

JOURNAL

PROJECT

UFIL - Urban Forest  
Innovation Lab

📍 Cuenca, Spain

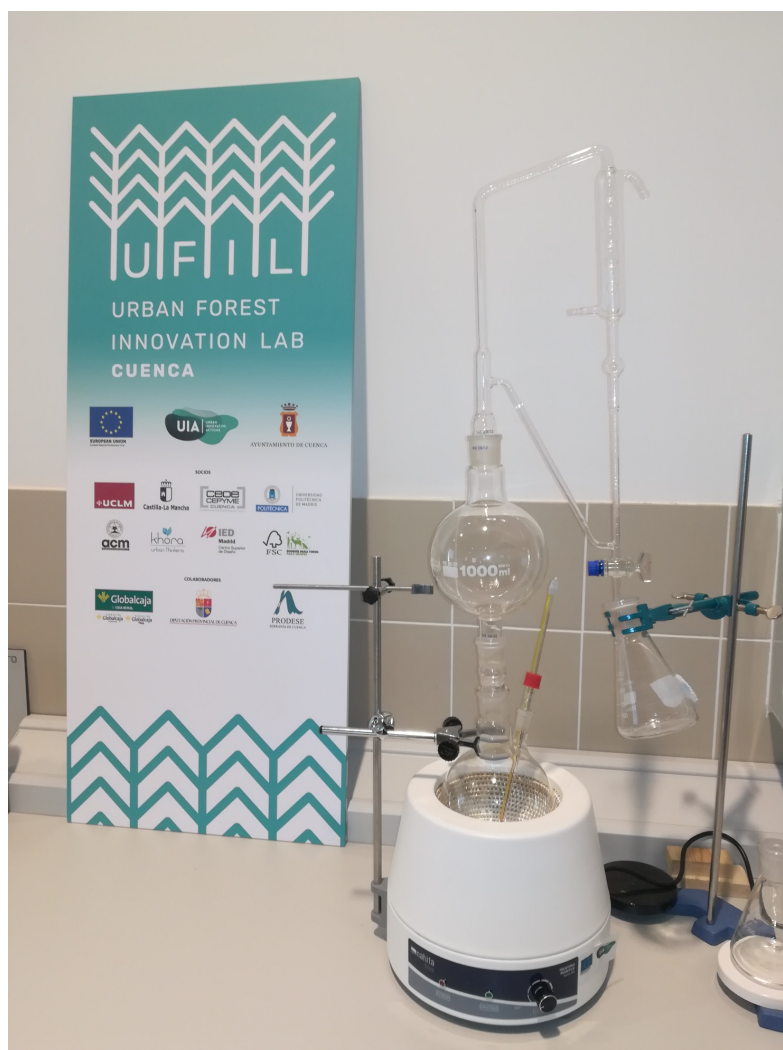
TOPIC

Jobs and skills in the  
local economy

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BY ROSSELLA SOLDI

## UFIL Journal #3: how the project is about to begin its fourth and final year

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website



This is the third journal of the Urban Forest Innovation Lab (UFIL) UIA project since its start on 1 November 2018. It covers the period 31 October 2020 – 31 October 2021.

### 1. A brief summary

UFIL started as a 3-year project (2018-2021), but in March 2021 it was granted a 1-year extension. This brings the project's completion date to the end of October 2022. The extension was primarily needed to complete the three residential courses of the innovation lab which are at the core of the project and whose implementation was importantly affected by the COVID-19 outbreak. In fact, the pandemic did not allow to overlap the three courses as initially envisaged in the project's design. If, indeed, the extension was necessary, it had the side effect to write off some of the other delays cumulated by the project in the first two years of implementation, and deadlines were moved ahead accordingly in the revised project's timeline.

In Year 1, delays were structural and caused by the slow start of the 'project machine'. In Year 2, activities were

slowed down by the pandemic. In Year 3, implementation run at a reasonable speed, although in a 'COVID-19 modality'. In the same modality, at the end of October 2021, I finally had the chance to make my second visit to the project since its start. This gave me the opportunity to connect again with the 'vibrations' of the project, which I try to reflect in this journal.

Overall, during Year 3, the intensity of UFIL's implementation challenges improved with respect to previous years. It is now clear that the project will have some success stories to tell and share with those municipalities that may wish to locally trigger a forest bioeconomy. The leadership of the project is maintained strong and is turning towards a policy commitment by the municipality to build on the results achieved by UFIL. Public procurement has progressed well during Year 3 and became flexible enough to serve the needs of training and coaching activities. Organisational arrangements within the urban authority keep on running smoothly and the co-management approach keeps on satisfying both the urban authority and the supporting Madrid-based partner.

Coordination mechanisms have been affected by the pandemic. If web-interaction among partners boosted during 2020, in 2021, remote interaction suffered from a sense of fatigue. It was evident that the gathering in Cuenca of all partners at the end of October 2021 was a very much needed occasion. Communication with target beneficiaries and users was still a weak aspect of implementation in Year 3, especially with regard to the capacity to reach out to citizens and rural communities. Engagement with local businesses slightly improved and networking with other stakeholders continued being good. Finally, UFIL never developed a structured monitoring system to inform on performance (of processes and partners) and on impact, which is in my view a weakness. An internal review was carried out in the mid of Year 3, but because of this delayed schedule its usefulness is unclear. The project regularly monitors the quality of teaching and coaching activities and is fast in changing and adapting its innovation lab's work according to needs, but for the rest of its interventions UFIL keeps on applying a learning by doing approach. This has in my opinion affected the early identification of critical areas such as communication and reach out capability.

## 2. The project's progress at the end of Year 3

- Brief recap on the Municipality of Cuenca and its UIA project

The Urban Forest Innovation Lab (UFIL) is implemented in Cuenca, a small-sized (about 55.000 inhabitants) city in the Autonomous Community of Castilla-La Mancha, in central Spain. Because of its very low population density (11.7 persons/km<sup>2</sup> in 2019 - in the same year the EU27 average was 109 persons/km<sup>2</sup>), the province of Cuenca is part of the so-called 'Southern Lapland' of Spain. Mountainous areas and pine forests characterise its territory and it is always a pleasure to admire an impressive natural landscape from the height of Cuenca's World Heritage historical centre.

the city of Cuenca



The core of the UFIL project is the running of a forest innovation lab. The lab is hosted in some large rooms of the campus of the University of Castilla-La Mancha, located in the modern part of the City of Cuenca. Over the project's timeline, the lab was structured into three residential courses. Each course was expected to be attended by a group of 35 students and to last 10 months. But changes to these settings occurred during implementation. For example, some of the students of the second course did not complete their journey due to personal reasons, and the third and last course (to be held in 2022) will be shorter than 10 months in order not to overlap with the closure of the project. Each course encompasses theoretical and innovative learning by participants as well as practical and prototyping work on innovations (products and/or services) which have to rely on the sustainable use of the forest resources of Cuenca. Lab's activities are grounded on co-creation and challenge-based competitions. The latter are proposed by project's partners and external companies. During the courses, participants develop solutions to the challenges but also identify and develop their own entrepreneurial ideas. It is on the basis of these ideas that they intend and are expected to become the future entrepreneurs of Cuenca and of its surroundings.

Since early 2020, the project's contextual conditions importantly changed. On one side, the COVID-19 pandemic slowed down/cancelled some activities. On the other side, the policy environment at the European and national

levels became very favourable for projects like UFIL which comply with the European priorities set in the Green Deal and its related strategies (Farm to Fork, Biodiversity, Circular Economy, Climate Neutrality). In Year 3, this 'politically correct' profile of UFIL was further acknowledged, to such an extent that the project got recognised by the Spanish government as one of the 50 most relevant initiatives across the country in the area of entrepreneurship development.

- Where does the project stand at the end of October 2021?

By considering the recent 1-year extension, UFIL is a four-year project started on 1 November 2018. The kick-off of the project was slow and fewer outputs than expected were harvested in Year 1. During Year 2, the project successfully built over the lengthy preparatory work of Year 1. Still, it was again less effective than planned in implementing its work packages (WPs). If the COVID-19 outbreak is one of the most important reasons behind delays in Year 2, there were areas where the project was structurally weak. For example, it faced difficulties in engaging the local business community and in embedding its activities in the city and in the surrounding rural areas. In Year 3, the core of the project's work remained on implementation and in particular on WP4 'Knowledge and spatial framework design' and WP5 'Urban Forest Job and skills'. These are the two WPs related to the functioning of the innovation lab. Instead, implementation of WP7 'Business model and raising awareness' did not make good progress. In Year 3, other evident weaknesses relate to WP3 on communication activities.

In brief, some of the milestones achieved during Year 3 include:

- The procurement process of machinery at Cuenca Maderas SA was completed.
- Procurement mechanisms for the innovation lab's equipment by the University of Castilla-La Mancha have been finetuned to serve the scope of the training.
- 17 entrepreneurial ideas/groups were developed during the first UFIL training course. About ten of these ideas are expected to become registered businesses in the near future. These ideas were presented at a 'Demo Day' on 5 February 2021. The best three ideas were announced at an award ceremony in late March 2021. An additional award was provided for the Best Business Project by Globalcaja Cuenca Foundation.
- The second training course took place as scheduled and started in February 2021. It engaged 35 trainees out of which seven left at some stage. A total of 18 entrepreneurial ideas/groups are expected to come out of this second training course that will end in December 2021.
- Challenges to the second UFIL training course were proposed by four businesses (VIA AGORA, Grupo SUEZ, IKEA and CIBICA). With three of these businesses, UFIL signed cooperation agreements.
- The call for the recruitment of participants in the third training course was launched in the third quarter of 2021. This last residential course of UFIL will start in January 2022. Its duration has been shortened from 10 to 6 months (up to July 2022).
- Incubation/acceleration of businesses designed by trainees kept on being implemented regularly.
- Communication activities kept on being performed, especially through the project's blog and some business-related events.
- In October 2021, a brainstorming session on the future of the project was organised in Cuenca and attended by all project's partners. It laid the foundations for the outline of the future model of UFIL.

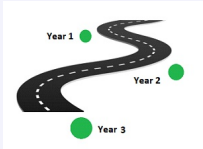
On training activities, it is worth noting that the interactive approach pursued throughout the course finetuned into a satisfactory 'COVID-19 modality'. Teaching activities during Year 3 kept on being implemented in presence and in remote mode. Remote teaching uses a web-based platform which was already envisaged in the project's design and that got strengthened because of the pandemic. During Year 3, the second class of UFIL could use without restrictions the prototyping facilities of the innovation lab. More machinery and equipment were purchased and made available to trainees. Notably, students of the first training course continued being supported by the project, including in the use of the new machinery and equipment.

**UFIL project lab where most of the equipment purchased by the project is stored**



### 3. UFIL implementation challenges: insights and emerging lessons

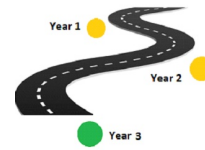
The UIA Permanent Secretary identifies seven main implementation challenges. Below is the summary of the intensity of these challenges according to the progress made by UFIL in Year 3. Not to miss the sight of this progress, the trend of each challenge's intensity in Year 1 and Year 2 is recalled. Each challenge is then presented in detail after the summary table.

Challenge	Observation	Partner	Key Datas
Leadership	Strong project leadership by the municipality, full political support given to the project, increased visibility and reputation of the municipality at higher administrative levels and abroad.	<p>the Municipality of Cuenca has been mastering this challenge since the beginning.</p> 	No risk (0%) for UFIL on this challenge.

Public procurement

Procurement processes are now proceeding well, including those of the institutional partners which took longer to adapt to the needs of the project. The Municipality of Cuenca is considering to introduce an additional 'proximity' criterion in its procurement procedure to facilitate the use of local resources (e.g. wood) and drive local development more effectively.

Three institutional partners involved. procurement suffered from delays and adjustment of processes took time.

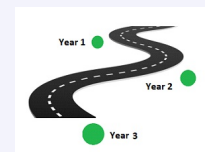


There is a risk of underspending of the budget allocated to procurement, but processes are now running smoothly.

Organisational arrangements

Organisational arrangements for the implementation of the project run smoothly. The co-management approach keeps on being an optimal solution to relieve the workload of the urban authority. In addition, it apparently has no negative effects on the city's project ownership and does not complicate communication flows within the partnership.

The project is co-managed by the Municipality and a Madrid-based partner.



Low risk (5%) of breaking for the co-management arrangement as it consolidated over time.


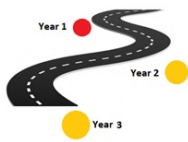

Participative approach for co-implementation

Coordination and co-implementation mechanisms keep on being adapted to the needs of the project. Indeed, this capacity to change is positive. Through these mechanisms the project management has guided a shift of the focus of implementation towards completion and wrap up activities. It has also reiterated the risk-sharing model (on which UFIL is based) among the various institutional partners involved.

All partners involved. Initial difficulties were solved.



Moderate risk (15%) of breaking for coordination and co-implementation mechanisms.

<p>Monitoring and evaluation</p>	<p>Since the last reporting period, there is now evidence of the existence of a monitoring system based on result indicators. Still, this system seems unable to inform the project on weaknesses related to performance as well as to measure the project's impact on the territory. For these reasons, the challenge is still considered actual.</p>	<p><b>The co-managers: the Municipality and a Madrid-based partner.</b></p> 	<p>High risk (35%) to fail in demonstrating the project's impact and limited capability to spot inefficiencies in performance.</p>
<p>Communication with target beneficiaries and users</p>	<p>Communication and engagement levels have improved with respect to previous years, but are far from being optimal. Local businesses and citizens are as important as lab's trainees for UFIL to succeed and be sustainable over time. Preparatory work for the involvement of citizens and of rural communities is progressing slowly and has finally been scheduled in the fourth (and last) implementation year. Engagement of businesses has made some progress in Year 3, but there are still problems in involving local entrepreneurs.</p>	<p><b>All partners involved. Some of the initial difficulties are still unsolved.</b></p> 	<p>High risk (30%) for communication and engagement failures to occur.</p>
<p>Upscaling</p>	<p>In Year 3, the project started working on its sustainability and scalability. The outline of a viable model for continuing UFIL's activities is in progress. Sustainability is likely because of the strong support given to the project by institutional partners. Instead, the upscaling of UFIL's activities is demanding as it implies the triggering of a forest bioeconomy which in turn requires the organisation and coordination of an ecosystem of actors. Because of its difficulties in engaging with businesses and embedding in the territory, UFIL seems still far from clearly defining and pursuing its ecosystem. This is the reason why this challenge is considered actual.</p>	<p><b>All partners involved. Plans for the future are still tentative.</b></p> 	<p>Moderate risk (15%) for plans not to concretise. High commitment from institutional partners is evident.</p>



# Leadership

The leadership of the project by the Municipality of Cuenca is strong and hierarchy in the project's partnership is clear. UFIL keeps on not facing issues with regard to the legitimisation of its urban authority. Project's partners evidently appreciate the Municipality's leading role as well as its commitment towards innovation and local development. In fact, the sense of responsibility of the Municipality towards the project's objectives is easily perceived when interacting with the municipal staff.

The partnership's meeting that took place in Cuenca at the end of October 2021 was attended by both the Mayor and the Councillor of the municipal department under which UFIL is implemented. This attendance was not strictly necessary towards the scope of the meeting, and none of the two public officers made a statement. Still, their presence clearly passed on the message that the city is there and is backing up the project.

## Challenge

## Observation

### Leadership

#### Challenge level



- Local political support gets stronger and stronger. Political support to UFIL by the city's local government was originally delayed by the local elections that took place in 2019. But since early 2020, the newly appointed administration has been increasingly supportive of UFIL, leading to the creation of a self-feeding process. In this process, UFIL provides visibility occasions to the municipal administration and the administration promotes the project at the policy level.
- Strengthening the city's reputation at higher administrative levels successfully continues. The Municipality of Cuenca keeps on taking advantage of the visibility given by leading a UIA project to further build its reputation in Spain and abroad. This is a consequence of the political support provided by the local administration and of the active promotion of UFIL operated by all project's partners. In Year 3, the City of Cuenca received an important acknowledgment by the High Commissioner for Spain Entrepreneurial Nation, which is the authority in the Presidency of the Government responsible for promoting the Spain Entrepreneurial Nation Strategy published in June 2021. In fact, UFIL was included in the Strategy as an example of one of the 50 measures to be implemented to transform the Spanish economy. More specifically, UFIL was mentioned as a benchmark example for the 'promotion of urban and innovative economic development in the so called empty Spain' (see [here](#) the full report and look for the description of UFIL at page 118).
- Networking for increasing visibility opportunities. After having joined the '[Red Business Market](#)' (a national initiative which is nowadays participated by 25 cities and territories across Europe, Latin America and the US), the Municipality of Cuenca organised in June 2021 a '[Cuenca Business Market](#)' forum. The forum, which was also included in the programme of the [EU Green Week 2021](#), had the scope to facilitate the connection between investors and entrepreneurs (see [here](#) the promotional video of the event which is also offering amazing aerial views of the historical city of Cuenca).

#### 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.
- UIA projects shall be truly aligned with the policy goals of the implementing administration. This allows the creation of a self-feeding process where projects provide visibility opportunities to municipal administrations and municipal administrations politically promote and support their projects.

# Public procurement

In UFIL, procurement is implemented by the Municipality of Cuenca and by two of the project partners, namely the Cuenca Council Wood SA (a wood processing company owned by the municipality) and the University of Castilla-La Mancha (UCLM) which is running the innovation lab in its Cuenca's campus. If in Year 2 procurement faced some problems and delays due to the COVID-19 outbreak and the temporary suspension of the activities of UCLM - including its tendering procedures -, the situation in Year 3 substantially improved.

In particular, the Cuenca Council Wood SA completed its procurement. In February 2021, the second and last

machine (Essetre CNC-Computerizes Numerical Control) was installed at the factory, allowing the carry out of high-precision works by trainees as well as by a local company which asked for being trained in the use of the new equipment.

The City Council continued to contract external services to support, for example, the project's residential training (e.g. accommodation of trainees and scholarships) and visibility activities (e.g. advertising and media). And the University of Castilla-La Mancha finetuned its procurement approach to timely provide participants in the lab with the necessary equipment to prototype and implement their innovations. In particular, the process became more efficient thanks to the early identification of the right equipment by the UCLM staff dedicated to the classes' coordination and supervision.

## Challenge

## Observation

Public procurement

Challenge level



- Trainees of the second class benefitted from a much better equipped lab than their colleagues of the first class. Initial procurement delays affected the capability of the project to provide appropriate equipment to the students of the first course. The lab is now a very well-equipped facility where trainees may take advantage of a variety of machines and tools to concretise their ideas. Indeed, the lab represents an asset where important (financial) investments have been made by the project. It will be necessary to continue exploiting this facility after the end of UFIL in order to keep on capitalising on the investment made.
- Making public procurement a driver of local sustainability. As highlighted in the previous journals, the Municipality of Cuenca is implementing a responsible and sustainable public procurement. Still, it is now thinking to include in the procurement procedure a new 'valorisation criterion' which adds value to the use of nearby resources, i.e. resources coming from the surrounding territory. In this way, the Municipality plans to facilitate the use of, for example, local timber in those procurement contracts which foresee the use of wood material. This 'proximity' criterion is not new to public procurement. It is commonly found in other domains such as food. For instance, it is commonly used across the EU to support the development of regional and/or local food systems by introducing sustainable food criteria in public contracts for catering and/or canteens' supply.

### Emerging lessons:

- During Year 3, even those institutional partners suffering from bureaucratic/administrative delays in the procurement process finetuned their procedures. Institutional partners other than the leading urban authority may need longer periods to adapt their internal procurement rules to the needs of UIA projects.
- There is always an opportunity to further improve procurement procedures so as to use public procurement as an instrument to drive sustainable local development. 'Proximity' criteria may be used as far as EU rules for public procurement are not infringed.

## Organisational arrangements within the urban authority

Since the publishing of Journal N.2, no change occurred in the internal organisation of the Municipality with respect to the implementation of the project. Organisational arrangements within the city run smoothly even though it is noted by the project management that UFIL has grown over time and is now more time- and resource-demanding.

UFIL is characterised by being co-managed by the urban authority and the Madrid-based partner 'Khora Urban Thinkers'. Initial doubts on the effectiveness of this arrangement have been waived by the evidence that the arrangement works well, is satisfactory for both parties and does not mine the city's ownership of the project. This last point is probably determined by the leadership skills of the Project Manager.

In terms of organisational arrangements, one recent development has further strengthened the ties between the Municipality and the UCLM. In fact, the councillor of the city's Department of Business Promotion and Employment, Innovation and New Technology resigned from this public function at the end of December 2020 in order to take up the post of vice-rector of the Cuenca's UCLM campus where the lab is hosted. This will indeed



facilitate the design of a joint follow up to the project by the Municipality and the University.

## Challenge

## Observation

Organisational arrangements within the urban authority

Challenge level



- The project is an integral part of the Municipality's activities. UFIL keeps on adding to the institutional activities of the municipality and does not disrupt the city's organisational structure although it implies a relevant workload for its staff.
- Co-management does not mine the city's ownership of the project. Project co-management does not affect the level of project's ownership within the urban authority. This is because the leadership of the project is unique and steadily with the urban authority. In turn, this probably occurs due to the experience and leadership skills of the Project Manager assigned to UFIL.

### Emerging lessons:

- Projects matching the institutional role of the urban authority and in particular the mission of the department in charge of project's implementation do not negatively impact on the internal organisational arrangements of the urban authority. However, they imply an additional workload and the need for appropriate human resources shall not be underestimated at the time of project's design.
- A co-management approach for an UIA project may bring benefits to implementation if the nominated Project Manager within the urban authority has leadership skills and sufficient experience to keep control on co-managers.

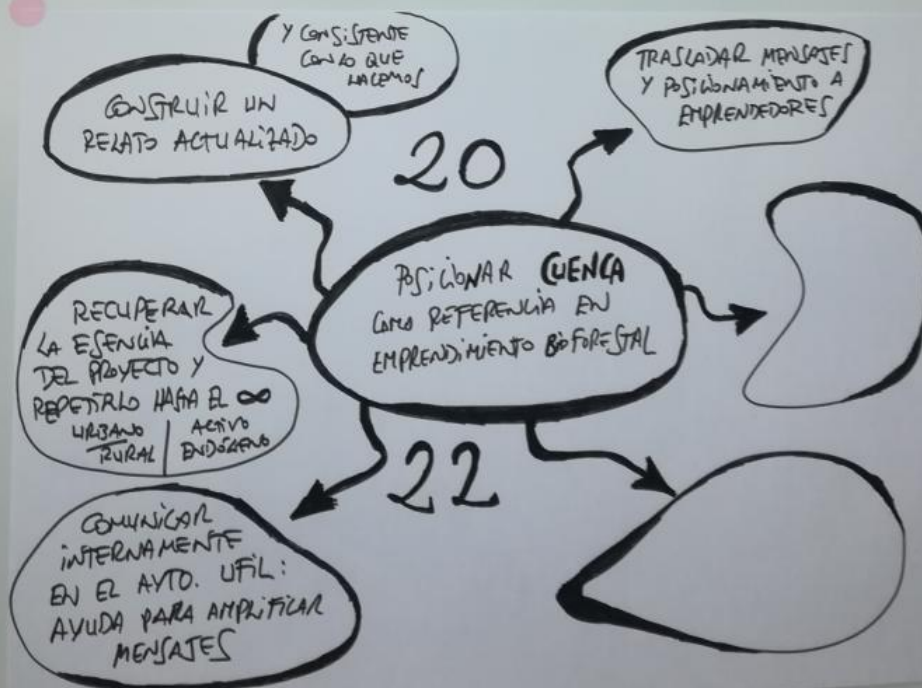
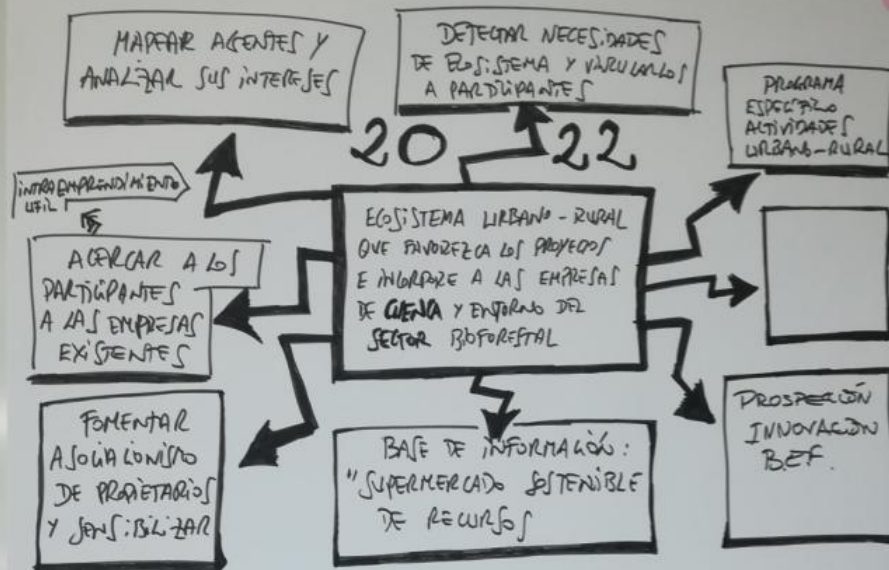
# Participative approach for co-implementation

UFIL is implemented by a relatively big partnership. This is a strength because stakeholders which are key to the success of the project have been involved in the project's implementation. But it is also a threat because the higher the number of partners involved, the more difficult their engagement and coordination. As discussed in the previous journals, a lot of time has been dedicated at the beginning of the project to clarify and formalise roles and responsibilities within the partnership as well as to define coordination mechanisms.

These mechanisms include working groups, coordination committees and steering committees. The working groups are activity-specific and are attended by the partners contributing to the activity (e.g. communication, training, recruitment of trainees, etc.). They are operational instruments and at the time of the pandemic the project management decided to limit their length to 30 minutes in order to make them more agile and very much focussed on the topic to be discussed. Strategic coordination takes place at the level of coordination committees (attended by all project partners) and steering committees (attended by the two co-managing entities).

If in Year 2 the COVID-19 pandemic boost remote interaction as well as motivation, in Year 3 a sort of fatigue was perceived in keeping on meeting remotely. This is why the meeting held in Cuenca on 26-27 October 2021 was an important occasion for all partners to sit again around a true table. The meeting focussed on the follow up of UFIL and more precisely on the 'Joint definition of 2022 action lines for UFIL sustainable model 2023+'. The project management decided to hire a facilitator for the first day of the meeting which was mainly based on guided brainstorming exercises. The second day was more focused on the identification of action lines. The project management put attention in linking the exercise of the second day to the activities of the work packages, so as to get contributions from partners which were aligned to the rationale of the project already agreed with the UIA PS. This second day led not only to the identification of the main actions to be followed in Year 4, to their timeline and to the persons responsible for their implementation, but also to a simplification of the coordination arrangements. In fact, at the end of the joint session, working groups were simplified in their scope and their number reduced to three. The new three groups now address the three key areas of: communication, training, and ecosystem development. Staff from all partners were assigned to the groups according to their role and responsibility in the project. Each group will meet remotely at least once a month for coordination and updating purposes.

brainstorming output by the project's partners



Challenge

Observation

Participative approach  
for co-implementation

Challenge level



- Coordination mechanisms become simpler and more participated. It is important to highlight the simplification process of the coordination mechanisms pursued by the project management which is primarily reflected in the identification of three core implementation areas. At the same time, as a consequence of the way the groups are conceived, there is a shared responsibility of implementation of key activities across partners and across groups' members.
- Focus on the development of a future model and of a forest bioeconomy action plan. The reorganisation of the groups allowed to put the emphasis on a new core implementation area which is closely related to the implementation of WP7 'Business model and raising awareness'. This new core area, named ecosystem development, is expected to sum up the experiences made by the project and design a sustainable future model where investors match the needs of local businesses, businesses collaborate in a conducive forest bioeconomy ecosystem, and new businesses are created and nurtured through incentives. Through the 'ecosystem development' group, which is participated by all the institutional partners of the project, the risk-sharing model on which UFIL is based is strengthened.

#### Emerging lessons:

- It is important to keep coordination mechanisms flexible so that they adapt to the needs of the project which are inevitably different at the beginning and towards the end of the implementation period (in Year 2, this same flexibility allowed the project to adapt to the changing circumstances caused by the COVID-19 pandemic).
- Coordination mechanisms may be used as instruments to guide implementation, engage staff members and share responsibilities among partners.

## Monitoring and evaluation

In March 2021 (after 2.5 years of implementation), the project management carried out an internal evaluation of the project's activities. This review was scheduled in the project's design at 6 months after the end of the first training course. For a project originally expected to last 3 years, an intermediate evaluation at year 2.5 is late. The monitoring and evaluation system of UFIL is basic. The monitoring plan produced in April 2020 and updated in March 2021 is a simple list of project's milestones grouped by delivery month. Monitoring is done against a set of result indicators which seem to overlook some of the key aspects the project have to address, such as the raising of Cuenca's citizens awareness on the importance of forests as an income opportunity. The baseline of these results indicators is in all cases set to zero. This prevents to understand the value added by the project to the existing situation. In addition, there are no key performance indicators, so that the operation and processes of the project (i.e. the performance) are not assessed.

Challenge

Observation

Monitoring and  
evaluation

Challenge level



- Accounting against results. At the end of the day result indicators will report only on the level of achievement but not on the impact. In this way, monitoring and evaluation is more an accounting system than a system able to tell a story of efficiency/effectiveness (through the initiation of a learning loop) and of effect on the territory.

#### EMERGING LESSONS:

- A monitoring and evaluation system intended as an accounting system is unable to inform the project about its weaknesses and is somehow disentangled from the existing reality if the baseline of all result indicators is set equal to zero.
- UIA projects should demonstrate their impact on the territory.

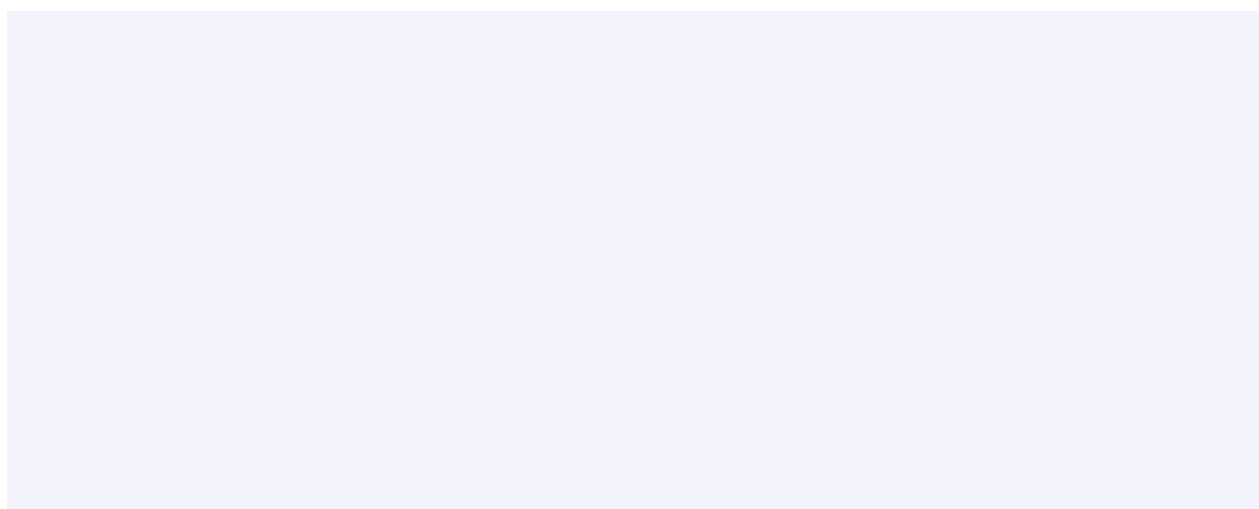
## Communication with target beneficiaries and users

Progress in communicating and engaging with the target groups keeps on proceeding slowly although some small improvements are evident. Progress is summarised and commented in the table below, by each of the four target groups identified by the project.


<b>Target group</b>	<b>Level of communication or engagement</b>
<b>1) Individuals, to be trained at the innovation lab (35 people for each training batch, for a total of 105 people)</b>	35 participants were involved in the first training course of UFIL. The second training courses also started with 35 participants but 7 left along the way. At the time of writing, the third training course is expected to take on board 35 participants even if the training will be shorter than 10 months.
<b>2) Companies belonging to the forest bioeconomy sphere, to be involved in the project-based learning programme according to the business challenges they propose</b>	No businesses were involved as sponsors of the challenges in the first UFIL training course (both challenges were launched by project's partners). In the second UFIL training course, four challenges were launched by four businesses, out of which only one was based in Cuenca. As expected, the project improved its capacity to involve companies which are (directly or indirectly) relevant for the forest sector.
<b>3) Urban citizens and inhabitants of surrounding rural areas, as part of the expected change of attitude of people with respect to forest resources</b>	The planned activities to reach (and engage with) this target group were not fully implemented in Year 3. The plan is now to concentrate these activities in 2022. This is one of the weakest areas of the project. Still, a consultation titled 'Is the future of Cuenca in the forests?' was launched during Year 3 to <i>'identify current local level of knowledge about Cuenca's forest and its mean in terms of future labour opportunities'</i> . Out of the 155 replies received, 105 were from individuals living in Cuenca.
<b>4) Ecosystem actors, such as academia, private sector, associations and government.</b>	As mentioned above, the project succeeded in engaging four companies for the proposition of businesses challenges during the second course: VIA AGORA, Grupo SUEZ, IKEA and CIBICA. With the exception of IKEA, the project signed cooperation agreements with all these businesses. In addition, the framework agreement with GLOBALCAJA still applies. Another agreement was signed by the Municipality of Cuenca with the Local Action Group PRODESE for collaboration within the framework of EAFRD. This latter agreement is meant to involve rural development actors in the activities of the city and/or of the project. Finally, an agreement to collaborate within the framework of the project has been signed with the Provincial Council of Cuenca.

Challenge

Observation



Communication with target beneficiaries and users

Challenge level 

- A blog as the main communication channel of the project. The project's BLOG keeps on publishing updates on implementation. However, the frequency of these updates is low (one-two per month).
- Co-implementation with third parties still lags behind. The project decided in Year 2 to drastically reduce the number of challenges to be launched during each training course (from 15 to 2). This was necessary as there were difficulties in involving businesses acting as 'sponsors' of the lab's activities. In Year 3, the several contacts made by the project harvested good results and four (4) companies proposed challenges to the participants of the second training course. However, there still seems to be difficulties in identifying companies for the launch of challenges, especially local ones.

**Emerging lessons:**

- Late communication with citizens and companies have jeopardised some of the project's activities in the first two years of its implementation. It is important to start reaching out to target beneficiaries as soon as a UIA project is approved. A robust communication plan with concrete activities (distinguished by target group) should be included amongst the first milestones of each UIA project.
- A blog is a suitable tool to regularly communicate on the project. However, it would be better to have the blog in at least two languages, the native language of the project and English. This would increase visibility and reach out capability across the EU.

## Upscaling

The project started thinking about its upscaling in Year 2 but at the end of Year 3 ideas and plans to design a sustainable business model for UFIL and/or to upscale project's activities were still very much unstructured. As already mentioned, in October 2021, the project management organised a meeting among partners. That was the first 'in presence' meeting participated by all partners after the suspension caused by the pandemic. One of the main objectives of the meeting was to understand what the project may look like in the future in terms of actors involved, resources, coordination, communication, target groups, type of training delivered, ways to develop businesses and desired impact on the territory.

It needs to be noted that a viable business model for UFIL is quite different from its upscaling. A viable business model implies the project's activities to be kept running in a sustainable manner. In this specific case, it is a matter of understanding how the UFIL lab and courses will be organised and how students will be engaged and if they will be financially supported or not, as they are now paid a scholarship by the project.

The scale-up of UFIL is a more complex challenge as it assumes the project to grow, open up to the outside (the ecosystem), interact with existing actors, and attract/engage new actors. The scale-up of the project is linked to its capacity to initiate a forest-based bioeconomy in and around Cuenca.

Challenge

Observation



## Upscaling

Challenge level



- UFIL is weaving its net to ensure an institutional follow-up to the project (viable business model). The Municipality of Cuenca is working on a 'cautious' scenario where the activities of the project are continued on the basis of an agreement between the most important institutional actors, namely the Region, the Province, the Municipality and the University of Castilla-La Mancha. This is only one of the scenarios which are on the table for the future of UFIL. This scenario implies institutional agreements to be in place between all the administrations involved (from the regional to the local level) and the university which is actually hosting the UFIL lab. It is based on the assumption that the follow up to UFIL will be funded with public resources.
- Framework agreement to identify investment needs of small projects. UFIL has made a framework agreement with GLOBALCAJA, a foundation dedicated to support the socio-economic development of the Cuenca Province. GLOBALCAJA provides cash prizes for the best business projects established through UFIL. It also provides expertise (hiring external experts), mentoring and coaching for UFIL trainees. In a future business model of UFIL, the agreement with GLOBALCAJA is expected to contribute in identifying specific funding lines for small projects as the ones resulting from the activities of UFIL innovation lab. This agreement is still part of the viable business model mentioned above.
- Potential business (and possibly innovation) environment where UFIL may be grounded in the future (scale-up). Since last reporting, among the relevant opportunities for the upscaling of UFIL, the development of a new business park in Cuenca was mentioned. According to the latest updates provided by the project management, the approved 'Project of Singular Interest of the Los Palancares Circular Economy Science-Technology Park' will concretise in 2022. The Park will cover about 100 ha located nearby the Cuenca Council Wood SA (partner in UFIL and owned by the Municipality of Cuenca). UFIL plans to have a space in this park together with the most promising enterprises resulting from the activities of UFIL innovation lab. Indeed, the park will provide to the follow-up scenario to the project (in whatever form it will be designed) an important business (and possibly innovation) environment where to flourish.

### Emerging lessons:

- The sustainability of the project's activities is very much likely when the project's partnership includes several institutional actors (besides the leading municipality) and when the public function of the institutional partners is strengthened by their participation in the project.
- Written agreements are a way to ensure cooperation between institutional partners beyond the end of the project.
- The scale-up of an UIA project may substantially differ from its sustainability. Efforts for the scale-up may be very demanding.
- UIA projects which tackle in their scale-up the development of bio-economies have to develop an ecosystem of actors which include the public sector, the private sector and research/innovation capacity (triple helix approach). Adding civil society to get a quadruple helix approach would allow tackling a larger societal transformation.

## 4. Conclusions - Looking ahead

The project's extension by one year waived some of the delays cumulated in the first two years of implementation, but it did not delete all the weaknesses which were at the basis of these delays. Namely, the project performed rather well in its third year with regard to the running of the lab but kept on not being sufficiently embedded in the territory due to insufficient communication and reach out activities. Its urban-rural dimension, which is supposed to be a characteristic of this project, is not evident enough, local businesses are not sufficiently engaged and community involvement is poor. This means that the project keeps on neglecting some of its target groups.

The project also keeps on making changes to its implementation modality (e.g. number of business challenges launched). The learning by doing approach continues prevailing and is not supported by a structured monitoring and evaluation system. The project monitoring system focuses on results and does not contain performance indicators (to assess quality of processes) and impact indicators (to assess the project's impact on society). The earlier aspect prevented the creation of a learning loop where monitoring informs implementation and guides necessary changes; the latter aspect may jeopardise the project's credibility upon its completion.

Project management focused in the last year on revitalising a sense of shared responsibility among partners for

both the project and its follow-up, a sense which was slightly deteriorated by the prolonged remote interaction. Coordination arrangements were simplified and participation by all partners tightened through partner's direct involvement in key activities. Ideas about UFIL upscaling and future business model (sustainability) are now clearer, but still far from being concretised.

At the basis of the upscaling of UFIL there is the need to create an ecosystem of actors which are relevant to the forest bioeconomy sector. Ideally, and according to the quadruple helix approach for a successful interaction for innovation, this ecosystem has to include the public sector, the industry, the research and innovation community, and the civil society.

In Cuenca, so far, the only strong and committed actor is the public sector - and this aspect will influence positively the sustainability of UFIL's activities at the end of the project. The industry is flowing around the project but is not convincingly caught. This may be a consequence of the partial success of the role of 'sponsors' envisaged in UFIL's design for the launch of business challenges. The research community has only a teaching role in UFIL (University of Castilla-La Mancha and Polytechnic University of Madrid) but is not functioning as a direct source of innovation. Finally, the civil society has not been engaged enough in project's activities (so far) and therefore, at this stage, has no possibility to contribute to the innovation process promoted by UFIL.

The Municipality of Cuenca is a very active player in networking and new opportunities for collaboration and ecosystem development are likely to arise. Towards this scope, it is essential to change the perspective or scale from a local (municipality, province) level to a regional level. In fact, necessary actors for the ecosystem's functioning may not be just around the corner, but they may be available in a nearby city or territory.

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