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 **SFERA**

A decorative graphic consisting of a green line that curves into a blue line, which then curves back into a green line, creating a stylized 'S' or 'e' shape.

# INTERREG ITALY-CROATIA PROGRAMME 2021-2027 PROJECT SFERA

## Output 1.1 SFERA GOVERNANCE MODEL

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# SFERA

Strategic Framework for Entrepreneurship in Rural Areas

## Output 1.1 SFERA GOVERNANCE MODEL

### Document information

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## INTRODUCTION

The SFERA Governance Model presented in this document draws upon the lessons learned from the activities conducted in Work Package 1 (WP 1) of the SFERA project. Through extensive mapping, analysis activities, creation of the white paper on rural entrepreneurship, and the lessons learned from the two-day cross-border forum, WP 1 highlighted the critical challenges and opportunities for small and medium-sized enterprises (SMEs) in rural areas. These insights form the foundation of a dynamic, adaptable, and scalable framework designed to empower rural communities by fostering sustainable economic growth, resilience, and innovation.

This model is structured around four key strategic pillars: sustainability, digitalization, capacity building, and economic diversification. Building on the identification of the roles and responsibilities of the identified stakeholders, these pillars address the structural, economic, and social barriers limiting the growth potential of rural SMEs. Furthermore, the participatory approach ensures that the model remains flexible, with continuous stakeholder engagement to guide its implementation in diverse regional contexts. By focusing on collaboration, governance, and adaptable mechanisms, the model seeks to create an entrepreneurial ecosystem where local communities, businesses, and policymakers can work together to foster long-term, sustainable development.



## 1.0 PRELIMINARY ANALYSIS

### Overview of entrepreneurship in Apulia and Lika

Entrepreneurship in Apulia and Lika showcases the economic and cultural richness of these regions while highlighting their unique challenges. In Apulia, entrepreneurial activity spans between agriculture, tourism, manufacturing, and services, reflecting the region's economic diversity. The region is particularly recognized for its excellence in olive oil production, agri-food industries, and a growing tourism sector. However, the entrepreneurial landscape in Apulia faces challenges such as bureaucratic complexity, labor shortages, and limited international market access. SMEs form the backbone of the economy, yet their contribution to export activities remains limited.

In contrast, Lika's entrepreneurial ecosystem is predominantly rural, centered around small-scale agriculture, eco-tourism, and family-owned businesses. The region's vast natural resources, including the Velebit Mountain and Plitvice Lakes, present immense potential for sustainable development. However, entrepreneurship in Lika is constrained by demographic decline, poor infrastructure, and insufficient financial support. Unlike Apulia, Lika's enterprises are largely localized, with minimal integration into broader national or international markets.

### Exploring rural entrepreneurship

Rural entrepreneurship forms the cornerstone of economic activity in both regions, though with differing characteristics and challenges. In Apulia, rural entrepreneurship is driven by agriculture and agri-food industries, supported by a growing focus on innovation and



sustainability. The region's rural SMEs are integral to preserving traditional practices while adopting modern techniques to increase productivity. However, rural entrepreneurs often deal with inadequate digital infrastructure and a lack of awareness about available technological tools, which hinders their ability to scale operations.

In Lika, rural entrepreneurship is closely tied to its natural environment. Family-owned farms dominate the landscape, with many enterprises relying on agriculture and livestock. Additionally, eco-tourism represents a promising sector for rural entrepreneurs, leveraging the region's natural resources. Despite these opportunities, rural businesses in Lika face more severe challenges than their Apulian counterparts. Demographic shifts, including youth migration and population aging, have left many rural areas depopulated, resulting in abandoned lands and limited entrepreneurial activity.

Both regions share common struggles, such as limited access to advanced markets and a weak entrepreneurial culture in rural areas. However, Apulia's better integration with national and EU initiatives offers a more robust platform for fostering rural entrepreneurship compared to Lika, where structural and demographic challenges are more pronounced.

### **SMEs Needs Assessment**

The needs of SMEs in Apulia and Lika reveal common barriers and specific regional priorities that must be addressed to unlock their entrepreneurial potential.

In Apulia, SMEs face significant bureaucratic complexity, with lengthy administrative processes and fragmented access to financial support. Entrepreneurs highlight the urgent need for simplified regulations, improved access to grants and loans, and greater transparency in funding opportunities. Workforce shortages also pose challenges, emphasizing the



importance of tailored training programs focused on technical, managerial, and digital skills. Additionally, SMEs require better marketing support to enhance their visibility in international markets and adopt advanced technologies to improve competitiveness and operational efficiency. Environmental sustainability is also becoming a central concern, with SMEs seeking guidance and incentives to integrate green practices into their operations.

In Lika, the entrepreneurial landscape is shaped by demographic decline, infrastructural deficiencies, and limited access to credit. SMEs emphasize the need for customized financial solutions and tax incentives tailored to rural economies. Training and education programs are equally critical, addressing the lack of technical expertise and entrepreneurial skills among local business owners. Infrastructure, particularly in terms of digital connectivity and transportation networks, remains a fundamental bottleneck. Furthermore, there is a need for institutional support to simplify bureaucratic processes and provide clear guidance on funding opportunities. Marketing and branding strategies tailored to the region's eco-tourism and sustainable agriculture potential are also essential for improving competitiveness in broader markets.

While both regions face unique challenges, they also share significant commonalities. Administrative barriers, limited access to financing, infrastructure deficits, skill gaps, and insufficient market integration are recurring themes in both contexts.

### **Trends and Challenges in Apulia and Lika**

Entrepreneurship in Apulia and Lika is shaped by a mix of structural, economic, and demographic factors, resulting in both shared and region-specific challenges.



In Apulia, entrepreneurial activity thrives across diverse sectors, including agriculture, tourism, and manufacturing. However, rural areas continue to struggle with slow digital transformation, limited broadband access, and low digital literacy among entrepreneurs. These factors hinder access to advanced technologies and international markets. Bureaucratic complexity and regulatory delays further constrain SME growth, while demographic challenges, such as aging populations and youth migration, exacerbate workforce shortages. Despite these barriers, Apulia's integration into EU and national funding programs offers opportunities for targeted interventions in digitalization, sustainability, and education.

In Lika, the entrepreneurial landscape remains heavily influenced by rural dynamics and post-war demographic decline. Low population density, youth outmigration, and aging demographics have left vast agricultural lands underutilized and rural communities depopulated. SMEs in Lika are primarily small-scale, family-owned, and concentrated in agriculture and eco-tourism. However, infrastructural deficits, limited access to credit, and slow technological adoption hinder their growth and competitiveness. Furthermore, a reliance on government employment reflects a weaker entrepreneurial culture, where risk-taking and innovation are less common.

Despite these differences, common challenges emerge across both regions. Demographic decline, insufficient access to financing, infrastructural gaps, bureaucratic hurdles, and limited digital transformation are systemic barriers. However, each region also possesses distinct strengths: Apulia's economic diversity and integration with EU programs provide a solid foundation for growth, while Lika's natural assets and eco-tourism potential present niche opportunities. Addressing these challenges requires tailored, region-specific interventions, supported by cross-border collaboration and innovative policy frameworks.



**Table 1. Challenges in Apulia and Lika**

Region	Challenges
<b>Apulia</b>	<ol style="list-style-type: none"> <li>1. Slow digital transformation in rural areas despite potential for growth.</li> <li>2. Infrastructural gaps that hinder innovation.</li> <li>3. Limited digital literacy among entrepreneurs, especially in rural areas.</li> <li>4. Bureaucratic complexity and regulatory delays restrict SME operations.</li> <li>5. Depopulation and aging demographics reduce the workforce and demand.</li> <li>6. Weak entrepreneurial culture and limited risk-taking in rural communities.</li> </ol>
<b>Lika</b>	<ol style="list-style-type: none"> <li>1. Low population density due to emigration, leading to abandoned lands.</li> <li>2. Limited technological adoption in rural areas.</li> <li>3. Preference for government jobs over private sector entrepreneurship.</li> <li>4. Insufficient access to credit and investment for business growth.</li> <li>5. Weak entrepreneurial culture, with few innovations</li> <li>6. Underutilized potential for eco-tourism and sustainable agriculture.</li> </ol>

### Reccomendations for policy improvements

The white paper on rural entrepreneurship produced within the SFERA project discusses rural entrepreneurship, highlighting challenges, opportunities, and strategies to foster economic growth in rural areas. It emphasizes the role of policy frameworks, access to finance, innovation, and capacity building.

The document emphasizes the importance of creating policies that streamline bureaucratic processes for rural entrepreneurs and advocates for providing incentives, tax breaks, and support programs that facilitate rural business development. It also stresses the need for financial literacy programs to help rural entrepreneurs manage funds more effectively.



In terms of skills development, the white paper calls for investments in training and entrepreneurship education in rural areas. It also advocates for promoting digitalization to enable rural entrepreneurs to harness online business opportunities, stressing the importance of improving the digital infrastructure to support e-commerce in rural businesses. It encourages the creation of rural innovation labs and technology hubs to foster business growth and advocates for the use of smart agriculture, sustainable energy, and other innovative solutions in rural areas.

To enhance market access and support rural businesses, the white paper suggests strengthening rural business networks, promoting local and regional supply chains, and backing branding and marketing strategies to increase the visibility of rural products. Regarding sustainability, the white paper encourages the promotion of eco-friendly and sustainable business models in rural entrepreneurship. It also recommends providing incentives for the adoption of renewable energy and sustainable agricultural practices and supports circular economy initiatives aimed at reducing waste and maximizing resource efficiency.



## 2.0 STAKEHOLDER MAPPING: DEFINING ROLES AND RESPONSIBILITIES

The preliminary analysis reveals that rural entrepreneurship can be supported by a dynamic network of stakeholders that work collaboratively to foster sustainable growth, address regional challenges, and unlock economic potential. Each stakeholder can contribute uniquely to this ecosystem, with roles ranging from policymaking and resource allocation to capacity building and market integration.

For example, in Apulia, the regional government plays a central role, implementing strategic initiatives to promote sustainability and digital transformation. Through its efforts, the government provides funding and ensures that local SMEs are integrated into both national and EU frameworks. SMEs in Apulia form the backbone of the rural economy. Operating across various sectors these businesses contribute to local employment and economic diversification. They are joined by local entrepreneurs and artisans who preserve cultural heritage while introducing artisanal innovations that enrich the region's economy. Consumers, particularly those seeking sustainable and eco-friendly products, play a key role in shaping market demand, prompting businesses to align their operations with environmental standards. Complementing these efforts, for example, the #mareAsinistra project addresses demographic challenges by attracting young talent and entrepreneurs to rural areas, helping to counter population decline and revitalizing the workforce.



Moreover, in Lika, entrepreneurship revolves around the county government and municipal authorities, which oversee local governance and resource allocation. These institutions work to align regional priorities, such as agricultural modernization and eco-tourism development, with broader EU-funded programs. SMEs in Lika are primarily small-scale and family-owned, focusing on agriculture, forestry, and eco-tourism. They leverage the region's abundant natural resources to create niche markets. Entrepreneurs in Lika collaborate to enhance productivity and market access, particularly in sectors like sustainable farming and tourism. However, they face significant challenges due to limited infrastructure and financial resources.

It is important to understand the various stakeholders involved in the rural economic ecosystem. The interactions among these stakeholders are vital for fostering rural entrepreneurship.

Each stakeholder plays a crucial role in fostering innovation, supporting small and medium-sized enterprises (SMEs), and driving sustainable economic growth in rural areas. The table below outlines the specific roles and responsibilities of these key stakeholders, highlighting how their collaboration contributes to the development of local economies, the adoption of new technologies, and the implementation of policies that support rural businesses.



**Table 2. Stakeholders’ role and responsibilities**

Stakeholder	Role	Responsibility
<b>National public authority</b>	Set strategic policies and ensure alignment with EU frameworks and funding programs.	Develop supportive regulations, allocate financial resources, and oversee the implementation of national and EU policies.
<b>Regional and local public authority</b>	Adapt national policies to regional needs, support SMEs with infrastructure and services, facilitate local economic development and act as a bridge between SMEs and national institutions.	Implement localized policies, facilitate public procurement, and invest in rural infrastructure to support business growth.
<b>SMEs (Small and Medium Enterprises)</b>	Drive rural economic growth through innovation, job creation, and market expansion.	Adopt new technologies, implement sustainable practices, participate in training, and provide feedback to policymakers.
<b>Business support organizations and interest groups</b>	Provide training, funding access, and advocacy to strengthen SMEs.	Organize capacity-building programs, offer financial advisory services, and connect SMEs with larger markets.



<b>Educational institutions</b>	Equip entrepreneurs with technical skills, sustainability expertise, and digital knowledge.	Develop tailored curricula, facilitate training programs, and establish links between students and SMEs.
<b>Public and consumers</b>	Shape market trends and drive demand for sustainable and innovative products.	Support rural enterprises by prioritizing eco-friendly and locally sourced products.

This table provides a comprehensive overview of the roles and responsibilities of key stakeholders in fostering rural entrepreneurship. It underscores the importance of coordinated efforts across various sectors to ensure the growth and sustainability of rural economies.

The stakeholder mapping approach outlined here is designed to be adaptable and applicable across different rural regions. It ensures **transferability** by categorizing stakeholders based on their functions rather than their specific local identities. This means that while the names of organizations may change from region to region, the core roles, policymakers (national, regional, and local public authorities), SMEs, business support organizations, general public, consumers, and educational institutions, remain relevant in any rural entrepreneurship ecosystem.

The **sustainability** of this stakeholder mapping lies in its structured approach to stakeholder engagement. By defining clear roles and responsibilities, regions can establish long-term collaboration mechanisms that remain effective even as external conditions evolve.



Stakeholder engagement fosters a self-sustaining ecosystem, ensuring that rural entrepreneurship is continuously supported by an active network of actors.

Additionally, this framework aligns with broader EU policies and funding mechanisms, making it compatible with various funding programs and policy strategies. Because it integrates public and private actors, it also allows for flexible governance models that can be adjusted based on regional needs while maintaining a common structure for cross-border cooperation.

The **durability** of this stakeholder mapping is ensured by its scalable and adaptable structure, allowing it to be updated and refined over time to reflect evolving economic, technological, and social conditions. The engagement of diverse stakeholders ensures that responsibilities are distributed across multiple actors, reducing dependency on a single entity and increasing the resilience of the ecosystem.

The stakeholder mapping thus serves as a scalable, replicable, and resilient framework for enhancing rural business ecosystems across different regions.



### 3.0 STRATEGIES FOR A PARTICIPATORY MODEL TO FOSTER RURAL ENTREPRENEURSHIP

Building on the stakeholder mapping, the participatory model for fostering rural entrepreneurship is structured around four key strategic dimensions: sustainability, digitalization, capacity building, and economic diversification. These dimensions address structural, economic, and social barriers that limit the growth and resilience of rural SMEs across different regions, ensuring that the model is adaptable and transferable.

However, these strategies cannot function in isolation. Stakeholder collaboration, as outlined in the stakeholder mapping, forms the backbone of these mechanisms. Governments, SMEs, business support organizations, educational institutions, and consumers must be actively engaged and aligned to achieve shared goals.

Additionally, communication strategies, such as social media engagement, public consultations, and institutional partnerships, play a crucial role in amplifying awareness, sharing successes, and engaging broader communities in the participatory process. These mechanisms ensure that the model remain dynamic, adaptable, and sustainable across different rural contexts.

Together, these elements transform high-level objectives into measurable outcomes, reinforcing the idea that fostering rural entrepreneurship is not just about model design but also about creating an ecosystem where collaboration, commitment, and transparency thrive. The participatory model ensures continuity and adaptability, allowing regions to adjust their focus areas based on evolving economic and social trends.



## 2.1 Key pillars of the Model

The participatory model for fostering rural entrepreneurship is built upon four interconnected pillars, outcomes of the preliminary analysis conducted within the SFERA project, that can be applied across multiple regions, ensuring sustainability, transferability, and long-term impact.

**Sustainability:** Sustainability is a fundamental component of rural entrepreneurship, ensuring long-term environmental, social, and economic resilience. Both Apulia and Lika possess distinct environmental assets that can be leveraged for sustainable development. Sustainability in this context emphasizes environmentally responsible business practices, resource efficiency, and alignment with EU initiatives like the Green Deal and the Common Agricultural Policy (CAP). In Apulia, sustainability focuses on enhancing sustainable agri-food production, while in Lika, it centers on preserving natural resources through eco-tourism and sustainable agriculture. SMEs are encouraged to adopt green technologies and resource-efficient business models, supported by financial incentives, training programs, and regulatory alignment. By fostering sustainable agricultural practices, eco-tourism, and renewable energy adoption, this model can be effectively transferred and adapted to various national and regional contexts.

**Digitalization:** Digital transformation is critical to overcoming structural challenges faced by rural SMEs, such as limited market access, operational inefficiencies, and infrastructural gaps. Digitalization aims to improve broadband connectivity, introduce digital tools, and enhance digital literacy among entrepreneurs. Investment in digital platforms, e-commerce tools, and digital financial systems will allow rural SMEs to compete more effectively in



broader markets while ensuring transparency and accountability through digital monitoring tools.

**Capacity Building:** Strengthening human and institutional capacity is essential for creating an enabling entrepreneurial ecosystem. Capacity-building strategies can include the organization of workshops and training programs tailored to regional needs, and focused on technical, managerial, and financial skills. Collaboration with educational institutions can ensure ongoing professional development and knowledge-sharing. By aligning training initiatives with local economic strengths and needs, capacity-building efforts remain relevant and adaptable in different regions, ensuring the durability and transferability of this strategy.

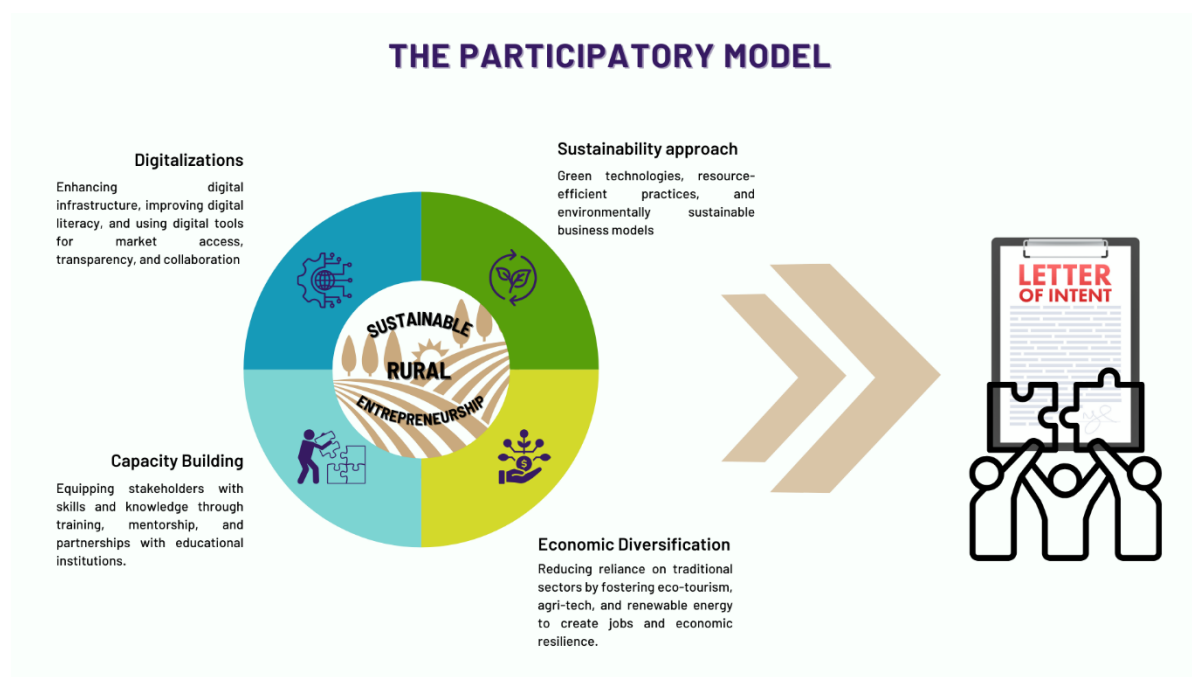
**Economic diversification:** Reducing reliance on traditional sectors is vital for building economic resilience in both regions, and beyond. Economic diversification encourages SMEs to explore emerging industries such as eco-tourism and renewable energy. Diversification strategies will leverage regional strengths and align with global economic trends.

These four pillars are not standalone interventions but interconnected dimensions that reinforce one another, creating a holistic model that can foster sustainable rural entrepreneurship. The participatory model is designed to be transferable, as it defines broad stakeholder roles and strategic pillars rather than prescribing rigid, region-specific solutions. By focusing on collaborative mechanisms and continuous stakeholder engagement, the model ensures that any rural region can adapt and implement it based on its specific socio-economic and environmental context.



Moreover, the durability of this approach lies in its self-sustaining nature. The model encourages ongoing cooperation among stakeholders, enabling long-term policy evolution, continuous learning, and economic resilience. By institutionalizing cross-border collaboration and best-practice exchanges, the model can remain effective well beyond the initial implementation phase, securing its relevance for future rural entrepreneurship development.

**Graph 1. Strategies for a Participatory Model**



## 2.2 Enhancing policymaker awareness and commitment

Effective policymaking is a cornerstone of fostering a resilient rural entrepreneurship ecosystem. Policymakers at local, regional, national, and EU levels play a crucial role in creating enabling conditions, ensuring policy coherence, and providing financial and institutional



support for rural SMEs. However, their level of engagement and commitment often depends on their awareness of the challenges and opportunities within rural economies. Enhancing their understanding and fostering long-term commitment requires a multi-pronged approach that includes stakeholder dialogue, data-driven advocacy, and cross-sector collaboration.

Policymakers should have direct and regular engagement with key stakeholders, including SMEs, business support organizations, educational institutions, and local communities. This can be achieved through:

- Multi-stakeholder forums that bring together policymakers and entrepreneurs to discuss needs, challenges, and emerging trends. A similar platform was successfully tested during the SFERA project, at the Cross-border Forum organized by CNA Bari. This forum provided a space for diverse stakeholders to meet, exchange ideas, and discuss recommendations for promoting rural entrepreneurship, while also identifying additional needs and tailoring those recommendations to the local context.
- Roundtables and public consultations that facilitate knowledge exchange and ensure that policy decisions align with the realities of rural businesses.
- Policy briefs, white papers and reports summarizing key data, case studies, and best practices to help policymakers make informed decisions. An example of this approach can be found in the White Paper on rural entrepreneurship produced within the SFERA project. Following the Cross-border Forum, an Annex was created that incorporated the recommendations and additional insights provided by all stakeholders present.



As a demonstration of commitment, participants signed a Letter of Intent, which aims to further integrate the identified recommendations into local policies and advocate for more sustainable rural entrepreneurship.

By embedding structured dialogue mechanisms, policymakers can actively participate in shaping rural entrepreneurship strategies rather than merely reacting to economic trends. Establishing a culture of policy learning and knowledge exchange enables different regions to adapt and replicate successful models based on their unique challenges and opportunities. Moreover, institutionalizing these mechanisms ensures that policymaker commitment remains durable even as political leadership changes. By enhancing awareness, data accessibility, and institutional support, this approach ensures that rural entrepreneurship remains a priority for sustainable economic development, fostering a more resilient and competitive rural economy across regions.



## 4.0 MECHANISMS FOR COLLABORATION

This section outlines the key mechanisms that will enable meaningful cooperation, ensuring the successful implementation of the model's strategic pillars: sustainability, digitalization, capacity building, and economic diversification. By creating an integrated approach that leverages the strengths of all stakeholders, these mechanisms will facilitate the realization of the overarching goals for rural entrepreneurship. They are designed to address the specific challenges of rural regions while ensuring that all actors are aligned in their efforts to foster long-term growth, resilience, and adaptability.

To drive meaningful change, collaboration must include a wide range of stakeholders, including policymakers, entrepreneurs, academia, business support organization and interest groups, and local communities. A participatory approach ensures that diverse perspectives are incorporated into decision-making processes, fostering innovative solutions that address regional needs. Moreover, collaboration should extend beyond local and national levels to include regional and international partnerships. Exchanging knowledge and best practices with similar initiatives across Europe and globally can enhance the impact of rural entrepreneurship programs.

One of the first essential mechanisms for collaboration is **establishing channels for dialogue** between public authorities and private sector actors. This dialogue ensures that policies are aligned with the real needs of entrepreneurs. Regular forums should be organized to provide platforms for national, regional, and local governments to engage directly with business owners, industry associations, and SMEs. These roundtables allow for open discussion on the barriers SMEs face, funding opportunities, and how government policies can



better support rural entrepreneurship. In addition, creating regulatory feedback mechanisms where entrepreneurs can provide input on policy effectiveness, ensures that policy-making is adaptive and responsive.

Another key element of the collaborative model is the encouragement of **community-driven initiatives**. Rural communities are often rich in local knowledge, traditions, and resources that can be leveraged for entrepreneurship. Supporting community-led development programs allows local groups to propose and lead projects that have direct benefits for their region, such as sustainable agriculture and heritage tourism. These programs create opportunities for local entrepreneurs to harness community networks and local expertise. Establishing local entrepreneurship incubators, such as the Development Center of the Lika-Senj County, can facilitate the growth of small businesses by providing shared spaces for innovation and fostering collaboration among local artisans, farmers, and entrepreneurs.

Collaboration with **universities and research centers** plays a crucial role in ensuring that rural entrepreneurship is based on evidence-based insights and innovative solutions. Universities can be key partners in research-driven policy development, providing valuable data on the impact of rural entrepreneurship strategies. Establishing collaborative research partnerships allows universities to conduct market analyses, impact assessments, and feasibility studies that can guide decision-making. Moreover, universities can engage students and researchers in internship programs or research collaborations with SMEs, fostering knowledge transfer and ensuring that entrepreneurs are equipped with the latest technical and business skills needed to thrive in the market. Universities can also play a role in the creation



of innovation hubs, where academic institutions, businesses, and policymakers come together to develop new technologies and strategies for rural development.

Cooperation between neighboring regions is another vital aspect of the collaborative model. **Joint projects with neighboring regions** can provide significant benefits, allowing regions to share resources, knowledge, and best practices. Inter-regional knowledge exchange initiatives can be organized through joint workshops, trade fairs, and study visits, where entrepreneurs can learn from the experiences of others. This kind of cross-border cooperation enhances the potential for shared supply chains, distribution networks, and marketing initiatives among SMEs in different regions. These cooperative business models foster regional economic resilience and create a united approach to addressing challenges such as infrastructure deficits, market access, and skills development. For instance, during the Open Day in Italy, held as part of the SFERA project, Croatian participants had the opportunity to explore and gain insights into the cooperative model, which serves as a system of support for small rural SMEs in Italy. This approach is particularly beneficial for small producers, such as an olive maker, who may face challenges in competing with larger companies due to limited resources or market access. By joining a cooperative, the olive maker can pool resources with other local producers, share equipment, reduce costs, and access larger markets that would otherwise be out of reach. Additionally, the cooperative can offer a platform for knowledge exchange and support in sustainable practices, helping the olive maker thrive in a competitive environment while preserving local traditions and promoting regional development.



Rural entrepreneurship in both Apulia and Lika, and other regions, can also benefit greatly from **leveraging support from EU programs and global initiatives**. European Union funding mechanisms provide significant financial resources for rural development. These funds support capacity building, digitalization, sustainability, and entrepreneurship projects. Beyond EU funding, global rural development initiatives also offer opportunities for local entrepreneurs to engage with international networks and gain access to resources, expertise, and markets. By actively engaging with these programs, regions can strengthen their entrepreneurial ecosystem and ensure access to the latest trends and innovations in rural development.

Finally, facilitating connections between local entrepreneurs and **international markets** is critical for ensuring the long-term growth and sustainability of rural businesses. Programs that promote rural export opportunities can help local businesses develop international branding, meet global market standards, and access international trade fairs. Investment in digital trade platforms is essential for expanding the reach of rural businesses, enabling them to sell products and services globally through e-commerce tools and digital financial systems. These efforts not only help rural businesses increase their competitiveness but also ensure that local values, such as sustainability and authenticity, are preserved and promoted in global markets.

The identified mechanisms for collaboration outlined in this chapter are designed to ensure the successful implementation of the model's strategic pillars. By facilitating dialogue between public authorities and the private sector, supporting community-driven initiatives, fostering partnerships with universities and research centers, promoting cross-regional



collaborations, engaging with EU and global funding programs, and connecting local businesses to international markets, the model creates a robust and sustainable ecosystem for rural entrepreneurship. These mechanisms are flexible and transferable, ensuring that the approach can be adapted to a variety of regions facing different economic, social, and environmental challenges. By fostering collaboration across sectors and regions, the model ensures the durability and scalability of the efforts to support rural entrepreneurship, contributing to long-term regional development and economic resilience.



## 5.0 CONCLUSION

The SFERA Governance Model for fostering rural entrepreneurship offers a comprehensive and flexible approach to addressing the challenges faced by rural SMEs. By building on the lessons learned from WP 1 of the SFERA project, the model integrates sustainability, digitalization, capacity building, and economic diversification into a model that can be adapted to various rural contexts. The active involvement of stakeholders, including policymakers, SMEs, business support organizations, academia, and local communities, is key to ensuring the model's success.

Through structured collaboration, knowledge sharing, and continuous dialogue, this model aims to not only improve the competitiveness and resilience of rural SMEs but also to contribute to a broader, more sustainable rural development agenda. This model not only addresses immediate challenges but also establishes a foundation for ongoing growth, innovation, and community-driven economic resilience. With its focus on adaptability, continuous learning, and stakeholder commitment, the model supports the future of rural entrepreneurship, ensuring its relevance across different regions and contexts.

The model's sustainability is rooted in its emphasis on long-term, community-driven partnerships, cross-sector collaboration, and capacity-building. These elements ensure that stakeholders can continue to work together even after the initial phase of implementation, securing lasting impact. Additionally, by emphasizing the role of local governments and business support organizations, the model creates institutional frameworks that can support ongoing rural entrepreneurship development over time.

