

NEWS

PROJECT

UFIL - Urban Forest
Innovation Lab

📍 Cuenca, Spain

TOPIC

Jobs and skills in the
local economy

EDIT 18 MARCH 2022

BY ROSSELLA SOLDI

How do UFIL entrepreneurial ideas link urban to rural areas? A mix of tradition and local innovation.

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website



UFIL is an Urban Innovation Action and as such is supposed to focus on urban development. In fact, UFIL has a peculiarity that makes it different from most of the other UIA projects: it also targets rural areas. Since the beginning, the project has been proposed by the municipality of Cuenca and its partners as a rural-urban glue, an opportunity to link the city's economy to its surrounding forests, an occasion to convince the city's inhabitants that their natural resources are not only beautiful assets, but also a driver of socio-economic development.

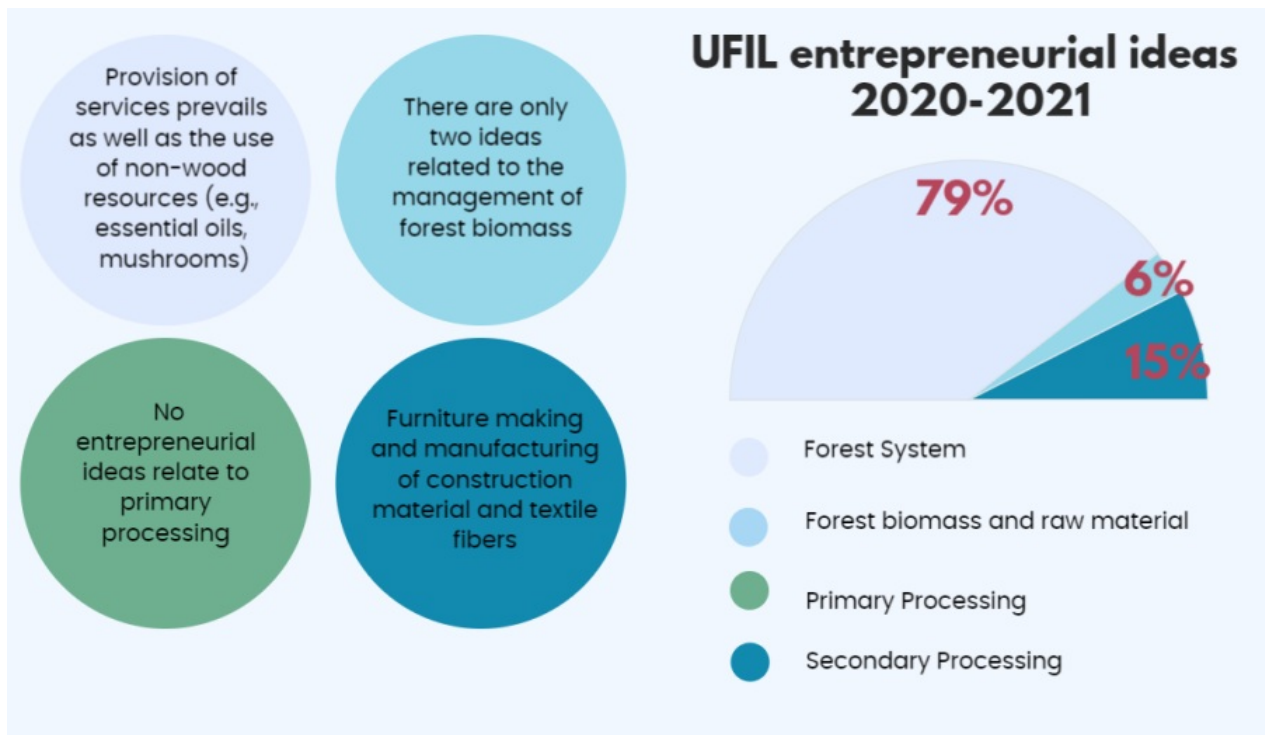
The municipality of Cuenca is an important forest owner. Thus, one of the ways the project has planned to fill the rural-urban gap is through the development of city-based entrepreneurial ideas exploiting the rich natural resources, primarily pine forests, found in the surroundings of Cuenca. In this article, all entrepreneurial ideas developed during the first two editions of the project's innovation lab are mapped to understand how this gap is meant to be filled in practice. **Are traditional ways still prevailing or is the lab really nurturing innovations?**

Mapping UFIL entrepreneurial ideas against a supply chain logic

Mapping of ideas developed in UFIL is organised around four main categories of activities. These categories reflect a supply chain logic and are defined in a study investigating the factors behind the development of innovations in forest-based bioeconomy ([Lovrić et al., 2020](#)). According to such categories, in UFIL are generated ideas related to the forest system (referred to as category 1 ideas), ideas related to forest biomass and raw materials (category 2 ideas) and ideas related to the secondary processing, or transformation, of forest resources (category 3 ideas). So far, the project has not generated entrepreneurial ideas related to the primary processing of forest resources (category 4).

In its first and second editions of the innovation lab, UFIL trained 60 people. Trainees were supported in generating ideas using a challenge-solving approach leading to the design and prototype development of a product or a service. Out of these two editions, a total of 34 entrepreneurial ideas were shaped into **21 services (62% of the ideas) and 13 products (38%)**. This first evidence shows how the exploitation of services is more attractive to future entrepreneurs than the exploitation of raw material, i.e., wood. This may be explained by the

fact that primary and secondary wood processing or transformation require specific skills and competences, or techniques, that are not easily gained or mastered in the short time frame of a 10-month residential course.

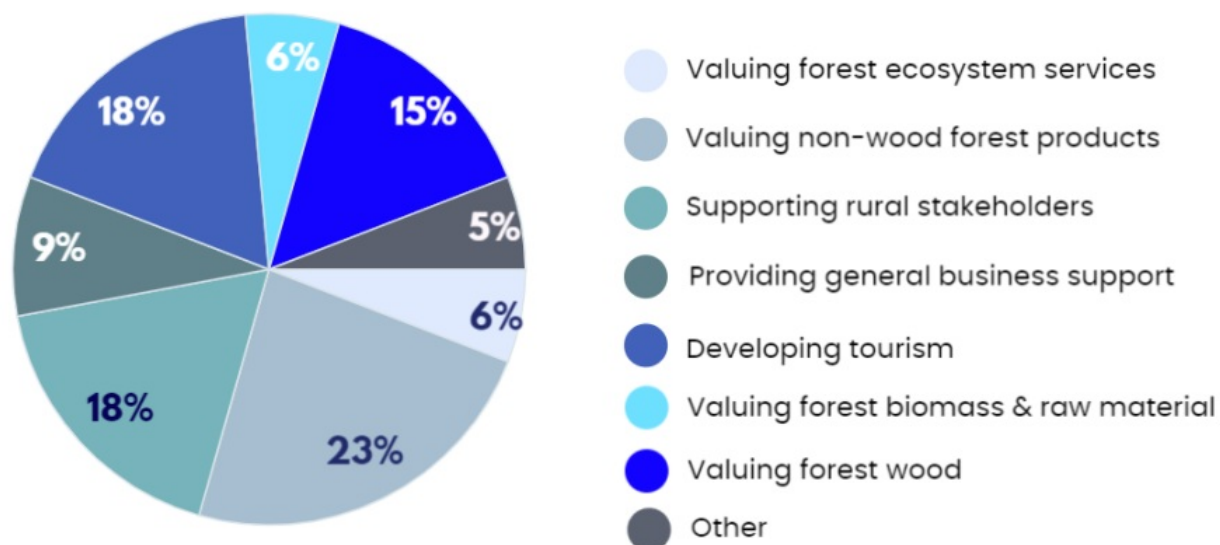


By looking in detail at the type of entrepreneurial ideas generated by the innovation lab's participants, it is evident that **activities related to the forest system (category 1) are by far the most attractive to start a new business (79% of all ideas)**. If for some of these ideas the linkage with the city's forests is key and evident, some others are horizontally relevant for any type of sector. At a distance from the most populated category 1, is the category related to the secondary processing of forest resources (category 3); **15%** of the ideas generated in UFIL fall in this category. These ideas are the most technical ones. They imply the transformation of wood or wood residuals into finished products, construction material and textile fibers, all of which add value to the raw forest resources. Finally, only two ideas (**6%**) are found in category 2 relating to the management of forest biomass. As mentioned earlier, none of the ideas generated in UFIL fall in category 4 concerning the initial transformation of forest resources.

Which are the ideas generated by UFIL and how do they link urban to rural areas?

Category 1 ideas aim at increasing viability of rural areas by exploiting the non-wood opportunities offered by forest resources. The majority of these ideas (**23%**) relate to **production and marketing of non-wood goods** some of which are more traditional (essential oils, mushrooms, truffle, healthy food) than others (vegetable milk, beer). Another relevant number of ideas (**18%**) relate to the **provision of support to rural stakeholders**. This support is meant to empower rural inhabitants so that they can take better advantage of the opportunities offered by forest resources. Support is in the form of digitalisation, awareness raising and project development with a specific focus on the activation of private forest owners. The same relevant share (**18%**) relates to **tourism entrepreneurial ideas**. These ideas are of different types (cultural tourism, accommodation, restaurant services), but they all fall in a range of services commonly offered nowadays. Other **support is not forest-specific but horizontal across sectors (9%)** and is meant to provide businesses with team building and events' organisation capability, or co-working spaces. Finally, only two ideas (**6%**) relate to **ecosystem services** (CO₂ compensation and pollination).

How do UFIL ideas link urban to rural areas?



There are only two entrepreneurial ideas falling into Category 2 and related to the management of forest biomass (6% of the total). These ideas promote the use of Lidar technology for forest management and the use of residual natural waste for the production of compost (still, this last idea is not currently implemented with forest residues). Both ideas aim at adding value to the natural capital and thus have an economic impact.

Category 3 entrepreneurial ideas are the most technical ones and directly concern the wood resource and its transformation. In these five ideas (15% of the total), secondary processing of wood results into the production of economic value added in the form of furniture and home accessories, new housing prototypes, textile fibers and building elements (i.e., cross-laminated panels and prefabricated bio lime blocks). The link between urban and rural in this category is primarily an economic one.

Category 1 entrepreneurial ideas concentrate on mobilizing forest system's actors without directly exploiting the main resource of forests, i.e., wood. As a result, they not only tackle an economic (and environmental) impact but also a cohesion effect that is particularly important from the perspective of strengthening the linkage between urban and rural areas. Still, ideas having the capability to scale up and impact at the territorial level while valuing forest wood are those found in category 3.

[Access the project's portfolio of ideas developed in the innovation lab!](#)

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A mix of tradition and local innovation

- Overall, it is noted **a good balance in terms of types of entrepreneurial ideas promoted by UFIL** through its innovation lab (an exception to this is the lack of ideas related to primary processing of forest resources and in particular to the bioenergy sector). **Ideas addressed to support rural stakeholders** in the exploitation of forest resources are **particularly functional in linking urban to rural areas**.
- The **prevalence of service-based ideas versus product-based ideas** is normal as, generally speaking, services are less expensive to start-up and operate than product businesses. Still, it is more challenging and takes longer for service businesses to succeed because they need to gain the trust of customers, are continuously exposed to evaluation by users and necessitate a solid marketing strategy. **This type of lengthy support/tutoring may not be possible to be provided by means of a project which is time-limited**. This, in turn, may impact the rural-urban glue effect these service-based ideas are expected to have.
- UFIL entrepreneurial **ideas related to the secondary processing of wood are the most suitable to be up-scaled and thus to make a difference in the local (both rural and urban) economy**. These ideas (see

photo below) are product-based and in general show a fair innovative local character. For product-based ideas, the turning point is to find investments to take off, but 'taking off' does not necessarily mean to start producing and marketing as further input is needed to bring UFIL-generated ideas to an appropriate readiness level for the market. In fact, what is coming out of the innovation lab is usually the design and the prototype of the product but not its testing in an operational environment. Also in this case, the project is expected to provide support in identifying investors willing to bring the products to a technology readiness level of 9, i.e., ready for entering the market. UFIL is offering these 'investor matching services' to its new entrepreneurs (e.g., the demo days), but post-project arrangements are needed as finding investors or financing streams takes time.



- It is also important to note the **local dimension of most of the ideas put forward by UFIL**. This means that few ideas look suitable for scale up. Being 'local' is not a negative aspect in itself. Rather, it reflects the potential of an idea to fit into the traditional economic texture of Cuenca and of its province. Being local does not even prevent an idea to be innovative. 'Local innovations' are valuable as they introduce in a local context services or products already existing somewhere else but not yet available in that context. Still, it is honest to admit that the innovative character of several of the entrepreneurial ideas put forward within UFIL is limited. Still referring to [Lovrić et al. \(2020\)](#), successful innovations across forest-based bioeconomy projects are usually disruptive, rely on a complex knowledge base, involve a wide range of actors and receive a substantial financial support. Indeed, UFIL is nurturing less ambitious innovations, several of which look more traditional than innovative.

UFIL puts forward an innovative approach to enhance local skills and nurture innovation capacity towards a forest-based bioeconomy, but the project is not really due to create innovations. Then, the conclusion is that innovative approaches do not necessarily create innovative outputs. From the point of view of rural-urban linkages, **the true rural-urban glue is represented by UFIL's new entrepreneurs and their conviction to make an earning out of the sustainable use of the province's forest resources.** In order to succeed and capitalize on the investment made through the UIA project, these entrepreneurs need to be retained in the province and supported to enter the market with their goods and services.

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