

JOURNAL

PROJECT

UFIL - Urban Forest
Innovation Lab

📍 Cuenca, Spain

TOPIC

Jobs and skills in the
local economy

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UFIL Journal 2: taking stock of the project implementation

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website



This is the second journal of the Urban Forest Innovation Lab (UFIL) project since its start on 1/11/2018. It covers the period 1 January 2020 – 31 October 2020. If in the first year UFIL did a lot of preparatory work, the second year was expected to see the fast take-off of its activities. But nobody had taken the occurrence of a pandemic into account. Year 2 is therefore still characterised by delays in implementation. Some important delays are obviously caused by the restrictions put in place by governments to fight the spreading of coronavirus. In fact, the project was obliged to adapt some of its activities (e.g. training and coaching) while other activities had to be cancelled (e.g. street marketing activities and rural dissemination workshops). Still, some delays are due to implementation weaknesses. On a much less important level, I could not visit the project during this reporting period due to travel restrictions. The project management was helpful in filling the information gap for the preparation of this journal but the analysis necessarily lacks of first-hand impressions.

EXECUTIVE SUMMARY

It was clear since the very beginning that UFIL was an ambitious project and that a timeframe of 3-years was short. Led by the Municipality of Cuenca, the project aims at locally triggering a forest-based bioeconomy through the implementation of a city-based forest innovation lab. Accumulated delays in the first two years of implementation have obliged the project to ask for a 1 year extension to the UIA Permanent Secretary. Indeed, this extension is necessary.

The intensity of UFIL's implementation challenges during Year 2 slightly improved compared to Year 1. The project still benefits from a strong leadership. Public procurement suffers from delays and its allocated budget is importantly underspent but overall the project management seems to control sufficiently the procurement process. Organisational arrangements within the urban authority keep on running smoothly and are well distributed across municipal units. The co-management approach satisfies both the urban authority and the supporting partner Khora Urban Thinkers. Coordination mechanisms were fine-tuned in the last year and web-interaction between partners was boosted as a side-effect of the pandemic. Communication with target

beneficiaries and users shows weaknesses, especially with regard to the capacity to reach citizens and to engage local businesses in project's activities. Instead, the networking capacity of the project is good and several contacts and new cooperation prospects as well as potential synergies start materialising, laying the foundations for future upscaling/consolidation opportunities. Finally, notwithstanding its good reaction capacity, flexibility and ability to build on lessons learnt, the project keeps on not having a monitoring system in place.

In addition to this summary, Journal N. 2 first presents some important developments occurred in the city of Cuenca and in the project, including its contextual conditions (Section 1). Then, it provides an overview of the implementation challenges faced by the project in Year 2 (Section 2). Brief conclusive perspectives are made in Section 3.

1. MAJOR CHANGES IN THE CONTEXTUAL CONDITIONS

In 2020, two major circumstances occurred. They need to be mentioned here as they modify the contextual conditions which were described in [Journal N° 1](#). The first circumstance is the COVID-19 outbreak which started affecting EU countries since late January 2020. Similarly to many other projects, UFIL was impacted by the restrictions imposed by governments to fight the spreading of coronavirus. The second circumstance is the approval of overarching EU policies in the domains of sustainable development and environment as well as the policy response of the EU to the pandemic which suddenly made available to EU Member States an unprecedented amount of financial resources for recovery and resilience purposes.

1.1 COVID-19 impact on the project and the response capacity of UFIL

Which project put 'a pandemic' in its risk management plan?

A pandemic was not included among the potential risks identified in the project's risk management plan. Indeed, this risk will find its place in the next revision of the plan. But for the time being, it is noted that the project reacted well to the new challenge although it is undeniable that COVID-19 importantly slowed down UFIL activities during 2020.

UFIL is implemented in Cuenca, a small-sized (about 55.000 inhabitants) city in the Autonomous Community of Castilla-La Mancha, in central Spain. The province of Cuenca is part of the so-called 'Southern Lapland' of Spain and has very low population density. Mountainous areas and forests characterise its territory and this has probably kept the Province relatively safe with respect to the incidence of COVID-19, at least during the first wave of the outbreak. Still, Cuenca and its Province were subject to the same restrictions and rules imposed by national and regional governments across Spain. And so was UFIL. The lockdown started on 13 March 2020. Some restrictions started being lifted only on 11 May 2020.

Impact of COVID-19 on UFIL and the project's reaction

At this stage of project's implementation, the core component of UFIL is the running of a forest innovation lab. The lab is hosted in a few large rooms of the Cuenca's campus of the University of Castilla-La Mancha. From the learning point of view, the lab is structured into a series of 3 residential courses, each lasting 10 months. During each course, theoretical and innovative learning is associated to practical and prototyping work. The lab is also a physical place where trainees (who are expected to become future entrepreneurs in the city and in its surroundings) interact with each other to design innovative services and products which are based on the forest resources of the Province of Cuenca. Co-creation and challenge-based competitions are at the basis of learning and innovation processes.

This interactive approach had obviously to be reviewed when in presence learning was no longer possible due to COVID-19 restrictions (see UFIL [web article 2](#) for an update on this aspect). The project was lucky enough because in its original design it included the development of a web-based platform to be used for teaching activities in remote modality. This was meant to facilitate the input of some of the Madrid-based project's partners involved in the lab's teaching and coaching activities. After the imposition of the lockdown, it was then decided to transfer all the lab work to this platform. As a consequence, interaction among trainees and between trainees and trainers became 100% remote. This impacted very much the prototyping component of the learning process as trainees could not use the machinery and equipment of the lab. When government's decisions allowed, the activities of the campus started again to be carried out in presence, with all the necessary precautions.

UFIL innovaton lab at the times of COVID-19



If the lab's activity was disrupted (but not interrupted), restrictions caused by the pandemic did not allow to start the second course while the first one was still ongoing. Each course is designed to have 35 participants and the project's facilities could in no way host simultaneously 70 people, while respecting distancing and other safety precautions. In practice, COVID-19 cancelled the possibility to overlap the residential courses as it was originally foreseen. As math is not an opinion, in order to run three courses the project will indeed need an extension. Accordingly, this request has been put forward to the UIA PS.

Other components which were affected by the pandemic relate to communication, reach out and awareness raising activities. During Year 2, several were the initiatives expected to take place on the ground such as public events, street marketing activities, rural dissemination workshops and rural-urban gatherings, but all these initiatives had to be cancelled because of the pandemic. The project developed a blog (www.uiacuenca.es/blog/) which is very informative but obviously insufficient to satisfactorily engage target groups.

2.2 Update on the policy context: important developments in 2020

The perfect match of UFIL objectives with latest EU political developments

Since last December 2020, the pivotal role of the EU in the policy domains of environment and sustainability has become very clear. Through its Green Deal, the EU takes the commitment to be carbon neutral by 2050. This implies the adoption of new legislation and funding mechanisms which touch upon a wide array of policy areas, including food and agriculture, nature and biodiversity, circular economy, green finance and industry as well as sustainable (clean) energy and transport. In fact, the EU Green Deal is a growth strategy for Europe and UFIL **keeps on being fully aligned to this strategy** as it aims to contribute to the creation of businesses and jobs which are innovative, resource-efficient and able to protect, enhance and conserve the city's natural capital (i.e. its forests). The European Green Deal will have major implications for both the CAP and rural areas and a key aspect will be how rural areas will contribute to the Deal as well as to its related strategies (Farm to Fork, Biodiversity, Circular Economy, Climate Neutrality).

Since February 2020, an unprecedented amount of financial resources has been mobilised by the EU to support in the **immediate** the recovery of urban and rural areas. Support took the form of direct measures, of derogation from competition rules and of administrative flexibility. For example, a more flexible use of structural funds allowed the provision of loans and grants. Under the European Agricultural Fund for Rural Development, rural development programmes could be modified to use the unspent budget. A temporary framework for the use of state aid allowed the direct support of businesses in a variety of sectors, including forestry, and the SURE instrument mitigated and is still mitigating the negative impacts on employment.

In the near future, the **consolidation of recovery and resilience capacity** will occur through the Next Generation EU, an instrument expected to mobilise billion of euros (€ 750 billion, to be precise) on the financial markets, and through a strengthened (in financial terms) Multiannual Financial Framework 2021-2027. All these conditions

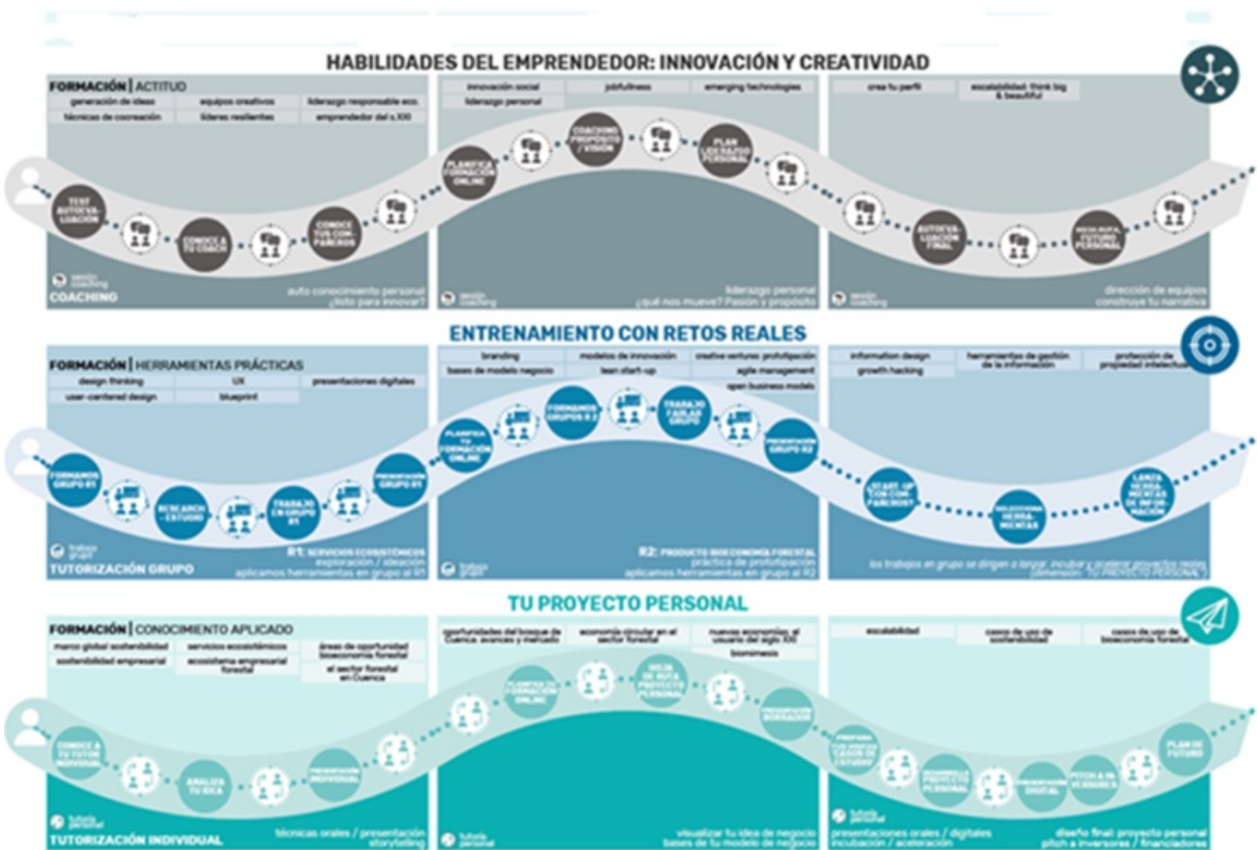
translate into concrete opportunities, especially for initiatives like UFIL which aim to create business development in the medium-to-long term. These opportunities shall be seriously taken into account when framing the project's sustainability scenario (see [web article 2](#)).

2.3 Where does the project stand at the end of October 2020?

UFIL is a three-year project started on 1/11/2018. The kick-off of the project was slow and fewer outputs than expected were harvested during its first year of implementation. These outputs are discussed in UFIL [Journal N° 1](#) together with reasons behind delays. As expected, during Year 2 the project successfully built over the lengthy preparatory work made in Year 1. Still, the project was less effective than planned in implementing its work packages. The COVID-19 outbreak had a role in slowing down implementation and in cancelling some of the planned activities, but some implementation weaknesses may have contributed as well. Slow overall progress is reflected in the underspending of the budget (i.e. less than one third of the total project amount).

In Year 2, the core of the project's work shifted to implementation, and in particular to Work Package 4 'Knowledge and spatial framework design' and Work Package 5 'Urban Forest Job and skills'. These are the two WPs related to the functioning of the innovation lab.

UFIL journeys for trainees



Another important feature in Year 2 is the active involvement in implementation of all project's partners – this is an important and positive change compared to Year 1 when an unbalanced participation among partners was noted.

In brief, **some of the milestones achieved during Year 2** include:

- Significant progress was made in the procurement process of equipment and services.
- The study on forest bioeconomy opportunities (which is set at the basis of the learning material provided to trainees) was released.
- The user journeys for trainees (see figure above) were defined.
- Training staff and business coaches were selected and trained.
- The first training course started and was ongoing throughout the reporting period.
- Two business challenges (see [UFIL zoom-in 1](#) for details on this learning method) were launched.
- Incubation/acceleration of businesses designed by trainees started in July 2020.
- Communication activities kept on being performed, especially through the project's blog.
- A framework agreement for cooperation was signed between the project and the bank GLOBALCAJA.

There are components of the project which suffered from delays. These include the involvement of the business community in project's activities and the embedding of the project in the city and in the surrounding rural areas. As mentioned, COVID-19 played a role in these delays. Reasons behind and solutions implemented by Cuenca's urban authority are discussed in the following section.

2. IMPLEMENTATION CHALLENGES: INSIGHTS AND EMERGING LESSONS

The UIA Permanent Secretary identifies seven main implementation challenges. In the context of UFIL, their description in this journal provides some background information, critical analysis, emerging lessons and reflections on the intensity of the challenge. Consistently with Journal N°1, each challenge's intensity is presented using a traffic-light rating system where red indicates that the challenge exists and needs to be addressed, yellow indicates that the challenge exists but is somehow silent and/or addressed, and green indicates that the challenge does not apply to implementation during the reporting period.

Challenges table

Not to lose sight of the progress made, the trend of each challenge's intensity over the two reporting periods (Year 1 and Year 2) is recalled. This supports the understanding of where the project is heading to.

Challenge

Observation

This challenge was 'green' also in Year 1. There are no issues related to leadership aspects for UFIL. As underlined in the previous reporting period, the project is based on a strong partnership which fully recognises and appreciates the leading role of the Municipality of Cuenca. The Municipality is a legitimated urban authority whose commitment in fostering innovation and local development is well-acknowledged. Furthermore, as a positive development of Year 2, it is noted an increased reputation of the municipality at higher administrative levels.

Political support was formalised at a kick-off event The city's local government elected in 2019 is now fully supportive of the project. On 18 February 2020, UFIL was officially presented by the Mayor of Cuenca, Dario Dolz. The institutional event took place in the campus of the University of Castilla-La Mancha (UCLM), in Cuenca, and saw the participation of institutional stakeholders including the Rector of UCLM. A video of the event is available [here](#).

Strengthening the city's reputation at higher administrative levels, and abroad

The Municipality of Cuenca is taking advantage of the visibility given by leading a UIA project to further build its reputation in Spain and abroad. It is now acknowledged by supra-local institutions that the city works for developing a forest-based innovative ecosystem in order to address its development challenges. In July 2020, the city was also invited to participate in the 5th Cycle of the Guangzhou Award, an initiative which aims at recognizing innovative actions pursuing social, economic and environmental sustainability in cities and regions while promoting prosperity and quality of life for their residents. The Guangzhou Award is co-sponsored by the United Cities and Local Governments (UCLG), the World Association of the Major Metropolises (Metropolis) and the City of Guangzhou, and it supported by ICLEI and C40.

Emerging lessons:

- *Urban authorities shall use the visibility gained through the implementation of UIA projects to increase their reputation, regionally, nationally, Europe-wide and internationally.*
- *International awards are a perfect way for a project to gain visibility, share experiences, and create networking opportunities.*

The challenge in brief

Strong leadership of the municipality in the partnership, full support from the local and the regional government, increased visibility and reputation of the municipality at higher administrative levels and abroad.



This challenge was 'yellow' also in Year 1. In Year 2, procurement continued to be implemented by the three main concerned stakeholders: the Municipality of Cuenca, the Cuenca Council Wood SA and the University of Castilla-La Mancha. Procurement faced some problems (and delays), parts of which were due to the COVID-19 outbreak. In brief:

a) Cuenca City Council contracted external services related to graphic and design, editing, web development, advertising in digital media, and auditing. It also contracted services related to the residential training (e.g. accommodation of trainees) and disbursed the scholarships for training participants. These latter expenses had to be temporarily suspended because of COVID-19. No major problems have occurred in handling these contracts for external services but the overall contracted amount is low compared to the total allocation (approx. 15%).

b) The University of Castilla-La Mancha has the responsibility to purchase the equipment for the innovation lab, including for the manufacturing and prototyping of trainees' innovative products/ideas. During Year 2, two procurement contracts were tendered and awarded. Tendering procedures suffered from delays due both to administrative/bureaucratic issues and to the COVID-19 crisis, as the pandemic paralysed for a while the activities of the University.

c) The Cuenca Council Wood SA was expected to complete its procurement during Year 2 but the purchasing process was interrupted because of COVID-19. After a 30% advance payment made to an Italian supplier, the delivery of a machine was delayed because the supplier closed down its facilities as a consequence of the COVID-19 pandemic.

Delays are still occurring for the procurement of equipment. Also during Year 2, implementation delays in equipment procurement occurred. They were due to administrative reasons as well as to the lockdown measures imposed by governments to fight the pandemic. This has partially affected the carry out of the practical work of the first training course which started in March 2020.

Emerging lessons:

- *The application of responsible and sustainable public procurement criteria (see Journal 1 for details) does not prevent the occurrence of bureaucratic/administrative delays in the procurement process. On top of common rules complying with national legislation, each partner applies its own administrative procedures for procurement which cannot be controlled by the urban authority.*
- *Flexibility of service contracts allows their interruption if unforeseen circumstances such as a pandemic occur, without determining a financial loss on the part of the contractor.*

The challenge in brief

The challenge is alive as procurement keeps on suffering from delays. COVID-19 has impacted procurement processes in general but some delays seem to be determined by internal administrative procedures of institutional partners. On the positive side, the municipality of Cuenca is apparently managing well its procurement activity although the overall amount contracted so far is low compared to the overall allocation (approx. 15%).



This challenge was 'green' also in Year 1. During Year 2, the smooth implementation of the project within the urban authority is confirmed. UFIL fully matches the priorities of the implementing unit of 'Business Promotion, Innovation and Technologies Service' within the urban authority. Therefore it is not disrupting its activities but adds value to them. Within the urban authority, support to the leading unit is provided by the Intervention-Accounting Service which manages and processes the payments related to UFIL execution, and by the Procurement Service which looks after public procurement. Finally, the General Secretary is involved for all matters that require decisions to be taken in collegiate bodies such as the Municipal Plenary or the Local Government Board.

The undisruptive role of the project is confirmed. Cuenca is a relatively small municipality and has treated UFIL as an integral part of its institutional activities without disrupting its organisational structure. This is possible because the scope of UFIL is aligned well to the mission of the unit in charge of project's implementation.

Unique leadership and co-management prove to be satisfactory. UFIL has in the urban authority the unique project leader but the project is co-managed with the Madrid-based partner 'Khora Urban Thinkers'. After two years, this co-management is considered satisfactory by both parties. The partner relieves some of the project management workload of the leader by coordinating and monitoring activities and deliverables.

Emerging lessons:

- *Projects fitting very well the institutional role of the urban authority and in particular the mission of the department in charge of project's implementation have high chances to run smoothly in terms of internal organisational arrangements.*
- *There are several risks associated with a co-management approach. Co-management may reduce the level of project's ownership within the urban authority; it may also reduce the opportunity for the urban authority to enhance its project management skills. A trade-off between pros and cons is probably determined by the attitude of the urban authority. If the urban authority delegates specific tasks to a third party but clearly keeps the lead and control, co-management may bring advantages.*
- *The project keeps on being based on a risk-sharing model across the various institutional partners involved. The public function of the institutional partners is strengthened by their participation in the project. This should add value when it comes to the sustainability of project's activities.*

The challenge in brief

Organisational arrangements within the urban authority keep on running smoothly and are well distributed across municipal units. The co-management approach is effective and efficiently relieves the workload of the urban authority. In the future, it will be necessary to verify the level of appreciation of this co-management arrangement by project's partners in order to understand if it adds complexity to the organisational system and/or if it creates unclear communication flows.



This challenge was 'yellow' in Year 1, so its intensity improved in Year 2. In Year 1, a lot of time was dedicated to clarify and formalise roles and responsibilities within the partnership (the UFIL partnership includes a total of nine partners). A lot of time was also spent to harmonise the input of the partners to the project in terms of procedures and reporting modalities. Indeed, implementation in Year 2 benefitted from this initial effort. The communication problems which occurred in Year 1 were solved in Year 2 and the coordination mechanisms were fine-tuned in order to be more effective and agile.

Coordination mechanisms work better now. The project keeps on having several coordination mechanisms in place. Because of COVID-19, these mechanisms were frequently applied during the confinement and communication among partners is reported to have improved. A total of 18 working groups were held since the project's start. Working groups focus on specific outputs at the operational level and deal, for example, with communication activities, recruitment of trainees, identification of sponsors, and training. In addition, four coordination committees (among all project partners) were held since the start, as well as four steering committees (between the two co-managers). On top of these mechanisms, many other remote meetings were implemented, including two meetings on the adaptation of the project to COVID-19. It is unknown if the workload implied by the participation in all these meetings is perceived as an administrative burden by the project partners. However, the project management reports that working groups were made more frequent but also more agile (i.e. only 30 minutes long) in order to effectively address specific topics (e.g. trainees' recruitment).

COVID-19 boosted motivation. Motivation is reported to be high by the project management. Actually, the project management claims that motivation increased in Year 2 as a consequence of a united effort to overcome the implementation challenges caused by COVID-19.

Emerging lessons:

- *It is renown that difficulties unite. This is apparently what happened in UFIL as initial communication problems among partners were overcome through a more frequent use of the project's coordination mechanisms during the pandemic.*
- *A high number of coordination mechanisms may produce undesired side effects in terms of administrative burden for project partners but the project has mitigated this risk by setting a rather short time limit duration (30 minutes) to the meetings.*

The challenge in brief

Coordination mechanisms have been fine-tuned. In addition, web-based interaction and coordination were boosted by the pandemic-related confinement. Still as a consequence of the pandemic, all partners demonstrated high motivation and responsibility in overcoming the difficulties brought forward by COVID-19 and in keeping the project's implementation ongoing.

2.5 Monitoring and evaluation

Challenge level



This challenge was 'red' also in Year 1. Not too much is changed with regard to monitoring and evaluation since the last reporting period. The monitoring plan has been produced in April 2020, but it is just a list of project's milestones grouped by delivery month. The plan does not include key performance indicators. A baseline has not apparently been defined and a monitoring system for the regular collection of data and information is not in place.

The impression is that the importance of monitoring and evaluation is underestimated by the project and that the task is treated in a simplistic manner. It is reported by the project's team that an internal mid-term review will be carried out in March 2021 (i.e. after 2.5 years of implementation) and that result indicators will then be updated. If quantitative indicators on results are rather easy to compute, qualitative indicators (such as the ones related to the perception of forests by people in general and by specific target groups in particular) are more complex and time-bound and therefore require a baseline to be defined and a monitoring system for the collection of data to be in place.

Emerging lessons:

- *The usefulness of a mid-term review carried out internally is arguable. Any review, if implemented, should be carried out by an independent third party.*
- *The credibility and accountability of a project is based on the project's capacity to demonstrate not only its results but also its impact to third parties. It is risky to underestimate the effort needed to collect necessary data.*

The challenge in brief

Not too much is changed since the last reporting period. There is a monitoring plan in place which is not based on indicators. The same concerns mentioned last year apply to this reporting period. The challenge is still considered actual and intense because the learning loop that should be initiated by a dynamic M&E system is not in place. No baseline was developed at the beginning of the project and no system to collect time-bound qualitative indicators was put in place.

2.6 Communication with target beneficiaries and users

Challenge level



This challenge was 'red' in Year 1, so its intensity has improved during Year 2. However, progress in communicating and engaging with the target groups is proceeding slowly. It is summarised and commented in the table below for each of the four target groups identified by the project.

Target group	Level of communication or engagement
1) Individuals, to be trained at the innovation lab (35 people for each training batch, for a total of 105 people)	The first training session will be completed at the end of February 2021. 35 participants are involved as planned. As previously mentioned, training batches cannot overlap because of restrictions imposed by the pandemic. Thus, the second group of trainees could not be engaged in the reporting period.
2) Companies belonging to the forest bioeconomy sphere, to be involved in the project-based learning programme according to the business challenges they propose	No businesses were involved as sponsors of the business challenges in the first training course of UFIL. The two implemented challenges were sponsored by the Municipality of Cuenca (challenge # 1) and by the Municipality of Cuenca together with the Cuenca Council Wood SA (challenge # 2), i.e. by project's members. Contacts with potential sponsors for the next training batch were revitalised after the summer break, in September 2020. Progress in engagement of businesses may be expected in the next reporting period.
3) Urban citizens and inhabitants of surrounding rural areas, as part of the expected change of attitude of people with respect to forest resources	The planned activities to reach (and engage with) this target group had to be cancelled because of COVID-19. The plan is now to concentrate these activities in 2021 and 2022 (in case the extension to the project is granted).
4) Ecosystem actors, such as academia, private sector, associations and government.	Many contacts were held but only one framework agreement was concluded in the reporting period with GLOBALCAJA (see the 'upscaling' challenge below). Discussions are ongoing with companies (even big ones, such as IKEA) and institutional actors at the national (e.g. the General Direction of Circular Economy, the General direction of Natural Environment and Forest Policy), regional and local level (e.g. Cuenca Provincial Council, the Serranía de Cuenca Local Action Group, and some private forest owners). Dialogue with the central government relates to the lack of qualified professionals in the mechanization of forest harvesting (skill gap) and the lack of involvement of private forest owners in forest exploitation activities on the basis of sustainable forest management plans.

Reaching out rather than engaging still applies. Reach out activities during the second year of the project relied on the use of web-based media. A new communication tool developed by the project is the [project's BLOG](#) which is regularly publishing updates on implementation. Communication with the business community was not successful in identifying and selecting business sponsors. Communication to citizens was not started. In fact, just after the official launch of the project in February 2020, the COVID-19 situation worsened and paralysed a number of engagement activities.

Co-implementation with third parties (still) lags behind. The project's decision to simplify the training module by reducing from 15 to 2 the number of challenges for trainees (to be proposed by project's partners) was a recovery strategy to address the missed engagement of business sponsors. Not too much progress in actual involvement of sponsors has been made in Year 2. Still, it is expected that contacts made with territorial stakeholders such as the Provincial Council, local action groups and relevant businesses directly or indirectly related to the forest sector will succeed in mobilising business sponsors in the second training batch planned to start in March 2021.

Emerging lessons:

- *Efforts for communication with some of the target groups started late in UFIL. It is important to start communicating with target beneficiaries at the very inception of the project, especially if the timeline of the project is short (3 years). There was a political deadlock which delayed the 'official' start of the project but 'unofficial' activities could have been considered in reaching out to civil society and the business community, especially through the 'non-institutional' partners.*
- *The lack of involvement of business sponsors seems to depend also on the lack of clarity on how to implement the challenging mechanism. The project made a series of important adaptations to the mechanism. This probably gave to third parties (including any potential sponsors) the impression of a 'learning by doing' process rather than of a well-defined and mastered instrument.*

The challenge in brief

Communication and engagement levels have improved with respect to Year 1 but are still unsatisfactory. Local businesses and citizens are as important as lab's trainees for UFIL to succeed and be sustainable in time. Preparatory work for involvement of citizens and local businesses is progressing too slowly.

2.7 Upscaling

Challenge level

This challenge was not classified in Year 1 because at that time it was really too early to start thinking about concrete arrangements after the project's end. But now it is official: the project started making concrete plans about its upscaling. If in the previous challenge the degree of communication and engagement activities with target groups was discussed, under this challenge the upcoming opportunities for UFIL **with relevant third parties** after the project's completion are assessed. These opportunities started taking a shape during Year 2 and are summarised in the following table.

Opportunity	Interaction with UFIL
Development of a new business park in Cuenca	In October 2020, the regional administration approved the Project of Singular Interest of the Los Palancares Circular Economy Science-Technology Park. The project will be located nearby the Cuenca Council Wood SA (partner in UFIL and owned by the Municipality of Cuenca). It will cover an area of over 50 hectares and will host plots of industrial use and services. It will also host a research and innovation center in which UFIL plans to participate.
Set up of a pyrolysis reactor at the Cuenca Council Wood SA	This is a research and innovation project submitted under a call within the framework of the National Rural Development Program 2014-2020.
Taking advantage of the opportunities that may arise from an ongoing project related to CO₂ fixation	The 'Estimation of CO ₂ in the mountains of the Cuenca City Council. Catalog of absorption areas' project (funded with national funds) may open up a carbon offset market for companies as well as employment and business opportunities in reforestation activities.
Framework agreement between UFIL and GLOBALCAJA	GLOBALCAJA is expected to provide some of the cash prizes related to the challenges run in the innovation lab. It will also be involved in facilitating the development of the businesses nurtured in UFIL innovation lab by providing: (i) support in marketing activities; (ii) provision of expert advice and (iii) financial instruments. In addition, GLOBALCAJA will help in revitalising the role of private forest owners in the management of their forests.

UFIL has a great potential to become a catalyst of forest-related initiatives in the territory. UFIL demonstrates an impressive networking capacity although several of the contacts and of the collaboration opportunities appear to be (still) immature. Indeed, the project management is able to link to relevant institutional actors. This is likely to end up in the conclusions of important cooperation agreements and/or synergies with other initiatives and/or actors as it happened with GLOBALCAJA. Still, so far communication and liaison with other third parties seems to be irregular and not guided by a precise idea of the future business model.

Focussing on research and innovation is essential for ensuring sustainability.

UFIL is based on a strong partnership which is favouring innovation in learning and teaching methods but which is not directly involved in research and development activities. Entry points in UFIL for innovative processes, products, materials and services are very much needed. Thus, the regional plan to develop a science and technology park which focuses on circular economy is great news for the project.

Emerging lessons:

- *The innate capacity of the urban authority and of the partners to network with*

stakeholders outside the project proves to be precious in the light of designing the upscale of the project and the business model of UFIL after the project's end.

- *Innovation in teaching and learning techniques does not automatically turns into forest-related innovative processes, products, materials and services. The latter are usually the results of focussed research and innovation activities run by specialised centres/universities. As suggested in UFIL zoom-in #1, projects like UFIL that do not only implement innovative (learning/teaching) approaches but that do want to create innovative entrepreneurship activities need to create strong entry points for innovation in project's implementation. One way to do this is to involve the industry, and the research & innovation community at the regional, national and even European level.*

The challenge in brief

The project is working for a sustainability strategy by linking up to relevant initiatives and stakeholders at the local, regional and national level. The start is very promising but at the moment the process is far from being finalised into the definition of a sustainable model for UFIL. This is the reason why this challenge is considered actual.

3. CONCLUSIONS - LOOKING AHEAD

It was evident since the very beginning that the 3-year timeline of the project was insufficient to tackle the ambitious targets of UFIL – even without considering inefficiencies in implementation and the occurrence of unforeseen circumstances (i.e. the pandemic). The request of one year extension should therefore not be a surprise and a time extension is indeed necessary.

In Year 2, the project made important progress in the fine-tuning of the innovation lab's activities. The first training batch ended up in being a sort of 'learning by doing' process. The project realised that several aspects of the lab could be improved (e.g. training content, selection criteria for trainees, conditions for the participation of businesses as sponsors) and planned changes accordingly for the second batch. As a result, expectations on implementation efficiency and quality of outputs for the second training batch to be started in March 2021 are high.

The project made also important progress in networking with parties external to the partnership, thus in exploring the opportunities for building an innovation ecosystem in and around Cuenca. Very promising initiatives are coming up in the near future together with opportunities to strengthen the triple helix expressed by the project's partnership (see Journal 1). These initiatives also provide a concrete framework for the project management's ideas about the upscaling of activities and the future business model. These ideas are still fragmented but are gradually shaping.

The project keeps on neglecting some of its target groups. Involvement of and contact with civil society and local business was poor during Year 2. The project also insists on underestimating the importance of having a monitoring system in place. Nevertheless, UFIL demonstrates the ability to detect and acknowledge what is not working well and to change implementation's approach accordingly. Conscientiousness and flexibility; these are two very positive characteristics demonstrated by the project which helped also overcome the difficulties caused by the COVID-19 crisis.

At the end of Year 2 the project management and team keep on being motivated. Cumulated delays cannot be written off. However, it is evident that time is finished for the 'learning by doing' approach and that the project's targets must be pursued effectively and efficiently in the time which is left.

Sustainability is embedded in UFIL as most of Cuenca's forests are protected areas

