Innovative sustainable economy | Interreg Euro-MED | Co-funded by the European Union

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Mission
Innovative Sustainable Economy

3rd Innovation Camp
23-24 October 2025

December 2025

PROGRAMME	Interreg Euro-MED
PRIORITIES	3 Better Mediterranean Governance
SPECIFIC OBJECTIVES	6.6 Actions to support a better cooperation governance
MISSION	Strengthening and innovative sustainable economy
PROJECT ACRONYM	Dialogue4Innovation (D4I)
PROJECT WEBSITE URL	https://innovative-sustainable-economy.interreg-euro-med.eu/
WORK PACKAGE ID	WP3 (D4I)
ACTIVITY ID	A3.3. Innovation camps (D4I)
DELIVERABLE ID	D 3.3.1 Innovation Camps (D4I)
PARTNER IN CHARGE (AUTHORS)	D4I: GENCAT
PARTNERS INVOLVED (CO-AUTHORS)	D4I: GENCAT, TECHNOPOLIS
STAKEHOLDERS INVOLVED	D4I: ERR, MRDEUF, AIE, MEDWAVES, GENCAT, DEI, TECHNOPOIS, ADEME, CPMR. C4I: BETA-UVIC.
TYPE OF LINK	Stand-alone
DOCUMENT HISTORY	1.0 - Consolidated for publication
DELIVERY DATE	December 2025
TARGET GROUPS	Governance projects, MED cooperation projects and JS
DISTRIBUTION	Public
PREVIOUS STEPS	NA
SYNCHRONISED STEPS	NA
FURTHER STEPS	NA
CITATION	Report of the Third Innovation Camp, 2025. Innovative Sustainable Economy Mission. Interreg Euro-MED governance projects. 2025.

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Executive summary

Mediterranean regions can move toward a coherent transition effort that strengthens resilience and advances climate adaptation. The 3rd ISE Innovation Camp put forward an urgent discussion about how systemic transitions require place-based and interregional experimentation spaces such as living labs and regulatory sandboxes. These spaces allow actors to test new governance models, regulatory flexibility, and technological solutions under real conditions, generating evidence for informed policy and investment decisions.

To accelerate change, regions need to establish experimentation spaces that integrate technology, shared data systems, enable collaborative governance, and strengthen institutional capacity. Connecting these spaces across Mediterranean and EU networks will amplify learning and align local efforts with broader Mediterranean priorities.

Transformative Innovation Policy Labs are the instrument proposed by the ISE Mission of the Interreg EuroMED programme to address sustainability challenges. The next steps involve supporting territories to design and sustain these spaces or infrastructure for transformative innovation, generating new evidence and learnings to address more effectively sustainability challenges.

1. Introduction

The Innovation Camp was organised in the framework of the Interreg Euro-MED Innovative Sustainable Economy (ISE) Mission and the Dialogue for Innovation (D4I) project, which work together to strengthen the capacity of Mediterranean regions to address complex sustainability challenges through place-based innovation and interregional collaboration. The Innovation Camp was hosted by Technopolis Portugal in Olhão (Portugal) for two days, October 23 and 24 of 2025. The Camp brought together actors from across the Mediterranean to explore how local innovation ecosystems can be better connected to regional and interregional networks to deliver more effective responses to climate change, with a particular focus on the agrifood sector.

The Camp focused on **three interrelated systemic challenges linked to climate change** that affect the ecological resilience, productivity, and long-term sustainability of Mediterranean territories:

- Degraded soil health and declining biodiversity, which weaken agrifood landscapes and reduce their capacity to adapt to climate impacts.
- Water scarcity, intensified by extreme weather events, competing uses, and fragmented governance arrangements.
- High emissions and limited circularity in agrifood value chains, which constrain the transition to more sustainable, climate-neutral production and consumption models.

Participants worked on these challenges through **three real case studies**.

The Innovation Camp was conceived as a practical learning space to explore how place-based transformative policy can help Mediterranean territories confront these systemic challenges while generating evidence and trust for innovation in governance and regulation.

Building on previous ISE Mission activities and on the work of the Joint Research Centre (JRC) of the European Commission under the EU Preparatory Action “Innovation for place-based transformation”, the Camp examined how place-based experimentation spaces, including the concept of regulatory sandboxes, could enable regions to test innovative policies, regulations, governance models and technologies in the real-world settings before wider implementation. Through this approach, the Camp contributes to the ISE Mission’s ambition to foster an ecosystem of actors capable of driving green and just transitions across the Euro-Mediterranean area.

The Innovation Camp pursued four complementary objectives:

- **Strengthening capacities for transformative innovation.** To enhance the ability of regional and local actors to address complex, cross-sectoral challenges through collaborative and experimental approaches. The Camp was designed not as a conventional training activity but as a shared experience of collective inquiry and practical exploration.
- **Applying and enriching elements of the TIPLab methodology.** The facilitation drew on key principles of the TIPLab approach — systemic analysis, shared directionality, and experimentation — recognising that transformative change requires both a clear orientation and the capability to learn and adapt through action.
- **Developing concrete proposals for policy and regulatory experimentation.** The Camp explored how place-based experimentation spaces and regulatory sandboxes can enable transformative innovation in systems such as agrifood by helping policymakers, regulators, companies and farmers implement promising innovative solutions currently not allowed by existing regulatory frameworks.
- **Connecting Mediterranean experiences with EU priorities.** By working on agriculture, water and bioeconomy — three strategic systems for the region — the Camp aligned local exploration with broader EU objectives such as the Green Deal, Mission Soil, Mission Adaptation to Climate Change, and the Circular Economy Action Plan.

In essence, the Camp contributed to advancing a shared understanding of how systemic transitions can be supported through place-based and collaborative innovation transformation.

2. Structure and dynamics of the Innovation Camp

The Innovation Camp followed a two-day participatory structure combining co-creation, reflection, and practical design exercises. The process was carefully crafted to move participants from diagnosis to action, allowing them to collectively explore systemic challenges, imagine desired futures, and design place-based and interregional experimentation spaces.

Transformative innovation approaches are rooted in specific territories, to catalyse their potential while addressing the structural challenges they face. **Experimentation spaces** are instruments of collaboration where diverse actors— public authorities, private sector, academia, and civil society— co-design sustainable solutions to complex societal problems.

One of the most pressing issues faced by these diverse actors when confronting such complex problems is the **absence of a shared language and systemic understanding**, which hinders coordination and the development of common approaches. Bringing together actors with different profiles, interests, and institutional cultures, often results in **fragmented efforts**. On another side, ensuring continuity and scalability of initiatives beyond pilot phases is also critical, as many projects struggle to maintain momentum once initial funding ends. These challenges are compounded by **regulatory frameworks that are often rigid** and poorly adapted to local realities, creating barriers to innovation.

Despite these obstacles, experimentation spaces offer significant opportunities. They serve as platforms for connecting value chains, enabling technology transfer, and fostering collaborative problem-solving. By mobilizing resources and knowledge with a structured governance framework, they can accelerate innovation processes. They can also provide a mechanism for testing new governance models and regulatory approaches, which is essential for addressing systemic challenges such as food security, climate resilience, and circular economy transitions.

Image 1. Roundtable "*Complementary approaches to enabling innovation for place-based transformation in the Mediterranean*"[1], during day 1.

In this context, the Joint Research Centre (JRC) has launched a Preparatory Action "Innovation for place-based transformation" to experiment with place-based policy strategies. This initiative focuses on addressing regulatory processes and creating "sandboxes"—meaning controlled environments where policies and regulations can be tested and adapted before being scaled up. The approach seeks to overcome regulatory barriers by fostering dialogue among governance levels and aligning local experimentation with European objectives.

In addition, **Transformative Innovation Policy Labs (TIP Labs)** are the instrument proposed by the ISE Mission to activate innovation for place-based transformation. These spaces are place-based and challenge driven, and mobilize resources and knowledge to experiment with and develop new challenge-driven policies, regulations, technologies and practices. TIPLabs aim to overcome fragmentation among actors by building coalitions around a shared vision of the future, focusing

[1] Panel Discussion from right to left: **Ayman Moghnieh** represented the Living Labs network, focusing on collaborative spaces for systemic innovation and the challenges of scaling and connecting actors. **Tatiana Fernández Sirera** from Dialogue4Innovation discussed the TIPLab methodology and strategies for transformative innovation. **Michal Miedzinski** from the Joint Research Centre explained the EU Preparatory Action, emphasizing regulatory experimentation spaces (sandboxes) and policy learning. **Milica Begovic** from the United Nations Development Programme brought insights on global development perspectives and the role of innovation in addressing structural challenges. **Moderatated by Cynthia Echave**, also from Dialogue4Innovation.

on commitment rather than mere participation. At the same time, TIPLabs strengthen internal policy agendas and create momentum for broader systemic change.

Moreover, their interregional dimension is essential to avoid inequalities and ensure that experimental models can scale without creating unfair advantages for certain territories. Therefore, by connecting local initiatives with international networks, TIPLabs aim to generate sustainable impact that transcends fragmented projects and contributes to long-term systemic transformation across the Mediterranean region[2].

In this context, the Camp was organised around three real Mediterranean case studies: the transformation of periurban agricultural spaces, water governance in contexts of scarcity, and circular bioeconomy for rural revitalisation. The presentation of the cases by experts working on them included the definition of the problem, the desired future direction, and the factors and forces hindering or facilitating moving into the desired direction. These presentations where the starting point for collective exploration.

Working in small groups, participants interpreted each case study from their own territorial experiences. This allowed them to deepen the understanding of why the problems reflected in the case studies persist, what types of actions might be required, and how different contexts shape the possibilities for experimentation. The shared narrative embedded in the case studies provided a common entry point and ensured that discussions remained grounded, concrete and aligned with real Mediterranean realities.

2.1. Working groups and thematic focus

The programme was organised around the three case studies, with parallel working groups dedicated to:

- Transformation of periurban agriculture spaces,
- water governance in a context of scarcity, and
- circular bioeconomy for rural revitalisation.

Each group brought together a mixture of regional administrations, research organisations and practitioners, some of them representing living-lab initiatives and innovation projects active in soil regeneration, water management or circular

[2] See the full kenote of Day 1 in the recorded session **here**.
See the full roundatable of Day 1 in the recorded session **here**.

agrifood systems. This diversity ensured that discussions combined policy perspectives, scientific insight, practical knowledge and lived territorial experience.

Across the two days, the working groups engaged in iterative sense-making, connecting challenges of the study cases with broader structural patterns seen across Mediterranean regions. Facilitators supported this process by providing continuity, synthesising contributions and capturing insights in a format that could later be compared across themes.

The facilitation created a structured process through which all groups could work across three essential dimensions of transition-oriented reflection:

- **Interpreting the systemic challenge**, drawing from the preparatory case study materials and the experience participants brought from their territories.
- **Reflecting on the desired direction of change**, using the visions articulated in the preparatory documents as a reference point to consider what it would take for territories to move meaningfully toward those futures.
- **Exploring possible place-based experimentation spaces**, ranging from living labs or collaborative governance platforms to flexible regulatory arrangements, pilot territories or regulatory sandboxes capable of supporting progress.

Sessions were iterative and conversational. Participants shared examples, frustrations and insights from their own contexts, and the facilitation supported deepening rather than closing down the interpretation of challenges. The focus was not to reach consensus but to surface the diversity of experiences, identify conditions that enable or hinder innovation taking into account place-based realities but also global trends, and reflect on how experimentation could help address structural barriers.

Image 2. Parallel working sessions during day 1.

2.2. Complementary activities supporting reflection

The Camp also included activities designed to broaden perspectives and connect discussions to concrete innovation practice. **A solution showroom allowed projects and initiatives to present innovations** in soil restoration, regenerative agriculture, water monitoring and reuse, circular economy, climate adaptation and digital tools. These examples helped ground discussions in practical experience and illustrated the kinds of solutions that could be tested within territorial experimentation spaces[3].

[3] See the recorded session of the showcase of solutions during day 2 **here**.

Image 3. Example of poster exhibition during the showcase by the PA regions.

Participants were also introduced to the **concept of place-based regulatory sandboxes, developed within the EU Preparatory Action "Innovation for place-based transformation"**. This concept provided one possible model for structuring safe and coordinated experimentation in territories where regulatory complexity, institutional fragmentation or uncertainty about risks make it difficult to test new approaches in real-world settings.

These complementary activities enriched the group work, helping participants imagine how emerging innovation practices can be embedded in structured experimentation environments capable of supporting long-term transition efforts.

2.3. Outcomes of the process

By the end of the Camp, each working group had developed:

- a consolidated interpretation of the systemic challenge in the Mediterranean area and its desired direction of change, and
- an initial reflection on the types of place-based and interregional experimentation spaces that can support progress toward those futures.

These perspectives form the basis of Section 3, which synthesises the insights developed across the three working groups and identifies emerging opportunities for Mediterranean territories.

3. Insights from the Working Groups: Emerging opportunities for action

The working group discussions revealed a set of transition pathways and priorities that cut across the three case studies, while still reflecting the specificities of periurban agriculture, water governance and rural bioeconomy systems. Participants did not treat these cases as isolated technical problems, but as complex territorial challenges that require experimentation across governance, technology, regulation and social practices. Across all groups, the importance of place-based experimentation spaces—including regulatory sandboxes—emerged as central to advancing toward the desired futures described in the preparatory materials of the case studies.

In the discussions on **periurban agriculture**, participants emphasised that the transition toward regenerative and multifunctional landscapes depends on the capacity to test new forms of land governance that enable municipalities, landowners, farmers, cooperatives and local communities to make decisions together. Periurban territories are often governed through fragmented mandates and short-term planning instruments, making it difficult to coordinate soil regeneration, biodiversity recovery, food production for the urban markets and access to land. Experimentation spaces could provide a controlled environment to test shared stewardship models, new land-use agreements, incentive structures for soil health, and monitoring systems that connect ecological indicators with planning decisions about provision of food to urban markets. Because periurban landscapes sit at the intersection of multiple sectors and jurisdictions, participants highlighted the need for experimentation that integrates agronomic, ecological, institutional, regulatory, economic and social dimensions simultaneously.

The **water governance** discussions showed how experimentation spaces can help territories navigate contexts characterised by scarcity, mistrust and uneven access to information. Moving toward adaptive and inclusive water governance requires more than improved technology or reporting: it requires testing new ways of interpreting data jointly, negotiating allocation rules under scarcity, and designing compensation mechanisms perceived as fair by all users. Experimentation spaces would allow basin authorities, municipalities, farmers, industry and civil society to work with real-time data, assess the effects of alternative governance arrangements, and learn collectively how institutions and users respond under different regulatory or climatic conditions. Participants stressed the need for controlled regulatory flexibility, paired with transparency and accountability, to protect the legitimacy of experimentation. They also highlighted that innovation in

water systems must combine technological tools—such as monitoring technologies, forecasting models and digital platforms—with institutional and social learning.

The discussions on the **circular bioeconomy for rural revitalisation** reinforced the idea that transitions in rural regions require coordinating economic, regulatory and infrastructural innovations within the same territorial setting. Many rural areas already host emerging niches—local composting systems, biomass valorisation initiatives, cooperative value chains or bioproduct pilots—but these remain fragmented because existing regulations, investment mechanisms and governance structures are not adapted to circular production. Place-based experimentation spaces, including regulatory sandboxes that allow for temporary regulatory flexibility, could serve as environments where municipalities, cooperatives, SMEs, regulators and research organisations jointly test permitting processes, evaluate the viability of circular value chains, prototype business models, explore blended finance mechanisms and assess environmental impacts. Participants emphasised that these spaces must reduce risk for innovators while generating credible evidence to support regulatory adjustments, investment decisions and scaling pathways.

Across all three discussions, participants converged on the view that **place-based experimentation spaces are essential because they enable multiple dimensions of change to be tested together rather than in isolation**. Transitions depend not only on technological innovation, but also on new governance agreements, adapted regulatory frameworks, shared data and monitoring systems, social participation and alignment across public authorities. These elements are interdependent: progress in one area is limited if the others cannot evolve. Experimentation spaces—whether framed as living labs, pilot territories, collaborative governance platforms or regulatory sandboxes—provide the structure needed to test these interdependencies openly and safely under real territorial conditions.

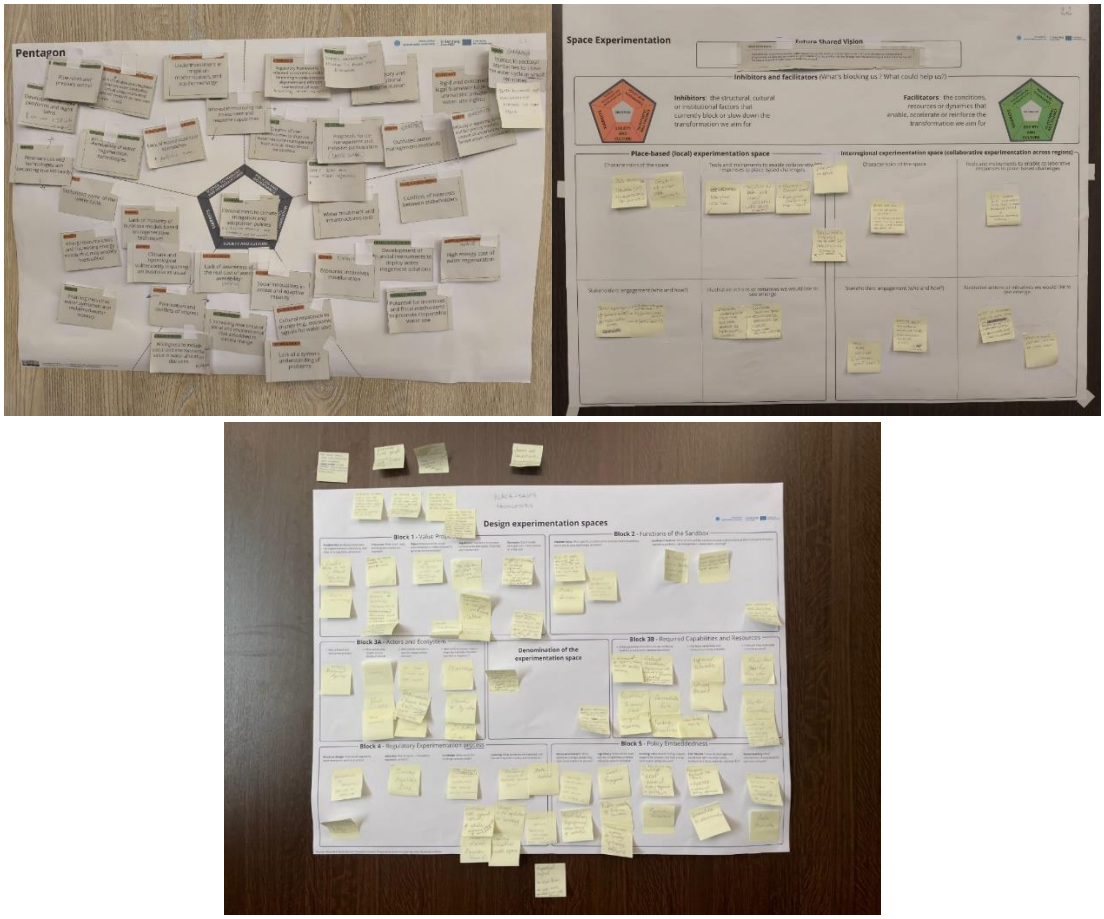

Image 4. Example of completed exercises during the sessions of a working group.

Participants also underlined that the value of these spaces increases when they are connected across Mediterranean regions. The three systemic challenges addressed in the Camp are shared across territories facing similar ecological pressures and governance constraints. Connecting experimentation spaces would allow regions to compare approaches, exchange evidence, identify transferable elements and gradually build a shared understanding of what works across diverse contexts. This interconnection is essential for translating local innovation into Mediterranean transition pathways and ensuring that policy learning circulates across institutional and geographic boundaries.

Taken together, the results of the working groups point to **a clear agenda for further action**: establishing and supporting place-based experimentation spaces that integrate technological, regulatory, policy and social innovation; enabling public authorities to work collaboratively with users, innovators and communities; embedding data and monitoring systems into experimentation; and building interregional learning infrastructures capable of amplifying and connecting territorial efforts across the Mediterranean.

Image 6. Participants engaging in the regulatory experimentation canvas.

4. Implications for Mediterranean action and next steps

The Innovation Camp confirmed that Mediterranean territories face deeply interconnected challenges that cannot be addressed through isolated initiatives or narrow sectoral interventions. Whether the focus is on periurban landscapes, water governance or the circular use of biological resources, participants repeatedly encountered the same underlying issue: current institutional and regulatory arrangements are not designed to support the coordination, learning and adaptation that systemic transitions require.

This leads to a clear implication for future action. **Regions need place-based experimentation spaces** that allow actors to work together under real territorial conditions, test new approaches safely and generate evidence that can inform broader policy and investment decisions. Such spaces go far beyond technological pilots or demonstration sites. They should include new forms of governance, collaborative decision-making, shared data environments and flexible regulatory arrangements. Their value lies in creating the conditions for collective interpretation of challenges, shared decision-making and structured learning across cycles of experimentation.

The discussions highlighted the importance of regulatory and governance flexibility. Many promising solutions—regenerative agricultural practices, adaptive water allocation mechanisms, circular bioeconomy value chains—struggle to move beyond niche status because existing rules, competences and procedures are too rigid or fragmented. Experimentation spaces give territories the ability to test alternative arrangements and identify which regulatory adjustments, coordination mechanisms or incentive schemes are necessary for these solutions to become viable at scale.

A second implication concerns the role of data and monitoring systems. In all three areas, participants emphasised that **transitions require a shared evidence base**: soil health indicators, real-time water information, biomass availability, environmental impacts or social dimensions of change. Experimentation spaces offer the opportunity to establish common monitoring approaches, build trust in shared information and develop the capability to use data in collective decision-making.

A third implication relates to institutional capacity and collaboration. Systemic transformations depend not only on the availability of innovations but also on the ability of institutions to work together across administrative boundaries, sectors

and jurisdictions. The Camp showed that this requires new skills: facilitation, partnership-building, risk governance and the management of cross-sector processes. Experimentation spaces can function as capacity-building environments where institutions learn by doing, gradually strengthening the reflexivity and confidence needed to manage systemic change.

Finally, the Innovation Camp reinforced the importance of connecting local experimentation to Mediterranean and European networks. The challenges explored during the Camp are not unique to individual regions; they recur across territories facing similar ecological pressures and institutional constraints. Linking experimentation spaces across regions—through shared frameworks, comparable indicators, joint learning routines or coordinated investment pathways—can help the Mediterranean move from isolated initiatives to a more coherent transition effort.

The next steps therefore involve deepening this connection: supporting regions to establish experimentation spaces adapted to their context, facilitating exchanges between territories working on similar challenges and coordinating the generation of evidence so that lessons can inform policy adjustments and investment strategies at regional, national and Mediterranean scales. This provides the foundation for a shared innovation infrastructure in the region—one that aligns local action with broader transition objectives and strengthens collective capacity to respond to climate change.

5. Conclusion

The Innovation Camp demonstrated the value of bringing Mediterranean actors together to reflect on shared climate and sustainability challenges through the lens of real territorial experience. By working with the three case studies, participants revealed not only the structural pressures affecting periurban landscapes, water systems and rural economies, but also the underlying patterns that connect them. Across domains, the discussions pointed to the same need: territorial spaces where institutions, innovators and communities can experiment together, build trust, and generate the evidence required to support transitions that are ambitious, coordinated and context-specific.

Sustainable transitions will not advance through isolated projects or purely technological solutions. They require environments where actors can jointly interpret challenges, test new practices, explore alternative governance arrangements, assess the implications of regulatory flexibility, and observe how different interventions interact under real conditions. These **place-based experimentation spaces** — including regulatory sandboxes — provide the setting needed to integrate technological innovation with new models of governance, participatory decision-making, data sharing and institutional collaboration. They create the conditions for structured learning, reduce uncertainty and support more informed policy and investment decisions.

The Camp also reinforced the role of TIPLabs as the methodological approach guiding how Mediterranean regions address complex place-based challenges. TIPLabs provide the analytical and strategic framework — systemic interpretation, shared directionality and structured learning — while place-based experimentation spaces, including regulatory sandboxes, provide the physical and institutional environments where this methodology can be applied in practice. **Together, they offer regions both the conceptual tools and the concrete spaces needed to test** new governance, policy, technological and social solutions under real territorial conditions.

A key insight from the Camp is that these spaces become more powerful when they are **interconnected across Mediterranean regions**. The three challenges explored during the Camp recur across territories facing similar ecological pressures and institutional constraints. Local experimentation therefore generates knowledge that is relevant well beyond the territory in which it emerges. By comparing approaches, sharing data and aligning monitoring and evaluation practices, regions can build a **shared Mediterranean knowledge base** on what

works, under what conditions, and with which institutional and regulatory arrangements.

The Camp also highlighted the importance of strengthening institutional capacity to engage in experimentation. Participants emphasised the need to invest in facilitation, risk governance, cross-sector coordination and the management of multi-actor processes. Experimentation spaces can serve as learning environments where institutions develop these capabilities collaboratively and gradually build the legitimacy required to support more transformative policy changes.

Overall, the Camp provided a clearer understanding of where action is needed and what types of experimentation spaces could help territories, local and interregional, to making progress. It also reinforced the importance of situating local innovation efforts within broader Mediterranean and European frameworks, ensuring that learning circulates and that successful approaches evolve into shared strategies. The insights emerging from the Camp contribute directly to the ongoing work of the ISE Mission, the EU Preparatory Action and other regional initiatives committed to strengthening the capacity of Mediterranean territories to navigate complexity and advance systemic, place-based responses to climate change.

The next phase of this work will involve supporting territories to establish and sustain experimentation spaces; deepening cooperation among regions working on similar challenges; and consolidating the evidence and learning generated through experimentation. By investing in these capacities, Mediterranean regions can move toward a more connected and coherent transition effort — one that aligns local action with regional priorities, accelerates systemic change, and strengthens resilience in the face of growing climate risks.