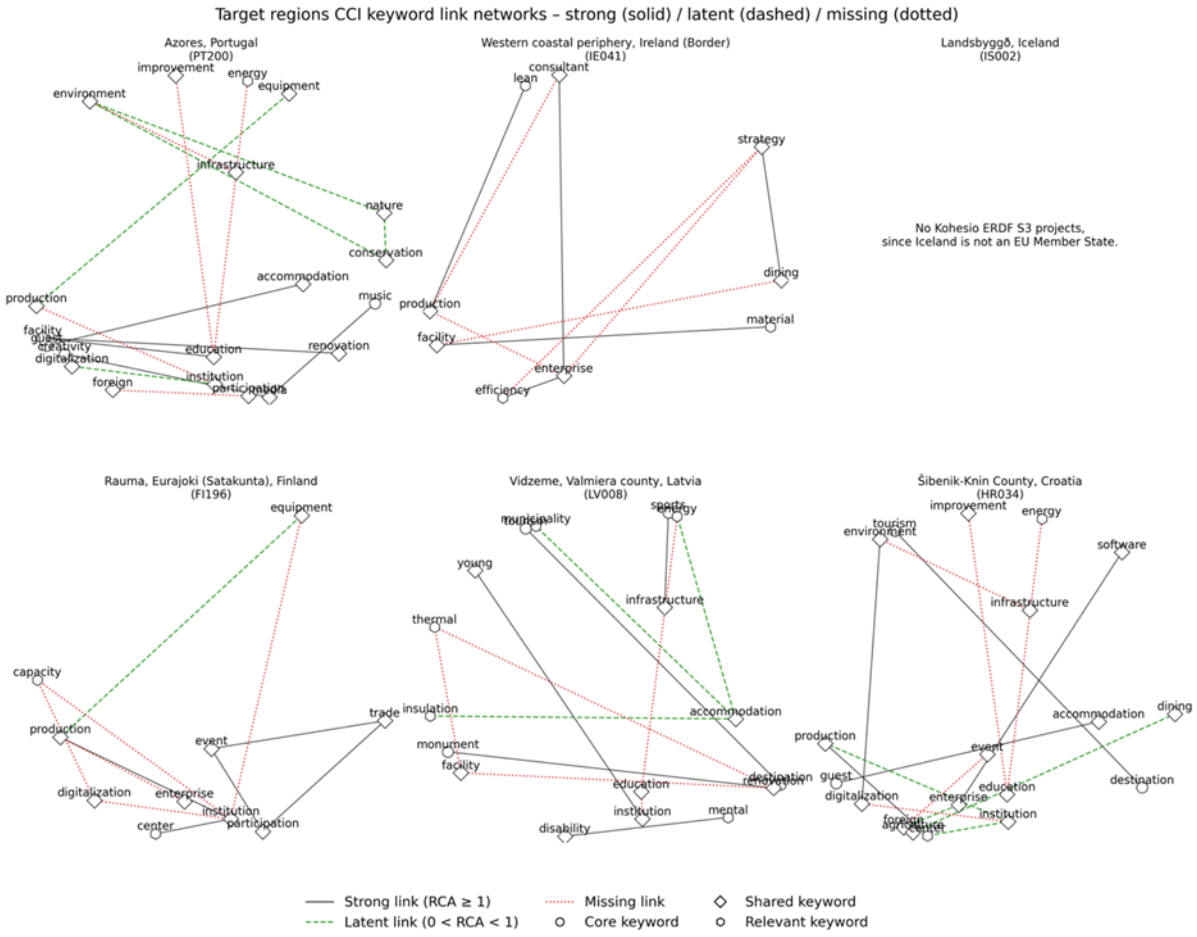

Figure 4 - Top links within five IN SITU Lab regions

In **Vidzeme–Valmiera, Latvia** (LV008, Kurzeme), strong ties reflect a place-based focus on *destination–tourism, monument–renovation* and *sports infrastructure*, alongside social inclusion through *disability–mental* and *institution–young* connections. Latent *accommodation–energy* and *accommodation–insulation* links indicate ongoing but not yet dominant upgrading efforts. Missing facility- and education-related top links suggest that these enabling infrastructures for CCIs or education to which CCIs could contribute do not appear strongly.

Šibenik–Knin County, Croatia (HR034, Šibensko-kninska županija) shows a comprehensive mixed configuration connecting production (*centre–production*), tourism (*destination–tourism, accommodation–guest*) and digitalisation (*digitalisation–environment*, *enterprise–software*). Latent ties point to partial institutional, agri-food, and external-market linkages, while missing *digitalisation–*

institution and *environment–infrastructure* relations indicate gaps in both institutional digitalisation and environmental infrastructure.

3.3.2 Main assessment

Taken together, the five IN SITU Lab regions illustrate significant **territorial heterogeneity** in how CCI-related capacities are assembled. Differences are not only between urban and non-urban regions; **non-urban regions also diverge markedly from one another** (see Table 2). The patterns show clearly that there is no one-size-fits-all pathway for supporting CCIs. Each region reveals its own strengths, underused relations and missing opportunities, underscoring the importance of **tailored, place-sensitive support measures within S3**, rather than uniform policy templates.

Table 2 - Strong, latent and missing links in the IN SITU Lab regions

Region	Strong links	Latent links	Missing links
Azores, Portugal	facility — renovation accommodation — guest education — facility media — music creativity — media	environment — nature conservation — nature conservation — environment equipment — production digitalisation — institution	institution — production education — improvement environment — infrastructure foreign — participation education — energy
Western coastal periphery, Ireland (Border)	dining — strategy facility — material lean — production efficiency — enterprise consultant — enterprise		enterprise — production enterprise — strategy efficiency — strategy consultant — production dining — facility
Rauma, Eurajoki Satakunta, Finland	institution — production event — participation event — trade participation — trade centre — institution	equipment — production	digitalisation — institution capacity — digitalisation capacity — institution equipment — institution enterprise — production
Vidzeme — Valmiera County, Latvia	destination — tourism monument — renovation infrastructure — sports disability — mental institution — young	accommodation — energy accommodation — municipality accommodation — insulation	facility — renovation facility — thermal education — energy renovation — thermal education — institution
Šibenik-Knin County, Croatia	centre — production destination — tourism accommodation — guest digitalisation — environment enterprise — software	institution — production centre — institution agriculture — dining enterprise — foreign	digitalisation — institution event — foreign education — improvement environment — infrastructure education — energy

3.4 Summary

Chapter 3 examined how Cultural and Creative Industries (CCIs) are supported within EU Cohesion Policy through Smart Specialisation Strategies (S3), with particular attention to territorial differences. By developing a replicable, data-driven method, it addressed several persistent challenges in CCI policy under S3, including unclear coverage, various development goals and fragmented evidence. The results show that **CCIs are widely present in the S3 project portfolio**, **connected to broader economic, social and environmental fields**.

Empirically, CCIs appear across diverse territorial contexts in S3, with a shared base of activities centred on **education, accommodation and heritage**. Much of the associated budget supports projects that combine cultural content with visitor services**,** local agri-food activities and marketing and promotion**.** Education is the most frequent core theme, indicating CCIs are often linked to skills development, youth programmes and training infrastructures**.**

Urban and non-urban regions follow markedly different patterns:

In **non-urban regions**, CCIs are primarily rooted in heritage, place-based resources, tourism and environmental assets. At the same time, CCIs are also connected to renovation, infrastructure upgrading, childcare, youth services and social support, suggesting CCIs inputs can strengthen local capacity, improve everyday living conditions and promote cultural and environmental assets. Together, this suggests that non-urban CCIs should be understood broadly, not confined to narrow creative or cultural industry labels.

In **urban regions**, CCIs align more with creative and technology-oriented industries. Keywords such as software, AI, games, film and media indicate that CCIs contribute to digitalisation, design, branding and content creation across manufacturing and service sectors. CCIs operate more as enablers of diversification and digital upgrading.

The **shared–relevant networks** show that CCI topics share many features with diverse S3 projects, including links to finance, enterprise services, education, digitalisation and facilities**.** However, these projects related with CCIs differs by territory: **non-urban regions connect CCIs more closely to infrastructure, environmental stewardship, childcare and community life; urban regions integrate CCIs into institutional and digital strategies**.

Analysis of five of the IN SITU Lab regions demonstrated that even within non-urban territory scale, CCI portfolios vary widely. This underscores that a **one-size-fits-all approach cannot support all regions' CCIs effectively.** Regions should promote CCI-related activities that **build on their existing capacities**. Our classification of **strong, latent and missing links** makes visible where regions have

established strengths, where promising combinations are present but underused, and where feasible links are absent, providing a practical diagnostic tool for regional prioritisation.

Overall, the chapter shows that CCIs are pervasive across S3 and operate through multiple roles, depending on territorial context. By applying a machine-learning approach to large-scale project data, the chapter provides a foundation for more informed, territorially aware strategies in future S3 programming cycles.

3.5 Policy implications for S3

1. **Differentiate CCI strategies by territory.** Figure 1 shows urban and non-urban CCIs differ fundamentally. Non-urban CCIs are often linked to cultural heritage, environment, agriculture and social infrastructure, while urban CCIs are more connected to creative, digital, media and cross-sector innovation ecosystems. These differences should be reflected in priority setting, call design and expected outcomes.

2. **Broaden the concept of CCIs in non-urban contexts.** Figure 2 reveals that in non-urban regions, CCI activities rarely fit neatly into narrow industry categories. Instead, CCIs intersect with education, disability support, environmental stewardship, agriculture and community infrastructure. S3 should therefore adopt a broader and more flexible coverage of CCIs, thereby considering them not only as individual sectors (e.g., crafts, design, heritage) but also as modes of organising local development, improving amenities, strengthening social cohesion and enhancing local resources.

3. **Broaden selection criteria to reflect social and relational outcomes for CCIs.** Figure 3 indicates that non-urban CCIs are strongly associated with diverse social benefits, such as local capacity, social cohesion and youth and disability support; therefore, S3 calls and monitoring frameworks should explicitly value social outcomes. Without such adjustments, CCI-intensive projects are systematically disadvantaged relative to narrowly technological or R&D-driven projects.

4. **Use urban and non-urban complementarities strategically. Urban and non-urban CCIs have distinct but complementary strengths.** S3 should support joint projects and partnerships in which non-urban regions contribute cultural, environmental and agri-food resources, while urban creative ecosystems provide design, media, branding and digital capabilities. Stronger connections between urban and non-urban areas help both sides innovate and diversify. In particular, links with urban hubs can enable non-urban regions to broaden their market reach, diversify creative outputs and translate local cultural and environmental assets into higher-

value activities, while urban regions can draw on unique place-based cultural ingredients from non-urban areas for digitalisation, filming, content creation and other creative applications.

Taken collectively, these implications indicate that CCIs should be understood as a multi-functional and territorially grounded element of S3, requiring place-sensitive, evidence-based support rather than uniform, one-size-fits-all measures.

4 Analysis of LEADER projects

The S3 analysis in Chapter 3 shows that non-urban CCIs are deeply embedded in local resources, social benefits and territorial specificities. These characteristics highlight the importance of local involvement, as local actors are more familiar with their own place-specific challenges. While Smart Specialisation Strategies (S3) is the EU's main framework for place-based development and encourage regions to identify their own priorities, in practice S3 remains institution driven. **Priority setting for innovation often reflects a mix of existing industrial structures, broad technological categories,and regional political considerations** (Di Cataldo et al., 2020).

Therefore, S3 provides limited insight into how CCIs are implemented on the ground or whether its priorities align with local needs. Non-urban settings are also highly heterogeneous and difficult to address with "one size fits all" interventions, meaning that **S3 may lack the proximity or flexibility required to support grassroots initiatives.** This matters especially because CCI-related activities in these areas are closely tied to everyday social and cultural life and depend on support that can respond to locally specific conditions.

The LEADER program under the Common Agricultural Policy (CAP) provides a complementary channel. LEADER is implemented through Local Action Groups (LAGs)—territorial partnerships of public, private and civil society actors that jointly design and select projects within subregional areas. This governance model gives LEADER its strong emphasis on local empowerment, collaboration and self-defined priorities (EU CAP Network, 2024). Unlike S3, individual enterprises, associations and informal community groups can participate directly.

For CCIs, the close involvement of LAGs in project design, selection and implement makes it easier for local stakeholders to articulate their own needs and initiate projects that reflect local cultural and social contexts. These locally grounded projects are documented in the EU CAP Network Good Practice database, which records hundreds of detailed LEADER initiatives, many of them involving cultural heritage, creative entrepreneurship and cultural tourism. Together, these cases provide insight into how non-urban actors develop and support CCIs in ways that reflect their own contexts, priorities and capacities**.**

Despite this richness, three challenges limit the translation of dispersed local project narratives into transferable and policy-relevant lessons beyond the local level.

1. The evidence is highly fragmented: each project reflects a specific local situation, limiting the development of a consolidated **overview** of commonly supported CCI aspects and support strategies;
2. Local practices rarely become **knowledge that can be largely adopted in other places**, as the diversity and specificity of cases constrains the detection of shared patterns or identify approaches that could travel beyond their immediate context; and
3. The large number of detailed project narratives complicates **systematic synthesis**, meaning that important recurring combinations of fields, participants and actions can be overlooked if analysis depends solely on manual reading or isolated case studies.

This section addresses these challenges through three objectives:

1. It develops a scalable text-mining method to **transform fragmented narratives into structured evidence**;
2. It uses this structured dataset to produce **a coherent overview of the key issues, actors and actions** associated with CCIs in non-urban settings, and to uncover **recurrent pathways** that reveal which locally grounded approaches appear across regions and hold potential for adoption elsewhere; and
3. It examines how insights from LEADER complement S3, showing how bottom-up practices can address gaps left by S3s more institution-driven prioritization and contribute to a more complete support landscape for non-urban CCIs**.**

To achieve these objectives, the analysis uses a large language model ChatGPT-based coding approach to systematically process the full set of Good Practice projects in the CAP Network Good Practice database. Each project is coded along five analytically relevant dimensions: **field**, **problem**, **actor**, **action** and **territory**. **Treating project narratives as structured data** allows us to analyse them systematically, identifying frequently articulated concerns and detecting recurring combinations of actors and actions. This, in turn, makes it possible to trace general innovation patterns across non-urban contexts and to compare these grassroots initiatives with the institutional priorities articulated in S3.

The contribution of the analysis is threefold:

1. It develops and demonstrates a methodological framework for **systematically scaling up evidence** from local, bottom-up development projects using large language models;

2. It provides an **evidence-based overview** of the dominant problems, actor constellations and intervention types in LEADER CCI projects, offering a grounded picture of what rural and non-urban CCIs actually do when they mobilize support; and
3. Third, it draws **implications for multilevel policy design**, showing that effective support for CCIs in non-urban areas requires the coordinated use of **both institutional and grassroots-driven mechanisms** rather than relying on a single instrument.

4.1 Methodology and description of LEADER Project data

We used a large language model (LLM) to code projects in the EU CAP Good Practice database, which allowed us to identify CCIs related projects and transform narrative descriptions into structured representations. This subsection describes the data and unit of analysis, the classification scheme, the prompt design and safeguards, the calibration procedure, the implementation and the identification of CCI projects.

4.1.1 LEADER programme introduction[10]

The LEADER programme was introduced into the CAP in 1991, with the aim of supporting the development of disadvantaged rural areas, based on projects that respond to local needs. The term 'LEADER' originally came from the French acronym for 'Liaison Entre Actions de Développement de l'Économie Rurale', meaning 'Links between the rural economy and development actions'. The programme was later extended to include fisheries and urban areas, but the rural dimension remains essential. Since 1991, the EU has carried out five successive programming campaigns, with an ever-increasing impact and funding.

The LEADER approach is known as *community-led local development*. Thanks to its success over the past 30 years, the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the European Maritime Affairs and Fisheries Fund (FEAMP) have adopted it and applied it within the broader framework of local development led by local actors.

As its name suggests, the main feature of the LEADER approach is the use of participatory methods to involve local communities in project development and decision-making processes for joint actions. Potentially all innovation, CCIs and heritage-type activities are concerned, by mobilizing local networks in the service of concrete actions.

[10] This subsection is extracted from IN SITU Deliverable D5.1 (Torre & Filippi, 2024).

Innovation in LEADER does not lend itself to 'narrow' definitions with an emphasis on technological, sectoral or other considerations—rather, **the concept of *LEADER innovation* embraces all and any** "**innovative elements in the local context** (i.e., applicable in the sub-regional territories constituting the areas where local action groups operate)" (European Network for Rural Development, 2018). Unlike the Rural Development policy priorities, for example, LEADER does not involve applying for funding on behalf of measures already predefined by the EU, but rather making proposals to the EU for the financing of targeted actions.

The programming and management of local actions, first proposed and then implemented under LEADER, is based on local stakeholder groups made up of partners from the public, private and civil society sectors. These groups, known as Local Action Groups (LAGs), numbered 2,800 in 2018, covering almost 61% of the rural population in the EU, according to the European Network of Rural Development. It should be noted that LAGs prepare their own local development strategies and manage their own respective budgets.

In particular, LAG programmes and actions must help overcome the fear of innovation and create a climate of trust between local players. This approach helps overcome resistance, which can take the form of concern about the consequences of innovation, or the feeling that everything is already known and mastered by local players, and that the later possess the knowledge necessary for their development, without change or the contribution of external elements.

In fact, LAGs are first and foremost innovation facilitators, fostering links between stakeholders, creating a culture of innovation and novelty, and promoting the emergence and realization of new ideas. As a result, they are often called upon to be innovative themselves in the way they operate and manage relations with local stakeholders.

4.1.2 Data collection and LLMs processing

For this analysis, we collected a corpus of all projects listed in the EU CAP Network Good Practice database up to 17 November 2025 (https://eu-cap-network.ec.europa.eu/good-practice/search_en). For each project, we extracted the available metadata, including the title, summary, results, topic, RDP Priority, RDP Focus Area and RDP Measure. For the LLM processing, we constructed one standardised input text per project by concatenating the title, summary and results.

For the purpose of identifying general patterns across the dataset, we focused on five conceptual dimensions: (1) the thematic field(s), (2) the main problem addressed, (3) the main participant, (4) the main type of action and (5) the territorial scale and type.

Processing text with LLMs raises two well-known challenges. The first is hallucination, where the model may invent details not present in the text. The second is instability, where the same project may produce different labels across repeated runs.

To address these issues, we developed a multi-step calibration procedure that combines repeated runs with systematic manual inspection. This process was used to refine the prompt, strengthen constraints and identify instances where clearer guidance was required. This iterative calibration reduced hallucinations, improved stability and ensured that the final classifications remained closely aligned with the information explicitly contained in the project texts. We implemented the procedure using the gpt-5-mini model via the ChatGPT API and applied the following steps.

Step 1: Initial calibration

In a first calibration, we selected 20 projects and ran each project description 10 times with the same prompt and model settings. For each project, we manually read the original description and compared it to the 10 sets of labels. This allowed us to identify typical failure modes, such as:

- *Projects renovating a village cultural centre and hosting festivals* – some runs labeled the main problem as "culture" and the action as "culture heritage," while other runs focused on the building aspect and labelled the problem as "infrastructure" and the action as "buildings."

- *Social farming projects combining care services with on-farm activities* – some runs coded the problem as "social inclusion" and the action as "community inclusion," while other runs emphasized the agricultural component and returned "agriculture" and "agri environment."

- *Creative tourism route projects linking cultural sites* – some runs labeled the problem as "tourism" with "tourism actions," while others emphasised economic revitalisation, labeling "economy" as the problem with "marketing" as the action.

These initial trials showed that most hallucinations arose when the model inferred domains that were only weakly indicated, and that instability was concentrated in multi-dimensional projects where several interpretations were plausible. We therefore refined the prompt to emphasise the identification of the main problem, to make the definitions more explicit.

Step 2: Extended calibration

In a second calibration, we drew a larger sample of 200 projects and ran each project five times. We paid particular attention to CCI-relevant cases (culture, heritage, arts, media, design, festivals, tourism) by tightening the wording of the instructions and reinforced the requirement that the model leave fields empty when the text did not provide sufficient evidence rather than inferring missing information. This step served two purposes:

1. *Coverage check* – to explore the diversity of problems, actions and actors represented in these projects so that we could group them into categories and provide ChatGPT with clearer indications.
2. *Stability assessment* – to examine how often the same project received different labels across repeated runs and to identify which dimensions were most prone to variation.

Step 3: Full-dataset coding and treatment of instability

After the two calibration rounds, we processed the full good practice database using the refined prompt. Each project was run five times. We then checked the consistency of labels across runs. Cases with a 4/1 split were assigned directly based on the majority. Cases with a 3/2 split pattern (for example, three runs assigning "culture" and two assigning "infrastructure" as problem category) were flagged as unstable. For these projects, we triggered two additional model calls to see whether one interpretation clearly dominated once more evidence from repeated runs was available. This repeated-runs strategy provided an empirical indication of where the project descriptions themselves were ambiguous and where the prompt still left room for interpretation.

Step 4: Post-processing and manual review

In the final step, we aggregated and reviewed the classification results. For cases where labels were ambiguous or left blank, we re-ran the projects. If, after repeated runs, the model still could not assign a clear label for a given dimension, and manual inspection of the original text also indicated insufficient information, we concluded that the ambiguity stemmed from the project description itself. In these cases, a blank value was retained in the final dataset.

In summary

For each project, the final LLM-based coding yields a compact description of:

- **Problems/challenges addressed** – classified into nine types: demography, social inclusion, economy, infrastructure, governance, environment, agriculture, culture and tourism.
- **Thematic fields** – one or two domains (agriculture, environment, economy, culture, social, governance, infrastructure, tourism) that capture where the project is situated, with explicit marking of culture- and tourism-related activities to identify CCI projects.
- **Main actors** – grouped into "individuals, families and SMEs", "LAGs and co-op" and "regional national institutions," depending on whether projects are driven by private actors, local collectives or regional/national institutions.
- **Main actions** – summarised into a single action group (e.g., buildings, culture heritage, business support, tourism actions, marketing, agri-environment), which characterizes the core intervention.

- **Territorial characteristics** – indicating whether projects are primarily local, regional or national in scale, and whether they operate in rural, urban or mixed settings.

The exact prompts are presented in Annex 1. Taken together, these dimensions allow us to identify and characterise creative and cultural industry projects within the broader EU CAP good practice portfolio and to describe how different types of problems, actors, actions and territories are distributed across non-urban development interventions.

4.2 Results of analysis of LEADER projects

A total of 1,528 projects were crawled, from which 403 LEADER projects were identified. Of these, 135 were classified as CCI-related and included for further analysis. Figure 5 presents the distribution of topics with which the CCIs practices are associated. Because a single project may be linked to multiple topics in the dataset, in this case, each topic mention was counted whenever it appears. Within the 135 CCI-related LEADER projects, the topic field contained 27 distinct types, which indicates that CCIs are engaged across a wide range of topics areas rather than being confined to a single objective.

The most frequent associated topics with LEADER CCIs practices were *tourism* (94 mentions), *rural development* (67), *jobs, growth and equality in rural areas* (49), *social inclusion* (35) and *environment* (32). Together these five account for just over half of all topic mentions, indicating that CCI-related LEADER initiatives are primarily oriented toward tourism development, broader rural development goals, inclusive rural employment, social inclusion and environmental concerns.

The prominence of tourism indicates that many CCI-related LEADER initiatives **use tourism as a primary channel** for cultural and creative activity. Given that tourism-related projects account for a large share of LEADER interventions overall, this also implies substantial overlap between tourism and other frequently cited topics, particularly **rural development and jobs**.

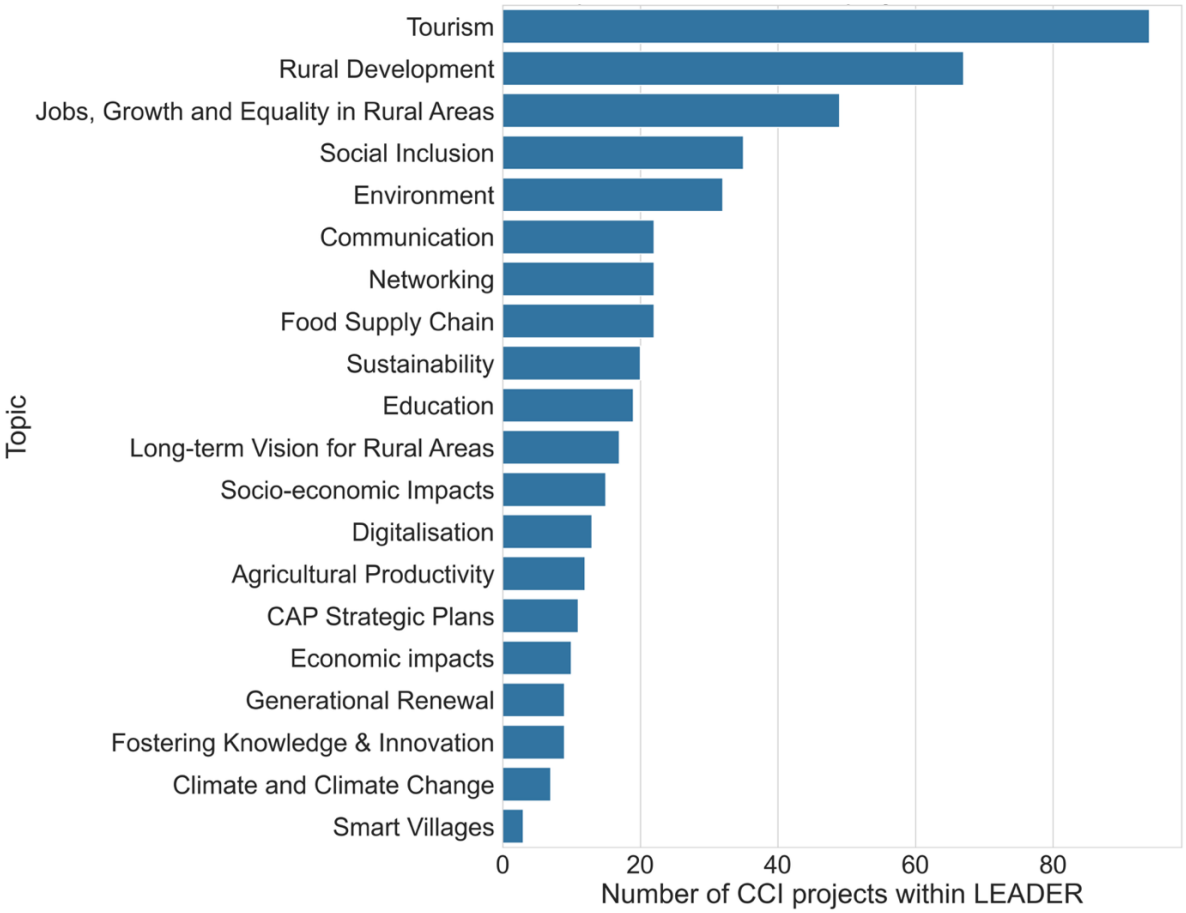

Figure 5 - Topic distribution of CCI projects within LEADER

4.2.1 General pair patterns

Figure 6 summarizes the frequent co-occurrences among problems, participant groups, actions and territorial scales. Sub-figure A shows that, although the analysis focuses on CCI fields, project actions intersect with a wide range of other domains, underlining the cross-sectoral character of CCIs in non-urban development.

Across the 135 CCI-related LEADER projects, four **problem themes** dominate: *tourism* (49 projects), *economy & jobs* (29), *culture & heritage* (23) and *social inclusion* (15). Smaller clusters relate to *environment & climate, infrastructure & services, agriculture & food, demography & migration* and *governance & cooperation*. This pattern suggests CCIs in grassroots initiatives are used to address a wide range of local challenges rather than a single sector issue. **The roles of CCIs extend beyond economic development, and are also associated with issues of social inclusion, cultural identity and local governance.**

The *problem–action* patterns (Figure 6, sub-figure B) **show how communities respond**. 'Tourism' projects rely heavily on 'Tourism products, routes & experiences', but also use 'Construction, renovation & facilities' and 'Branding, marketing & storytelling'. 'Economy & jobs' involves a balanced mix of production, construction and branding actions. Across all action–field links, 'tourism' and 'culture' together account for about 60%, followed by 'economy' and 'social'. Tourism- and culture-related actions thus function as **flexible interfaces** connecting economic, social, environmental and agri-food activities.

The *problem–participant* patterns (Figure 6, sub-figure C) show 'Local associations, NGOs & municipalities' are responsible for about 80% of projects, while 'Individuals, families & small businesses' lead around 17% and 'Regional/national authorities & agencies' only a few. Local associations appear across all major problem themes, whereas individual actors are concentrated in 'Tourism', 'Economy & jobs' and 'Agriculture & food'. This suggests that LEADER operates at a grassroots level, but **associational and municipal structures are central to organising CCI activity**.

The *action–participant* and *action–territory* patterns (Figure 6, sub-figures D and E) **add an organisational and spatial perspective**. Local associations lead most major action, with individuals and higher-level government authorities in supporting roles. While most actions remain concentrated at the local level, but activities such as tourism routes, cultural events, branding and training, also appear at the regional scale, with a few reaching national visibilities. These regional cases reflect the coordination and promotion needs of tourism and cultural activities. What they highlight is that some CCI practices are already articulated beyond the village level, and that **clearer pathways for scaling and sharing effective approaches could help more types of projects move from local experiments to wider regional strategies**.

Taken together, these patterns indicate that LEADER does not follow a predefined model of 'creative rural development'. Instead, it offers a flexible, association-driven toolkit through which communities position CCIs at the intersection of tourism, economy, culture and social inclusion. Most of these interventions remain anchored at the local scale, except branding, training and especially tourism routes at regional and national levels.

This shows **what is missing is not capacity but mechanisms to help successful local practices move beyond isolated villages and become shared regional strategies**. In this sense, CCIs do not only support local development. With appropriate support, they can become **scalable components of broader territorial development pathways**, extending their impact well beyond the single communities where they originate.

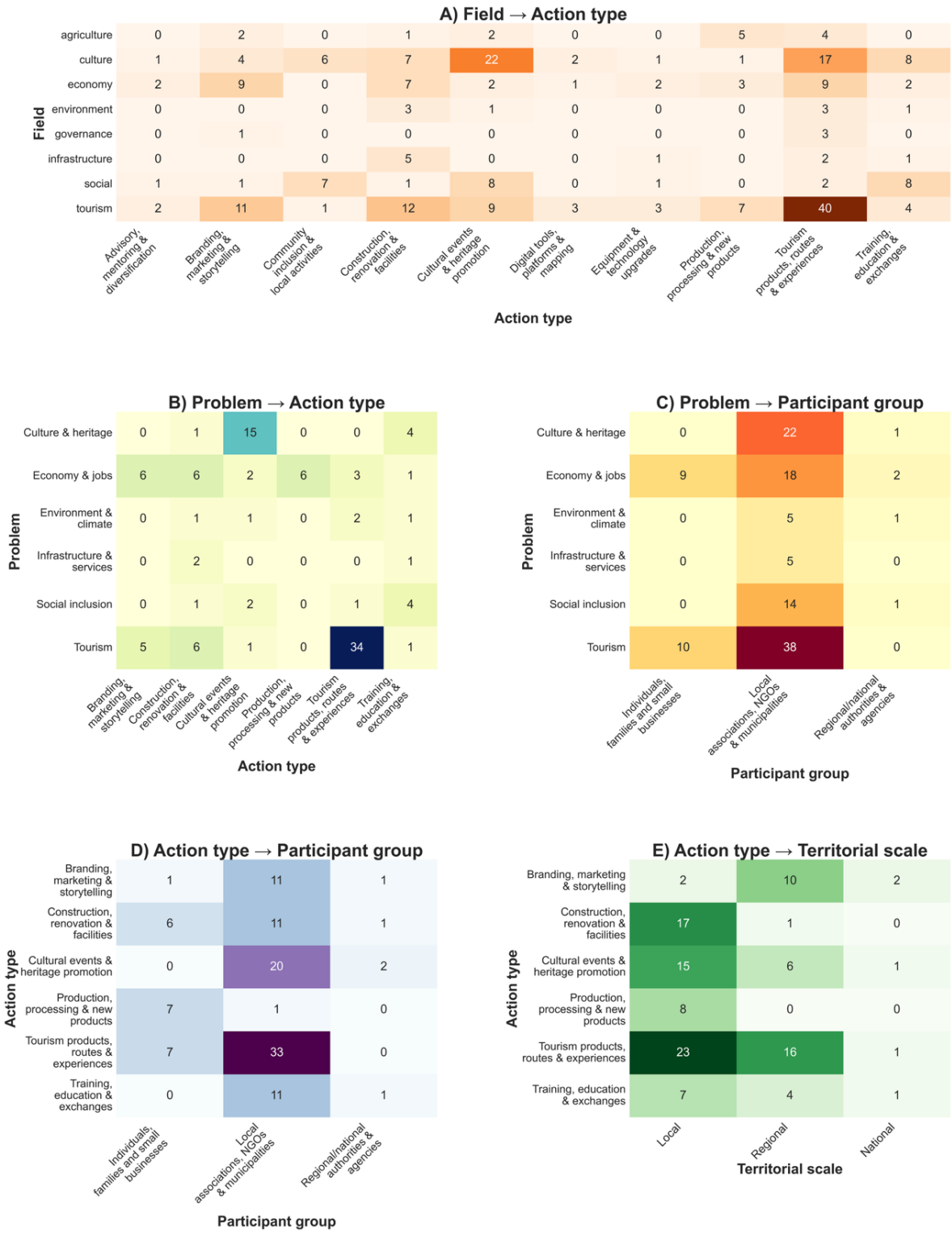

Figure 6 - Pairwise relationships within LEADER CCI projects

4.2.2 Full pathway pattern

While the previous pairwise analysis reveals a wide range of connections among dimensions, the pathway results show that CCI interventions cluster into a small set of recurring *problem–action–actor–territory* configurations. The ten most frequent pathways (69 total occurrences) consolidate heavily around tourism, culture, economy and social inclusion. They translate the broad co-occurrence patterns into concrete intervention logics that can serve as models for knowledge transfer.

Figure 7 shows the top 10 most common complete pathways. Each line indicates one complete problem–action–actor–territory pathway and each color represents a particular problem category. The most common set of pathways centres on tourism, with 36 projects forming two main action routes—*branding & marketing* and *tourism products, routes & experiences*. These actions then divide between the two dominant actor groups, *local associations and individuals* and *municipal or regional institutions*, and between *local* and *regional* territorial scales, producing four distinct tourism pathways.

Tourism offers the clearest and most transferable pathway logic, accounting for the highest volume of activity where the dominant action—*tourism products, routes & experiences* led by *local associations, NGOs & municipalities* (typically LAGs)—is balanced between the *regional* (13 counts) and *local* (13 counts) scales.

This highlights the specific value of the LAG model: while *individuals, families & small businesses* focus intensely on local product creation (7 counts), they appear only at the local scale. It is the organized collective action of the LAGs that bridges this gap. A consistent regional pattern links *tourism* to *branding, marketing & storytelling* (3 counts), again led by these associative actors. **This outlines a scalable structure where private actors anchor products locally, while LAG partnerships provide the collaborative infrastructure to brand and connect these elements across municipalities.**

Other domains show similar structures but are more firmly anchored at the local level. *Culture & heritage* is addressed mainly through *cultural events & heritage promotion* organized by local associations, where the *local* orientation (11 counts) clearly outweighs the *regional* extension (4 counts). This suggests that **cultural interventions are treated primarily as community-building exercises rather than as regional export products.**

The top pathways for *social inclusion* and *economy & jobs* are exclusively local. They rely on repeated chains centred on *community inclusion & local activities* (5 counts), *training, education & exchanges* (4 counts), *production, processing & new products* (5 counts) and *construction, renovation & facilities* (4 counts). These offer transferable methods for community engagement and small-scale economic improvement, but **the lack of regional variants indicates that they rarely expand beyond the village level without the connecting force of a wider network.**

In summary, *local associations, NGOs and municipalities* emerge as the central brokers of CCI development, leading 8 of the top 10 pathways. **Regional connectivity appears as the outcome of deliberate, bottom-up networking rather than spontaneous aggregation.** *Individuals, families and small businesses* provide an economic engine at the regional level (12 total counts across the top 10), yet they generally lack the capacity to scale local initiatives into regional routes. Such capacity still **rests primarily on the cooperative capacity of the LAGs.** The pathway analysis thus clarifies that **scaling is about the "connective tissue" that these grassroots partnerships provide, linking isolated local solutions into coherent territorial strategies and preparing the ground for the case studies that follow.**

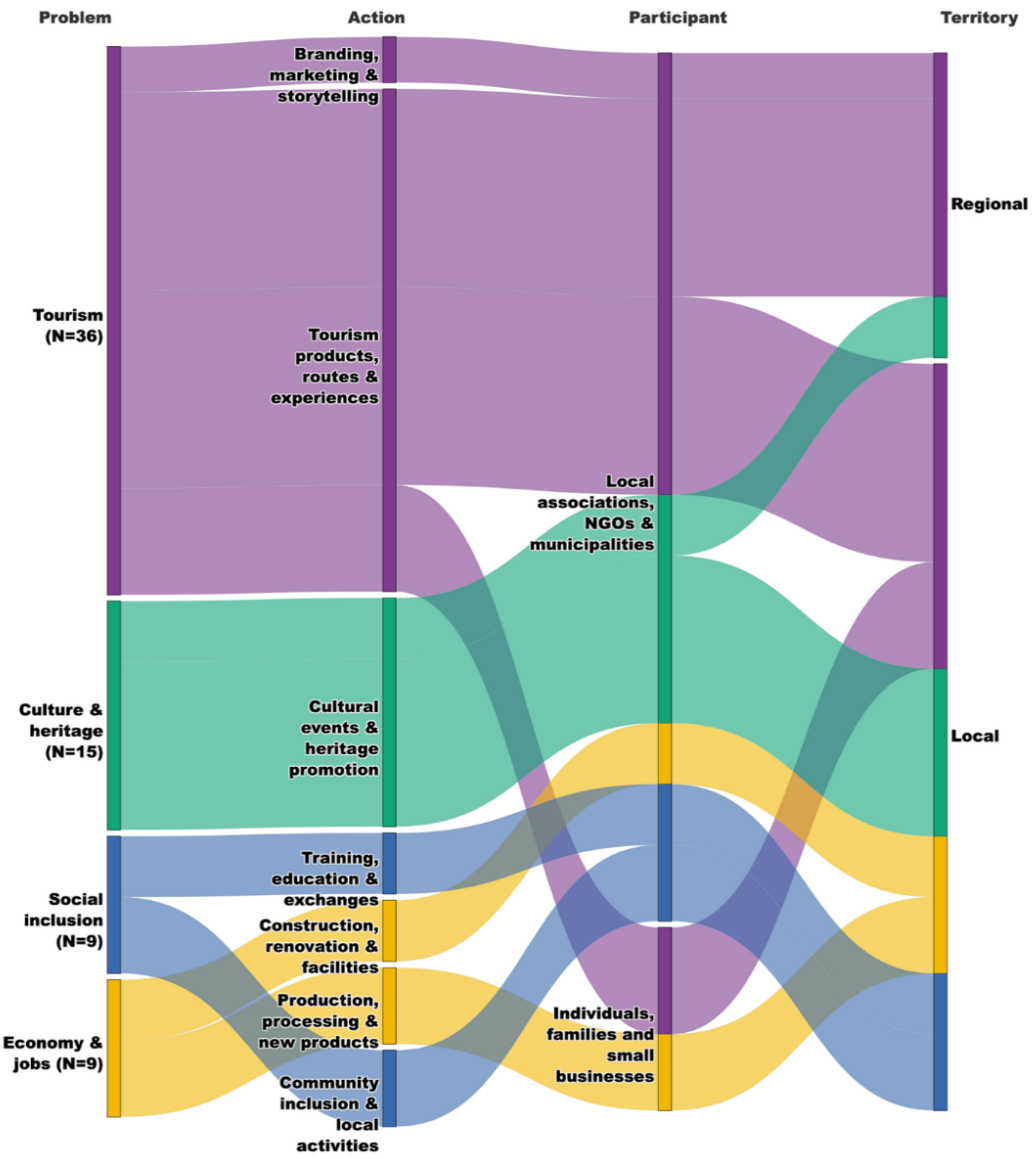

Figure 7 - Top 10 most common pathways

4.2.3 Examining the projects behind the dominant associative–marketing pathway

The previous pathway analysis identifies the general configurations of how CCI projects are typically supported, but it remains at a categorical level. On its own, this is not sufficient to assess how similar strategies could be adopted elsewhere. This section returns to the individual project narratives within those abstract pathways to clarify what the categorical labels mean in practice and under which conditions comparable approaches could be implemented. The case studies below detail three dominant pathways, each centered on a primary problem area: tourism, culture & heritage, and social inclusion.

4.2.3.1 Tourism pathway: From fragmented assets to regional routes

The most frequent pathway links *tourism* problems to *tourism products, routes & experiences* led by *local associations, NGOs & municipalities* at *local* and *regional* scales. Across the two main variants of this chain, there are 26 projects (13 local, 13 regional). The projects address a range of specific challenges, including fragmented or poorly aligned hiking and cycling networks; underused cultural or industrial heritage sites; regions with strong assets that remain weakly recognised in wider tourism circuits; territories recovering from shocks (e.g., earthquakes or industrial decline) that need to rebuild their image; and areas that struggle to offer strategies for specific target groups such as families, cyclists or pilgrims. **Within these cases, the tourism-related problems commonly involve issues of coordination, standardization and visibility rather than the complete absence of attractions.**

In all 26 projects, actors are consistent: the local associations and LAGs. The actions are to map and connect dispersed assets (trails, viewpoints, farms, heritage sites), agree on common standards with municipalities and tourism associations, and design unified routes for the wider area. They also frequently combine physical interventions, including trail upgrading, small infrastructures such as rest areas or viewpoints, with digital tools such as online planners, geoportals, mobile apps and QR-based guides. In this way, the “tourism product” becomes a networked offer that is legible across multiple municipalities rather than a set of isolated attractions. In some cases, they also coordinate events that link local businesses, food producers and cultural operators under a shared regional narrative, for instance, recovering from natural disasters or industrial decline.

These cases clarify how this tourism problem–solution pathway operates in practice, in three ways:

1. They show that the problems addressed in these projects centre on the coordination dimension: linking existing assets, improving coherence and enhancing visibility across places.
2. They reveal the main role of LAGs and associations is to establish connections that allow dispersed assets to function as a unified regional system.
3. The cases highlight the conditions under which this pathway can be transferred elsewhere.

It is most relevant **for territories that face similar coordination challenges**, and three enabling factors are essential:

1. **A coordinating association or partnership** capable of working across municipals;
2. **Local businesses and producers** able to provide the services; and
3. **Resources for shared branding and digital tools** that integrate dispersed assets into a single strategy.

In other words, this pathway can be adapted in other non-urban contexts, but only where comparable coordination issues exist and where a strong local partnership is able to organise the connective role that LAGs play in these cases.

4.2.3.2 Culture & heritage pathway: Building capacities before scaling

A second cluster of pathways links *culture & heritage* problems to *cultural events & heritage promotion* led by *local associations, NGOs & municipalities*, predominantly at the *local* scale (15 projects). **The projects in this group address problems such as neglected or poorly documented heritage, a lack of cultural activities beyond seasonal, weak local cultural institutions and the limited use of heritage in schools, planning or tourism.** The case material shows that these cultural pathways typically begin with low-visibility capacity building rather than public events.

Projects often first extend heritage inventories to nearby villages, documenting buildings, landscapes and local traditions that were previously unrecorded. Museums, archives and associations train volunteers to catalogue objects, manage small exhibitions and work with schools. Residents and local experts contribute oral histories, photographs and place-based stories that enrich community knowledge. Only once this groundwork is in place do more visible activities emerge, such as festivals, guided tours, thematic exhibitions or landscape interpretation.

The dominance of local-scale activities in this pathway reflects the fact that most projects are intentionally framed as efforts to strengthen community knowledge, pride and everyday cultural life within specific villages or small towns. Only a smaller subset develops into cross-municipal cultural routes or regional promotional campaigns.

Across the cases, this sequencing indicates that cultural promotion pathways tend to rest on locally embedded capacity-building processes rather than on the replication of specific event formats. The projects commonly involve **actors who can produce and share basic knowledge (through inventories, archives, storytelling projects), spaces and networks where residents and experts collaborate (associations, museums, schools) and modest but flexible funding for training, experimentation and small-scale interventions.** These elements appear repeatedly as part of the groundwork preceding more visible cultural activities.

Once these elements are in place, projects are more likely to expand toward larger events, branding initiatives or links with tourism at broader territorial scales. The analysis therefore suggests that **cultural CCI pathways in non-urban areas are shaped less by isolated events than by sustained local processes that enable later visibility and scaling, highlighting the importance of preparatory work in understanding how these pathways function.**

4.2.3.3 Social inclusion pathway: CCIs as formats for everyday services

A third set of pathways concerns about *social inclusion*, linked to *community inclusion & local activities* and *training, education & exchanges*, again led mainly by *local associations, NGOs & municipalities* at the *local* scale (9 projects). These projects respond to **highly diverse social challenges**: older residents living alone in remote or border areas with few opportunities to meet others; rural youth with limited cultural, learning or employment prospects; and unemployed adults or people with special needs who lack both work experience and supportive environments. In several cases, these issues are spatially visible in disused schools, stations or community buildings that have lost their function and signal decline rather than community life.

The case studies illustrate the practical approaches through which CCIs contribute to social inclusion. Local associations and municipalities co-design services with older people in remote areas, using cultural activities, shared spaces and creative workshops to identify needs and test new models of social support. Other projects work with rural youth through storytelling, local journalism or media production, giving them tools to document their lives, speak in public and interact with local institutions. Social enterprises and NGOs convert disused buildings into visitor centres or multi-purpose community spaces that host exhibitions, events and workshops while offering training and work experience for unemployed adults, including those with special needs.

These examples show that the CCI structures both participation and action. **Creative activities provide structured, repeatable activity models**, such as visitor centres, festivals, media labs and artistic workshops, which facilitate engagement with groups who might otherwise difficult to engage, including isolated older residents, rural youth and people with limited work experience. By offering low-threshold entry points and sustained forms of involvement, these activities support ongoing participation rather than one-off interventions.

For knowledge transfer, this implies that **knowledge transfer lies less in replicating individual projects than adopting recurring organisational and governance arrangements, such as multi-use community spaces, culture-based training schemes and youth media platforms.** Local adaptation is essential, but the underlying sequences identified in the pathway analysis help other regions see how social problems can be translated into concrete CCI-based interventions.

Taken together, these three case-based pathways move the analysis from abstract categorical patterns toward more actionable models. The coded structure helps make recurring configurations visible and facilitates the identification of shared sequences across cases. The results specify the conditions under which tourism, culture and social inclusion problems can be translated into knowledge spillovers, **particularly highlighting the role of LAGs, the importance of recognizing local issues, and the need to build communication networks that enable organisations to coordinate and learn from one another.**

4.3 Summary

This analysis examined how CCIs are supported in non-urban areas through LEADER. By applying a scalable approach to code narrative descriptions of LEADER projects from the CAP Network Good Practice database, we transformed fragmented textual information into a structured dataset capturing fields, problems, actors, actions and territorial scales. This moved the analysis beyond isolated case studies and provide a structured perspective on the ways CCI-related challenges and responses are articulated at the local level.

The analysis shows that **CCIs in non-urban areas are not treated as a simple 'creative sector'. They are embedded in broader agendas of economic restructuring, tourism and place attractiveness, and social cohesion. Culture and heritage play a connecting role.** The dominant problem themes and topic fields confirm that CCI-related LEADER projects are strongly cross-sectoral: tourism, cultural activities and creative skills link to employment, social inclusion, environmental concerns and agri-food value chains rather than forming a narrow cultural niche. This indicates that **LEADER offers a flexible toolkit through which communities position CCIs at the intersection of tourism, economy, culture and social well-being.**

The patterns of actors and actions highlight **the central role of LAGs and other local associations,** who lead the large majority of projects. Individuals, SMEs and regional or national authorities appear in more limited but complementary roles. Most actions remain anchored at the local scale, but tourism routes, marketing and some training activities often extend to the regional level, showing that **at least certain CCI activities have the capacity to operate beyond individual communities when coordination structures exist.**

The pathway analysis further clarifies that this landscape is not simply fragmented in LEADER supports. A small set of recurring "problem–action–actor–territory" strategies structure a large share of CCI interventions. A common tourism pathway combines local product development with regional routes and branding, using **LAGs as coordinating intermediaries.** The common culture and heritage pathway emphasizes **local capacity building and knowledge production before wider promotion or scaling occurs.** The common social inclusion pathway shows **how CCIs can underpin everyday service**

provision, especially in remote and ageing communities. Across these cases, associative partnerships play a significant role in extending the benefits of LEADER, as they stitch together dispersed assets, actors and places.

These findings have **three broader implications** for understanding and supporting CCIs in non-urban areas:

- The **LEADER projects reveal CCIs are embedded into everyday social and economic practices** rather than operating as isolated cultural or creative activities.
- **Local associations and partnerships play central role of organizing and coordinating initiatives across municipalities**. Strengthening such associative structures is therefore essential for extending the benefits of LEADER-type interventions
- The **scalable text-as-data method converts local project narratives into systematic evidence on CCI development pathways**, offering a practical tool for policy learning across territories.

4.4 Policy implications from LEADER

1. **Support intermediaries and coordination, not just firms and events.** The three major pathways highlight local associations, NGOs, and municipalities as key brokers. They connect individuals, design routes, organize cultural promotion, and translate social needs into CCI-based services. In practice, these functions are often carried out through intermediary arrangements by LAGs, who complement formal municipal structures by providing spaces for coordination, experimentation, and cross-sector collaboration. LEADER policy instruments should therefore place greater emphasis on supporting these intermediary roles and strengthening their coordinating capacity, alongside support for individual firms or project-based activities.

2. **Fund foundational cultural work and enable adaptation beyond the local scale.** Cultural and social inclusion pathways show that visible outputs depend on prior groundwork: heritage inventories, training, community archives, and partnerships between schools, museums and associations. Policies should reserve resources for this 'invisible' capacity building and, at the same time, support mechanisms such as LAG networks, cross-visits, joint branding and simple toolkits, which help other territories adapt these locally tested approaches to their own contexts.

3. **Use LEADER evidence to ground CCI priorities in S3.** In non-urban areas, LEADER projects show that grassroots CCIs function as connecting elements for tourism, economic restructuring, governance capacity, and social inclusion. These projects can provide an

evidence base for S3 priority setting, so that CCI-related priorities reflect concrete non-urban practices rather than only institutional agendas.

5 Comparison and complementarities between S3 and LEADER strategies

5.1 Comparison between S3 and LEADER

5.1.1 Shared orientation: CCIs as means to improve local conditions

In both instruments, CCIs are mainly used as tools rather than as a stand-alone sector.

In **S3**, CCIs support broader priorities such as tourism, digitalisation, environment and skills. In non-urban regions they are linked to accommodation, renovation and tourism, while in urban regions they contribute to diversification in design, media and digitalisation.

In **LEADER**, CCIs are pragmatic instruments for addressing specific local issues, including economic revitalization, social cohesion, disability support and underused infrastructure. They reframe economic and demographic challenges as tourism or cultural opportunities and develop local assets through routes, branding and digital tools.

5.1.2 Governance and scale

S3 is regional, strategy-driven and institution-led. Priorities are mainly set at NUTS2/NUTS3 level and tend to diversify from existing industrial structures and political compromises. Bottom-up input is filtered through regional institutions. S3 spans both urban and non-urban regions and reinforces a contrast between digitally oriented, creativity-driven urban CCIs and place-based cultural CCIs in non-urban territories.

LEADER works below NUTS3 and concentrates on non-urban territories. Projects are shaped by locally articulated problems at village or small regional scale and tend to be experimental and socially embedded. When activities extend to the regional level, they typically involve coordinated tourism offers, branding or shared services.

5.1.3 Actors and coordination

In **S3**, regional administrations, agencies, and larger organisations are the primary actors, and coordination is framed in terms of governance structures and sectoral or technological priorities; the associative layer remains largely implicit.

In **LEADER**, coordination is rooted in local co-operative structures. LAGs and community actors act as intermediaries that connect municipalities, organize cultural and tourism initiatives and approach CCIs

for locally defined needs. Their coordinating capacity is central to translate into broader territorial strategies

5.2 Complementarities between S3 and LEADER

5.2.1 LEADER as diagnostic input for S3

LEADER projects reveal the common problems in non-urban, the type of CCI support applied in practice, and the combinations of actors and actions that actually recur. This evidence makes LEADER a diagnostic input for S3 priority setting and monitoring, ensuring that CCI-related priorities and indicators are grounded in concrete non-urban practices rather than being derived solely from institutional planning processes.

5.2.2 LEADER experimental for S3 scale up

LEADER supports exploratory and small-scale CCI interventions where problems and solutions remain open-ended. By identifying repeated successful local experientations, LEADER generates practices that demonstrate operational viability. S3 can then stabilize, extend, or scale those practices at the regional level once their relevance and robustness are established. In this division of roles, LEADER functions as a prototyping space, while S3 provides consolidation.

5.2.3 S3 as a strategic and infrastructural backbone for LEADER

S3 provides the broader enabling conditions including skills systems, digital and cultural infrastructures, cross-sector initiatives. Alignment between S3 investments and intervention types emerging from LEADER allows locally tested practices to develop beyond individual territories and become part of longer-term regional strategies.

5.2.4 LEADER cooperation as a connector between S3 regions

The pathways show that LAGs and associative structures are central coordinators of CCI-based development. Given S3's emphasis on interregional collaboration, LAG cooperation provides a bottom-up mechanism for linking territories across regions through shared or complementary CCI themes, supporting horizontal learning beyond administrative boundaries.

5.2.5 Joint support for intermediaries, groundwork and scaling mechanisms

The pathways underline that LAGs and associative structures are the main coordinators of CCI-based development. Both S3 and LEADER-related programmes should therefore allocate resources not only to firms and events, but also to intermediaries and to mechanisms that link places, such as inter-LAG networks, cross-visits, joint branding and simple toolkits that help other territories adapt locally tested approaches.

In short, S3 provides strategic frameworks and long-term infrastructures for non-urban CCIs, while LEADER supports the identification of local concerns, the testing of solutions, and the formation of

local coalitions. Closer alignment of resources, actors and actions between the two instruments would strengthen links between local practice and regional CCI strategies. This would allow S3 to better reflect the diversity of non-urban contexts rather than abstract territorial averages.

Part 2: Conclusions drawn from our interactions with policymakers and local practitioners

Part 2 presents the key insights derived from IN SITU's structured interactions with policymakers at the local and European levels and CCI practitioners. Through targeted interviews, participatory workshops and focus groups, the project created a space for reciprocal exchange between cultural practitioners and institutional actors[11]. These dialogues not only tested the operational feasibility of emerging policy proposals but also helped refine them through direct engagement with the constraints, expectations, and logics of public institutions. What follows is a synthesis of the most significant lessons learned from these encounters, highlighting points of convergence, structural challenges and opportunities for more effective cultural policy in non-urban territories.

Chapter 6 focuses on findings from the interviews held with cultural practitioners in the IN SITU Lab regions; the interview guide is presented in Annex 2 and summaries of each of the interviews are presented in Annexes 3 through 9. Chapter 7 focuses on findings from a focus group on policy recommendations for national and regional levels (see also Annex 10) and from a European-level policy workshop (see also Annex 11). Chapter 8 presents overall syntheses of these two methodological approaches and a global synthesis of the findings.

6 Interviews with cultural practitioners in the IN SITU Lab regions

In 2025, as part of the IN SITU project's effort to generate grounded, policy-relevant knowledge on innovation in non-urban areas, a series of semi-structured interviews were conducted with a diverse group of cultural practitioners across five of the six territories involved in the IN SITU Labs. (Due to limited scheduling options for these additional interviews, it was not possible to conduct interviews with Croatian practitioners for this report.) Unlike the coordinators and institutional leads responsible for the Labs themselves—whose profiles and activities are described in detail in Aldazabal et al. (2024)—these interviewees were selected to provide an external, field-level perspective. They include

[11] The interviews, focus group and workshop complied with the Ethical Guidelines of the project.

artists, cultural producers, media professionals, museum directors, researchers and development agents who operate within the broader cultural and creative ecosystems in which the Labs are embedded.

The primary goal of this inquiry was to understand how local actors perceive the cultural development landscape in their regions: the policies they navigate, the funding mechanisms they access or struggle to access, the partnerships they build, and the constraints and innovations that define their everyday practice. The interviews followed a common guide structured around six thematic clusters: governance relationships, project initiation, funding access, knowledge of EU instruments, cross-sectoral collaboration and impact evaluation (see Annex 2). This shared framework allowed for comparative analysis across territories while leaving space for local specificity and individual reflection.

By listening directly to cultural workers operating outside major urban centres, the project sought to identify systemic blind spots, as well as localised forms of resilience and creativity. These conversations shed light on the infrastructural, bureaucratic and cultural challenges faced by actors who are often at the margins of mainstream cultural policy. At the same time, they highlight the ingenuity with which these individuals engage their communities, create cross-sectoral value and sustain cultural life with limited resources.

Crucially, **these interviews provide a counterpoint to top-down assessments of innovation. They show that in non-urban areas, innovation is often relational, incremental and embedded in broader social and ecological practices.** It does not necessarily follow the linear pathways of institutional R&D or commercial start-ups but emerges through experimentation, collaboration and place-based knowledge. The findings from these interviews are therefore essential to understanding how innovation policy for CCIs in rural and semi-rural areas can be more inclusive, effective and context-sensitive.

This chapter synthesises the main insights from these interviews, offering a thematic analysis that unfolds across six dimensions. These include the roles and identities of cultural actors, their interaction with governance systems, access to funding, capacity for cross-sectoral work, understanding of impact and reflections on the contribution of the IN SITU Labs. While each territory is unique, the collective findings point to shared needs and opportunities for more supportive and enabling cultural policies at both national and European levels. For details from each interview, see Annexes 3 to 9.

6.1 Embedded cultural actors: Roles and practices

The cultural actors interviewed for this study represent a wide spectrum of professions, practices and institutional affiliations, reflecting the heterogeneity of the CCI sector in non-urban areas[12]. What they share is a deep, long-term embeddedness in their local environments. They are not transient project managers or external consultants; they are artists, educators, curators and facilitators who have built their practices in close dialogue with their communities. These individuals often operate as cultural generalists: they wear multiple hats and bridge multiple domains. For example:

- In Galway, Ireland, the manager of a community radio station that serves as both a youth training platform and a civic media outlet, producing content tied to local identity, language and social issues. Her role extends beyond media into cultural mediation, education and social inclusion.
- In Azores, Portugal, a senior official within the Direção Regional da Cultura, which forms part of the autonomous regional government of the Azores. His work focuses on designing and implementing cultural policy across the nine islands that comprise the archipelago. He does not identify as a cultural practitioner but operates as a policy actor and public administrator, managing funding streams, coordinating cultural infrastructure and liaising with local stakeholders.
- In Finland, the Maritime Museum of Rauma, represented by two museum senior staff members, exemplifies institutional cultural work deeply tied to place and heritage. Their activities include historical curation, educational programme development, temporary exhibitions and collaborations with contemporary artists. The museum thus operates at the intersection of cultural memory, regional development and creative expression.
- In Latvia, a representative of the Valmiera Development Agency's CCI-related initiatives. Although her background is not strictly artistic, her role involves nurturing local entrepreneurship, coordinating innovation spaces (like makerspaces) and supporting creative youth. Her function is that of a cultural enabler: someone who connects resources, institutions and grassroots creativity.
- In Finland, a researcher and artist working at the University of Turku (Pori Unit) and a composer and conductor active in local music networks both work independently but remain anchored in regional institutions and communities. Their dual perspectives—one rooted in

[12] The interviewees selected were not previously involved in focus groups and interviews from other IN SITU research reports, to expand the variety of voices included in the overall research.

research-based artistic methods and the other in musical performance and education—offer a unique lens on how creative ecosystems evolve in non-metropolitan regions.

- In Iceland, the interviewees illustrate a landscape where cultural vitality is sustained by a blend of institutional stewardship and individual initiative: a cultural affairs project manager for the regional office and also an architect, the managing director of Gleipnir, the Innovation Centre of West Iceland, and an adjunct at Bifröst University. Their work speaks to the intersections between tourism, heritage and innovation, and to the need for greater policy attention to both formal institutions and informal networks in sparsely populated areas.

What binds these profiles together is their cross-functionality and territorial anchoring. These are not isolated practitioners but nodal points in local ecosystems. They convene people, broker collaborations and translate national or EU-level programmes into meaningful local activity. In many cases, their roles are under-recognised by official policy yet crucial to cultural vitality.

Their experiences also highlight the emotional and relational labour involved in cultural work. They sustain long-term relationships with communities, mediate tensions, respond to crises and often operate with limited staff or financial support. This work is rarely visible in policy reports but is foundational to the resilience of the sector.

The embedded nature of these actors positions them as key interlocutors for policy design. Any attempt to reform innovation support for CCIs in non-urban areas must begin by recognising and reinforcing the roles of such hybrid, place-based practitioners.

6.2 Governance relationships and territorial dynamics

Cultural ecosystems in rural and semi-rural territories do not emerge in a vacuum—they are shaped, enabled or constrained by the governance structures in which they operate. The interviews conducted across the IN SITU Labs reveal that political organisation, institutional coordination and the presence (or absence) of intermediary bodies fundamentally influence how cultural practitioners can act, collaborate and sustain their work.

Across regions, governance appears less defined by the amount of cultural funding available than by the quality of relationships, the clarity of institutional mandates and the existence of connectors bridging different levels of public administration. In some contexts, municipalities function as cultural engines; in others, practitioners must navigate fragmented systems, unclear responsibilities or policy silos that complicate access and visibility.

This section examines three dimensions of governance revealed through the interviews:

- The variable role of **local authorities** as cultural enablers or absent actors;

- The presence—or notable lack—of **intermediary structures** supporting coordination, capacity-building and advocacy; and
- The complexity of **multi-level governance**, where missing links or overlapped competences can hinder cultural development as much as they enable it.

Taken together, these findings show that territorial governance is not a backdrop but a determining force—one that can either cultivate fertile conditions for cultural innovation or leave practitioners to compensate through informal labour, personal networks and institutional bricolage.

6.2.1 The role of local authorities

Local authorities play contrasting roles in cultural governance across the IN SITU Labs. While some municipalities act as central organisers and enablers of cultural life, others display fragmented engagement or maintain functional but limited relationships. The quality of the relationship between cultural actors and public authorities—more than the volume of funding—shapes how effectively municipalities contribute to cultural sustainability.

In Latvia, municipalities are strong institutional actors in the cultural field. Their proximity and compact scale foster close, cooperative relationships: *"I think that municipality has a quite big role in our case, for what regards culture."*[13] In Ireland, in contrast, engagement is minimal and recent. Cultural organisations like community radio have historically operated outside formal structures, with collaboration emerging only lately: "*That's kind of the first time we were approached by the City Council really for stuff like that. So you know, we would love to be involved."* In Iceland, there is a disconnect between local and national levels, with municipalities lacking a clear cultural mandate. This results in misunderstanding and limited support for grassroots initiatives: *"There was a lack of understanding with the authorities and they couldn't see it."*; *"They actually go to work for the community, for the municipality."* In Finland, though resources are modest, local relationships are described as collegial and constructive, particularly between professional institutions: *"We try to learn from each other and that's why the strongest partnerships we have in the Rauma region are with the other professional museums."*; *"The Regional Council of Satakunta organises about two times in a year event that are related to cultural policy and cultural sectors."*

These examples illustrate that local governance is not solely a matter of administrative structure or funding volume, but depends critically on dialogue, trust and the recognition of cultural actors as strategic partners.

[13] Quotations in this chapter are from the interviews conducted with practitioners in the IN SITU Lab regions.

6.2.2 Intermediary gaps and informal coordination

The absence of formal intermediary structures across many territories leaves cultural practitioners heavily reliant on informal, trust-based networks. While some ecosystems benefit from structured sectoral intermediaries, most others must navigate coordination, funding and partnerships through personal relationships and ad hoc solutions. This creates a fragile system dependent on individual initiative rather than institutional support, with implications for sustainability, well-being and equity.

In Ireland, the community media sector benefits significantly from a dedicated intermediary, Community Radio Ireland (CRAOL), which provides crucial support, training, and advocacy. This model demonstrates how sector-specific support bodies can stabilize and amplify local cultural initiatives. This stands in stark contrast to Finland, where practitioners operate without intermediaries, relying instead on dense social networks in small towns*: "I have to admit that the most effective way to connect someone or some organisation is to know a lot of people, and that's also easier for us because we work in a small town."* In Latvia, international cooperation relies less on platforms and more on past relationships and mutual trust: *"You have to have some kind of trustful network to make it happen. So we know these people from before – from some previous EU projects or something."* In Iceland, the absence of intermediaries is compounded by a lack of institutional recognition, with policy actors failing to understand the value of cultural initiatives: *"Policymakers and the people in charge… they don't seem to see the benefits of this project."*

In all these cases, the burden of connection and advocacy falls on the practitioners themselves—acting simultaneously as creators, coordinators, and negotiators. While these informal systems can be agile and deeply embedded, they remain vulnerable to burnout, fragmentation and under-recognition, highlighting a pressing need for structured support ecosystems.

6.2.3 Multi-level governance complexity

The structure and interplay of governance levels—local, national and European—profoundly affect how cultural actors in non-urban areas access support, shape projects and influence policy. In some contexts, the absence of a regional layer creates gaps and disconnects; in others, excessive layering leads to administrative friction and strategic misalignment. The complexity of these arrangements can constrain cultural innovation and marginalise locally embedded practices.

In Latvia, governance is relatively binary, involving direct interaction between national and municipal levels: *"In the cultural policy, we are escaping these regional authorities… So, it's mainly the local level who usually initiates or leads the projects."* This simplicity facilitates communication but centralizes decisions, leaving little space for regionally specific cultural strategies.

In Iceland, this institutional configuration nonetheless remains a structural constraint for non-urban cultural actors. While a regional level does exist—introduced after the 2008 economic crisis to improve coordination between state and municipal authorities—it does not constitute a fully-fledged

administrative tier. Its statutory role is limited primarily to the formulation of a five-year regional strategy, with culture often positioned as a transversal or coordinating dimension rather than supported through dedicated operational competences or funding instruments. As a result, practitioners continue to operate largely between national and local policy frameworks that are not always well aligned. National cultural policies tend to prioritise highly professionalised, discipline-specific artistic practices and urban-based institutions, while local authorities often lack the mandate or resources to compensate for these gaps. As one practitioner observed: *"The national level and the local level are not functioning very well together in Iceland… in national policies, they're still focusing on professionalism of a very few artistic kinds of subjects."* Another noted the limits of the regional layer itself: *"There is a regional level, but it does not have strong decision-making power—there's essentially the national level and the local one."*

In contrast, the Azores operate within a layered framework—municipal, regional (autonomous), and EU—offering co-funding opportunities but generating administrative complexity. Practitioners must often translate cultural initiatives into other policy languages, such as tourism or sustainability, to access funding. In Finland, regional councils like Satakunta help coordinate cultural dialogue, but the system still lacks mechanisms for cross-sectoral alignment, especially between culture, innovation and economic policy.

These cases show that multi-level governance can both empower and obstruct. The absence of an intermediary layer limits strategic coordination in Iceland and Latvia, while excessive fragmentation in the Azores requires practitioners to become policy navigators. A more coherent and inclusive governance framework—one that acknowledges the realities of cultural work in non-urban areas—is essential for sustainable cultural development.

6.3 Access to funding and institutional support

While funding is often portrayed as the cornerstone of cultural sustainability, access to it remains profoundly unequal—particularly for non-urban cultural actors whose work does not conform to institutional norms or funders' programmatic categories. Across the IN SITU Labs, interviewees described a pervasive disconnection between available support systems and the operational realities of rural cultural practice. Rather than enabling creativity, funding mechanisms frequently impose barriers—administrative, financial and conceptual—that exclude those without institutional backing, procedural literacy or bureaucratic stamina.

This section examines the layered obstacles cultural practitioners face in securing resources. These include not only the technical inaccessibility of EU funds, but also the rigidity of national and private funding ecosystems, and the absence of support structures capable of translating opportunity into practice. Together, these challenges create a paradox: while cultural policy increasingly acknowledges

the role of CCIs in rural development, the mechanisms through which support is delivered often reinforce centralisation, standardisation and exclusion.

Through grounded testimonies, the analysis reveals how grassroots actors must often compensate for systemic shortcomings—acting simultaneously as creators, fundraisers, administrators and advocates. In doing so, they exhaust the very capacities that policy should be protecting and enabling. Addressing these misalignments requires more than minor adjustments: it calls for a fundamental rethinking of how funding and institutional support are designed, delivered and distributed in territorially diverse cultural ecosystems.

6.3.1 Administrative barriers to EU funding

Despite the promise of support, EU funding remains largely inaccessible to many rural and community-based cultural actors due to administrative burdens and financial constraints. The complexity of applications, the lack of pre-financing and thematic misalignments with local realities disproportionately exclude smaller organisations and non-urban practitioners. These barriers are compounded by a lack of support structures and systemic mismatches between policy design and operational capacity.

Across all IN SITU Labs, the application process is described as overly bureaucratic and draining: *"Time consuming and energy consuming… Complicated"* (Iceland). *"It took so long to do the application for that"* (Ireland). The sheer volume of paperwork and lack of technical assistance are major deterrents, especially in territories where cultural actors operate without institutional support. The burden is even heavier for individuals and small NGOs unfamiliar with complex funding protocols. The pre-financing requirement is seen as a systemic flaw, particularly in Latvia: *"They are not giving any advance payments. You should pre finance the project for the six months (…) the time to get the first payment is approximately 1 year. It's completely impossible for the NGOs."* Such delays are often unmanageable for grassroots initiatives, which rarely have the liquidity to wait a year for reimbursement. The model effectively excludes emerging actors from participation in EU programmes unless alternative funding is available. Positive exceptions like Erasmus+ are mentioned for providing 80% of funding upfront, allowing NGOs to engage without assuming crippling financial risk. However, these are rare, and national or regional co-financing mechanisms are often too limited or poorly coordinated to close the gap. Additionally, there is a disconnect between EU funding priorities and local practice. The language and framing of EU calls often feel misaligned with community-based or cross-sectoral cultural work, making them hard to access even when funding is technically available.

These challenges underscore a paradox: EU funds are intended to be inclusive, yet the design and delivery mechanisms often replicate exclusionary dynamics, especially for those outside capital cities and traditional institutions.

6.3.2 National and private foundation ecosystems

National funding systems often fail to reflect the hybrid, cross-sectoral nature of cultural work in non-urban areas. Organised along rigid thematic or professional lines, many schemes exclude the very forms of interdisciplinary, community-rooted practice that are most relevant in peripheral contexts. This exclusion is further reinforced by urban bias, underdeveloped regional alternatives and informal gatekeeping based on perceived institutional status.

In Iceland, the system is marked by fragmentation and narrow eligibility criteria. Projects that bridge sectors—such as those combining cultural heritage, well-being and tourism—often fall through the cracks: *"There were 100 applications in the last call for that grant, and 70 of them were cultural."* This high demand for limited regional funding underscores the lack of access to national schemes and highlights the centrality of culture in rural development, despite its institutional under-recognition. In Ireland, the Sound and Vision fund is a rare example of a well-aligned national scheme, supporting community-based media through the television license fee.

However, local arts funding can be inaccessible to organisations affiliated with universities or larger structures, even when those affiliations do not guarantee financial support: *"They're like « but you're already in a university. The university should give you money », and they don't always"* (Ireland). In Finland, funding is available primarily through professionalised cultural channels or tightly framed thematic calls. While museum institutions may navigate this landscape, more experimental or informal cultural actors struggle to fit into recognised categories and often lack the status required to secure support.

Together, these cases reflect a common pattern: existing national and private funding mechanisms are poorly adapted to the realities of hybrid, cross-sectoral and community-embedded CCI practices. The need for more inclusive, flexible and territorially sensitive funding models is urgent—especially in regions where culture plays a critical role in social cohesion, innovation and sustainable development.

6.3.3 Absence of support structures

Across the board, cultural actors in non-urban areas face a critical lack of support structures to help navigate administrative complexity. Without access to dedicated mentoring or back-office assistance, they are left to shoulder funding applications, reporting and compliance tasks alone—diverting time and energy from creative work and leading, in many cases, to burnout and project discontinuation. This structural gap disproportionately impacts small organisations, informal collectives and independent artists.

In Iceland, administrative overload was a major factor in the demise of a previously successful international festival: *"They were so exhausted by all the talking to the government, talking to the locals, finding out your venues, and being the one who kind of carried it"* (Iceland). In Latvia, the fear of bureaucracy discourages traditional craftspersons from formalising or scaling their activity: *"They*

don't want to go to the next stage of the development because there is a bureaucracy. There are some papers, and then they are lost." These examples show how paperwork and procedural complexity act as de facto barriers to professionalisation, particularly for older or less institutionally connected practitioners. In Finland, the gap between large and small institutions is pronounced. While museums may have internal capacity to manage calls and compliance, smaller or community-rooted initiatives lack similar support, making it difficult to compete on equal footing. In Ireland, even university-linked entities experience limitations. Despite being embedded in a larger structure, grassroots projects often lack dedicated administrative support, making them vulnerable to missed opportunities.

Throughout the interviews, stakeholders consistently called for intermediary organisations that could absorb part of the administrative workload, help demystify funding systems and offer capacity-building for smaller actors. In the absence of such mechanisms, the burden of navigating complex institutional frameworks becomes a structural disadvantage, limiting the ability of cultural actors in rural areas to access funding, grow sustainably and innovate over time.

6.4 Regional coordination and sectoral fragmentation

Beyond funding and institutional recognition, the capacity of cultural ecosystems to grow, connect and endure depends heavily on how actors are coordinated across territories and sectors. The interviews show that in many non-urban regions, cultural development does not fail for lack of creativity, but for lack of articulation: between municipalities and regions, between cultural policy and tourism or innovation strategies, and between long-term visions and operational mechanisms. Where coordination structures are absent or weak, initiatives remain isolated, vulnerable and often short-lived. Conversely, when regional governance is culturally literate and cross-sectoral collaboration is facilitated, cultural actors gain leverage, visibility and the capacity to scale their work.

The following two subsections examine these dynamics through concrete cases across the INSITU Labs: first by exploring regional coordination gaps, and then by analysing persistent sectoral silos that inhibit horizontal cooperation and limit the transformative potential of CCIs in rural territories.

6.4.1 Regional cultural coordination gaps

The strength—or absence—of regional cultural coordination significantly influences the ability of non-urban areas to scale initiatives, share resources and sustain cultural ecosystems. Regions with clear cultural strategies and culturally informed administrators tend to offer more cohesive and responsive support. Conversely, where the regional level is weak or missing, cultural development remains fragmented and uneven.

In Iceland, regional disparities are stark. The West and East regions stand out for having developed dedicated cultural strategies, a success attributed to cultural expertise within regional administration: *"It is actually quite important to have someone working for the government who actually knows the*

background… and most important, understands the artists" (Iceland). Other regions lack this competence, resulting in fragmented coordination and unequal access to support, especially for grassroots or peripheral actors. In Latvia, the regional tier is functionally absent in cultural governance. Planning and funding occur almost exclusively at the national and municipal levels, reducing the potential for cross-municipal collaboration or regional strategy building. In Ireland, the issue is both administrative and infrastructural. Even in Galway—a former European Capital of Culture—there is a *"remarkable lack of actual cultural centres and spaces."* This suggests a broader failure of integrated regional planning, despite high-profile designations. In the Azores, the regional government holds formal cultural competences, providing a theoretically more coordinated model. However, effectiveness hinges on political will and the ability to align cross-sector agendas, particularly when tensions arise between tourism and culture. In Finland, regions like Satakunta support informal collaboration—notably among museums—through voluntary coordination mechanisms. While useful, these efforts lack the strategic force or resourcing of a formal policy framework.

These cases illustrate that regional governance is not just about administration, but about having culturally literate and strategically empowered intermediaries who can bridge local and national priorities. Without this layer, local initiatives risk remaining isolated and under-resourced, limiting their long-term impact and scalability.

6.4.2 Sectoral silos and weak horizontal links

Despite the inherently cross-sectoral nature of many CCI initiatives, cultural practitioners frequently encounter rigid administrative silos that constrain collaboration with adjacent sectors such as tourism, education, innovation and social services. These barriers are especially visible in non-urban contexts where cross-pollination could be a strategic advantage—but is institutionally unsupported. Nevertheless, some Labs also offer compelling examples of creative circumvention and proactive cross-sectoral design.

In Iceland, the exclusion of cultural projects from tourism funding is emblematic: *"Tourism funding has not yet allocated very much or anything to cultural tourism… It's not categorised or cannot be categorised within their framework."* Attempts to connect local storytelling with tourism were rejected for failing to fit rigid categories. A similar dynamic applies to innovation funding, often defined narrowly in technical or digital terms, side-lining cultural or social creativity. In contrast, Finland's Rauma Maritime Museum illustrates an effective cross-sectoral model, integrating theatre, sound art and visual installations into its heritage programming, transforming a traditional institution into a contemporary cultural hub. In Latvia, the Valmiera Development Agency's makerspace offers a particularly rich example. Bridging technology, entrepreneurship and creative practice, it equips traditional artisans with digital tools: *"It is a makerspace where they try to combine technology, business development and also cultural and creative industries… they teach [crafters] how to take pictures, how to work with social media, how to tell the story behind the product."* In Ireland,

community radio demonstrates functional cross-sectoral engagement—running campaigns around health, education and civic participation—though this work often goes unrecognised by sector-specific funding streams. Even in the Azores, where cultural tourism is a stated priority, practitioners must tailor their projects to fit environmental or innovation agendas, reflecting persistent funding fragmentation.

These situations show that while policy architectures tend to isolate culture, local actors are actively designing integrated approaches. To fully harness the territorial development potential of CCIs, stronger horizontal coordination across sectors is urgently needed.

6.5 Hybrid artistic practices and cultural production

Cultural production in non-urban territories is shaped by a deeply hybrid ethos. In the absence of conventional infrastructures or clearly defined roles, artists and cultural practitioners blend disciplines, functions and sectors—often by necessity, but also as a form of creative and social innovation. This hybridity is not a deviation from professional norms; it is the norm. Practitioners move fluidly between art, education, social work, tourism and entrepreneurship, crafting new formats of engagement that reflect the complex realities of their territories. However, these same hybrid practices remain institutionally unrecognised, underfunded and precarious. The following subsections explore how artistic hybridisation sustains vibrant local ecosystems, while also exposing the structural weaknesses of project-based funding models and the systemic invisibility of multidimensional cultural profiles. Together, these dynamics highlight both the ingenuity and the vulnerability of cultural work in Europe's rural and peripheral areas.

6.5.1 Artistic hybridisation as norm

In non-urban regions, cultural work is inherently hybrid—combining disciplines, sectors and roles. Artists often operate at the intersection of cultural production, education, tourism and community development, driven as much by creative intention as by structural necessity. With limited dedicated infrastructures, versatility becomes a survival strategy. These hybrid practices are not peripheral—they define cultural vitality in these territories.

In the Azores, this hybridity merges heritage with innovation: *"They are taking folklore and are mixing with digital media."* In Finland, the Rauma Maritime Museum embodies cross-disciplinary innovation. While rooted in heritage preservation, it commissions sound art, hosts live theatre and serves as a platform for experimentation, blurring the lines between museum, performance space and artistic incubator. In Latvia, a makerspace initially designed for entrepreneurship has evolved into a cultural catalyst, and has for example hosted the team of the theatre festival in order for them to use the tools of the makerspace to create something. This transformation illustrates the adaptive potential of multi-use spaces when driven by proactive local actors. *"There is this interaction between our makerspace and several different kinds of cultural activities"* (Latvia). In Ireland, community radio practitioners defy

fixed roles. They act simultaneously as broadcasters, cultural producers, educators and community advocates, operating across sectors like health, civic engagement and the arts. In Iceland, new collective rituals—like the public re-enactment of local myths—combine oral storytelling, performance and placemaking, merging artistic practice with territorial identity formation.

These examples demonstrate that hybridisation is not an exception but the default operating mode in non-urban cultural ecosystems. Far from being a compromise, it is a strategic and creative advantage, enabling deeper engagement with communities and opening up new pathways for innovation and impact.

6.5.2 Precarious project-based modalities

Project-based funding is the dominant but fragile mode of cultural work in non-urban areas. Practitioners operate as freelancers, micro-entrepreneurs or educators, juggling multiple roles without long-term contracts, institutional anchoring or financial security. While this model can foster flexibility and experimentation, it also leads to burnout, instability and stagnation—undermining the sustainability of cultural initiatives.

In Iceland, the discontinuation of a successful art festival in Borgarnes, West Iceland, was attributed directly to the unsustainable workload carried by its volunteer organizers: *"They were so exhausted by all the talking to the government, talking to the locals, finding out your venues, and being the one who kind of carried it."* In Latvia, precarity manifests in avoidance strategies. Many handcrafters and small-scale cultural producers choose not to formalise or scale up their practice, fearing the bureaucracy and lack of support tied to institutional development pathways. In Ireland, even structured initiatives like community radio stations face constant uncertainty. Funding is often short-term, tied to specific project cycles and lacks long-term guarantees. Practitioners are forced to diversify their income streams, often blending cultural work with unrelated or unpaid activities to stay afloat.

Across all the interviewees, it was evident that this model imposes an administrative and emotional burden on individuals who must perpetually fundraise, network, apply and deliver—often without institutional backup or compensation for this hidden labour. While project-based modalities allow responsiveness and innovation, their dominance—unaccompanied by stable infrastructure—prevents strategic cultural growth in peripheral territories.

6.5.3 Structural invisibility of hybrid profiles

Hybrid cultural actors—those blending art, education, entrepreneurship and community engagement—are central to rural creative ecosystems, yet remain institutionally invisible. Most public funding systems and policy frameworks continue to operate in rigid silos, failing to recognise or accommodate these multidimensional practices. This misalignment excludes some of the most relevant and dynamic projects from support, statistics and long-term planning.

In Iceland, cultural actors are often excluded from innovation funding due to a narrow, tech-centric definition of the term. One stakeholder critiqued this vision: *"Innovation is just one specific field to where you should be focusing on some kind of a technological breakthrough that might lead to a Unicorn company… it's kind of like a fairy tale vision."* In Latvia, practitioners are forced to conform to predefined categories, limiting the integrated presentation of their work: Artists must "choose a box"—between culture or business—even when their practice spans both. In Ireland, community media initiatives are deeply involved in social outreach, youth work and intercultural dialogue, yet these activities often go unrecognised by traditional arts funding bodies. Their collective and process-based ethos does not align with criteria focused on individual artistic outputs. Even in Finland, where institutional actors like the Rauma Maritime Museum successfully merge contemporary art with heritage preservation, cross-sectoral experimentation remains marginal within official funding or policy frameworks.

The result is a systemic exclusion of hybrid cultural work: the actors struggle to access core funding, are rarely captured in cultural statistics, and are often overlooked in strategic development plans. Yet they are precisely the practitioners enabling local innovation, cultural relevance and cross-sectoral collaboration in non-urban areas. Recognizing and structurally supporting hybrid profiles is essential to building inclusive and future-facing cultural policies across Europe's peripheral regions.

6.6 Positive practices and emerging workarounds

Non-urban cultural ecosystems nonetheless demonstrate remarkable ingenuity in sustaining creativity and innovation. Across the IN SITU Labs, practitioners are not only adapting to systemic limitations—they are actively reshaping their environments through new institutional alliances, grassroots inventiveness and tactical navigation of policy frameworks. The examples that follow reveal how cultural vitality persists even in conditions of scarcity: through partnerships that stabilise creative work over time, through informal and entrepreneurial resilience strategies developed from below, and through clever repositioning of cultural projects within funding and governance regimes not designed to accommodate them. Together, these practices illustrate a form of *territorial intelligence*—a capacity to work with, around and sometimes against the system, generating cultural impact despite structural constraints. They also highlight where policy intervention could amplify what already works, reducing the need for workaround strategies and allowing innovation to flourish with greater stability and recognition.

6.6.1 Institutional anchoring of innovation

Across the IN SITU Labs, several key institutions act as stable platforms that support and amplify cultural innovation. Whether through municipalities, universities, museums or development agencies, these anchor institutions bridge grassroots creativity with broader policy systems, offering legitimacy,

resources and continuity in otherwise fragmented ecosystems. They play a crucial intermediary role, particularly in rural and non-urban contexts.

- **University–Art interface** – In Rauma, Finland, the Rauma Maritime Museum collaborates with the Department of Teacher Education at the University of Turku because both are "practically next door." The museum has started to collaborate with a student group from the University of Turku. This allows embedding artistic and heritage practices into academic curricula.
- **Municipality-led programming** – In Valmiera, Latvia, the municipality's strong cultural engagement has fostered an active makerspace within the Valmiera Development Agency. This space is a hub for traditional crafts, entrepreneurship and digital innovation, helping local artisans adapt to new markets and tools.
- **Community media within university structures** – In Galway, Ireland, a community radio station embedded in a university, acts as a space for civic participation, youth engagement and creative broadcasting. While not always institutionally supported, its university affiliation grants it access to resources and legitimacy, particularly through student collaboration.
- **Rural innovation centre as connector** – In West Iceland, the GLEIPNIR Innovation Centre serves as a bridge between culture, tourism and sustainability, offering a home for interdisciplinary work. While not designed solely for cultural purposes, it provides institutional cover for projects that fall outside traditional categories.
- **Regional government as cultural driver** – In the Azores, the autonomous regional government enables medium-term planning for cultural initiatives that link heritage, sustainability and creative industries. Despite bureaucratic hurdles, its dedicated cultural agencies create pathways for regional-scale innovation.

These examples show that institutional anchoring enables long-term cultural impact. By embedding creative practices within stable structures, these partnerships allow practitioners to scale their work, attract diverse funding and engage in strategic development. In regions where infrastructure is scarce and cultural work precarious, such alliances are vital for resilience and growth.

6.6.2 Grassroots mechanisms of resilience

In the absence of robust institutional support, cultural resilience in non-urban areas is often sustained through informal networks, entrepreneurial tactics and personal initiative. These grassroots mechanisms reflect a blend of adaptability, local knowledge and self-reliance. They are not just coping strategies but functional alternatives to missing infrastructure, enabling cultural actors to create, connect and sustain their work despite structural precarity.

We found several examples:

- **Informal collectives** – In towns like Rauma (Finland) and Valmiera (Latvia), cultural actors rely on dense personal networks to access opportunities, share resources and bypass bureaucratic bottlenecks. These trust-based systems are agile, effective and tailored to local realities, often compensating for the absence of formal intermediaries.
- **Micro-entrepreneurial models** – In West Iceland, some artists build cultural activity into broader livelihood strategies. One practitioner, for example, runs a hostel to finance his artistic work: *"It's a hostel, and he uses the income to do cultural stuff. He doesn't need to apply for money; he just does it."* This self-financing approach creates autonomy from precarious grant systems while anchoring cultural work in the local economy.
- **Civic broadcasting as cultural infrastructure** – In Galway, Ireland, community radio acts as a multifunctional cultural platform. With minimal resources, the station engages volunteers and community groups in its programming, combining cultural production, education and civic engagement.
- **Multi-role practitioners** – In the Azores islands, Portugal, cultural actors often wear multiple hats—organizing, teaching, producing and promoting—to ensure project viability. This multitasking is both a sign of vulnerability and a testament to local ingenuity and adaptability.

These examples form an ecosystem of distributed resilience. While often invisible to formal cultural policy, they play a vital role in sustaining cultural life in marginal territories. However, they rely heavily on personal commitment and carry long-term risks of burnout and exclusion, highlighting the urgent need for institutional recognition and structural support.

6.6.3 Strategic navigation of systems

Faced with rigid institutional frameworks, cultural actors in non-urban areas demonstrate a high degree of strategic adaptability. Across the IN SITU Labs, practitioners are not just surviving within bureaucratic constraints—they are actively repurposing, reframing and negotiating systems to sustain hybrid and locally meaningful cultural practices. These workarounds expose not only gaps in existing policy design but also the creativity and system literacy of grassroots actors.

- **Leveraging regional development frameworks** – In Valmiera, Latvia, an entrepreneurship-focused NGO strategically expanded its mission to include support for CCIs. By embedding a creative track in its startup incubator and transforming a makerspace into a cultural hub, the organisation inserted cultural activity into economic development policy: *"It is a makerspace where they try to combine technology, business development and also cultural and creative industries… they teach [crafters] how to take pictures, how to work with social media, how to tell the story behind the product."*
- **Creative repurposing of funding** – In Galway, Ireland, a community radio station uses the Sound and Vision fund not only for programming but to support a Training and Outreach

Officer—a role that helps anchor long-term community engagement: "*That's the money that pays for the Training and Outreach Officer… even though it's a radio content fund, that's where we're getting the funds from.*"

- **Institutional flexibility through co-design** – At the Rauma Maritime Museum, Finland, collaboration with funders allows project goals to be co-articulated as both educational and heritage-driven, expanding eligibility for support beyond traditional cultural grants: *"We try to learn from each other and that's why the strongest partnerships we have in the Rauma* region are with the other professional museums."

These strategies demonstrate a systemic creativity that should not be mistaken for opportunism. Rather, they underscore a profound understanding of how policy architectures function—and fail—in practice. The challenge for policymakers is to recognise and institutionalise this hybridity, rather than leaving it to be improvised at the margins.

6.7 Policy disconnects and innovation potential

While cultural activity in non-urban areas is marked by hybridity, community engagement and cross-sectoral experimentation, public policy frameworks often lag behind—structured around narrow definitions of art, rigid sectoral boundaries and urban-centric assumptions. Across the IN SITU Labs, this misalignment emerges as a major obstacle to sustainable cultural development. Practitioners frequently confront institutional blind spots, exclusion from funding and bureaucratic inflexibility that fail to reflect the realities of rural and semi-rural cultural ecosystems. Yet, within these gaps also lie significant opportunities. Certain municipalities, infrastructures and cross-sector initiatives are already functioning as quiet incubators of innovation, suggesting that systemic change may not require entirely new models—but rather smarter use of existing ones. This section examines both the disconnects and the latent openings, revealing where policy reform could unlock the full transformative potential of culture in non-urban territories.

6.7.1 Misalignments between practice and policy

There is a deep and recurrent disconnect between how culture is practiced on the ground in non-urban areas and how public policies envision and support culture. Across the IN SITU Labs, cultural actors describe institutional frameworks—especially at the national level—that favour urban, professionalized and discipline-bound arts, while marginalizing rural, community-based, hybrid or experimental practices. This misalignment limits the potential of creative and cultural initiatives to contribute to territorial development.

- **National policy blind spots** – Cultural policies often reflect a narrow, urban-centric vision. In **Iceland**, for example, funding and support systems heavily favour formally trained, metropolitan artists and conventional artistic disciplines. As one practitioner in Iceland puts

it: *"On the national level, this is what we're stuck with. We're stuck with very focused professional emphasis in funding."* This creates a structural bias against grassroots, experimental, socially engaged or process-based cultural work, which rarely aligns with those standards.

- **Structural exclusion of hybrid models** – Because national and EU funding systems are organised along strict sectoral lines (culture, tourism, innovation, social, etc.), hybrid initiatives that blend heritage, education, entrepreneurship and community work often don't fit any one category—and are therefore systematically excluded. In Latvia, practitioners may have to choose between presenting as "artist" or "entrepreneur." In Ireland, community radio stations active in social outreach, intercultural dialogue or education struggle to find funding that matches the full scope of their work.
- **Administrative inertia and bureaucratic limitations** – Even when formal institutions such as museums or local authorities are open to collaboration, bureaucratic rigidity can prevent support for innovative or cross-sectoral projects.

These misalignments are not merely technical. They reflect a conceptual lag: policy frameworks still view culture as individual artistic output, rather than as a cross-sectoral, community-embedded force with social, educational, economic and territorial value. As a result, many culturally and socially relevant practices remain under-recognised, under-funded or invisible—undermining both the vitality of local cultural ecosystems and the transformative potential of culture in peripheral territories.

6.7.2 Systemic openings

Amid policy–practice misalignments, several "systemic openings" signal where innovation is emerging or could be scaled up. These include proactive municipalities, underutilized infrastructures and cross-sectoral alignments—indicating that more integrated territorial cultural ecosystems could be fostered not by creating new institutions, but by reconfiguring existing ones.

- **Local governance experimentation** – In Valmiera, Latvia, the municipality plays a central role in linking culture, entrepreneurship, and education through its support for the makerspace and its cooperation with the Valmiera Development Agency. *"It is a makerspace where they try to combine technology, business development and also cultural and creative industries."*
- **Innovation centres as latent cultural anchors** – Institutions like GLEIPNIR in West Iceland, while focused on business and technology, could be reframed as cultural infrastructure. Though not yet configured to support CCIs, they offer platforms that can bridge longstanding silos.
- **Environmental policy as cultural opportunity** – Cultural actors in the Azores, Portugal, hint that sustainability frameworks could be mobilized to fund or frame cultural heritage projects—especially where regional policy aligns with environmental priorities.

- **Civic infrastructure as soft anchoring** – In Galway, Ireland, Flirt FM and other community radios serve as de facto cultural infrastructure. Though outside formal funding streams, they enable artistic experimentation, inclusion and youth engagement, suggesting their potential as low-threshold cultural anchors.
- **Educational and museum interfaces** – In Finland, the Rauma Maritime Museum's partnership with the University of Turku creates a hybrid institutional platform for experimental heritage work and education.

These openings suggest that territorial cultural innovation does not require wholesale structural change, but rather strategic recognition, coordination and adaptation of existing institutions. They offer a foundation for building resilient, locally relevant and hybrid cultural ecosystems beyond metropolitan centres.

7 The IN SITU Workshops

The interviews provided a grounded understanding of lived practices, constraints and adaptive mechanisms shaping cultural work in non-urban areas. The workshop phase of this research widened the lens—bringing practitioners, policymakers, funders and institutional representatives into direct dialogue. These collective discussion spaces served not only as validation mechanisms for research findings, but as arenas of co-construction, where ideas could be tested against institutional reality and translated into policy language.

Two major moments structured this phase:

- The **September 2025 focus group** gathered participants from the six IN SITU Lab territories, aiming to refine emerging recommendations from fieldwork while capturing diverging experiences across local contexts. Issues such as governance models, intermediary support, funding continuity, public space and participation were explored through facilitated debate, generating insights into both structural obstacles and practical levers for action.
- A month later, the **October 2025 policy workshop** shifted scale and perspective—engaging European Commission representatives, cultural agencies, regional authorities and networks. Here, the goal was not only to present findings, but to assess feasibility, institutional resonance and the potential for uptake in EU programmes. Discussions highlighted persistent governance asymmetries, the precariousness of intermediaries, gaps in cross-sector cooperation, and the urgent need for more nuanced evaluation systems reflecting the qualitative impact of rural culture.

Together, the workshops functioned as spaces of negotiation, translation and strategic alignment. They sharpened the understanding of where policy fails, where change is emerging, and where concrete reform is most achievable—laying the groundwork for the recommendations developed in Part 4 of this report.

7.1 Focus group – September 2025: Cultural policy recommendations at the national and regional levels

The September 2025 Focus Group marked a pivotal step in refining the IN SITU policy recommendations by testing their relevance and applicability with stakeholders from various governance levels. It gathered practitioners, intermediaries, local and regional authorities and researchers to assess both strategic objectives and concrete mechanisms. Structured around a shared introduction and two thematic breakout sessions, the discussion explored governance, institutional roles, participation, funding and public space in non-urban cultural policies. The following sections present the focus group's design and key insights (see also Annex 10).

7.1.1 **Strategic** objectives and design of the focus group

The September 2025 Focus Group was strategically conceived as a key participatory moment to refine, test and validate emerging cultural policy proposals directed at national and regional authorities. This initiative aimed to ensure that recommendations are grounded in real-world constraints, opportunities and aspirations expressed by practitioners, civil servants, artists and policymakers directly involved in non-urban cultural development across the six IN SITU regions.

The core objectives of the focus group were twofold:

- *Refinement of proposals:* Assess whether the initial policy recommendations (on funding mechanisms, institutional support, intermediation and inclusive cultural infrastructure) were perceived as useful, realistic and adaptable in different national and local contexts.
- *Contextual feedback:* Capture localised challenges, practices and innovations to adjust policy framing and improve feasibility across diverse non-urban territories.

The focus group was organized in a structured hybrid format and included participants from all six IN SITU Lab regions. The session was divided into two parts: a plenary introduction outlining the scope of the workshop and the draft policy areas under review, followed by breakout rooms focusing on two thematic pillars: "Governance, Institutions, and Intermediaries" (Breakout room 1) and "Policy Proposals: Community Participation, Funding Continuity, and Public Spaces" (Breakout room 2).

Each breakout room was facilitated by members of the research team and featured open discussions guided by predefined prompts derived from the initial policy proposals drafted in the months prior.

The intention was to provoke not only critique but also generative thinking about how to tailor proposals to the multi-level realities of cultural governance in Europe.

Additionally, the focus group was designed to respond to key methodological concerns raised throughout the IN SITU project regarding how to engage seldom-heard communities, strengthen bottom-up cultural ecosystems and support intergenerational, intercultural and cross-sectoral dialogue through policy tools.

Importantly, the workshop was an opportunity to explore how artistic and cultural practices intersect with broader social innovation goals, such as well-being, sustainability, youth engagement and decentralisation of power. As such, the format included time for both structured discussion and informal exchanges to capture the nuanced perspectives of practitioners.

Pre- and post-workshop documents (briefings, participant feedback, and written contributions from Finland and the Azores) were included to triangulate findings and enhance the robustness of the synthesized outcomes. This ensured the final recommendations would reflect both live exchange and asynchronous, reflective input.

The ultimate strategic goal was not merely validation of proposals but co-creation—embedding stakeholder perspectives into the DNA of the policy drafting process. This participatory logic aligns with IN SITU's broader objective: to advance equitable, place-based cultural policy capable of responding to the structural inequalities and innovation potentials of non-urban territories.

7.1.2 Breakout room 1: Governance, institutions, and the role of intermediaries

The discussions in Breakout Room 1 illuminated the complex interplay between cultural governance models, institutional configurations and intermediary actors in shaping non-urban cultural ecosystems. Participants included local policymakers, cultural operators and researchers, whose testimonies underscored both the structural fragmentation and the emergent synergies within these environments.

One of the main themes to emerge was the need for polycentric governance models—structures that go beyond vertical, top-down cultural policy implementation and instead support horizontal collaboration between local authorities, civil society and intermediary actors. Participants emphasized the limitations of centralized decision-making, noting how national frameworks often overlook the specificities and resource limitations of rural and semi-rural areas. In contrast, locally embedded institutions—such as municipal cultural offices, libraries and cultural foundations—were cited as being more agile and responsive to the evolving needs of their communities.

Intermediaries—including regional cultural agencies, independent curators, artist collectives and hybrid cultural professionals—emerged as vital connectors in these ecosystems. They serve not only

to mediate between grassroots initiatives and public institutions, but also to foster continuity, capacity-building and inter-sectoral dialogue. In several situations, intermediaries played a key role in initiating cross-regional cooperation, curating long-term participatory projects or facilitating public consultation processes. However, participants also pointed to the precarious status of many intermediary figures and the lack of formal recognition and support for their work within institutional frameworks.

A recurrent challenge identified was the temporal misalignment between institutional agendas and the pace of cultural development in non-urban areas. Public institutions often operate within short-term political or funding cycles, while cultural transformation—especially when tied to participation and community development—requires sustained, multi-annual engagement. The conversation stressed the importance of policy instruments that ensure institutional continuity beyond electoral cycles and promote long-term, embedded cultural strategies.

Another important insight concerned capacity asymmetries between institutions. While some local authorities (such as those in Ireland or Finland) have developed robust, cross-sectoral cultural governance teams, others (particularly in more peripheral or economically disadvantaged areas) lack the administrative capacity, funding or policy expertise to implement even modest cultural initiatives. This unevenness limits the scalability and replicability of good practices across regions.

Participants further advocated for a broader conceptualisation of cultural governance, one that integrates principles of democratic participation, cultural rights and environmental sustainability. In this vision, governance is not limited to policy enforcement but includes co-design processes, accountability mechanisms and learning platforms that actively involve cultural practitioners and community members in shaping local cultural futures.

Overall, the discussions in Breakout Room 1 confirmed that effective governance in non-urban cultural contexts hinges on the creation of relational infrastructures—formal and informal networks that enable trust, dialogue and shared responsibility between diverse actors. Institutional innovation, recognition of intermediaries and support for decentralized models were seen as key conditions for building more resilient and inclusive cultural territories.

7.1.3 Breakout room 2: Policy proposals: Community participation, funding continuity, and public spaces

Participants in Breakout Room 2 focused on the operational and structural conditions that influence cultural production and participation in non-urban regions, with a special emphasis on funding models, the use of public spaces and inclusive practices. Participants highlighted systemic challenges as well as innovative approaches already in place within their territories.

One of the central issues discussed was the rigidity and short-term nature of existing funding schemes. There was a consensus that current models—especially those relying on annual project-based calls—are ill-suited to the long-term, relational and process-based work that characterises much cultural activity in non-urban areas. Participants advocated for multi-year funding streams that offer stability, continuity and the possibility to build meaningful relationships with local communities. These extended timelines are also crucial for fostering trust and collaborative dynamics among stakeholders.

The concept of micro-funding emerged as a particularly promising tool. It not only empowers local actors but also facilitates decentralized decision-making and the emergence of context-specific initiatives. Inspired by cascading grant models, micro-funding enables small collectives or artists to access modest sums of money, often with flexible criteria and rapid deployment. Some participants shared examples where local authorities entrusted intermediary organisations or artist-led groups with micro-budgets that could be redistributed based on proximity, relevance or experimentation.

A complementary theme was the importance of recognizing and funding the "process" over the "product." This approach helps lower barriers for non-professional or community-based groups, enabling broader access to cultural creation and fostering innovation outside conventional artistic hierarchies. Several participants, notably from Ireland, described funding frameworks—such as those developed through the Creative Ireland programme—that prioritise community participation, artistic process and well-being, rather than final outputs.

Inclusive spatial practices also formed a major strand of the discussion. The group explored the use of "third spaces"—libraries, town halls, museums and community centres—as hubs for cultural activity. Participants stressed that making these spaces freely available and welcoming can dramatically increase participation, especially when they are reimagined as informal, multifunctional and open to a diversity of uses.

The value of designing cultural infrastructure that is accessible both physically and socially was emphasized. For instance, in very rural or archipelagic territories like the Azores, lack of transport infrastructure is a major barrier to access. Participants from Portugal and Finland stressed the need to integrate mobility solutions into cultural planning, particularly for children, youth and elderly residents.

Connections with education were also discussed as a lever for long-term impact, which strengthens cultural literacy, builds future audiences and roots artistic practices in local communities. Several municipalities now embed cultural activities into school programmes or require grantees to design workshops for students.

Finally, the discussion turned to the importance of experimentation and risk-taking. Participants advocated for a shift away from metrics focused solely on measurable outputs toward more qualitative and narrative forms of evaluation, such as testimonials, process documentation and peer reflection. Supporting projects that are exploratory, artistic or even unfinished were seen as crucial to nurturing innovation.

In sum, participants in Breakout Room 2 called for adaptive, participatory and process-oriented funding and infrastructural models that empower local actors, reduce bureaucratic constraints and support inclusive, territorially grounded cultural practices.

7.2 Policy Workshop – October 2025

7.2.1 Objectives and strategic framing of the workshop

The IN SITU workshop held on October 7, 2025, was designed as a policy-oriented deliberative exercise (see Annex 11), strategically embedded in the final phase of the project. Its main objective was to test the relevance, operational feasibility and institutional resonance of the emerging policy recommendations from IN SITU's field-based research. This research has been grounded in six non-urban territories across Europe, with extensive interviews, case studies and observations informing a nuanced understanding of the Cultural and Creative Industries (CCIs) operating in rural and semi-rural settings.

Rather than a classic consultation, the workshop was intentionally structured as a co-creation forum, combining analytical framing with open-ended discussion. The session brought together policymakers (European Commission representatives from DG EAC: Directorate-General for Education, Youth, Sport and Culture, DG AGRI: Directorate-General for Agriculture and Rural Development, DG REGIO: Directorate-General for Regional and Urban Policy, and DG EMPL: Directorate-General for Employment, Social Affairs and Inclusion)), transnational networks (Organisation for Economic Co-operation and Development [OECD], European Network of Cultural Centres [ENCC]), national funding intermediaries (Creative Europe Desks) and cultural policy researchers. This deliberate heterogeneity aimed to bridge different levels of governance and domains of expertise.

The workshop methodology was designed to align with IN SITU's participatory and place-based research ethos. It combined plenary presentations—to introduce the emerging recommendations and contextual framing—with thematic breakout sessions that enabled more focused, interactive discussion among diverse stakeholders. Each breakout room was co-facilitated by members of the IN SITU research team and discussions were structured around pre-circulated guiding questions derived from previous fieldwork and policy analysis. Additionally, visual presentations and summary documents were used to support participant engagement, while note-taking and synthesis protocols

ensured systematic capture of discussions. This approach balanced structured input with open deliberation, allowing for both validation and refinement of policy directions.

The session was framed by a recognition of persistent asymmetries in access, visibility and influence between urban and non-urban cultural actors.

The workshop aimed to:

- **Expose** policy professionals to ground-level insights collected through interviews and focus groups in the six IN SITU Labs.
- **Confront** project recommendations with institutional expectations and constraints, assessing their feasibility across policy scales.
- **Identify** missing or misaligned elements in current EU programmes and national frameworks that limit the inclusion of non-urban CCIs.
- **Foster** mutual understanding and alignment between cultural practitioners and decision-makers through facilitated breakout sessions.

The event format mirrored the IN SITU project's own methodology: participatory, embedded and multi-scalar. By combining plenary framing with focused discussions in two breakout rooms, the workshop provided a space for both deep thematic exploration and cross-sectoral synthesis. The intentional inclusion of both institutional stakeholders and practice-based organisations created a dialogical environment where emerging policy narratives could be stress-tested, nuanced and improved.

Ultimately, the workshop represented a turning point: from diagnostic research to policy-oriented synthesis, from field observation to strategic influence. It also embodied IN SITU's broader commitment to bridging innovation ecosystems with public policy agendas, not through linear transfer but through reciprocal negotiation and institutional learning.

7.2.2 Breakout room 1: Governance, intermediation, and territorial justice

This breakout room focused on structural governance dynamics, the role of intermediary organisations and the need for new mechanisms that address spatial inequality and institutional asymmetry in cultural policy. Participants included European Commission officers (notably from DG REGIO: Directorate-General for Regional and Urban Policy and DG AGRI: Directorate-General for Agriculture and Rural Development DG REGIO and DG AGRI), regional development experts and cultural practitioners who brought both macro-policy and territorial perspectives into dialogue.

7.2.2.1 Revealing structural disconnections

Participants broadly acknowledged that the current governance architecture fails to adequately reflect the territorial diversity of cultural innovation. Non-urban creative actors often operate in

contexts where access to public resources is limited, intermediaries are fragile or underdeveloped, and visibility in policy debates is minimal.

Despite the increasing recognition of CCIs in EU narratives, participants agreed that rural cultural stakeholders are frequently invited into policy frameworks only at the last stage, in a consultative rather than co-decisional capacity. One DG REGIO representative noted: *"We have tools, but no pathways. Rural cultural actors don't know how to enter the system—and the system doesn't always want to be entered."* This asymmetry, both informational and political, was identified as a core barrier to cultural policy alignment and territorial equity.

7.2.2.2 Intermediaries as critical infrastructure

One of the central threads of discussion was the undervalued but crucial role of intermediary organisations. These include regional cultural platforms, innovation hubs, local NGOs and municipal agencies that bridge the gap between individual cultural actors and larger funding or policy systems. Participants stressed that intermediaries:

- Translate policy language into operational logic;
- Provide administrative and strategic support for small players;
- Build coalitions across sectors and disciplines; and
- Mediate between top-down programme design and bottom-up needs.

Several participants cited creative hubs, rural cultural labs, and local LAG-type associations as functioning examples, but they also underscored their fragility: underfunded, project-based and structurally insecure. The idea emerged that **policy should not treat intermediaries as "bonus actors" but as pillars of sustainable cultural governance, warranting targeted funding, capacity-building and long-term institutional support**.

A particularly resonant suggestion was to create a new category of funding recipient—one that reflects the hybrid nature of intermediaries (part creative actor, part development agency, part capacity-builder). This could be integrated into Creative Europe or even LEADER, providing ecosystem-level continuity rather than only project-level support.

7.2.2.3 Temporal mismatches and project fatigue

Multiple speakers noted a profound mismatch between the temporal logic of policy instruments (short-term, milestone-driven) and the slow, cumulative nature of cultural ecosystem development in rural areas. Cultural work in these contexts often focuses on rebuilding trust, reactivating dormant spaces or forging new social compacts—activities that require time, continuity and repeated engagement.

One participant expressed concern over what they termed “pilotitis”: the proliferation of small-scale, exploratory projects that generate learning but rarely institutionalise outcomes. The result is often fragmentation, burnout and cynicism among cultural actors. Several voices called for:

- Longer funding cycles (multi-annual frameworks);
- Core operational support instead of only activity-based grants; and
- Mechanisms for scaling and embedding experimental formats that prove valuable.

7.2.2.4 Rethinking innovation through the lens of continuity

In rural CCIs, innovation often takes the form of restoration, reconnection and revaluation—of places, traditions and relationships. These modes of innovation are not well captured by existing metrics or priorities. This noteworthy contribution came from a policy researcher who challenged dominant EU narratives equating innovation with novelty or technological advancement.

A proposed policy shift was **to broaden the EU definition of innovation** to include:

- Social and cultural resilience,
- Heritage-based experimentation,
- Vernacular and ecological knowledge systems, and
- Multi-generational engagement and transmission.

This reframing would allow rural actors to operate on their own terms, rather than imitating urban or digital-first models of cultural entrepreneurship.

7.2.3 Breakout room 2: Cross-sectoral potential and evaluation practices

This breakout session engaged a diverse mix of participants from EU institutions (notably DG EAC: Directorate-General for Education, Youth, Sport and Culture, and DG EMPL: Directorate-General for Employment, Social Affairs and Inclusion DG EAC and DG EMPL), national intermediaries such as Creative Europe Desks, regional development agencies and independent cultural practitioners. The conversation focused on the cross-sectoral roles played by cultural actors, the misalignment of funding instruments, and the challenges in measuring the social value of creative work in non-urban settings.

7.2.3.1 Culture as an integrator across sectors

Participants opened the discussion by recognising **that rural and semi-rural cultural work rarely occurs in isolation**. Instead, it **consistently interacts with other domains**—such as youth engagement, tourism, education, environmental sustainability and public health. The creative field in these regions is not a standalone sector but a connective tissue within the local development fabric.

One policy advisor highlighted how **cultural actors often serve as de facto mediators**: *"They're the ones creating bridges where no formal policy cooperation exists—between teachers and farmers, seniors and young migrants, tour operators and heritage activists."*

This integrative role was said to be both powerful and invisible. While cultural practitioners are often expected to generate impacts across multiple sectors, policy instruments are not designed to reward or enable this intersectionality. Programmes like Creative Europe, Erasmus+ and LEADER were cited as rarely working in tandem, despite overlaps in thematic priorities (e.g., inclusion, sustainability, youth development).

A strong recommendation emerged: **EU funding should formally incentivise cross-sectoral consortia, not just tolerate them**. This could be done through:

- Joint calls from different DGs,
- Thematic synergies across programmes (e.g., Creative Europe + Erasmus+), and
- Regional envelopes for interdepartmental partnerships.

7.2.3.2 Barriers to access: A literacy and infrastructure gap

Another key theme was the **structural inaccessibility of EU funding mechanisms for small or peripheral cultural organisations**. While many schemes technically permit non-urban participation, participants described a persistent set of barriers:

- Linguistic complexity (especially in English-dominant platforms);
- Administrative burdens that outstrip the capacity of small teams;
- A lack of matchmaking infrastructure for building consortia; and
- Low liquidity, making co-funding and reimbursement models impractical.

One participant noted: *"Even when we understand the rules, we don't have the hours or the accountants. We're doing this on top of everything else."* **The need for intermediary support services—helpdesks, template sharing, low-threshold grants—was widely endorsed**.

Participants also called for **an equity lens in programme design**. Rather than applying uniform rules to all applicants, **EU schemes could differentiate by capacity level, offering simplified procedures for organisations with fewer than five employees, limited funding history or remote geographic location**.

7.2.3.3 The challenge of evaluating impact in rural contexts

Perhaps the most consistently raised issue was the **misalignment between funders' evaluation frameworks and the actual impact of rural cultural work**. Whereas funding programmes tend to focus

on numerical outputs—audience size, economic return, visibility metrics—practitioners described their success in relational, emotional and community terms.

As one cultural worker put it: *"Our best outcomes are invisible: trust built over months, a teenager finding their voice, an elder sharing their story for the first time."*

Participants advocated for **the development of alternative evaluation models** rooted in:

- Storytelling and testimony;
- Participatory monitoring involving local communities; and
- Longitudinal feedback, not just final reports.

There was a **strong consensus that impact measurement should be co-designed, not externally imposed**. This means **involving practitioners** in shaping what "success" looks like from the outset and acknowledging that cultural value cannot be reduced to KPI dashboards.

A Creative Europe Desk officer suggested integrating a "self-reflection module" into EU-funded projects, allowing for narrative-based reporting alongside financial tracking. Others proposed the use of case study archives, shared across projects and regions, to illustrate non-quantifiable but transformative impacts.

7.2.4 Plenary reflections and strategic convergence

The concluding plenary brought together insights from both breakout sessions, allowing participants to reflect on shared concerns, articulate cross-cutting needs, and explore opportunities for institutional alignment. What emerged was a **clear convergence around four strategic areas**, each pointing to systemic challenges and actionable opportunities for future policy design.

7.2.4.1 Institutionalising intermediaries and ecosystem anchors

Across both groups, a recurring theme was the **indispensable role of intermediaries**—organisations that provide technical, strategic, and connective support to cultural actors, especially in low-density or resource-scarce environments. These include:

- Local development agencies,
- Cultural labs or hubs,
- Rural arts centres, and
- Municipal coordination offices.

Participants noted that while these actors are often the **primary enablers of participation in EU programmes**, they remain **structurally invisible in funding frameworks**. The plenary highlighted the need for EU programmes (notably Creative Europe, Horizon Europe and LEADER) to create dedicated

tracks or budget lines for these "ecosystem anchors," recognising them as both delivery mechanisms and innovation drivers.

Moreover, some participants advocated for an **EU-wide mapping and benchmarking initiative** to better understand the typologies and trajectories of such intermediaries. This would allow policymakers to design **tailored support schemes** that address their specific vulnerabilities (e.g., funding volatility, human resource constraints, policy misrecognition).

7.2.4.2 Enhancing policy coherence across governance levels

A strong plea was made for **multi-scalar governance mechanisms** that can ensure consistency and coherence between local needs, regional frameworks and EU-level instruments. Several participants noted that while EU discourse now widely acknowledges rural creativity, this recognition does not yet translate into **operational alignment across departments, ministries or programme logics**.

A participant from DG AGRI emphasised the importance of "**policy bridges**," such as regional cultural forums or inter-DG coordination platforms, where sectoral silos can be overcome. Others called for "**territorial policy attachés**" or regional liaison officers who can translate EU strategy into local language and practices, and vice versa.

This section of the plenary framed **co-governance not as a normative ideal but as a pragmatic necessity**. Without mechanisms that allow feedback loops and contextual flexibility, policy implementation risks reproducing the very inequalities it seeks to address.

7.2.4.3 Reframing evaluation as co-constructed meaning-making

Echoing themes from Breakout Room 2, plenary participants underlined the inadequacy of current impact measurement systems. The dominant evaluation tools (e.g., KPIs, logframes, audit-style accountability) are poorly suited to **process-based, relational and affective forms of cultural work**, especially in rural settings.

Rather than opposing accountability, participants proposed a **paradigm shift**: from evaluation as surveillance to **evaluation as dialogue**. This would involve:

- Co-designing evaluation indicators with practitioners,
- Allowing for narrative and experiential reporting, and
- Supporting peer learning and inter-case comparison across regions.

There was particular interest in **"reflexive reporting" frameworks**, where grantees not only describe outcomes but reflect on process, learning and unanticipated effects. Such approaches were said to be more aligned with the **ecological temporality** of rural cultural work, where impact often unfolds over years, not months.

7.2.4.4 *Supporting access as a dynamic, continuous process*

Finally, the plenary redefined access not as a binary (eligible/ineligible) but as a **continuum of capacity and inclusion**. This perspective reframes access as a dynamic process—one that requires **ongoing investment in organisational literacy, infrastructural support and trust-building**.

Participants called for:

- **Simplified application and reporting procedures** for small or first-time applicants;
- **Mentorship schemes** linking experienced and emerging cultural actors; and
- **Technical support platforms** embedded in local or regional ecosystems.

The group concluded that **access must be relational, not procedural**. It is not enough to open the door; many actors need **guides, scaffolding and time** to step through it and participate meaningfully.

8 Recurring themes and cross-cutting issues: A general assessment

This chapter provides a synthesis of recurring themes and cross-cutting issues emerging from the various interactions with stakeholders, including the interviews, workshops and focus groups. It reflects on the broader implications of the findings, highlighting structural patterns, governance challenges and policy gaps that affect CCIs in non-urban areas. By consolidating these observations, the general assessment serves as a bridge between empirical insights and the formulation of integrated, place-sensitive policy recommendations.

8.1 Global synthesis of the interviews

The interviews conducted with cultural practitioners across the IN SITU Lab territories in 2025 provide a vivid, grounded counterpoint to top-down narratives about innovation in non-urban areas. These conversations illuminate the real conditions under which culture is produced, sustained and transformed in non-urban and rural regions of Europe. What emerges is a nuanced portrait of cultural ecosystems defined by creativity, adaptability and deep community engagement—yet constrained by systemic misalignments, funding gaps and institutional blind spots.

8.1.1 Embedded, hybrid and under-recognised actors

A defining feature of the interviewed practitioners is their embeddedness in place. These are not transient actors but long-term residents who have cultivated cultural practices through sustained relationships with local communities, histories and institutions. They frequently wear multiple hats—simultaneously artists, educators, producers, mediators and entrepreneurs. Hybridization is not an anomaly but the norm, shaped as much by creative ambition as by structural necessity in resource-constrained contexts.

However, this hybridity remains largely invisible to institutional frameworks. Funding bodies, policy regimes and statistical instruments often fail to recognise actors who operate across artistic, educational, entrepreneurial and social domains. As a result, some of the most relevant cultural work in peripheral areas remains under-supported and under-documented.

8.1.2 Fragile governance landscapes and the role of local authorities

Governance relationships vary widely across territories, shaping both opportunity and constraint. In some cases, such as Valmiera (Latvia), municipalities act as proactive enablers of cultural development, linking cultural activity to broader strategies in education, entrepreneurship and youth engagement. In others, like Iceland or Ireland, engagement is fragmented or minimal, with local authorities lacking clear cultural mandates or the capacity to meaningfully support grassroots actors.

Where regional governance is weak, emerging, or insufficiently resourced, strategic coordination tends to falter. In Iceland, for example, a regional coordination system was introduced after the 2008 financial crisis to improve alignment between state and municipal levels. While it has a statutory role in formulating five-year regional strategies, this system remains underfunded and has yet to prioritise culture in a sustained or structured way. Consequently, cultural practitioners still face fragmented support structures and must navigate primarily between local and national levels. In the Azores, although regional governance is formally established, administrative complexity forces cultural actors to "translate" their projects into dominant policy frameworks such as sustainability or tourism in order to secure support.

These examples underscore the need for culturally literate intermediaries who can bridge governance levels and sectoral silos, facilitating alignment and ensuring that local cultural dynamics are reflected in broader strategic frameworks.

8.1.3 Structural barriers to funding access

Across all territories, access to public and EU funding is marked by complexity, rigidity and exclusion. Practitioners face high administrative burdens, lengthy reimbursement timelines and eligibility criteria that fail to account for the realities of rural cultural work. Project-based funding dominates, fostering short-termism and precarity. Many practitioners—especially smaller collectives or informal networks—lack the back-office support to manage applications, compliance and reporting, leading to burnout and the discontinuation of initiatives.

Even where national or EU funding exists, it often requires practitioners to conform to narrowly defined categories—cultural, educational, social or economic—rather than supporting the integrated nature of their work. Hybrid initiatives that combine heritage with digital innovation, or community media with civic education, routinely "fall between the cracks."

8.1.4 Creativity at the margins: Hybrid practices and strategic navigation

Despite these constraints, practitioners exhibit extraordinary ingenuity in navigating institutional systems. They reframe projects to match funding criteria, forge partnerships with universities and municipalities to anchor their work, and strategically "label" initiatives to access support from non-cultural sectors. Community radio stations in Ireland, for example, use broadcast funding to support civic education; artists in the Azores recast cultural heritage projects as environmental initiatives.

Hybrid artistic practices—mixing folklore with digital media, transforming makerspaces into cultural hubs, or reactivating local myths through performative storytelling—demonstrate how innovation in non-urban areas is incremental, relational and rooted in place. This form of innovation challenges conventional R&D or start-up-centric models, offering alternative visions grounded in community, ecology and memory.

8.1.5 Toward more enabling ecosystems: Anchors and openings

The interviews also point to key institutional "anchors" and "systemic openings" that can support more sustainable cultural ecosystems. Museums, universities, community media and development agencies, when open and collaborative, can serve as stable platforms for experimentation. These institutions act as intermediaries, translating grassroots energy into policy-relevant formats and offering legitimacy and infrastructure to otherwise precarious work.

Moreover, several emerging opportunities could be scaled or replicated: leveraging environmental and sustainability frameworks to support culture, embedding creative practices in educational institutions, or reconfiguring existing innovation centres to include cultural dimensions. These do not require entirely new institutions but call for strategic adaptation and better coordination of existing infrastructures.

8.1.6 Conclusion: A call for policy alignment and recognition

The testimonies of cultural practitioners across the IN SITU territories collectively reveal the mismatch between the lived realities of cultural production in non-urban areas and the assumptions underpinning current policy and funding systems. They call for a reframing of innovation in cultural terms—not as a linear, tech-driven process, but as a relational, cross-sectoral and territorially grounded practice.

Supporting such ecosystems requires more than funding; it requires a shift in institutional mindset. Policies must recognise hybrid roles, value process over product, enable flexible cross-sectoral collaboration, and invest in intermediary support structures that can translate between grassroots action and systemic frameworks. Without such changes, cultural vitality in Europe's rural and peripheral areas will continue to depend on personal sacrifice and improvisation, rather than structural support and strategic vision.

8.2 Global synthesis of the workshops

The two IN SITU workshops—the first with Lab-based practitioners (September 2025) and the second with European policy actors (October 2025)—were conceived as complementary mechanisms within the project's knowledge-building process. Together, they formed a two-step validation pathway:

- Workshop 1 tested whether policy ideas were realistic, relevant and aligned with lived conditions in non-urban territories.
- Workshop 2 examined whether these same proposals could be understood, accepted and operationalised at higher governance levels.

Taken jointly, they provide a holistic picture of the policy ecosystem, from field needs to institutional constraints, and offer a shared evidence base for the recommendations that follow.

8.2.1 Shared diagnosis across both workshops

Across the two workshops a shared diagnosis emerged. Despite the diversity of participants and institutional scales, both sessions highlighted systemic barriers and structural gaps that constrain the development of cultural and creative ecosystems in non-urban territories. These findings are not isolated critiques but converging insights from actors operating at different ends of the policy-practice continuum.

Both groups emphasized that current policy instruments, funding logics and institutional frameworks remain poorly aligned with the lived realities of CCIs in rural and semi-rural contexts. While the first workshop brought together artists, municipal officers and intermediary organisations rooted in place-based work, the second convened representatives from the European Commission, transnational networks and national funding bodies. Despite their differences, the workshops surfaced overlapping concerns around governance asymmetries, evaluation constraints and structural invisibility of hybrid practices.

Importantly, participants across both sessions called for a paradigm shift in how cultural policy is conceived and operationalized—from rigid, top-down and output-oriented approaches, to more flexible, participatory and relational models that can adapt to the complex ecologies of non-urban cultural life.

This shared diagnosis sets the stage for a deeper examination of the structural misalignments, operational challenges, and emerging opportunities that shape the landscape of cultural development in peripheral territories.

8.2.2 A structural misfit between policy frameworks and territorial cultural realities

One of the most strongly echoed findings across both workshops was the existence of a persistent and systemic misalignment between existing policy frameworks and the actual practices, needs and rhythms of cultural work in non-urban areas.

Firstly, participants from both levels of governance emphasized that national and EU policy architectures often remain siloed, designed around sectoral logics (e.g., culture, tourism, innovation, education), which fail to reflect the hybrid, cross-sectoral nature of rural cultural work. In practice, rural CCIs operate across domains—blending heritage, youth work, entrepreneurship, environmental engagement and community building—yet they are forced to fit into inflexible funding or policy categories that do not recognise such complexity.

Secondly, workshop discussions highlighted how evaluation metrics and impact assessments are heavily skewed toward quantitative outputs, privileging visibility, audience size and economic performance. These benchmarks fail to capture the slower, process-based, relational work that defines cultural activity in rural areas—from building trust with communities to revitalizing underused spaces and enabling intergenerational transmission.

Moreover, both practitioners and institutional actors underscored the temporal mismatch between cultural processes and policy instruments. Short-term, project-based funding cycles, often linked to electoral timelines or annual budgetary planning, are poorly suited to the long arc of cultural ecosystem development. Participants pointed out that regeneration, placemaking and cultural participation require long-term, embedded engagement—not episodic interventions.

Finally, the workshops revealed that many key enablers of rural cultural life—such as intermediaries, cultural labs, municipal offices or community radios—remain structurally invisible. These actors are vital for translating policy into action, brokering relationships and sustaining continuity, yet they often fall outside formal recognition or funding frameworks.

In summary, the structural misfit identified across both workshops reveals a policy ecosystem that is not only misaligned with rural cultural realities, but also actively reproduces territorial inequalities. Addressing this misalignment is a precondition for designing cultural policies that are equitable, effective and future-facing.

8.2.3 Intermediaries as the operational backbone of local ecosystems

From both workshops, one finding resurfaced with remarkable consistency: intermediaries are not secondary actors—they are the operational backbone of non-urban cultural ecosystems. These entities take multiple shapes—cultural hubs, development agencies, municipal cultural officers, rural

arts centres, community radios, grassroots collectives—but they share a common function: they make the system work where institutions alone cannot.

Participants described intermediaries as translators between policy and practice, able to interpret EU or national frameworks into actionable tools for small actors and, conversely, to channel territorial realities back into policy dialogue. Their work extends beyond administration; they build trust, hold relationships over time, mediate collaborations and stabilise initiatives that would otherwise dissolve at the end of project funding. In several territories, they are also the only actors with enough continuity to bridge sectors, connecting culture with education, sustainability, tourism or youth engagement.

Yet, despite their centrality, intermediaries remain structurally fragile, under-recognised and chronically underfunded. Many operate project to project, carry administrative burdens without support or function largely through unpaid labour and goodwill. Both practitioners and policymakers acknowledged that recognizing and funding intermediaries as core infrastructure—not temporary add-ons—is essential to resilient rural cultural development.

8.2.4 Temporal misalignment: Project cycles vs. cultural development rhythms

Both workshops also highlighted a fundamental temporal mismatch between funding logics and cultural realities. Most public schemes operate on short-term cycles—one year, two years at best—driven by budgetary turnover or electoral mandates. Yet cultural transformation in rural areas is slow, relational, cumulative. Trust with communities cannot be built in 18 months; heritage activation takes years; participation deepens through repeated encounters, not isolated events.

Participants described a recurring pattern of *pilot fatigue*: projects spark enthusiasm, generate learning, but lack the time or continuity to mature into lasting structures. Without long-term funding mechanisms, initiatives collapse when initial resources end—even when demand, engagement and impact are clear. In more fragile territories, this leads to exhaustion, turnover of leaders and a cycle of reinvention rather than consolidation.

Both workshops concluded that **policy must move beyond episodic grants**. What non-urban cultural ecosystems need is:

- **Multi-year funding frameworks** that enable relationship-building and strategic planning;
- **Core support for ongoing work**, not only punctual “projects”; and
- Mechanisms that allow **successful pilots to scale and embed into territorial routines**.

Without this shift, cultural policy will continue to produce beginnings rather than futures.

8.2.5 Access and equity: More than eligibility

A final convergence points across the workshops concerned access—not as a formal rule, but as a lived possibility. Participants insisted that **access to cultural funding is not solved by eligibility alone.** Many rural actors are "eligible" in theory but **excluded in practice** due to administrative overload, lack of liquidity for co-financing, insufficient English proficiency, or simply the absence of support to navigate complex procedures.

Access requires literacy, infrastructure, guidance and time. For many micro-organisations or independent practitioners, applying to EU programmes means working at night, on top of production, teaching or community responsibilities. Even once successful, reporting demands can outweigh the benefit of the grant. In this reality, access becomes a privilege—available only to those with staff, networks, or administrative capital.

Across both workshops, participants argued that **equity must be embedded structurally** through:

- simplified procedures for small actors,
- hands-on mentorship and helpdesks,
- matchmaking for partnerships and consortium building,
- micro-funding streams with reduced reporting, and
- recognition of first-time applicants as a distinct category with adapted requirements.

In other words, **access is not opening the door—it is building the bridge to reach it.**

8.2.6 Synthesis – What these convergences mean for policy design

Across both workshops a shared vision emerged. While each session brought distinct actors and vocabularies to the table, the convergence of insights was striking. Together, they point not to isolated challenges but to **a systemic pattern of misalignment between current cultural policy architectures and the lived realities of non-urban cultural ecosystems.**

First, there is an urgent need to **move from policy that "includes" non-urban territories as an afterthought toward frameworks built with and for them.** This means rethinking cultural policy not as the diffusion of metropolitan norms into rural spaces, but as the support for diverse, place-based cultural ecosystems with their own logics, rhythms and innovation forms.

Second, both workshops highlighted the necessity of **recognizing and resourcing the infrastructures that already sustain cultural life in rural and semi-rural areas**—from intermediaries and cultural hubs to libraries, community centres and informal networks. These actors provide continuity, trust and proximity, yet are often invisible to institutional frameworks that privilege formal organisations or high-profile outputs.

Third, a profound temporal realignment is needed. **Short-termism is the enemy of cultural transformation.** The dominant reliance on project-based grants, annual calls and output-driven metrics is incompatible with the long arc of ecosystem-building. **Cultural policies must be designed for endurance, not events.**

Fourth, access must be reframed from a question of eligibility to one of **equity and empowerment**. Without differentiated support mechanisms—simplified procedures, micro-grants, mentorship and infrastructural scaffolding—many of the most innovative or embedded actors will remain excluded from public support.

Finally, the workshops reaffirmed that **cultural policy is no longer the concern of culture ministries alone.** Supporting CCIs in non-urban territories requires cross-sectoral alignment—with education, environment, economic development, youth policy and social inclusion—and must be approached as a strategic lever for territorial cohesion and innovation.

These insights call for **a paradigm shift in how cultural policy is imagined, structured and delivered**—away from rigid, sector-based, top–down models toward **fluid, participatory, multi-level architectures** grounded in real territorial dynamics. The policy recommendations in Part 4 are directly informed by this dual dialogue between field and institution, and aim to translate these convergences into actionable pathways for change.

8.3 Global synthesis of the workshops and the interviews

Taken together, the interviews and workshops conducted within IN SITU offer a coherent and multidimensional picture of the challenges and potentials shaping Cultural and Creative Industries (CCIs) in non-urban Europe. While differing in form—one capturing lived experience from below, the other testing ideas through structured deliberation—both point to the same structural gaps and transformative opportunities.

From the interviews, we learned that rural cultural practitioners are not marginal figures but central actors in local development. Their work is deeply embedded, hybrid in nature and sustained through community ties and cross-sectoral creativity. Yet they remain systematically under-recognised by current funding, governance and policy models, which often fail to account for the interstitial spaces where much rural cultural innovation occurs.

From the workshops, we observed that institutional actors—from local authorities to EU-level officials—largely recognise these issues. Both field-based and policy-level discussions confirmed a **shared diagnosis**: cultural ecosystems in non-urban areas face a persistent misalignment between institutional support structures and the temporal, operational and relational needs of rural CCIs.

This dual perspective underscores several core insights:

- **Cultural work in non-urban territories is relational, long-term and deeply place-based**, yet current policy logics remain short-term, output-driven and siloed.
- **Intermediaries serve as the glue of rural ecosystems**, translating policy into action and vice versa, but remain precarious and undervalued.
- **Access to support is more than eligibility**—it requires infrastructure, administrative support and equitable mechanisms attuned to capacity diversity.
- **Hybrid and cross-sectoral practices must be embraced**, not forced into narrowly defined categories of *culture* or *innovation*.

These remarks mainly re-join what Duxbury et al. (2025) observe regarding the IN SITU case studies, showing that cultural actors are

> uniquely positioned and active in operationalizing regenerative micro-processes by simultaneously engaging in the five interconnected areas of action...: heritage stewardship, encouraging place-inspired creative work, building the capacity of locally based creators, reinforcing connections to place through a local socioeconomy, and using and improving public space. (p. 11).

Most importantly, both the interviews and workshops make clear that the issue is not a lack of activity or creativity in non-urban regions, but a lack of structural recognition and tailored support. Rural CCIs do not need to be created; they need to be seen, supported and integrated into policy frameworks that respect their specificity and systemic value.

As a collective body of evidence, these insights form the backbone of the policy recommendations that follow. They call for **a shift in both mindset and mechanism**: from short-term support to **long-term ecosystem building**, from fragmented initiatives to **multi-scalar governance coordination**, and from rigid eligibility rules to **context-sensitive, equity-oriented access models**.

Part 3: Integration of other sources of information and policy recommendations

Formulating relevant and operational policy recommendations requires grounding them in a diversity of evidence sources, reflecting both quantitative trends and qualitative insights. The policy recommendations put forward in this report were strengthened and complemented by several external inputs that offer broader conceptual, strategic and empirical insights into the dynamics of CCIs in non-urban areas.

Part 3 brings together and then synthesises findings emerging from a triangulation process that draws upon multiple complementary inputs: internal results from the outputs of INRAE's research in the

IN SITU project (e.g., case studies, fieldwork, stakeholder interviews and thematic analyses), as well as research and policy recommendations from partner in the IN SITU project (Deliverables 5.2 and 2.5), and external research and policy frameworks from European institutions.

This convergence of sources allows us to identify key commonalities, but also to acknowledge the varied realities across rural and non-urban territories. It also strengthens the legitimacy of the policy recommendations by demonstrating their grounding in real-life practices, sectoral knowledge and broader policy environments. This cross-referencing process allowed us to move from isolated insights to coherent, layered policy proposals. The resulting recommendations are not only grounded in multiple types of evidence—quantitative data, qualitative research, stakeholder feedback—but also tested against real-world constraints and possibilities.

In sum, this work helped consolidate the IN SITU findings and point to wider convergence in the European research and policy landscape. This integrated methodology reflects the core ambition of IN SITU: to move beyond conventional policy silos and build a more relational, holistic and ecosystemic approach to supporting CCIs in non-urban Europe. The following chapters detail how these insights have been consolidated and translated into actionable guidance for policymakers at local, national and European levels. In short, Part 3 lays the groundwork for the recommendations that follow in Part 4 by clarifying the evidence basis on which they are built.

9 Main results and recommendations from the IN SITU project

9.1 Overview of research conducted by INRAE

Within the IN SITU project, the INRAE team has conducted the following analyses:

- **The analysis of EU innovation and cultural policies** in Torre & Filippi (2024) (IN SITU report D5.1), which examined the orientation of Smart Specialisation Strategies (S3), the LEADER programme and broader innovation frameworks in relation to CCIs in non-urban areas;
- **The mapping of implemented projects and funding flows** targeting CCIs in rural and semi-rural areas (this report, Part 1), highlighting how creative sectors are supported by existing policy instruments;
- **The collection of stakeholder perspectives** through interviews with IN SITU Lab managers, cultural practitioners and public officials, complemented by the outcomes of two dedicated policy workshops at national and EU levels (this report, Part 2).

The main conclusions drawn by INRAE stem from a synthesis of the analysis carried out in Torre & Filippi (2024) and that presented in the current report.

9.2 Summary of main results of *State of Policies and S3s on Innovation and CCIs in Non-urban Areas*

The IN SITU report, *State of Policies and S3s on Innovation and CCIs in Non-urban Areas* (Deliverable 5.1 – Torre & Filippi, 2024) presented foundational research that explored how current EU innovation policies align—or fail to align—with the actual innovation dynamics present in rural and semi-rural territories.

The first core insight is that innovation in non-urban areas is predominantly social, cultural and institutional, rather than technological. Many of the most transformative activities in rural areas emerge from community-based initiatives, informal networks and hybrid actors who integrate cultural, educational and environmental goals.

Conversely, EU innovation policies and funding mechanisms remain heavily skewed toward technological innovation, particularly in agriculture. While such investments are important, this emphasis risks marginalising a broader spectrum of innovation that is both territorially embedded and socially relevant.

Despite this imbalance, the analysis identifies promising areas of alignment. Programmes like LEADER and, to a lesser extent, Smart Specialisation Strategies (S3) already include elements of support for local, community-driven innovation. However, their operationalisation still tends to favour sectoral silos and narrowly defined outputs, limiting the space for creative and cultural experimentation.

Three critical challenges were identified:

1. **The need to adopt a broad, inclusive definition of innovation**—one that values social and organisational change, community engagement and cross-sectoral experimentation;
2. **Clarifying and coordinating the appropriate decision-making level for innovation policy (local, regional, inter-regional, national)**, ensuring that subsidiarity does not result in fragmentation or duplication;
3. **Fostering synergies between traditional rural sectors (e.g., agriculture, tourism, education) and the CCIs,** recognising that innovation often emerges from interdependencies rather than isolated activities.

From this analysis, INRAE formulated several key policy recommendations:

- **CCIs should be explicitly recognised as drivers of innovation in rural areas**, not just as cultural or creative assets, but as actors capable of stimulating new forms of governance, economic diversification and social cohesion;

- **Public innovation policies should integrate cultural and creative practices more systematically**, both in funding criteria and in strategic planning, to better reflect the realities and potentials of non-urban territories;
- **Stronger support should be given to collaborative ecosystems**, where different actors—local authorities, cultural intermediaries, civil society and traditional sectors—co-create innovation processes that are rooted in local identity and long-term sustainability.

Ultimately, INRAE's findings suggest that a shift in innovation policy logic is required. Rather than focusing solely on technological advances, public policies should (1) embrace the diversity of forms of innovation that are already thriving in rural Europe, many of which are led by cultural and creative actors, and (2) develop a methodology to support CCIs based on the specific characteristics of each territory (resources, actors, development conditions, etc.)**.** This would not only reinforce regional cohesion, but also enhance the resilience, creativity and competitiveness of non-urban territories.

9.3 Summary of main results of Part 1

Part 1 of this report examined two primary funding channels for CCIs: S3 and LEADER program. The analysis compares their policy orientation, governance and scale, and actors and coordination. The results show that CCIs function as pragmatic instruments for improving local conditions, and highlight a clear division of roles between a regional, strategy-led S3 approach and a locally grounded, community-driven LEADER approach in non-urban areas.

In terms of **shared orientation**, CCIs appear as a means to improve local conditions:

- In both instruments, CCIs are mainly used as tools rather than as a stand-alone sector.
- In **S3**, CCIs support broader priorities such as tourism, digitalisation, environment and skills. In non-urban regions, they are linked to accommodation, renovation and tourism, whereas in urban regions, they contribute more to diversification in design, media and digitalisation.
- In **LEADER**, CCIs are pragmatic instruments for addressing specific local issues, including economic revitalisation, social cohesion, support for people with disabilities, and underused infrastructure. They reframe economic and demographic challenges as tourism or cultural opportunities and develop local assets through routes, branding and digital tools.

In terms of **governance and scale**, S3 and LEADER follow different spatial strategies:

- **S3** is regional, strategy-driven and institution-led. Priorities are mainly set at the NUTS 2 or NUTS 3 level and tend to diversify from existing industrial structures and political compromises. Bottom-up input is filtered through regional institutions. S3 spans both urban

and non-urban regions and reinforces a contrast between digitally oriented, creativity-driven urban CCIs and place-based cultural CCIs in non-urban territories.

- **LEADER** works below NUTS 3 and concentrates on non-urban territories. Projects are shaped by locally articulated problems at villages or small regional scale and tend to be experimental and socially embedded. When activities extend to the regional level, they typically involve coordinated tourism offers, branding or shared services.

In terms of **actors and coordination**, S3 and LEADER follow divergent spatial strategies:

- In **S3**, regional administrations, agencies and larger organisations are the primary actors, and coordination is framed in terms of governance structures and sectoral or technological priorities; the associative layer remains largely implicit.
- In **LEADER**, coordination is rooted in local co-operative structures. LAGs and community actors act as intermediaries that connect municipalities, organise cultural and tourism initiatives, and approach CCIs for locally defined needs. Their coordinating capacity is central to translating into broader territorial strategies.

9.4 Summary of main results of Part 2

The combined insights from the in-depth interviews conducted across the six IN SITU Labs and the two participatory policy workshops provide a rich, multi-scalar understanding of the conditions, constraints and potentials shaping cultural and creative ecosystems in non-urban Europe. Together, these activities reveal both a shared landscape of structural challenges and a vibrant field of situated innovation, experimentation and resilience.

Across contexts, a few key cross-cutting lessons have emerged:

- **Cultural practices in rural and semi-urban areas are inherently hybrid, deeply rooted in place, and often cross-sectoral.** However, institutional systems (funding mechanisms, policy frameworks, evaluation models) remain structured around compartmentalized, disciplinary assumptions that are designed more for urban areas than adapted to the diverse contexts of non-urban areas. This misalignment systematically marginalizes some of the most socially relevant and innovative forms of cultural work.
- **Intermediaries and ecosystem enablers are critical, but precariously supported.** Whether cultural labs, development agencies, municipal cultural officers or informal collectives, these actors serve as essential connective tissue—translating policy into action, supporting capacity-building and anchoring continuity. However, they often lack formal recognition and sustained funding. It is therefore worth considering pooling resources, consolidating these enablers and

developing synergies to create cooperation processes between stakeholders around regional projects.

- **Structural conditions—especially funding modalities, governance asymmetries and evaluation logics—must evolve to match the lived temporality of cultural processes.** Trust, participation, regeneration and social cohesion require time. The dominant project-based, short-term funding logic is incompatible with the long arc of cultural ecosystem building.
- **There is no one-size-fits-all solution.** The interviews and workshops underscored the diversity of institutional configurations, territorial scales and cultural dynamics across the Labs. Rather than designing rigid new instruments, the task ahead is to develop **flexible, adaptive policy architectures** that can support place-based strategies and valorise local opportunities.
- **Promising systemic openings already exist.** Local governance experimentation, regional development agencies, social economy, innovation centres, environmental policy linkages and community-driven institutions offer real levers for transformation—if recognised and resourced appropriately. The challenge lies in making visible and structurally supporting what already works on the ground.

Most importantly, both field-based research and stakeholder dialogues emphasized the need for a **paradigm shift in how cultural policy is conceived**—from an output-driven, sector-specific model to a **relational, participatory and ecosystemic approach** rooted in democratic access, territorial justice and cross-sectoral value creation.

9.5 Overview of other IN SITU research reviewed

Within the scope of the current research and analysis, two key reports from the IN SITU project were also reviewed:

- *State of Cultural Policies for CCIs in Non-urban Areas* (Deliverable 5.2; Heinicke et al., 2024) – The analysis of cultural policy frameworks provided a comparative overview of institutional conditions for CCIs in selected countries; and
- *Roadmap for competitiveness of the most innovative CCI subsectors* (Deliverable 2.5; Berasategi et al., 2025) articulated potential pathways for strengthening the economic and innovation potential of CCIs, using value chain models and opportunity space frameworks.

9.6 Key findings from *State of Cultural Policies for CCIs in Non-urban Areas*

The IN SITU report *State of Cultural Policies for CCIs in Non-urban Areas* (Deliverable 5.2 – Heinicke et al., 2024) offers a comprehensive comparative analysis of national and regional cultural policy frameworks across the six IN SITU countries, with a specific focus on their relevance and effectiveness

in addressing the needs of Cultural and Creative Industries (CCIs) in non-urban territories. It provides critical insight into how institutional logics, policy priorities and funding mechanisms interact with the realities of cultural production outside metropolitan centres.

A major finding is the systemic under-recognition of rural and semi-rural cultural ecosystems in most national and regional policies. Cultural strategies tend to prioritise formal institutions (museums, theatres, art schools), high-profile events and professionalised artistic production—largely concentrated in urban areas. By contrast, the more **hybrid, community-driven and socially embedded practices** that characterise non-urban CCIs are often seen as peripheral or "non-professional," leading to their exclusion from mainstream policy and funding frameworks.

Another key limitation is the absence of a dedicated rural cultural policy. This can be explained by the difficulty of defining precisely what CCIs are. Also, while rural development strategies may occasionally refer to culture (typically as a tool for tourism or heritage valorisation), few cultural policies explicitly distinguish between urban and non-urban contexts. This lack of differentiation contributes to a structural misfit between policy tools and the territorial conditions they are meant to address—particularly where challenges such as limited mobility, reduced access to infrastructures and administrative asymmetries shape cultural participation.

The report also highlights the critical yet precarious role of intermediaries—cultural coordinators, rural arts centres, municipal officers, informal networks—that act as connective tissue within non-urban cultural ecosystems. These actors are central to enabling cultural participation, nurturing local talent, and linking CCIs to broader social or economic initiatives. However, they frequently operate without formal recognition, long-term funding or policy protection, making their contributions vulnerable to political turnover and funding cycles.

Despite these structural limitations, the report identifies promising practices and creativity emerging at the regional or local level. In several cases, **place-based governance models** have been developed to link culture with other policy domains such as education, tourism, sustainability or youth engagement. These integrated approaches—though often underfunded—demonstrate the **transformative potential of CCIs when policies are aligned with local realities** and when institutions are willing to experiment with new models of cultural development.

Drawing on these insights, the report articulates several recommendations for reshaping cultural policy in support of non-urban CCIs:

- **Develop a territorialised and adaptative approach to cultural policy** that formally distinguishes between the needs of urban and non-urban areas, and embeds local specificity into policy design and delivery.

- **Recognise hybrid and cross-sectoral practices** as legitimate cultural work. This means adapting eligibility criteria, funding schemes and evaluation frameworks to account for the realities of actors who combine cultural production with education, social work, environmental action or civic engagement.
- **Institutionalise the role of intermediaries** by treating them as essential infrastructure. Stable funding, legal status/formal recognition and strategic support should be provided to actors that mediate between policy and grassroots practice.
- **Promote cross-sectoral alignment**, ensuring that cultural policy is integrated into broader rural development strategies, and that culture is understood not as a stand-alone sector but as a contributor to wider goals: cohesion, innovation, well-being and sustainability.

In sum, the cultural policy-oriented report calls for a paradigm shift in the way cultural policy is conceived and implemented for non-urban areas. Rather than extending urban models to rural regions, the report advocates for a place-based, ecosystemic approach—one that values the diversity, embeddedness and innovation potential of CCIs in less densely populated territories. Such a shift requires institutional courage, cross-sector collaboration and long-term commitment, but it is essential if culture is to play its full role in building resilient, inclusive and vibrant rural futures.

9.7 Key findings from *Roadmap for Competitiveness*

The IN SITU report *Roadmap for competitiveness of the most innovative CCI subsectors* (Deliverable 2.5 – Berasategi et al., 2025) outlines a strategic framework for unlocking the long-term innovation potential of CCIs in non-urban regions. It builds on the dual dynamic of Market Pull (demand-driven needs) and Technology Push (supply-driven innovation), applying them to CCI value chains and the identification of concrete opportunity spaces.

One of the report's core contributions is the establishment of a shared language and taxonomy for analysing CCIs, including clear definitions of value chain components and actor typologies. This common framework supports comparative analysis across regions while allowing for flexibility based on local characteristics and community needs.

The roadmap is explicitly adaptable and regionally sensitive. Validation with the six IN SITU Labs confirmed its overall relevance, although regional differences in governance structures, resource availability and institutional maturity necessitate tailored application. Regions are therefore encouraged to select differentiated pathways based on their specific context.

A central message is the need for stronger alignment between opportunity spaces and public policy instruments. This includes adapting funding streams, investment strategies and multi-stakeholder

collaborations to the realities of non-urban CCIs. The roadmap emphasizes that innovation support must be coordinated across governance levels and sectors.

To ensure effective implementation, the report proposes a more granular and responsive intervention portfolio. This would involve:

- Clearly defined project ownership and responsibilities,
- Realistic timelines and budget frameworks, and
- Continuous monitoring and the possibility for iterative revisions to adapt to changing needs.

Recommendations for future action include:

- **Progressive regional adaptation:** Local actors should be involved in the co-creation and contextual adaptation of the roadmap, helping prioritise actions based on local needs and opportunities.
- **Policy integration:** The roadmap should inform the design of public calls, regional development strategies and cultural innovation policies, promoting cross-sectoral coordination.
- **Cross-sector partnerships**: Encouragement of clusters, hubs and collaborative platforms that merge cultural, technological and entrepreneurial capacities.
- **Capacity building**: Dedicated training initiatives should be established to equip CCI actors with skills in emerging technologies, business models and strategic management.

In summary, the offers a scalable, adaptable and action-oriented tool to guide the integration of CCIs into regional innovation ecosystems, provided it is supported by institutional recognition, policy coherence and continuous engagement with territorial realities.

10 Key lessons from recent European-level policy and sectoral frameworks

A parallel review of recent European-level policy frameworks and sectoral initiatives[14] offers strategic validation and points of convergence. Here, we synthesize the main lessons from four major sources: the Creative Europe 2026 programme, the EKIP policy platform, the Rural Pact's policy agenda, and

[14] This section is based on an examination of the following reports and websites: European Commission (2025a), EKIP Platform, the EKIP Knowledge Bank, the SPARSE Plus project website, and the Rural Pact Community Platform website.

the *Highlights Report on Rural Innovation* produced by the Rural Pact Support Office (RPSO, 2025). While our own fieldwork (interviews, workshops and participatory observations) with the IN SITU Labs provides deep, context-sensitive insight into non-urban CCIs, these complementary inputs reaffirm the key findings of IN SITU, while also suggesting structural levers and innovative tools for embedding cultural and creative sectors in rural and peripheral development policies.

10.1 Strategic vision and structural priorities from Creative Europe (2026)

The "Creative Europe 2026" strategic orientation, released by the European Commission, outlines the EU's roadmap for cultural investment for the upcoming programming period. It frames culture as a core pillar of EU development policy and articulates clear axes of intervention: democracy, green/digital transitions, inclusion and international cooperation. Key instruments include project funding, mobility support (Culture Moves Europe), heritage protection and new experimental formats inspired by European Cultural Spaces.

Main insights:

- **The programme explicitly commits to protecting cultural diversity**, enhancing societal resilience, and positioning culture as a driver of democratic life.
- **Funding streams are being designed to support small- and medium-sized European cooperation projects**, transnational mobility and innovative, cross-border cultural actions.
- **There is a growing institutional emphasis on inclusive, place-based cultural development** and stronger links between culture, identity and social cohesion.

Why it matters for IN SITU:

- These orientations match the IN SITU emphasis on **supporting rural CCIs**, especially small-scale, hybrid, community-driven models.
- Creative Europe presents a **strategic opportunity** for rural actors to anchor their work within long-term EU programmes—but only if application mechanisms are adapted to the **realities of peripheral territories**.

Policy takeaway: Funding frameworks must accommodate grassroots, community-based innovation, not just high-visibility urban institutions. Call designs should prioritise scale-sensitive eligibility, local partnerships and participatory governance.

10.2 Innovation policy integration via EKIP (European CCI Policy Platform)

The "EKIP Engine" and its associated Knowledge Bank are part of a new EU-funded initiative to better align cultural and innovation policies. The platform seeks to bridge structural gaps between CCIs and innovation frameworks and offers policy tools, ecosystem mapping and experimental labs across Europe. EKIP explicitly recognises the transformative potential of culture within broader innovation ecosystems, especially under the twin transitions (green and digital).

Main insights:

- **CCIs are positioned as active contributors to open innovation ecosystems**, not merely artistic actors or grant beneficiaries.
- **The platform calls for a systemic approach**: aligning innovation, cultural development, technological transformation and social cohesion.
- **EKIP encourages collaborative governance**, **cross-sector experimentation** and the development of **tailored support mechanisms.**

Why it matters for IN SITU:

- IN SITU's findings about the lack of policy alignment, fragmented funding and weak integration of cultural agents into innovation strategies are directly echoed by EKIP.
- The tools provided by EKIP offer a methodological and conceptual complement to IN SITU's field-based and participatory work.

Policy takeaway: Culture must not be siloed. Innovation frameworks should explicitly include social, cultural and ecological dimensions, and policy design for rural CCIs must be embedded within broader regional innovation strategies.

10.3 Recognizing creativity as a lever for rural revitalization: Lessons from the Rural Pact and the Rural Vision Platform

The European Commission's "Rural Pact" and the "Rural Vision Platform" represent the EU's most ambitious attempt to coordinate long-term rural development policy. These frameworks emphasize the importance of revitalizing non-urban territories by addressing demographic, infrastructural and social inequalities. The inclusion of a working group on "Culture and Creativity in Rural Areas" signals a strategic pivot toward recognising the cultural sector as a core lever for rural development.

Main insights:

- **Cultural work in rural areas is still under-valued and under-supported**, often subsumed under generic frameworks that fail to capture territorial specificities.

- **The Rural Pact calls for tailored, rural-proofed policies** that recognise the diverse assets, identities and potentials of non-urban communities.
- **There is an emerging consensus around cross-sector collaboration**, where culture intersects with agriculture, tourism, education and environmental sustainability.

Why it matters for IN SITU:

- These perspectives align closely with IN SITU's **territorial diagnosis** and the project's emphasis on **cross-sectoral ecosystems** and **community-led cultural infrastructures**.
- The recognition of cultural actors as **engines of social innovation and cohesion** confirms IN SITU's field-level observations.

Policy takeaway: Cultural policy must be recognised as a pillar of rural regeneration, and should be integrated within rural development, cohesion policy and place-based planning.

10.4 Integrating long-term strategic foresight: Insights from the European Parliament study on *Cultural and Creative Sectors in the EU* (2023)

Context and Source Overview: The 2023 study *Culture and creative sectors in the European Union - Key future developments, challenges and opportunities*, prepared for the European Parliament's CULT Committee, provides a forward-looking perspective on the structural shifts and policy needs of the Cultural and Creative Sectors (CCS) across Europe. Drawing on expert interviews, literature reviews and foresight methodologies, this study identifies systemic challenges and strategic opportunities that resonate strongly with IN SITU's findings—particularly concerning non-urban territories and their cultural ecosystems.

Key insights and relevance to rural/non-urban CCIs:

- **Addressing policy fragmentation:** The report emphasizes that CCS policies are often developed in silos, leading to fragmented implementation. It calls for *greater policy coherence* across sectors such as education, research, digital transformation, innovation and social inclusion. This directly echoes IN SITU's conclusion that rural CCIs require *transversal frameworks* to thrive.
- **Tailored, localized approaches:** The study stresses that one-size-fits-all policies are inadequate. Cultural policies must reflect *territorial diversity*, engaging with rural, peripheral, and marginalized areas through participatory and co-creative governance. This supports our recommendation for *place-based cultural planning*.
- **Capacity building and skills development:** Long-term resilience of CCS depends on equipping cultural actors with *green, digital, and entrepreneurial skills*. This aligns with IN SITU's call for

enhanced *training and support infrastructure* for small-scale and hybrid cultural actors in rural contexts.

- **Ecosystem thinking and support for intermediaries:** The study highlights the strategic importance of *ecosystem building*, supporting not just individual creators but *intermediary organisations, networks and collaborative infrastructures*. It advocates for *long-term investment and funding models* that stabilize cultural ecosystems; a recommendation mirrored throughout IN SITU.

Lesson for our Recommendations: This future-oriented study reinforces a shift towards *transversal, ecosystem-based and territorially sensitive cultural policies*. It suggests that the success of non-urban CCIs depends on integrating cultural agendas within broader EU priorities—such as the green and digital transitions, regional cohesion and social resilience—while fostering *long-term institutional learning* and *policy adaptability*. The European Parliament's foresight agenda strengthens the strategic justification for IN SITU's proposals and adds a critical temporal dimension to cultural policymaking: *planning not only for present gaps, but for emerging futures*.

10.5 The Rural Pact Highlights Report on Rural Innovation (2025)

The "Highlights Report on Rural Innovation" produced by the Rural Pact Support Office (RPSO, 2025) synthesises learnings from EU-funded pilot actions, national strategies and stakeholder consultations. The report positions innovation as a social and cultural process, especially in rural areas where conventional R&D metrics often fail to capture value creation.

Main insights:

- The report challenges dominant narratives by promoting a broad, inclusive definition of innovation—encompassing social, cultural and relational change.
- It calls for investment in intermediary organisations and "connective infrastructures" (e.g., hubs, clusters, cultural brokers) that can anchor and support local creativity.
- It highlights the need for territorial innovation ecosystems that are adaptable, participatory and rooted in local capacities.

Notable examples include:

- Austria's Rural Innovation Systems, integrating culture, ecology and entrepreneurship;
- Spain's Territorial Innovation Centres, embedding culture in regeneration strategies; and
- The Pacesetters project in Andalusia, where arts and collective creativity drive inclusion and economic resilience.

Why it matters for IN SITU:

- These findings echo many of the structural and operational challenges encountered in the IN SITU Labs.
- The emphasis on ecosystem-building, local ownership and cultural relevance reinforces IN SITU's call for sustainable, community-driven innovation policies.

Policy takeaway: Rural innovation must be defined beyond tech or economic metrics. Social and cultural innovation need structural recognition, long-term support and policy tools that are adaptable to local contexts.

11 Converging lessons: A new policy paradigm

Across all the frameworks reviewed—from Creative Europe to the Rural Pact, from EKIP to the RPSO—a shared direction emerges:

- **Non-urban territories are not passive recipients of development**, but active sites of cultural and social innovation;
- **Culture is a transversal enabler** of sustainability, identity, resilience and cohesion;
- **Effective support requires an ecosystem logic**, not isolated project funding or siloed sectoral tools.

These insights strongly align with IN SITU's empirical findings. They confirm that future policies must aim for adaptive, participatory, cross-sectoral strategies, grounded in the lived realities of non-urban CCIs—and backed by long-term institutional commitment.

A clear convergence emerges around the transformative potential of Cultural and Creative Industries in non-urban areas across the various policy-oriented IN SITU analyses (Torre & Filippi, 2024; Heinicke et al., 2024; the current report), the IN SITU *Roadmap for Competitiveness of the Most Innovative CCI Subsectors.* (Berasategi et al., 2025) and the broader European policy landscape (e.g., Creative Europe, 2026; EKIP, SPARSE Plus, Rural Pact):

- **CCIs are increasingly recognised as key drivers of cohesion, innovation and resilience**—not only in economic terms, but also socially, culturally and territorially. Crucially, the definition of innovation must be broadened: **in rural areas, innovation is often social, cultural and organisational**, rooted in community needs and collective action rather than technological disruption alone.

- **Another shared insight is the importance of local ecosystems and the actors that sustain them**. From voluntary associations to municipal institutions, cultural intermediaries and small creative enterprises, and social economy organisations, these actors form **dense and hybrid networks**, often operating across sectors—linking heritage with education, sustainability with participation, tourism with civic engagement.
- **However, these ecosystems remain structurally fragile**. Many initiatives are carried out by institutions or voluntary structures lacking visibility, sustained support or tailored policy recognition. Moreover, actors themselves are not always fully aware of their role within innovation processes or territorial development, underscoring the need for targeted communication, capacity building and policy alignment.
- **Finally, one of the most powerful levers for rural development identified across sources is interdependency: enabling meaningful connections between CCIs and traditional sectors such as agriculture, tourism and education.** These cross-sectoral bridges not only strengthen rural economies, but also enhance cultural identity, foster innovation and embed creative practices in everyday life.

In sum, **a paradigm shift is underway—from sectoral, urban-centric and output-driven approaches toward place-based, ecosystemic and inclusive cultural policies.** This shift sets the foundation for the concrete recommendations that follow.

Table 3 - Policy inputs and recommendations: An assessment

Input source	Main output or recommendation
Berasategi et al. [2025] [D2.5]	Align policy instruments with opportunity spaces; promote cross-sectoral hubs; enhance capacity building
Torre & Filippi (2024) [D5.1]	Broaden definition of innovation to include social and cultural forms; integrate CCIs into innovation strategies
Heinicke et al. (2024) [D5.2]	Develop territorialised cultural policies; formal recognition and funding for intermediaries; integrate culture in rural development
This report, Part 1	Clarify complementarities between LEADER and S3; adapt governance to local realities
This report, Part 2	Support intermediaries; adapt funding to cultural timeframes; promote flexible and participatory policy tools
Creative Europe in 2026 [European Commission, 2025a)	Embed rural CCIs in long-term EU cultural strategies; tailor calls for small-scale, local actors
EKIP Policy Platform	Integrate CCIs into regional innovation; promote cross-sector governance and collaborative ecosystems
Rural Pact & Vision Platform	Recognise CCIs as drivers of rural regeneration; design rural-proofed, cross-sectoral cultural policies
Culture and creative sectors in the European Union (European Parliament, 2023)	Advance ecosystem logic; provide long-term support for hybrid cultural actors; strengthen policy coherence
RPSO (2025) Highlights Report on 'Rural Innovation'	Define rural innovation beyond tech; invest in local ecosystems and cultural intermediaries

Part 4: Policy recommendations

The policy recommendations presented in this report are grounded in a robust and multi-sourced foundation of research, practical engagement and cross-institutional collaboration. Rather than proposing abstract or generic measures, our objective has been to formulate policy advice that is both empirically validated and context-sensitive—capable of addressing the specific challenges and opportunities faced by Cultural and Creative Industries (CCIs) in non-urban territories across Europe.

Our objective in Part 4 is to propose policy recommendations dedicated to CCIs in non-urban territories. We will take into account the huge diversity of cultural activities and their links with other sectors, and ground our statements on a multiple-sources framework. The stakes are particularly high with regard to European cohesion and rural or non-urban territories. These recommendations advocate strengthening the rural perspective of innovation policies and CCIs by using the diversity of

rural areas as testing grounds to support local and community solutions and strengthen various governance channels.

12 Recommendations for policymakers and local stakeholders + illustrations of specific cases from EU policy

This chapter presents a set of concrete policy recommendations, with the previous lessons in mind. These proposals are built on the cumulative intelligence of practitioners, local authorities, researchers, and EU-level actors engaged throughout the IN SITU process. They are structured in such a way as to function at different scales, although it will subsequently be useful to consider how the different levels can be linked together:

- **At the local level**, where community infrastructures, intermediaries and municipalities must be empowered to lead cultural development in context-sensitive and participatory ways;
- **At the European level**, where institutional logics, funding instruments and evaluation practices must evolve to accommodate the full diversity of territorial cultural ecosystems.

12.1 Main statements

1. **CCIs play an essential role in non-urban areas. They are a strong factor of cohesion and innovation** (organisational, social, institutional and technological ones). Non-urban territories are not passive recipients of development, but active sites of cultural and social innovation. In these territories, CCIs are increasingly recognised as key drivers of cohesion, innovation and resilience, not only in economic terms, but also socially, culturally and territorially.

2. **Non-urban CCIs place great weight on place-based cultural and environmental assets such as culture, museums, agriculture, bioenergy and conservation**, while also demanding enabling factors such as facilities, renovation and equipment. CCIs strengthen place-based cultural and environmental assets in non-urban regions, while supporting local services and social infrastructure.

3. **Local actors (including CCIs' ones) are not always aware of the importance and the role of CCIs** in the territories: it appears somewhere as a hidden asset. **Consequently, cultural work in rural areas remains systematically invisible and under-valued**, often subsumed under generic frameworks that fail to capture territorial specificities.

4. **Local CCIs projects are very institutionally-based**, or at least carried out by institutions. Even the most grassroots cultural development requires institutional scaffolding to succeed. Most

of the local projects are decided, built or supported by local authorities such as municipalities, districts or regions, Local Action Groups and other local associations.

5. **Cultural practices in rural and semi-urban areas are inherently hybrid, deeply rooted in place, and often cross-sectoral. Culture is a transversal enabler of sustainability, identity, resilience and cohesion**. There exists a strong interdependency between traditional industries or sectors of activitysu—ch as agriculture, tourism or education—and CCIs, and their development in non-urban areas cannot be separated from attentions to these sectors. **The transformative potential of culture is strong within broader innovation ecosystems,** especially under the twin transitions (green and digital).

6. **But CCIs policies are often developed in silos.** Institutional systems—funding schemes, policy frameworks, evaluation models—remain structured around siloed, disciplinary and urban-centric assumptions like research, digital transformation, innovation and social inclusion. **This Policy Fragmentation leads to fragmented implementation** and systematically marginalizes some of the most socially relevant and innovative forms of cultural work. It calls for greater policy coherence across sectors such as education.

7. **A paradigm shift is underway—from sectoral, urban-centric and output-driven approaches toward place-based, ecosystemic and inclusive cultural policies. Promising systemic openings already exist**. Local governance experimentation, regional development agencies, social economy, innovation centres, environmental policy linkages and community-driven institutions offer real levers for transformation—if recognised and resourced appropriately. The challenge lies in making visible and structurally supporting what already works on the ground.

12.2 Main recommendations for policymakers and local stakeholders

1. **Adopt a broad, inclusive definition of innovation including social, cultural and territorial dimensions;** in non-urban areas it values social and organisational change, community engagement and cross-sectoral experimentation rather than technological disruption alone. Social and cultural innovation, rooted in community needs and collective action, reclaim structural recognition, long-term support and policy tools that are adaptable to local contexts.

Examples:

The RURITAGE[15] **project** illustrates an inclusive understanding of innovation by using six "Systemic Innovation Areas" (pilgrimages, sustainable local food production, migration, arts and festivals, resilience, and integrated landscape management) to drive rural regeneration through cultural and natural heritage, rather than focusing only on technological disruption. This approach foregrounds social and organisational change, community engagement and cross-sector experimentation in rural territories, aligning directly this first recommendation.

The S3 project Q4590268: Support of infrastructure for non-formal education at the Petr Key z.s.[16] in the Czech Republic focuses on building and equipping non-formal learning spaces, including craft and handicraft workshops and foreign-language communication rooms, with barrier-free access. The project links CCI-related skills to education and social inclusion by investing in accessible non-formal learning infrastructure.

2. **Integrate more systematically public innovation policies into cultural and creative practices**, in funding criteria and strategic planning, to better reflect realities and potentials of non-urban territories. Cultural policy must be recognised as a pillar of rural regeneration, and should be integrated and financed within rural development, cohesion policy and place-based planning. CCIs should be explicitly recognised as drivers of innovation in rural and non-urban areas, not just as cultural or creative assets, but as actors capable of stimulating new forms of governance, economic diversification and social cohesion.

Examples:

The "Cultural and Creative Regional Ecosystems" (CCRE-S3) partnership under the Smart Specialisation (S3) Community of Practice brings together EU regions that have explicitly embedded CCIs into their regional innovation strategies, linking cultural and creative activities with priorities such as tourism, digitalisation and social inclusion. For instance, regions participating in CCRE-S3 use their RIS3 to frame culture both as an innovation driver and as a lever of territorial cohesion, so CCI projects can be funded through innovation, regional development and cohesion policy streams rather than only through narrow cultural budgets.

The LEADER project Between Us: A family film project about Germany's Cold War border[17] engaged young people from neighboring regions on both sides of the former East–West German border. Participants

[15] https://iclei-europe.org/projects/?RURITAGE-Rural_regeneration_through_systemic_heritage-led_strategies_&projectID=q5KyBVYg

[16] https://linkedopendata.eu/wiki/Item:Q4590268

[17] https://eu-cap-network.ec.europa.eu/good-practice/between-us-family-film-project-about-germanys-cold-war-border_en

documented local histories through intergenerational family teams and produced short films. The project shows that, in non-urban regions, participatory cultural production can generate skills development, inter-generational knowledge transfer, and social cohesion across territories.

3. **Tailor rural-proofed CCIs policies that recognise the diverse assets, identities and potentials of non-urban communities.** One-size-fits-all Cultural policies are inadequate: they must reflect territorial diversity, engaging with rural, peripheral and marginalized areas through participatory and co-creative governance. **Develop a territorialised approach to cultural policy** that formally distinguishes between the needs of urban and non-urban areas, and embeds local specificity into policy design and deliver. **A stronger alignment between opportunity spaces and public policy instruments** includes adapting funding streams, investment strategies and multi-stakeholder collaborations to the realities of non-urban CCIs. The task ahead is to develop flexible, adaptive policy architectures that can support place-based strategies and valorize local specificity. Their adaptation to local contexts will enable to consider the peculiarities of non-urban areas in terms of infrastructure (internet, transport, etc.), to provide adequate responses to the needs of populations facing major challenges (climate change, water management, etc.) and contemporary problems (migrants, loss of democracy, population maintenance, generational renewal, etc.).

Examples:

The GRANULAR project's Living Lab in rural Ourense (Spain)[18], at the border with Portugal, is a practical case of "rural proofing": it uses participatory methods and territorial impact assessments to adapt policies to the specific demographic, socio-economic and geographic conditions of a cross-border rural area. This shows how differentiated, place-based policy design can be used to move beyond one-size-fits-all cultural or development policies and to better match instruments to non-urban realities.

Myvillages[19] is a European-based network that places rural identity and creativity at the heart of its work. Through exhibitions, community engagement, and cultural production in non-urban territories, it exemplifies a territorialised cultural policy that valorises rural life instead of adapting it to urban norms.

[18] https://www.ruralgranular.eu/news/granular/rural-proofing-in-cross-border-areas-the-case-of-ourense-and-portugal/

[19] https://www.myvillages.org/index.php

4. **Base the effective support to CCIs on an ecosystem logic, and not on isolated project funding or siloed sectoral tools.** Calls for greater policy coherence across sectors. **Fostering synergies between traditional sectors and CCIs**. Cross-sector collaboration where culture intersects with agriculture, tourism, education and environmental sustainability. Cross-sectoral bridges which enhance cultural identity, foster innovation and embed creative practices in everyday life. Help support communities to build cooperative and responsible ecosystems, promote the actors that sustain them**.**

Examples:

Social farming in South Tyrol, organised around the social cooperative "Mit Bäuerinnen lernen-wachsen-leben"[20], builds an ecosystem that links agriculture, care, education and social services, creating new collaborations between farmers, welfare actors and local communities. This ecosystem approach replaces isolated project funding with long-term cooperation across sectors and organisations, and is easily translatable to CCI–agriculture–tourism cultural ecosystems.

Located on a former railway site in Germany, Utopiastadt[21] is a civic innovation hub that brings together artists, social entrepreneurs, NGOs, and local authorities to form a cross-sectoral ecosystem. Rather than funding single events, it provides infrastructure for ongoing cultural, social and environmental projects.

The S3 project: Application of tourism e-marketing measures in Lithuania applies tourism e-marketing[22] for digital promotion. It combines digitalisation with heritage-based tourism and illustrates how urban-advantaged digital capabilities can support non-urban cultural assets through cross-sector collaboration.

5. **Promote a place-based systemic approach** aligning innovation potential of CCIs, cultural development, technological transformation, diversity, embeddedness and social cohesion in non-rural areas. Promote local ecosystems, based on voluntary associations, cultural intermediaries and small creative enterprises, social economy organisations, to form hybrid networks, often operating across sectors. **Leverage local knowledge** to combine it with new insights to strengthen ecosystems by activating traditional knowledge in the service of sustainable, locally rooted innovations. Put a growing institutional emphasis on inclusive, place-based cultural development and stronger links between culture, identity and social cohesion. Place emphasis on the strategic

[20] https://www.lernenwachsenleben.it/

[21] https://utopiastadt.eu/

[22] https://linkedopendata.eu/wiki/Item:Q3797402

importance of ecosystem building, supporting not just individual creators but intermediary organisations, networks and collaborative infrastructures.

Examples:

The THRIVE project[23] under Creative Europe aims to revitalise rural areas in Portugal, Italy, Croatia, Slovenia and Spain by combining intangible cultural heritage, local crafts, gastronomy and digital innovation to retain talent and foster creative entrepreneurship. It exemplifies a systemic, place-based approach where CCIs, cultural identity, technological transformation and social cohesion are treated as interconnected levers of rural development.

The Rural Alliances project under Interreg North West Europe supports rural communities by linking cultural activities with tourism, entrepreneurship and civic engagement. It is a model for holistic, place-based development that integrates local identity, culture and social innovation.

6. **Institutionalise the role of intermediaries and ecosystem enablers by treating them as essential infrastructure.** Cultural labs, development agencies, third places, municipal cultural officers or informal collectives serve as connective tissue—translating policy into action, supporting capacity-building and anchoring continuity. However, they often lack formal recognition and sustained funding. Considering pooling resources and developing synergies to create cooperation processes between stakeholders around regional projects. Stable funding, legal status and strategic support should be provided to actors that mediate between policy and grassroots practice.

Examples:

The Culture of Solidarity Fund[24] (regional rounds in Northern Italy, e.g., Piedmont and Aosta Valley) supports "widespread cultural centres", cross-sector cultural networks and place-based initiatives such as chestnut-based cultural projects that connect artists, new farmers and local institutions. In these schemes, cultural intermediaries and local labs are recognised as essential infrastructure and receive more stable financial and strategic support.

[23] https://tourism4-0.org/thrive-project-takes-off-revitalizing-eu-rural-areas-through-cultural-heritage-and-innovation/

[24] https://www.fondazionecrt.it/en/culture-of-solidarity-fund-the-14-winning-projects/

The NGO MitOst[25] runs funding and exchange programmes for grassroots cultural projects across Europe, acting as an intermediary that bridges policy and practice. It supports long-term cultural infrastructure through networks, training and co-creation.

7. **Develop collaborative governance**, cross-sector experimentation, and tailored support mechanisms. Stronger support should be given to collaborative ecosystems, where different actors—local authorities, cultural intermediaries, civil society, and traditional sectors—co-create innovation processes that are rooted in local identity and long-term sustainability. Innovation support must be coordinated across governance levels and sectors.

Examples:

The PoliRural[26] project brings together policymakers, experts and rural inhabitants in multiple European pilot regions, using participatory foresight and policy-simulation tools to co-design new rural policies and innovation pathways. This provides a clear example of collaborative, multi-actor governance and experimentation, where different sectors and levels of government co-create solutions aligned with local identities and long-term sustainability.

The LEADER project Bâti-Botte - Identification and promotion of local heritage to the wider public[27], documents how The LAG de la Botte du Hainaut developed an updated inventory of built heritage across the territory, supported by RDP funding for a dedicated project officer. The intervention strengthened intermediary capacity and coordination among partners and target groups, prioritizing long-term ecosystem functions over short-term visible outputs.

8. **Strengthen funding flows to support small and medium-sized European cooperation projects.** Creative Europe and related EU tools already provide small/medium cooperation funding and some capacity-building, but there is a call for more stable, territorially anchored training and support structures for rural CCIs firms and organisations (e.g., regional hubs, advisory services, long-term mentoring). These initiatives must be expanded to strengthen cohesion among stakeholders by enabling them to promote cooperation and the formation of multi-partner teams.

[25] https://www.mitost.org/

[26] https://eu-cap-network.ec.europa.eu/projects/polirural-future-oriented-collaborative-policy-development-rural-areas-and-people_en

[27] https://eu-cap-network.ec.europa.eu/good-practice/bati-botte-identification-and-promotion-local-heritage-wider-public_en

For example, endowment funds[28] could be used to strengthen the investment capacity of local authorities and attract other financing.

Examples:

Creative Europe's culture strand finances small-scale cooperation projects such as THRIVE and other rural creative tourism or heritage initiatives, with specific calls designed for small and medium-sized operators and cross-border partnerships. These schemes often include support for capacity-building and training, which directly addresses the need to adapt funding instruments to small hybrid cultural actors in rural contexts.

The LEADER project Promoting the cultural heritage of Western Estonia through the skilful work of local people[29] in Kodukant Läänemaa, Estonia, is to train small museum managers and operators in western Estonia region to present local heritage and strengthen visitor services as a rural business activity. Beyond individual skills, the project also forms a network that facilitates knowledge exchange, mutual support, and sustained collaboration. This project illustrates how modest funding can reinforce cooperation structures among small cultural actors in rural regions.

9. **Identify the appropriate level of decision-making—national, regional or local—and combine different but complementary decision-making levels.** Policy design for CCIs must be embedded within broader regional innovation strategies. Strengthen cooperation between different levels of regional, national, and European governance, to amplify global and local efforts on existing networks and local resources to address the lack of dynamic hubs or knowledge providers in rural areas. Improve interactions between local and external actors at the regional or sub-regional level to enhance a territory's "absorption capacity."

Example:
The SHERPA project[30] on multi-level governance in rural areas documents how its 41 Multi-Actor Platforms bring together local, regional, national and EU stakeholders to co-produce recommendations on rural governance, stressing the need for better vertical coordination and place-based policy design. This is a concrete illustration of embedding CCI-relevant policy discussions within broader regional innovation strategies and combining different decision-making levels to enhance rural "absorption capacity".

[28] Endowment fund is a French flexible and autonomous legal tool which enables private funds from sponsorships to be mobilized while strengthening their impact in the region: L. n° 2008-776 August 4, 2008, Official Journal of August 5, Art. 140.

[29] https://eu-cap-network.ec.europa.eu/good-practice/promoting-cultural-heritage-western-estonia-through-skillful-work-local-people_en

[30] (Vilcu et al., 2023)

12.3 Recommendations for European policymakers

1. **Integrate cultural agendas into broader EU priorities, such as the green and digital transitions, regional cohesion and social resilience,** while fostering long-term institutional learning and policy adaptability.

Examples:

The LEADER project The Flourishing Destinations approach[31] in Bazinul Dornelor, Romania, Meetjesland, Belgium and Angus, Scotland, which brought together rural areas in Belgium, Romania and the UK to develop regenerative tourism based on traditional crafts and local food products. The project connects cultural heritage and creative tourism with environmental sustainability, new digital marketing tools and local economic development, aligning cultural agendas with green transition, regional cohesion and social resilience goals rather than treating them as a separate policy silo.

The *New European Bauhaus* *(NEB)*[32] is a flagship EU initiative that exemplifies how cultural and creative sectors can be fully integrated into the European Union's major transitions—particularly the green transition, digital innovation and social inclusion. Launched as part of the European Green Deal, the NEB promotes interdisciplinary collaboration between artists, designers, architects, engineers and communities to create sustainable and inclusive living spaces.

2. **Improve development policies towards CCIs, in particular between LEADER and S3. Integrate more social and institutional innovation** and consequently more projects open to the CCIs into S3. CCIs should be understood as a multi-functional and territorially grounded element of S3, requiring place-sensitive, evidence-based support. **Maintain and developing LEADER projects in the CAP**, which represent a major source of fundings for CCIs initiatives in rural areas

Example: In several EU regions, Smart Specialisation Strategies (S3) already integrate CCIs and tourism as cross-cutting priorities while LEADER supports small cultural and heritage projects on the ground; **the Centru region in Romania is a clear example, where spa and health tourism is part of the regional S3 and is supported by local rural initiatives.** This shows how cultural assets and CCIs can be treated as a multifunctional, territorially grounded component of S3, while LEADER and CAP instruments finance concrete village-level cultural infrastructure and diversification projects, pointing toward the need for better coordination between these two policy frameworks.

[31] https://eu-cap-network.ec.europa.eu/good-practice/flourishing-destinations-approach_en

[32] https://new-european-bauhaus.europa.eu/policy-ecosystem_en?utm_source=chatgpt.com

3. **Strengthen capacity building by implementing specific training programmes to equip CCI stakeholders with the necessary skills in emerging technologies, business models and strategic management**. Long-term resilience of CCS depends on equipping cultural actors with green, digital and entrepreneurial skills. Greater transparency, education and accountability will help communities to develop their capacity to act.

Examples:

The Interreg Central Europe project "Capacity2Transform" (C2T)[33] runs local pilot initiatives that provide workshops, mentoring and e-learning to help SMEs and creative/tourism actors integrate digital tools and sustainable practices into their activities in nine regions, many of them rural or small-town. Between 2024 and 2025, these pilots delivered more than 160 Capacity-building activities, focusing on green, digital and innovation skills and on new business models.

The LEADER project Boyndie Visitor Centre[34] Banff, Scotland supported a training centre that equips unemployed adults, many with special needs, with practical skills in hospitality, heritage management, and small-scale retail within a functioning visitor centre. The project strengthens employability and organisational capacity in non-urban areas.

4. **Support cross-sectoral partnerships with local associations, NGOs and municipalities, which appear to be the main drivers of CCI development.** Given that regional connectivity is the result of deliberate, bottom-up networking, policy needs to encourage the development of clusters, hubs and collaborative platforms that merge cultural, technological and entrepreneurial capacities.

Examples:

The emerging CRAB[35] network ("the future of rural creative hubs") connects rural creative spaces across Europe and is led by actors such as the Anceu Coliving project in rural Galicia and Italian youth associations, working closely with municipalities and local NGOs. Its mission is to formalise a European alliance of rural creative hubs that act as brokers between culture, entrepreneurship, digital innovation and community development, embodying the kind of clusters, hubs and collaborative platforms.

[33] https://bizgarden.cz/en/transforming-capacities-building-bridges-c2t-pilots-empower-central-europes-green-digital-transition/

[34] https://eu-cap-network.ec.europa.eu/good-practice/boyndie-visitor-centre_en

[35] https://anceu.com/crab-the-future-network-of-rural-creative-hubs/

The LEADER project L'HanGare: creating a community space to strengthen social links and solidarity for the Thiviers territory[36] in Thiviers, France supported the transformation of a former hangar-style building in Thiviers into a multifunctional community space that combines a social café, coworking facilities, and cultural, social and sports activities. Developed through a network of municipalities, associations and private partners, the project functions as a local hub that connects cultural, social and entrepreneurial activities and provides shared infrastructure for ongoing collaboration across sectors.

12.4 Other advice for local stakeholders

1. **Deepen knowledge about the content of social and cultural innovation** because of its importance for non-urban areas, to better support communities. Better support collective action and social innovation as key elements of regional strategies aimed at enhancing the diversity and variety of CCIs in non-urban areas.

Examples:

The CERUSI project[37] (Central Europe Rural Social Innovation) created a "Rural Social Innovation Lab Caravan" that travelled through rural areas of Austria, Italy, Slovenia and other Central European countries to help citizens and local actors understand, co-design and test social innovation solutions. These labs explicitly focused on collective action, new organisational models and community-driven projects (often including cultural and creative activities).

The LEADER project Reviving traditional shipbuilding on Hiiumaa Island[38] in Hiiumaa, Estonia illustrates how cultural heritage can function as a driver of social innovation. More than 200 participants engaged in restoring traditional shipbuilding practices through training courses and workshops that enabled knowledge transfer and skills development. The project strengthened collective action around local heritage while diversifying CCI-related activities in a non-urban island context.

[36] https://eu-cap-network.ec.europa.eu/good-practice/lhangare-project-creating-community-space-strengthen-social-links-and-solidarity_en

[37] https://www.zsi.at/wp-content/uploads/2025/02/CERUSI_D_T3_1_3_Transnational_Rural_Social_Innovation_Development_Strategy_FINAL.pdf

[38] https://eu-cap-network.ec.europa.eu/good-practice/reviving-traditional-shipbuilding-hiiumaa-island_en

2. **Don't do *for* but *with* people. Support local communities in identifying and expressing their needs and empower local populations**. Involve more local communities in the elaboration of projects related to CCIs activities (consultation) and need to have local laboratories as close as possible to the populations.

3. **Progressive regional adaptation: local actors should be involved** in the co-creation and contextual adaptation of the CCIs initiatives, helping prioritise actions based on local needs and opportunities. Develop education and training to empower communities and give them tools and methods.

Examples:

Within the RURITAGE project, each participating territory set up a Rural Heritage Hub as a physical and social space where local residents, associations, SMEs and authorities jointly identify needs, co-design heritage-led projects and adapt regeneration strategies to local priorities. These hubs function as local laboratories "as close as possible to the population," embodying the principle of "doing with, not for" people and showing how progressive regional adaptation of CCI initiatives can be organised in practice.

The LEADER projects 'Development Direction' and 'Tradition and development'[39] in Poland organised two conferences in response to the needs of local citizens who were looking for knowledge sharing and new experiences in cultural heritage, folklore, customs and traditions. The projects increased local awareness of rural development policy and available financial support, strengthened community involvement in rural initiatives and fostered new regional and supra-regional networks.

4. **Monitor EU policies and programmes to be able to apply to various fundings related to CCIs activities.** In our case, to familiarize with S3 and LEADER programmes and to implement projects corresponding to their respective spirits (*Regional level*, devoted to regional administrations, agencies, and larger organisations for S3; *Local level*, supported above all by local co-operatives structured for LEADER).

Example:
Local Action Groups (LAGs) under the LEADER approach work in parallel with regional authorities responsible for Smart Specialisation Strategies (S3) in many EU countries. For example, in several German and Austrian regions, LAGs use LEADER funding for village-level cultural events or small creative tourism projects, while the regional S3 sets broader priorities around CCIs, tourism and digitalisation.

[39] https://eu-cap-network.ec.europa.eu/good-practice/development-direction-tradition-and-development_en

5. **Prepare projects which associate different types of CCIs expression (tourism, heritage, arts, festivals, etc.).** Enlarge the vision of CCIs, mainly focused on Heritage and Tourism infrastructures; open way to more diversified channels.

Examples:

Projects on cultural and creative tourism in rural and remote areas, such as those documented in the **CROCUS[40] network**, typically combine multiple CCI dimensions—local crafts, gastronomy, festivals, storytelling, landscape interpretation and digital content—within a single territorial offer.

The LEADER project 'The tree of light workshop' – Supporting local entrepreneurship in a remote rural area[41] in Kaldabruņa, Latvia, funded a local association to transform a former wood-processing workshop into a modern wood and glass production space. The project combined arts and craftsmanship with technical training and entrepreneurship, equipping local residents with skills that support creative production and local economic activity.

The LEADER project A Bee Tale Connects: digital tourism for people with disabilities[42] in Lukovica, Slovenia developed digitally adapted nature trails. Through audio guides, tactile maps and augmented reality applications, the project links digital media, accessibility, education and tourism services, illustrating how CCIs can be integrated into diverse activities to promote inclusion and sustainability.

[40] https://crocuseurope.eu/news/cultural-and-creative-tourism-in-rural-and-remote-areas-insights-from-europe/

[41] https://eu-cap-network.ec.europa.eu/good-practice/tree-light-workshop-supporting-local-entrepreneurship-remote-rural-area_en

[42] https://eu-cap-network.ec.europa.eu/good-practice/bee-tale-connects-digital-tourism-people-disabilities_en

13 Conclusions

The work done in this report leads us to a conclusion that we did not necessarily expect when we started this work. The various research we have undertaken on the subject shows that **the role played by the CCIs in non-rural areas is extremely important, even crucial,** an idea that we would not have defended before looking into the issue.

Indeed, not only do the CCIs play an important role in terms of social or institutional innovation, which we had already analysed in our previous work (Torre & Filippi, 2024)**, but they often constitute the heart of local activities in non-rural areas**, in three ways:

1. By their considerable contribution to the income and wealth of the territories, due to the profits and advantages provided by activities such as tourism or heritage activities for example;
2. Even more so because these activities play the role of assemblers and enablers of other activities at the territorial level, in conjunction with sectors such as agriculture or tourism for example; and, finally,
3. By their role as a social link and driver of social inclusion, which makes them occupy a central place in services to people, particularly in territories populated by remote, sparse and aging communities.

On the basis of these observations, we have proposed a number of policy recommendations (summarised in Annex 12)**, which are addressed to both EU policymakers and local stakeholders or actors of CCIs activities.** They aim to better integrate culture within territorial innovation and development strategies in non-urban areas, increase the coordination across governance levels and enhance policy tools capable of responding to territorial diversity and promoting cultural activities in the broader sense.

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Annex 1. ChatGPT prompt for good practice database analysis

You classify rural development projects for a research study. Decide labels only from the text provided; do not use outside knowledge.

If information is absent or ambiguous, return “” for that field rather than guessing.

You must assign category-level labels only, not detailed keywords. Use the fixed option lists below.

GENERAL RULES

- Use only what is clearly stated or strongly implied in the project text.

- If something is unclear or not described, set the corresponding field to “”.

- All values must:

  * be lower case,

  * be at most 2 words,

  * contain no punctuation characters (no commas, &, /, etc.).

- Output a single JSON object with exactly these keys:

  “problem_category”,

  “field_primary_category”,

  “field_secondary_category”,

  “actor_category”,

  “action_group”,

  “territory_scale”,

  “territory_typology”

Do not add any extra keys or explanations.

==========

1. PROBLEM CATEGORY (problem_category)

==========

Choose the main type of problem or challenge the project addresses.

Allowed values (pick one or ""):

- demography → population decline, outmigration, youth trajectories, human capital

- social inclusion → exclusion, isolation, cohesion, participation, gender barriers, wellbeing

- economy → economic decline, unemployment, entrepreneurship, business viability, markets

- infrastructure → buildings, facilities, housing, transport, connectivity, services

- governance → cooperation, networks, funding capacity, management, information gaps, skills gaps in governance

- environment → climate, energy, emissions, environmental degradation, pollution, sustainability

- agriculture → farming systems, food security, processing logistics, agri-waste streams

- culture → cultural access, arts, heritage, identity, tradition

- tourism → tourism volume, quality, seasonality, attractiveness, image

If you cannot confidently place the problem in one of these types, use "".

==========

2. FIELD CATEGORIES (field_primary_category, field_secondary_category)

==========

Field categories describe the main socio-economic or cultural domains where the project operates.

Allowed values (use up to two, or ""):

- agriculture → agriculture, food production, bioeconomy, forestry, value chains

- environment → environment, energy, natural resources, sustainability, climate

- economy → business, markets, entrepreneurship, employment, local economy

- culture → culture, arts, heritage, media, creative sectors

- social → social affairs, health, social care, education, youth, community services

- governance → governance, rural development governance, participation, partnerships, administration

- infrastructure → infrastructure, housing, construction, transport, accessibility

- tourism → tourism, hospitality, recreation, events, gastronomy, place marketing

SPECIAL ATTENTION TO CREATIVE AND CULTURAL INDUSTRIES:

If the project clearly operates in one or more of these domains:

{sorted(CCI_DOMAINS)}

then:

- Always assign at least one of "culture" or "tourism" to field_primary_category or field_secondary_category when culture/creative or tourism activities are clearly present.

- Use "culture" when the project mainly concerns culture, arts, heritage, museums, libraries, media, design, crafts, music, film, performing arts, visual arts, games, publishing, or advertisement in a cultural/creative sense.

- Use "tourism" when the project mainly concerns tourism, visitor experiences, cultural tourism, destination marketing, or tourism-oriented advertisement.

However, culture or tourism does not need to be the primary field:

- If culture/tourism is central, you may set field_primary_category = "culture" or "tourism".

- If another domain (for example "economy" or "social") is clearly the main focus and culture/tourism is secondary, then:

  * set field_primary_category to the main domain (e.g. "economy"),

  * set field_secondary_category to "culture" or "tourism".

Rules:

- field_primary_category = the single most central field.

- field_secondary_category = a second field only if clearly important alongside the primary.

- If there is no clearly important second field, use "" for field_secondary_category.

- If creative or cultural content appears only as a minor detail, and is not clearly important, you may leave both field_primary_category and field_secondary_category as other domains.

==========

3. ACTOR CATEGORY (actor_category)

==========

Actor categories describe who leads or coordinates the project.

Allowed values (pick one or ""):

- individuals SMEs → individual farmers, families, entrepreneurs, micro/small businesses, SMEs, private companies, start-ups

- local organisations → local associations, cooperatives, community groups, LAGs, local NGOs, municipalities and local public bodies, schools, museums

- regional national → regional or national authorities, ministries, agencies, national parks, national or regional NGOs/umbrella organisations, research institutes, managing authorities

If the actor type is not clearly identifiable, use "".

==========

4. ACTION GROUP (action_group)

==========

Main type of action or intervention.

Allowed values (pick one or ""):

- buildings → construction, renovation, restoration, regeneration, physical facilities, signage, paths

- equipment → equipment purchase or upgrade, technology installation, process modernisation

- production → production, processing, value-adding, new products

- business support → advisory services, mentoring, startup support, diversification, enterprise development

- tourism actions → tourism product development, routes, trails, visitor experiences, guides

- culture heritage → cultural or artistic activities, festivals, exhibitions, heritage conservation or promotion

- community inclusion → community building, social inclusion, local activities, work integration, youth engagement

- education training → training, education programmes, workshops, study tours, knowledge transfer

- digitalization → digital tools, platforms, online marketplaces, digital mapping, ICT

- marketing → branding, marketing, promotion, campaigns, storytelling

- governance actions → cooperation building, networking, participatory planning, administrative simplification

- research planning → studies, research, mapping, feasibility, planning, pilot testing

- markets supply → direct sales, markets, distribution, supply chains, certification, traceability

- project support → generic project coordination, project development, resource sharing

- agri environment → agricultural practices, land management, conservation, habitat management, social farming

Choose the group that best summarises the main action. If none fits reasonably, use “”.

==========

5. TERRITORY

==========

territory_scale:

- Use “local”, “regional”, or “national” if the scale of the project is clearly indicated (e.g., village, municipality, region, national programme).

- If the scale is unclear or mixed, use ““.

territory_typology:

- Use “rural”, “urban”, or “mixed” if you can infer the territorial type from the description.

- If it is unclear whether it is rural or urban, use ““.

FINAL OUTPUT FORMAT

- Return a single JSON object with exactly these keys:

“problem_category”,

“field_primary_category”,

“field_secondary_category”,

“actor_category”,

“action_group”,

“territory_scale”,

“territory_typology”

- All values must be strings (possibly ““).

- Do not include any explanations, comments, or additional keys.

Annex 2. Interview guide

1. Types of CCI activities and hybrid practices

1. What types of cultural and creative activities do you primarily engage in (e.g., visual arts, crafts, design, digital media, performing arts, heritage)?
2. Do you combine different CCI sectors within your projects? If so, which ones, and why?

2. Partnerships and local ecosystem

3. What types of partnerships (local, inter-island, international) have you developed to support your activities?
4. Are there support structures or intermediary organisations that facilitate connections across the archipelago?
5. What role do universities, cultural centres, or public agencies play in these networks?
6. What role do local non-cultural groups (e.g., environmental, youth, social organisations) play in your ecosystem? Do you collaborate with them?

3. Governance and public support

7. How do you interact with local and regional authorities in terms of cultural policy and support?
8. Who usually initiates or leads the projects you're involved in (individual artists, associations, local authorities, collectives)?

4. Public policies and funding schemes

9. Are you familiar with EU programmes that support cultural and creative activities in rural areas (e.g., Creative Europe, LEADER, S3, CLLD, FEADER)?
10. Have you or your collaborators ever applied for such funding? What was your experience?
11. What barriers do you face in accessing these European funds (administrative, financial, knowledge-based, linguistic, etc.)?
12. Beyond EU funds, what national or regional funding schemes have you accessed to support your work?

5. Cross-sectoral projects and impact evaluation

13. Have you developed collaborative projects combining culture with other sectors (e.g., agriculture, tourism, education, health)?
14. How do you currently measure the impact of your work? Do you think current funding schemes value qualitative impact (inclusion, cohesion)?

Annex 3. Synthesis of interview with representative of Valmiera Development Agency (Latvia)

1. Institutional and territorial context

The interviewee is a representative of a development agency that functions as a non-governmental organisation (NGO). This agency was founded through a collaborative initiative involving the local municipality, a regional university (Vidzeme University of Applied Sciences), local vocational schools, and private entrepreneurs. Its headquarters are located in Valmiera County, a rural area in Latvia with an approximate population of 50,000 residents. While the agency's original mandate focused on economic development and the support of local entrepreneurship, it has progressively expanded its scope. Currently, approximately 30% of its activities are devoted to the cultural and creative industries (CCIs). This expansion has been driven primarily through the operation of a makerspace, which has become a central node for fostering creative experimentation and innovation within the region.

2. Cultural practices and project modalities

Initially established to support product prototyping and technical innovation, the makerspace has evolved into a vibrant, multifunctional venue. It now serves a wide variety of users, including young people, adult learners, professional artists and creative entrepreneurs. The space hosts an array of cultural and educational activities, such as creative technology workshops, summer camps and artist residencies. It also participates actively in community cultural events, including collaborations with the Valmiera Summer Theatre Festival. In addition to these cultural engagements, the agency runs startup support schemes specifically targeting the creative sector. These include small-scale grants ranging from €6,000 to €20,000 and tailored mentoring for early-stage creative businesses. The programmes are intentionally designed to integrate technical, artistic and entrepreneurial competencies, providing a holistic approach to creative capacity building.

3. Partnership models and intermediaries

The development of partnerships in Valmiera County is heavily reliant on informal networks and interpersonal trust. The small scale of the community allows for frequent face-to-face interaction and direct communication. For instance, access to the makerspace often happens through personal recommendations or a simple phone call. Municipalities are central actors in this ecosystem: they finance and organise over half of the cultural programming in the region and often act simultaneously as funders, partners, and implementers of cultural projects. While national-level cultural umbrella organisations (e.g., Theatre Association, Literature Centre) do exist, they are largely perceived as operating in a top-down fashion with limited sensitivity to local needs. On the international front, partnerships are mainly project-driven and emerge from existing networks of trust, typically cultivated through previous EU-funded projects. There is, however, no dedicated national or transnational platform for rural CCIs or creative NGOs to collaborate on a sustained basis.

4. Governance and cultural policy engagement

The governance of culture in Latvia is structured along two main levels: national and local. At the national level, the Culture Capital Foundation serves as the primary public funder, allocating resources through competitive grant calls. Locally, municipalities not only manage and implement cultural initiatives but often act as de facto policy drivers, initiating projects and shaping local cultural strategies. This dual role occasionally results in tension, especially when the municipality assumes operational functions that could otherwise be undertaken by NGOs. The interviewee described the working relationship with local authorities as generally positive, but noted the need for clearer delineation of roles and responsibilities. On a broader scale, there appears to be a gap in national cultural policy frameworks that explicitly address the needs and potentials of rural areas, particularly in the realm of cultural entrepreneurship and cross-sector innovation.

5. Access to EU and national funding

Engaging with EU funding programmes poses significant challenges for rural NGOs. The most pressing concern is the lack of pre-financing mechanisms in schemes such as Interreg, which require beneficiaries to pre-finance activities and wait long periods—sometimes exceeding a year—for reimbursement. This financial structure effectively excludes smaller organisations with limited cash flow. In contrast, the Erasmus+ programme is cited as a positive example, offering up to 80% of funding upfront and requiring a lighter administrative burden. These differences underline the crucial role that funding modalities—beyond the amount of available funds—play in shaping access and inclusion. On the national level, the Culture Capital Foundation provides vital support, but the competitive nature of its calls tends to favour experienced institutions with robust administrative capacity, thereby marginalising smaller and newer actors.

6. Cross-sector collaborations and impact evaluation

Cross-sector collaboration is not typically the result of formal planning but emerges organically from the daily functioning of the makerspace. This space draws in a wide range of participants—artists, technologists, educators and local entrepreneurs—who often co-create projects in response to shared interests or community needs. The agency also actively monitors EU calls and aligns its programming with available funding opportunities, fostering synergies between local development goals and European policy agendas. Monthly ‘maker evenings’ are held to facilitate informal collaboration and knowledge exchange. As for evaluation, the agency employs a combination of internal assessments and project-specific evaluations, including focus groups and participant surveys. However, the interviewee expressed concern about the overreliance on short-term, project-based evaluation frameworks, which are ill-suited to capturing long-term or systemic impact. A shift towards more holistic and longitudinal evaluation approaches was recommended.

7. Territorial specificities and cultural inequalities

The rural context of Valmiera County offers both strengths and weaknesses. The compact nature of the community facilitates rapid and flexible collaboration, while deep local ties foster a strong sense of mutual support. However, structural disadvantages persist, including limited access to national cultural networks, reduced funding opportunities, and fewer professional development pathways for creative practitioners. These disparities have been worsened by recent geopolitical developments, particularly the reallocation of state budgets towards defence and security following the war in Ukraine. As a result, cultural funding at the local level has decreased. Despite its vital role in community resilience and national identity, culture is often politically deprioritised in favour of more traditionally "strategic" sectors.

8. Policy recommendations from the field

The interviewee articulated several policy recommendations aimed at improving the operating environment for rural CCIs:

- EU funding schemes should adopt pre-financing mechanisms similar to Erasmus+ to ensure the inclusion of liquidity-constrained organisations.
- The LEADER programme should be preserved and expanded, given its accessibility and suitability for small-scale rural initiatives.
- Funding criteria should be differentiated for public authorities and NGOs, taking into account the latter's limited administrative and financial capacities.
- Greater investment should be directed towards intermediary structures—such as regional cultural hubs—that can assist NGOs in navigating complex funding and reporting requirements.
- Cultural governance should be decentralised in a manner that promotes genuine collaboration between municipalities and civil society, with clear role definitions.
- Policy frameworks at both national and EU levels should recognise the strategic importance of culture in fostering rural resilience, identity and cohesion.
- Finally, evaluation systems should move beyond project-based metrics and incorporate longer-term indicators aligned with regional development objectives.

Annex 4. Synthesis of interview with regional official/policymaker (Azores, Portugal)

1. Institutional and territorial context

The Azores archipelago, an autonomous region of Portugal, comprises nine islands spread across the North Atlantic Ocean. Each island presents unique socio-economic and cultural characteristics, contributing to a highly fragmented territorial landscape. Population sizes vary drastically—from approximately 130,000 residents in São Miguel, the largest island, to fewer than 400 in Corvo, the smallest. This geographical dispersion introduces logistical, financial and operational challenges in the delivery and coordination of cultural policies and activities. However, the autonomous status of the region provides the Azorean government with significant latitude to shape cultural policies tailored to local conditions, as long as they remain consistent with overarching national legislation. This autonomy has enabled more nuanced cultural programming that speaks to local identities while striving to integrate Azorean cultural life into broader Portuguese and European contexts. Despite their physical isolation, stakeholders within the Azores express a strong aspiration to be part of the European cultural landscape and to align with continental cultural standards and opportunities.

2. Cultural practices and project modalities

Cultural practices across the Azores demonstrate a complex and dynamic interplay between deeply rooted traditions and emerging contemporary forms. Traditional cultural expressions such as street bullfighting, choral music, and folk dancing remain highly popular and are integral to community life, particularly in smaller and more rural islands. These traditions are often intergenerational, serving as vehicles for community cohesion and identity. At the same time, there is a visible and growing interest in contemporary artistic disciplines including visual arts, design, crafts, digital arts and multimedia installations. Local artists and cultural agents are increasingly exploring hybrid forms, blending folklore with modern technologies to create new formats that can appeal to younger audiences and external markets. Cultural production tends to be community-oriented and publicly funded, with accessibility prioritised over profitability. Low ticket prices and free events are common, which, while promoting inclusion, also limit revenue generation and sustainability for cultural operators. Nevertheless, these practices contribute to a vibrant cultural ecosystem grounded in shared values and local participation.

3. Partnership models and intermediaries

To address the territorial fragmentation, the Azorean government has established at least one cultural infrastructure on each island, such as cultural centres, performance halls or arts incubators. These facilities serve as focal points for local cultural life and as catalysts for inter-island collaboration. To incentivise partnerships across the islands, public grants include financial bonuses for projects that engage multiple territories. This policy instrument aims to mitigate structural inequalities by encouraging cultural circulation and collaboration between more and less resourced islands. However, the success of such initiatives still heavily depends on the proactive engagement of local cultural

actors. Intermediaries are emerging in non-traditional spaces: universities, startup incubators, local cafes, restaurants and even bullfighting arenas increasingly host cultural programming. These alternative venues play an important role in broadening access and fostering interdisciplinary exchange. They also enable cultural events to reach wider audiences by embedding artistic practices in everyday social environments.

4. Governance and cultural policy engagement

Cultural governance in the Azores is relatively decentralised, reflecting the broader autonomy of the region. Annual funding calls are launched by the regional government to support a wide array of cultural initiatives. These range from creative production and music education to infrastructure development, including the purchase of instruments, costumes and technical equipment. Proposals are reviewed by independent expert commissions, ensuring a degree of transparency and merit-based allocation. Local community music schools, known as *sociadades*, are central to cultural life on many islands. These institutions not only provide music training but also function as social and cultural hubs. Governance frameworks promote inclusivity, with specific measures supporting mental health institutions and the integration of cultural activities into schools. While the regional government plays a strong enabling role, much of the cultural innovation emerges from grassroots initiatives, reinforcing a governance model that combines top–down support with bottom–up dynamism.

5. Access to EU and national funding

Despite a growing awareness of EU cultural funding schemes such as Creative Europe and Interreg, actual access remains limited. Local cultural actors often find the application processes too complex and administratively demanding. Many lack the technical expertise or personnel to navigate these bureaucratic requirements. To address this gap, the regional government subsidises the use of consultancy firms that assist with EU applications. This has begun to improve access, though uptake is still modest. The Archipel.eu programme, which targets cultural initiatives in small island territories, is highlighted as a best practice example due to its relevance and accessibility. There is cautious optimism about the potential of artificial intelligence tools to democratise access by automating some application tasks. However, concerns were also raised about over-reliance on AI and its implications for authenticity, especially in projects that aim to preserve or reinterpret local heritage.

6. Cross-sector collaborations and impact evaluation

Cross-sector collaboration is becoming increasingly visible and valued. Cultural activities are no longer confined to traditional venues but are being hosted in restaurants, cafes and open public spaces. This diversification of cultural settings helps embed cultural life into the everyday fabric of communities. Partnerships between cultural and environmental institutions are also on the rise, particularly to ensure that cultural events held in protected natural areas do not compromise environmental integrity. Notable examples include the adaptive reuse of bullfighting arenas for concerts and performances. Cultural impact evaluation focuses on qualitative indicators such as gender equity in

artistic programming and the active participation of marginalised groups. Programmes involving schoolchildren and patients from mental health institutions are used as benchmarks of inclusivity and social relevance. These approaches underscore a broader understanding of cultural value that goes beyond economic metrics to include social cohesion and community well-being.

7. Territorial specificities and cultural inequalities

The Azores faces pronounced territorial disparities, particularly between the dominant island of São Miguel and the smaller, less populated islands. São Miguel, buoyed by tourism and economic diversification, is cultivating a more market-oriented cultural scene, with private sector involvement and audience development strategies. In contrast, smaller islands often struggle to maintain even basic cultural services due to limited financial and human resources. The regional government seeks to counterbalance these disparities through targeted grant schemes and bonuses for inter-island collaboration. However, structural challenges persist. The logistical costs of transporting people and materials across islands remain high, and the availability of skilled cultural professionals is unevenly distributed. These factors contribute to cultural inequalities that require long-term, structural solutions beyond short-term project funding.

8. Policy recommendations from the field

- Simplify EU funding procedures to accommodate the capacities of small and remote cultural organisations.
- Institutionalise support for intermediary services that help local actors with international funding applications.
- Promote cultural production rooted in local heritage, avoiding the replication of models from urban centres or mainland Portugal.
- Encourage inter-island cooperation by maintaining and expanding grant bonuses for collaborative projects.
- Invest in digital transformation to document, archive and disseminate traditional cultural expressions.
- Utilise non-traditional venues to increase community engagement and reduce operational costs.
- Foster inclusive governance by ensuring access for marginalised communities and tracking equity indicators.
- Protect cultural budgets from being diverted due to shifting EU priorities, particularly in light of increasing investment in security and defence.
- Affirm the European cultural identity of outermost regions like the Azores to counteract peripheralisation and marginalisation.

Annex 5. Synthesis of interview with manager of community radio station (Galway, Ireland)

1. Institutional and territorial context

The interviewee manages a university-based community radio station located in Galway, Ireland. While physically embedded within the University of Galway campus, the station functions independently as a community-oriented entity. Structurally supported by the Students' Union and various university departments, it operates with a hybrid identity—part academic institution, part civic platform. Galway is a relatively small city, with approximately 80,000 inhabitants, known for its strong artistic reputation and designation as a former European Capital of Culture. Despite this cultural prominence, Galway suffers from a lack of sufficient cultural infrastructure, particularly accessible and well-maintained venues for cultural production and performance. The city's limited investment in "hard" cultural infrastructure poses a challenge to the development of a vibrant and inclusive CCI ecosystem, especially for smaller actors such as community media.

2. Cultural practices and project modalities

The radio station primarily engages in audio and digital media production, providing a platform for a wide range of cultural expressions. Its content includes live radio programming, podcasts and limited video and documentary formats. The station does not produce art in the traditional sense but plays a crucial curatorial and amplifying role by enabling the dissemination of cultural content. It facilitates visibility for artists, heritage groups, social organisations and literary voices through coverage, interviews, thematic shows and co-produced content. A flagship format is the "Community Takeover," where different groups or organisations are offered a two-hour slot to broadcast their own content—ranging from music and storytelling to social justice discussions. Training and support are provided, especially for youth and marginalised communities, including recent migrants. The station's model relies heavily on volunteer contributions (around 120 active volunteers) alongside a small professional team and rotating interns, many of whom come from international exchange programmes.

3. Partnership models and intermediaries

The radio station is part of a dense network of local, national and international partnerships. Locally, it maintains active collaboration with several university departments—including journalism, media studies, Irish language and youth education—as well as student groups and local NGOs. Nationally, it is affiliated with Community Radio Ireland, a non-regulatory organisation that offers training, lobbying and support to over 20 member stations. This body is instrumental in coordinating sectoral efforts, especially in policy dialogue and capacity building. International partnerships extend to US-based stations and networks such as World College Radio, enabling intercultural exchange and content sharing. The station functions as an intermediary itself, connecting cultural organisations, educators

and community actors to a wider audience. It facilitates both top-down and bottom-up flows of communication and knowledge, serving as a flexible platform for multi-sectoral engagement.

4. Governance and cultural policy engagement

Governance of the station is shaped by its community mandate and regulatory obligations. It holds a ten-year broadcast license and is accountable to two primary bodies: ComReg (Office for Communication Regulation) and the Media Commission (Coimisiún na Meán). Internally, its governance combines administrative autonomy with formal ties to the university's student governance structures. Despite the station's contributions to Galway's cultural landscape, it has limited visibility within official cultural policy frameworks. Local government engagement with CCIs is minimal, and cultural policies tend to prioritise conventional arts institutions or large-scale events. The station is occasionally acknowledged in public initiatives—for instance, through city council-funded awareness campaigns—but is otherwise marginalised in strategic cultural planning and resource allocation. This lack of recognition affects funding eligibility and strategic development, despite the station's clear contributions to public service and cultural inclusion.

5. Access to EU and national funding

Funding for the station is patchwork and precarious. The most consistent and impactful support comes from the "Sound and Vision Fund," financed through television licence fees and administered by the Broadcasting Authority of Ireland. This fund is targeted at content with social and cultural value and supports both programming and technical development. However, institutional affiliation with the university creates a structural misunderstanding—many funders assume the university provides financial support, which is not the case. As a result, the station often struggles to secure local arts council funding. Some involvement in EU-funded projects (e.g., Creative Europe, Leonardo) occurs through partnerships rather than as the lead applicant due to limited administrative capacity. A new opportunity has emerged through the Digital Transformation Fund, which aims to support technological upgrades and strategic development. Still, funding access remains constrained by administrative burdens and the lack of full institutional recognition.

6. Cross-sector collaborations and impact evaluation

The station exemplifies effective cross-sectoral collaboration, partnering with entities across education, health, migration,and youth sectors. Projects include media training for teenagers, public health information campaigns, science communication programmes and radio shows co-produced with recently arrived migrants from Ukraine. These collaborations expand the station's reach and relevance, positioning it as a key actor in community development. Impact assessment is grounded in a qualitative framework developed jointly with the Media Commission and Community Radio Ireland. This six-dimension framework measures outcomes such as community inclusion, access to information, diversity of voices, youth engagement and the development of critical media skills. Though traditional metrics such as audience numbers or revenue generation are absent, the station

is meticulous in documenting qualitative benefits and uses impact reports to advocate for continued support.

7. Territorial specificities and cultural inequalities

Galway's cultural ecosystem presents a paradox. While widely recognised for its cultural vitality and international profile, it lacks the basic infrastructural and policy-level support required to sustain a diverse and inclusive CCI environment. Community media like the interviewee's station fill critical gaps, especially for underrepresented voices, emerging artists and non-commercial cultural formats. However, the absence of adequate public investment and the lack of coordinated cultural policy limit the growth potential of such initiatives. Inequities persist not only between established institutions and grassroots actors, but also geographically, as smaller towns and rural areas in the Western region have even fewer cultural outlets. Community radio acts as a territorial equaliser, linking dispersed communities and offering an inclusive cultural platform.

8. Policy recommendations from the field

- Recognise community media as core cultural infrastructure, not merely communication tools.
- Include community broadcasters explicitly in national and regional cultural funding schemes, especially for public service, inclusion,and youth-focused programming.
- Simplify application processes for public funding, particularly for smaller organisations with limited administrative capacity.
- Ensure equitable access to public communication budgets, such as government advertising and public health campaigns.
- Develop alternative impact metrics that capture social value, inclusion and community cohesion, beyond audience size.
- Invest in digital infrastructure, such as broadband, editing software and broadcasting tools, as part of cultural strategy.
- Encourage collaboration between commercial, state and community media, fostering a pluralistic and cohesive media landscape.
- Provide access to training and administrative support for EU funding applications, possibly incorporating AI tools to reduce administrative load and expand access.

Annex 6. Synthesis of interview with senior staff of the Rauma Maritime Museum (Finland)

1. Institutional and territorial context

The Rauma Maritime Museum, located in the port town of Rauma on Finland's western coast, is a private cultural institution founded and governed by a dedicated foundation. Although the town has a strong maritime identity and a population of around 39,000, the museum operates in a context marked by a combination of local pride, modest resources and regional disparities in cultural investment. The museum's core thematic focus is on Finland's maritime heritage, particularly Rauma's 19th-century deep-sea sailing history, shipbuilding traditions and the professional and social lives of seafarers. Despite its small size—employing only three full-time museum professionals, with additional part-time and seasonal staff—the museum is one of the most active cultural organisations in the region, acting as both a heritage institution and a platform for creative and educational experimentation.

Financially, the museum depends on a mixed funding model. Approximately 50% of its budget comes from the town of Rauma, complemented by government support and around 20% of self-generated income, which includes museum shop sales, entry fees, space rentals and other services. Its private status places it in a somewhat precarious position compared to publicly owned museums, especially regarding eligibility for municipal and national subsidies.

2. Cultural practices and project modalities

While its foundation is in historical preservation and maritime heritage, the Rauma Maritime Museum adopts a flexible and innovative approach to cultural programming. It integrates artistic disciplines and community engagement into its operations. For example, the museum collaborates with local schools to support multi-disciplinary education by connecting history with subjects like geography, crafts and arts. It has hosted theatrical performances, such as a production by a local English-speaking amateur theatre group, as well as music events including a maritime-themed a cappella competition.

The museum also commissions contemporary art pieces that interpret maritime heritage, such as sound and visual artworks linked to local shipbuilding or seafaring themes. One of its current strategic projects focuses on the museum shop: it collaborates with over ten local craftspeople and design entrepreneurs, along with the University of Turku, to create locally produced, environmentally sustainable museum products. These efforts combine cultural production with green innovation and support the local creative economy. Additionally, the museum is exploring intangible services, including assistance to businesses in preserving their historical archives—a niche often neglected in Finland, according to the museum director.

3. Partnership models and intermediaries

Partnerships are integral to the museum's sustainability and outreach. Locally, it collaborates closely with the other museums in Rauma (two historical and two art museums) on joint development projects, particularly in collection management and educational programming. In the wider Satakunta region, it engages regularly with the Satakunta Museum in Pori, which holds a regional coordination mandate and supports collaborative efforts through meetings and co-led initiatives.

Internationally, the museum is a member of the International Network of Maritime Museums. It also established a promising—though currently paused—bilateral project with the Bass Strait Maritime Centre in Tasmania. These partnerships expand the museum's knowledge base, visibility and learning opportunities, but require resources that are sometimes difficult to allocate.

The museum also works with local associations like the Shipbuilders of Rauma and the Rauma Maritime Historical Society, as well as educational institutions such as the University of Turku's teacher education unit in Rauma. One particularly productive partnership has been with RaumArs, the town's artist-in-residence programme, with which the museum co-develops artist residencies rooted in maritime themes. These partnerships are often informal in origin, initiated through personal contacts, yet evolve into structured collaborations. Support from the town's cultural services, the local Entrepreneurs' Association and the International Service Centre also facilitates network development and project planning.

4. Governance and cultural policy engagement

The museum is governed by a foundation, whose board includes a representative from the municipality. This governance model combines operational autonomy with public accountability. The director reports regularly to the town of Rauma, which co-finances the museum and follows its activities closely.

An exemplary practice is the museum's participation in the Finnish Museums Association's "Politician's Museum Internship" programme. This initiative brings local elected officials into the museum for a day to shadow staff and experience their work firsthand. It has proved effective in building mutual understanding between cultural institutions and policymakers.

Regionally, the museum participates in cultural forums organised twice a year by the Satakunta Regional Council, where various stakeholders—including municipalities and NGOs—meet to exchange ideas and review strategies. However, limited staffing and time often constrain the museum's ability to engage deeply in these policy processes.

5. Access to EU and national funding

The museum has had positive but limited exposure to EU funding. It successfully implemented a Leader-funded project with Leader Satasilta to create portable maritime-themed educational kits.

While the online application platform was user-friendly, the overall process was administratively demanding and required external expertise. The museum has not yet engaged with larger EU funding streams such as Creative Europe, Interreg or CLLD, citing a lack of internal capacity, unfamiliarity with eligibility requirements and perceived complexity.

National funding sources have been more accessible. These include support from the Finnish Heritage Agency, the Finnish Cultural Foundation, the Jenny and Antti Wihuri Foundation and the Ministry of Transport and Communications (linked to the museum's thematic focus). Additionally, the museum has participated in a few Erasmus+ projects, either directly or through partnerships.

The museum expresses a clear interest in expanding its access to EU resources but emphasises the need for better guidance, capacity-building,and simplified procedures tailored to small institutions.

6. Cross-sector collaborations and impact evaluation

The museum actively participates in cross-sector projects, including environmental, educational, and social initiatives. It has collaborated with the John Nurminen Foundation and nature conservation organisations to promote marine environmental awareness. It also engages with the Finnish Seamen's Mission and youth organisations.

A standout example of social innovation is the museum's participation in the regional "Culture Prescription" initiative, which enables individuals facing social or health-related challenges to attend cultural venues at reduced or no cost. While the museum cannot afford to provide entirely free access due to financial constraints, it contributes by offering discounts and organising events such as "pay with a poem" days to promote inclusion.

Impact evaluation is conducted on a project-by-project basis. The museum uses the IOOI (Input–Output–Outcome–Impact) framework and aligns evaluations with funder expectations, which increasingly value inclusivity, innovation,and outreach to new audiences. However, timing remains a challenge: most evaluations must be delivered before long-term impacts are observable.

7. Territorial specificities and cultural inequalities

Rauma's mid-sized town setting affords some advantages: collaboration is facilitated by personal networks, trust, and proximity. However, the museum's private status in a landscape dominated by publicly funded institutions means it must constantly balance its cultural mission with income generation needs. This constraint affects programming choices, limits the number of free events and impacts accessibility, especially for underserved groups.

Despite these barriers, the museum is perceived as an accessible and community-oriented institution. It engages with diverse audiences, hosts events for families, seniors, and international residents, and

responds positively to proposals from grassroots initiatives. Its work in documenting and preserving the maritime identity of the region contributes to both cultural continuity and regional pride.

8. Policy recommendations from the field

- Simplify EU funding access for small institutions through tailored calls, pre-filled templates and capacity-building support.
- Invest in professional development to help staff understand and manage international collaborations and funding applications.
- Create dedicated micro-funding instruments for cross-sectoral partnerships that address local heritage, sustainability and social innovation.
- Encourage business-museum collaboration in heritage preservation by supporting services that help companies archive and valorise their history.
- Recognise the role of private museums in public cultural strategies and design funding mechanisms that acknowledge their mixed-income models.
- Shift evaluation models toward long-term and qualitative indicators that capture community impact beyond short project cycles.
- Strengthen local intermediaries who can support EU project development and help bridge the administrative gap for rural or small-scale cultural actors.

Annex 7. Synthesis of interview with researcher-artist and music composer (Finland)

1. Institutional and territorial context

This interview presents perspectives from two cultural professionals operating in the Satakunta region of Finland, especially in the city of Pori: *Interviewee A* is a researcher and artist affiliated with the University of Turku (Pori Unit), and *Interviewee B* is a composer engaged in contemporary music production. The territorial context is marked by the coexistence of regional accessibility and metropolitan dependence. Pori, as a mid-sized town, offers proximity to artistic venues, lower costs and stronger local networks compared to larger urban centres like Helsinki. However, the cultural ecosystem in Pori lacks critical mass, funding and institutional reach to fully support more specialized or avant-garde cultural practices. Consequently, both interviewees operate in a dual geography—developing and piloting work locally, while seeking larger audiences, exposure and institutional backing in national hubs.

A's academic base at the university provides a structural platform for long-term artistic-research projects, but even this framework is constrained by limited interdisciplinary or artistic funding within the academic system. *B*, working independently, faces additional constraints due to the absence of local orchestras, performance opportunities or commissioning systems. This setting creates a fragile but creatively rich environment that supports experimentation while imposing structural limitations on sustainability and growth.

2. Cultural practices and project modalities

A's practice centres on the intersection of research and art, particularly through participatory and place-based ethnographic methods. Her projects often involve collaboration with schools, museums, and communities, such as video-poetry projects co-created with children. Her work merges academic inquiry with performative, narrative and visual media to explore memory, identity and everyday life. The university provides her with a formal base, but most projects are developed independently and rely on external funding. The modality is deeply dialogical and community-driven, favouring open-ended, process-oriented formats.

B's cultural practice is rooted in the independent composition of contemporary music. His work is often produced outside institutional frameworks, without regular commissioning support. He occasionally collaborates with orchestras or music academies, but his production model is largely project-based and self-financed. Unlike *A, B*'s practice remains more solitary and artist-centred, though he has experience in both national and international collaborations. Both actors expressed the need for autonomy in creative work, while simultaneously acknowledging the limitations of isolation in securing sustainability.

3. Partnership models and intermediaries

A maintains a broad network of institutional and grassroots partnerships, collaborating with organisations such as Satakunta Museum, the Finnish Literature Society, Kalevala Women's Association and local schools. These collaborations often emerge from long-standing professional ties and shared thematic interests. However, they remain informal and contingent on individual initiative, lacking structural continuity or systemic support. *A* emphasized the absence of intermediaries who could assist with project development, funding applications or regional advocacy.

B has fewer partnerships, reflecting the solitary nature of his artistic discipline. He collaborates with orchestras on an ad hoc basis but lacks sustained relationships with cultural institutions or intermediaries. Both interviewees pointed to a vacuum in the regional cultural ecosystem: no dedicated body exists to broker partnerships, offer funding guidance or aggregate advocacy efforts on behalf of cultural professionals. This fragmentation reduces the visibility and bargaining power of CCI actors, especially those outside major cities.

4. Governance and cultural policy engagement

There is a consensus that cultural policy plays only a peripheral role in their professional trajectories. Municipal support is limited and uneven. *B* noted that the City of Pori does not provide support for composers, and there is no structural funding mechanism to promote contemporary music. *A*'s engagement with public institutions tends to occur at the project level rather than through strategic cultural planning.

Neither participant has had meaningful involvement in shaping cultural policy at the municipal or regional level. Consultation mechanisms are lacking, and cultural strategies—if they exist—are not co-developed with practitioners. This absence of participatory governance undermines the potential for alignment between institutional agendas and the lived realities of CCI actors. Both interviewees expressed a desire for more inclusive planning processes and clearer frameworks that recognise the hybrid, cross-sectoral nature of their work.

5. Access to EU and national funding

Both interviewees cited private foundations as the primary sources of cultural funding in Finland. The Finnish Cultural Foundation, Kone Foundation and Taike (Arts Promotion Centre Finland) were mentioned as central actors. These foundations offer relatively accessible, though competitive, funding opportunities. However, the application processes remain administratively demanding and time-intensive, especially for artists without institutional support.

European funding is perceived as technically accessible but practically elusive. *A* is currently applying for a grant through Culture Moves Europe, yet she noted the excessive documentation required, including identity verification for all team members. While both interviewees have had some international project experience, EU funding structures remain opaque, burdensome and poorly

aligned with the small-scale, decentralized nature of their work. There is a lack of mentoring or institutional support to facilitate engagement with transnational funding.

6. Cross-sector collaborations and impact evaluation

A actively engages in cross-sectoral collaborations, particularly with educational institutions and civil society organisations. Her projects often serve as informal pedagogical tools, fostering cultural awareness and community participation. She also sees art-based research as a bridge between cultural and academic sectors, capable of generating new forms of knowledge and public value. Her evaluation methods are embedded in ethnographic practice—qualitative, reflective and focused on process rather than output.

B's collaborations are more limited and tend to remain within the artistic sector. He expressed little interest in measuring impact, seeing it as peripheral to the integrity of his artistic process. There is no standard evaluation framework used by either actor. This reflects a broader systemic issue: Finnish cultural policy does not yet incorporate participatory or qualitative evaluation models suited to community-based, research-informed or contemporary artistic practices. Both interviewees called for the development of more appropriate impact frameworks that value long-term engagement and cultural transformation over numerical outputs.

7. Territorial specificities and cultural inequalities

Pori offers certain advantages—low cost of living, ease of access to space and proximity to nature—making it an attractive environment for artistic experimentation. However, it also embodies many of the challenges faced by mid-sized towns: limited audiences, institutional thinness and weaker media visibility. Both interviewees described a pattern of cultural mobility: work is developed in Pori but performed or disseminated in Helsinki, Turku or internationally.

This dynamic illustrates a spatial inequality in the Finnish cultural field. Resources, recognition and critical discourse are concentrated in urban centres, while regions like Satakunta provide the labour and experimentation without receiving adequate visibility or support. There is also a gendered dimension to this inequality: Laura noted that many women researchers and artists tend to remain outside central institutional networks, further reducing their access to support.

8. Policy recommendations from the field

- Enhance support for decentralized cultural production through regional funds, residency schemes and small-scale infrastructure investments.
- Simplify EU application processes and eliminate excessive documentation requirements, especially for small teams and low-budget projects.
- Formalise cross-sector partnerships through integrated policy frameworks that link culture, education, and research.

- Recognise hybrid professional identities—e.g., artist-researchers—and create funding streams that reflect their interdisciplinary nature.
- Develop regional intermediaries to offer project support, funding advice, and representation for CCI actors.
- Foster participatory cultural governance by involving cultural practitioners in the design of municipal and regional strategies.
- Adapt impact evaluation tools to reflect qualitative and process-oriented outcomes, especially in education, memory work, and social inclusion.
- Encourage private-public coordination by involving foundations in strategic planning and reinforcing their complementarity to public support mechanisms.
- Address urban-rural cultural inequalities through targeted programming that supports performance, visibility, and audience development outside major cities.

Annex 8. Synthesis of interview with the managing director of GLEIPNIR and an adjunct at Bifröst University (Iceland)

Note: Interview conducted with the help of Erna Kaaber (Bifröst University) as a facilitator.

1. Institutional and territorial context

This interview reflects the insights of two regional actors: the Managing Director of GLEIPNIR, the Innovation Centre of West Iceland, and an Adjunct at Bifröst University. Although neither represents a core CCI institution, both work in close proximity to the creative and cultural sector, particularly through micro-enterprise development and territorial innovation strategies. West Iceland is a predominantly rural and sparsely populated region characterized by small settlements, limited public infrastructure and significant exposure to natural landscapes. Cultural life here is shaped less by formal institutions and more by dispersed, community-anchored activities. While the region does not have a designated cultural capital, it harbours a variety of cultural practitioners, particularly in areas like Snæfellsnes, where both international and local artists are drawn to the landscape and cultural heritage.

The past decade has witnessed growing interest in West Iceland's cultural potential, spurred in part by a rise in tourism. However, this has not been matched by a corresponding investment in cultural infrastructure or policy coordination. As a result, much of the region's cultural vitality remains informal, self-organized and dependent on individual initiative. The interviewees underscored the need for structural recognition of the cultural sector as a driver of regional development.

2. Cultural practices and project modalities

Cultural and creative activity in West Iceland is highly diverse, ranging from traditional music and folk arts to contemporary artistic practices and digital storytelling. Practitioners often operate at the intersection of several domains: arts, tourism, heritage and education. Many are micro-entrepreneurs who use hybrid economic models—combining creative work with services like accommodation, guided tours or workshops—to sustain their practice. Festivals, exhibitions, artist residencies and seasonal events play a key role in the cultural calendar, frequently taking place in non-institutional settings such as farms, cultural houses or repurposed buildings.

The interviewees emphasized that while formal arts institutions exist in some towns, most of the creative energy stems from grassroots or semi-professional actors. These projects tend to be ephemeral, highly adaptive and community-oriented. There is also a trend towards internationalization, with artists-in-residence and cultural tourism contributing to a more cosmopolitan atmosphere in specific localities. However, without consistent institutional support, much of this activity remains precarious and under-recognised in regional planning.

3. Partnership models and intermediaries

Collaborative practices in West Iceland are shaped more by informality and personal networks than by structured institutional ecosystems. The interviewees noted that while some local cultural organisations have developed robust community ties, there is no overarching framework that links actors across municipalities or sectors. Existing collaborations are often one-off, project-based and reliant on the leadership of a few key individuals.

GLEIPNIR and the university are both exploring ways to act as more intentional intermediaries for the CCI sector. GLEIPNIR's focus on entrepreneurship and innovation places it in a strategic position to support creative micro-businesses, while the university has potential to offer both academic input and student engagement. However, both institutions acknowledge a gap in terms of systematic support for cultural practitioners—particularly those who lack formal business training or institutional affiliations.

The absence of regional intermediaries—organisations that could provide technical assistance, advocacy or funding navigation—limits the ability of local actors to scale their initiatives or access external resources. Strengthening inter-municipal cooperation and developing platforms for knowledge sharing and peer support were identified as critical next steps.

4. Governance and cultural policy engagement

Cultural governance in West Iceland is fragmented and reactive. Municipalities have some responsibility for supporting cultural activities, but these efforts are uneven and often tied to short-term political priorities. The lack of a regional cultural policy or dedicated cultural development body means that cultural issues are often treated as secondary to economic or environmental concerns.

The interviewees highlighted a disconnect between national cultural policy—which tends to be urban-centric—and the realities of rural cultural work. There is limited engagement between policymakers and grassroots cultural actors, and few mechanisms for long-term planning or resource allocation. Cultural strategies, when they exist, are typically embedded in broader development plans and may lack concrete implementation measures.

This governance gap has created a situation where innovation centres and universities could potentially step in as cultural facilitators, but without a clear mandate or stable funding, their role remains tentative. There is also a need to foster more participatory approaches to cultural planning, involving local creatives and communities in the decision-making process.

5. Access to EU and national funding

Funding remains a major hurdle for cultural actors in West Iceland. While EU programmes like Creative Europe or Erasmus+ are technically open to Icelandic participation, they are perceived as inaccessible due to their complexity, co-financing requirements and the administrative burden they place on small

applicants. Neither GLEIPNIR nor the university have led successful EU cultural projects, although they have expressed interest in doing so in the future.

At the national level, some support is available through grants offered by the Ministry of Culture or innovation-related bodies, but these are often highly competitive and not tailored to the needs of rural micro-entrepreneurs. The interviewees noted that funding structures frequently assume a level of organisational stability and administrative capacity that many local cultural actors do not possess.

To address these issues, the interviewees proposed a multi-tiered approach: simplifying application processes, offering mentoring and technical assistance at the regional level, and developing micro-grant schemes for grassroots initiatives. They also emphasized the importance of providing bridge funding or preparatory support to help small actors move from local to transnational project participation.

6. Cross-sector collaborations and impact evaluation

There is strong potential for cross-sectoral collaboration in West Iceland, particularly between culture, tourism, innovation, and education. Cultural actors often engage with tourists, co-create experiences with local businesses, or design educational activities that reflect the region's history and environment. However, these collaborations remain largely informal and are not systematically supported by policy or infrastructure.

GLEIPNIR is beginning to see itself as a facilitator of such cross-sectoral links but lacks dedicated programmes or staff for this purpose. The university also has the capacity to support interdisciplinary research and knowledge exchange but has yet to fully mobilize this potential in service of the cultural sector.

Impact evaluation practices are virtually non-existent, beyond anecdotal feedback and media coverage. The interviewees expressed a desire for simple, meaningful evaluation tools that could help demonstrate the social, cultural and economic value of cultural initiatives. Such tools would not only aid advocacy efforts but could also improve internal learning and project design.

7. Territorial specificities and cultural inequalities

West Iceland faces a series of structural challenges that differentiate it from more urbanized regions: limited transport and communication infrastructure, small and aging populations, and seasonal economic fluctuations tied to tourism. These factors contribute to a fragile cultural ecosystem where sustainability is constantly at risk.

Cultural inequalities are evident in the lack of institutional presence, the underrepresentation of rural voices in national discourse, and the concentration of funding and opportunities in the capital area.

At the same time, the region has distinct cultural assets—landscape, heritage, community resilience—that are often overlooked by policy frameworks designed with urban contexts in mind.

The interviewees emphasized that policies and programmes must be adapted to reflect these territorial realities. One-size-fits-all solutions are unlikely to succeed; instead, support mechanisms must be flexible, inclusive and co-designed with local actors. The cultural sector in West Iceland, while currently under-supported, has the potential to become a key driver of sustainable regional development if properly recognised and resourced.

8. Policy recommendations from the field

- Recognise innovation centres and universities as emerging cultural intermediaries capable of supporting rural creative ecosystems.
- Develop micro-grant and seed funding schemes specifically designed for rural cultural initiatives with simplified application processes.
- Provide regional mentorship and capacity-building programmes to guide small actors through funding applications and project development.
- Foster inter-municipal cooperation and platform-building to strengthen regional coordination and peer learning among cultural actors.
- Establish a regional cultural development strategy that integrates culture with tourism, education, and innovation policies.
- Support hybrid cultural roles and mixed business models, acknowledging the realities of creative work in rural settings.
- Create simple and flexible evaluation frameworks that reflect the social and relational value of cultural work.
- Ensure rural voices are included in national cultural policymaking, both through consultation and formal representation.
- Invest in long-term cultural infrastructure and human capital in rural areas, treating culture as a strategic asset for territorial cohesion.

Annex 9. Synthesis interview with cultural manager/artistic producer (Iceland)

Note: Interview conducted with the help of Erna Kaaber (Bifröst University) as a facilitator.

1. Institutional and territorial context

The interviewee is an independent cultural manager and artistic producer based in the Westfjords region of Iceland, a peripheral area known for its dramatic landscapes, sparse population and relative isolation from the country's political and economic centres. The Westfjords, despite their vast natural and cultural wealth, remain underrepresented in national cultural planning and infrastructure. The region lacks large-scale cultural institutions, formal cultural governance structures and permanent funding mechanisms, making cultural practice highly dependent on individual initiative and flexible collaboration. The interviewee operates in a freelance capacity, engaging in a wide range of cultural activities that span artistic production, project facilitation and local development. Their base in the Westfjords means grappling with infrastructural challenges, a thin institutional environment and a strong need for self-reliance and locally adapted solutions.

2. Cultural practices and project modalities

Cultural activities in the Westfjords tend to be site-specific, interdisciplinary and rooted in participatory methodologies. The interviewee has developed and curated walking performances, sound-based storytelling interventions, and art installations that are deeply informed by the physical and social landscapes of the region. Projects often unfold in non-traditional venues—abandoned buildings, historical fishing infrastructure, hiking trails or local gathering spaces. The aesthetic and narrative elements of these projects are closely tied to local memory, community identity and ecological awareness.

Cultural work in this context is marked by hybridity. Practitioners often move fluidly between roles—artist, curator, producer, community organiser, facilitator and researcher. The temporality of cultural events (e.g., short-term festivals, seasonal residencies) responds to the logistical realities of the area, including weather constraints, tourism cycles and resource availability. These modalities reflect a deep commitment to place-making and cultural continuity, while also addressing the lack of permanent cultural infrastructure.

3. Partnership models and intermediaries

In the absence of formal cultural intermediaries, partnerships are formed through informal networks, personal relationships and shared commitment to place-based work. Local partners include municipalities (to varying degrees), schools, local heritage groups, tourism offices and, occasionally, health or environmental organisations. However, the availability and quality of partnerships differ significantly between towns and municipalities, depending largely on the initiative and understanding of individual officials.

The interviewee stressed the importance of co-creation with local communities, not only in implementation but from the project's inception. This participatory model increases the sustainability and relevance of cultural interventions. Intermediaries in the classical sense (e.g. cultural foundations, regional agencies) are largely absent. Occasionally, regional development agencies or research-oriented entities like RANNIS (Icelandic Centre for Research) may support cultural activities, but these are not tailored to the specific rhythms and needs of cultural practitioners in remote areas.

International partnerships are pursued selectively and carefully. While they can provide vital resources and visibility, there is concern about "airdrop" projects that engage superficially with local realities. The interviewee emphasized that ethical collaboration requires time, mutual respect and locally rooted narratives.

4. Governance and cultural policy engagement

The cultural policy environment in the Westfjords is fragmented and often underdeveloped. While national-level cultural policies exist, their implementation in peripheral regions is inconsistent and often relies on local interpretation. Municipal cultural policy is rarely formalised and tends to depend on the personal vision of elected officials or individual civil servants, leading to wide variability in support across the region.

There is no dedicated regional cultural strategy for the Westfjords, and cultural planning is often treated as a residual or voluntary sector rather than an integral part of regional development. Opportunities for dialogue between local cultural practitioners and national policymakers are limited. While some consultation processes exist, they tend to privilege urban actors or institutions with established administrative capacities.

Despite these barriers, independent practitioners like the interviewee continue to engage indirectly with policy through advocacy, pilot projects and knowledge sharing. However, the lack of formal mechanisms for feedback and participation means that their influence remains marginal in shaping structural policies.

5. Access to EU and national funding

Funding is one of the most significant structural barriers for cultural work in the Westfjords. EU funding programmes such as Creative Europe, Erasmus+ or Interreg are formally open to Icelandic participants, but access remains largely symbolic for rural practitioners. Application processes are complex, time-consuming and require co-financing—elements that are prohibitive for individual artists or micro-scale organisations.

The interviewee highlighted a lack of technical support, mentoring or intermediary services that could bridge the administrative gap. Moreover, these programmes often use evaluation frameworks and

language that do not align with the values and outcomes of place-based, process-oriented or experimental cultural work.

National funding from the Ministry of Culture, RANNIS and the Icelandic Art Grants Programme is occasionally accessible, though highly competitive. These funds tend to prioritise larger institutions or repeat applicants with established portfolios. Regional funding exists but is often tokenistic in size and inconsistent across years. There is a pressing need for dedicated, flexible funding streams designed for grassroots, experimental and long-term cultural initiatives.

6. Cross-sector collaborations and impact evaluation

Cross-sector collaboration is a defining feature of cultural practice in the Westfjords. Given the scarcity of dedicated cultural institutions, cultural initiatives often intersect with other sectors: education (through schools and youth programmes), tourism (via storytelling and experiential design), social work (with marginalised or ageing populations) and environment (through landscape interventions or ecological awareness campaigns).

Evaluation practices are largely informal and based on qualitative indicators: feedback from participants, visibility in the community, and the strength of relationships created. The interviewee stressed the inadequacy of conventional evaluation metrics (e.g., attendance numbers, media reach) in capturing the depth of transformation that such work can produce.

Instead, emphasis is placed on long-term relational impact, narrative continuity, and the creation of cultural infrastructures of care. These dimensions are rarely recognised in funding reports or policy assessments but are essential to the sustainability of cultural life in remote areas.

7. Territorial specificities and cultural inequalities

The Westfjords epitomise the cultural disparities faced by peripheral territories in Iceland. Isolation, declining populations, ageing demographics and infrastructural underinvestment all compound the challenges for cultural practitioners. Basic services—such as affordable travel, event spaces or even broadband—are often lacking or unreliable.

At the same time, the region's constraints foster innovation. Cultural practitioners often develop multi-use models, turn private spaces into temporary venues, and experiment with digital storytelling. However, the risk of burnout, financial precarity and institutional invisibility is high.

There is also a recurrent problem of extractive cultural practices: external actors arrive with funding and agendas, use the local context as a backdrop, and leave without contributing to long-term development. Such practices exacerbate mistrust and perpetuate a sense of marginalisation.

8. Policy recommendations from the field

- Design regional cultural strategies that recognise the specific conditions, resources, and aspirations of peripheral regions like the Westfjords.
- Create low-barrier micro-funding schemes for independent practitioners and experimental projects, ensuring flexibility and long-term commitment.
- Establish regional cultural intermediaries or support centres that provide mentoring, administrative assistance, and funding guidance.
- Simplify access to EU programmes by adapting language, application forms, and co-financing rules to small-scale actors.
- Support hybrid roles and embedded cultural practices that do not fit conventional job descriptions or institutional formats.
- Recognise qualitative and relational impacts in evaluation frameworks, especially for projects based on participation and long-term engagement.
- Foster ethical international collaboration by prioritising community-led agendas, fair resource distribution, and mutual learning.
- Ensure equitable territorial investment in cultural infrastructure, training, and mobility support.
- Institutionalise dialogue mechanisms between policymakers and independent cultural actors at national, regional, and municipal levels

Annex 10. Detailed information on the policy focus group of September 15, 2025

WP5: Focus Group regarding the Policy Proposals on national/regional level

September 15th, 2025, Online

Agenda

Welcome & Tour de Table (5 minutes)

Presentation: Policy recommendations (10 minutes)

Breakout Session: Presenting "keytopics" from Lab Interviews (50 minutes)

Challenges and opportunities

SWAT for the proposals (prepare in advance)

Discussion

Plenary: Exchange of Experiences (15 minutes)

Summary and Next Steps (5-10 minutes)

Contact list of invitees

Lab Region	Name	Position	Expertise (regional/ national)
West Iceland	Sigursteinn Sigurðsson	Cultural representative	Regional
West Iceland	Baldur Þórir Guðmundsson	Senior adviser / Department of Culture and Creative Industries	National
West Iceland	Hólmfríður Sveinsdóttir	Senior Advisor / Department of Local Government and Regional Affairs	National

Lab Region	Name	Position	Expertise (regional/ national)
West Iceland	Arna Kristín Einarsdóttir	Office Manager / Department of Culture and Creative Industries	National
West Iceland	Heba Guðmundsdóttir	Icelandic Regional Development Institute	Regional/National
West Iceland	Sigurborg Kr. Hannesdóttir	Consulter in Public Participation /*Public Participation & Local Democracy*	Regional
Valmiera county, Latvia	Baiba Tjarve	Expert on cultural policies	National
Valmiera county, Latvia	Liene Jakobsone	Valmiera municipality Cultural department, Vice Director in Cultural Policy	Regional
Valmiera county, Latvia	Laura Turlaja	Ministry Of Culture, Head of Cultural Policy Department	National
Valmiera county, Latvia	Lāsma Krastiņa-Sidorenko	Ministry of Culture, Head of Creative Industries Division	National
Western Coastal Periphery, Ireland	Damien McGlynn	Director of Create (manages network of Coordinators for the Art Council's Creative Places Programme)	National
Western Coastal Periphery, Ireland	Ruth Mulhern	Arts officer, Galway City Council	regional
Western Coastal Periphery, Ireland	Sharon O'Grady	Arts Officer, Galway County Council	Regional
Western Coastal Periphery, Ireland	Valerie Kelly	Creative Ireland Engagement Officer, Galway County Council	Regional

Lab Region	Name	Position	Expertise (regional/ national)
Western Coastal Periphery, Ireland	Ian Brannigan	Head of Regional Development, Western Development Commission	Regional
Western Coastal Periphery, Ireland	Toby Dennett	Strategic Development Manager, Arts Council	National
Western Coastal Periphery, Ireland	Sinead Dowling	Arts Council of Ireland - Place-based Creative Places programme and Participatory Arts	
Azores	Sandra Garcia	Regional Director for Culture of the Azores	Regional
Azores	Marina Almeida	Former advisor to the previous Minister of Culture (Maria Dalila Aguiar Rodrigues - 2nd April, 2024 to 5th June, 2025)	National
Azores	Sérgio Rezendes	Councillor for Culture at the Municipality of Ponta Delgada	Regional
Azores	Alexandre Pascoal	Former advisor to the previous Minister of Culture (Pedro Adão e Silva - 30th March, 2022 to 2nd April, 2024) Director of the "Arquipélago" - Arts Center	National/ Regional
Azores	Guido Teles	Councillor of Angra do Heroísmo City Council	Regional
Rauma & Eurajoki	Kirsi Jaakkola	visual artist / member of Satakunta arts council	Regional

Lab Region	Name	Position	Expertise (regional/ national)
Rauma & Eurajoki	Saija Mustaniemi	community artist / member of Finnish Cultural foundation Satakunta regional fund	Regional
Rauma & Eurajoki	Erik Rosenlew	business executive / chair of Pori Swedish Cultural Foundation	Regional
Rauma & Eurajoki	Krista Tupala	regional development expert	Regional
Rauma & Eurajoki	Kirsi Kaunisharju	councellor for cultural affairs / Ministry of Culture and Education	National
Rauma & Eurajoki	Helka Ketonen	cultural director, Association for rural culture and education	National
Rauma & Eurajoki	Susanna Mäki-Oversteyns	special advisor on regional projects / Arts Promotion Centre	National
Rauma & Eurajoki	Taina Väre	expert on small municipalities and rural development / Association of Finnish Cities and Municipalities	National
Šibenik-Knin	Azra Skorić	social activities department, City of Šibenik	
Šibenik-Knin	Nataša Vrcić	social activities department, City of Šibenik	
Šibenik-Knin	Maja Čeko	economy department, City of Šibenik	
Šibenik-Knin	Josipa Vidas Šuperba	department for craft and tourism, Šibenik-Knin County	

Annex 11. Detailed information on the policy focus group of October 7, 2025

IN SITU Policy Focus Group

October 7th 2025 - Online - 13:30-15:00 CET

Why a policy focus group?

In a research process that combined field research activities, focus groups and interviews, as well as desktop research, the research teams from the University of Hildesheim and from INRAE summarised the findings in two publications: “State of policies and S3s on innovation and CCIs in non-urban areas” (D5.1, INRAE) and “State of cultural policies for CCIs in non-urban areas” (D5.2, Hildesheim). Both deliverables can be downloaded from the IN SITU website (‘Resources’ page).

The findings from both publications, as well as results from other research teams (including the ENCC), were translated into policy proposals. In order to finalise the policy proposals for the two thematic areas of culture and innovation, we are organising a policy focus group to 1. present insights of our work and findings and 2. invite you to exchange ideas and critically question the proposals formulated to date.

During the session, we aim to:

- Verify the alignment of the policy proposals to the state of arts in the field of culture and innovation.
- Collect suggestions for improvement of the policy proposals.
- Collect thoughts and reflections based on the participants’ experience on similar topics.
- Identify any potential synergies and overlaps with similar work.
- Address any potential gaps in the themes covered or the proposed target.
- Gather feedback on the feasibility, clarity and relevance of the proposals presented.

List of participants

Name	Organisation
Nancy Duxbury	CES (IN SITU coordinator)
Helena Walther, Julius Heinicke	University of Hildesheim (IN SITU partner)
André Torre, Maryline Filippi, Olivier Frey	INRAE (IN SITU partner)
Martina Fraioli, Mara D'Andrea, Michaela Charisi	European Network of Cultural Centres (IN SITU partner)
Barbara Stacher	DG EAC
Marta Jimenez Pumares	DG EAC
Odila Triebel	Institute for Foreign Cultural Relations (Ifa)
Agnieszka Bednarska-Bernatek	DG REGIO
Miguel Hernandez Littlewood	DG REGIO
Jose Enrique Garcilazo	OECD
Enrique Nieto	Rural Pact Support Office
Frank Siebern-Thomas	DG EMPL
Carole Esclapez	DG AGRI
Sara Machado	Creative Europe Desk Portugal
Natalie Giorgadze (tbc)	Culture Action Europe
Edina Ocsko	E40 Europe

Structure of the session

Time	Activity	Description
13:30-13:40	Welcome & Tour de Table	Round of introductions
13:40-14:00	Presentation of IN SITU research findings and recommendations	Brief introduction to IN SITU and the preliminary research findings on which the recommendations are based, followed by presentation of policy proposals
14:00-14:05	Self-reflection	Time is given to gather up ideas for the discussion
14:05-14:35	Break-out sessions	2 groups are formed to conduct parallel discussions
14:35-14:55	Summary of discussions in plenary	The breakout rooms discussions are briefly reported (5 minutes per breakout room) and space is left for comments and further suggestions
14:55-15:00	Wrapping up and next steps	More information about the timeframe and modes of publication of the policy proposals are shared

Annex 12. Table of main statements and policy recommendations

Main statements	
CCIs play an essential role in non-urban areas. They are a strong factor of cohesion and innovation, increasingly recognised as key drivers of cohesion, innovation and resilience.	
Non-urban CCIs place great weight on place-based cultural and environmental assets such as culture, museums, agriculture, bioenergy and conservation.	
Local actors (including CCIs' ones) are not always aware of the importance and the role of CCIs. Consequently, cultural work in rural areas is still under-valued and under-supported.	
Local CCIs projects are very institutionally-based, or at least carried out by institutions.	
Cultural practices in rural and semi-urban areas are inherently hybrid, deeply rooted in place, and often cross-sectoral.	
CCIs policies are often developed in silos. This Policy Fragmentation leads to fragmented implementation.	
A paradigm shift is underway—from sectoral, urban-centric and output-driven approaches toward place-based, ecosystemic and inclusive cultural policies.	
Policy recommendations	
	Recommendations for local/regional policymakers and stakeholders
1	Adopt a broad, inclusive definition of innovation including social, cultural and territorial dimensions.
2	Integrate more systematically public innovation policies into cultural and creative practices.
3	Tailor rural-proofed CCIs policies that recognise the diverse assets, identities, and potentials of non-urban communities.
4	Base the effective support to CCIs on an ecosystem logic, and not on isolated project funding or siloed sectoral tools.
5	Promote a place-based systemic approach by aligning the innovation potential of CCIs, cultural development, technological transformation, diversity, local roots and social cohesion in non-rural areas.
6	Institutionalise the role of intermediaries and ecosystem enablers by treating them as essential infrastructure.
7	Develop Collaborative governance, cross-sector experimentation and tailored support mechanisms.
8	Strengthen funding flows to support small and medium-sized European cooperation projects.
9	Identify the appropriate level of decision-making—national, regional or local—and combine different but complementary decision-making levels.
Recommendations for EU policymakers	
1	Integrate cultural agendas into broader EU priorities, such as the green and digital transitions, regional cohesion and social resilience.

2	Improve development policies in favour of CCIs, particularly between LEADER and S3, by integrating more social and institutional innovation into S3 and maintaining and developing LEADER projects in the CAP.
3	Strengthen capacities by implementing specific training programmes to equip CCI stakeholders with the necessary skills in emerging technologies, business models and strategic management.
4	Support cross-sector partnerships with local associations, NGOs and municipalities, which appear to be the main drivers of CCI development.
Other advice for local stakeholders	
1	Deepen knowledge about the content of social and cultural innovation
2	Don't do *for* but *with* people. Support local communities in identifying and expressing their needs and empower local populations
3	Monitor EU policies and programmes to be able to apply to various fundings related to CCIs activities.
4	Prepare projects which associate different types of CCIs expression (tourism, heritage, arts, festivals, etc.).