



# FUTURAL

## Result from FUTURAL Policy Analysis: **Community-led innovation in rural areas**

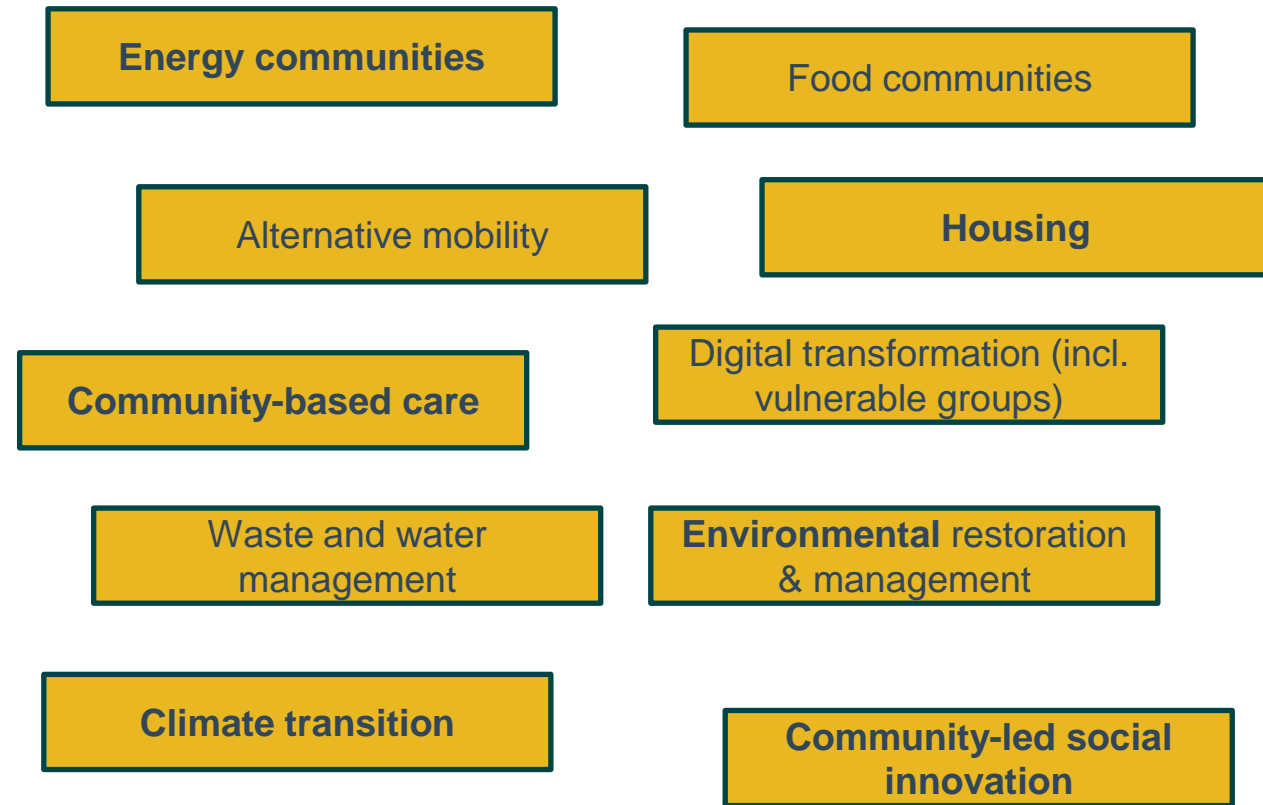


Carla Lostrangio, *European Association for  
Innovation in Local Development (AEIDL)*

# Background community-led rural innovation (CLRI)

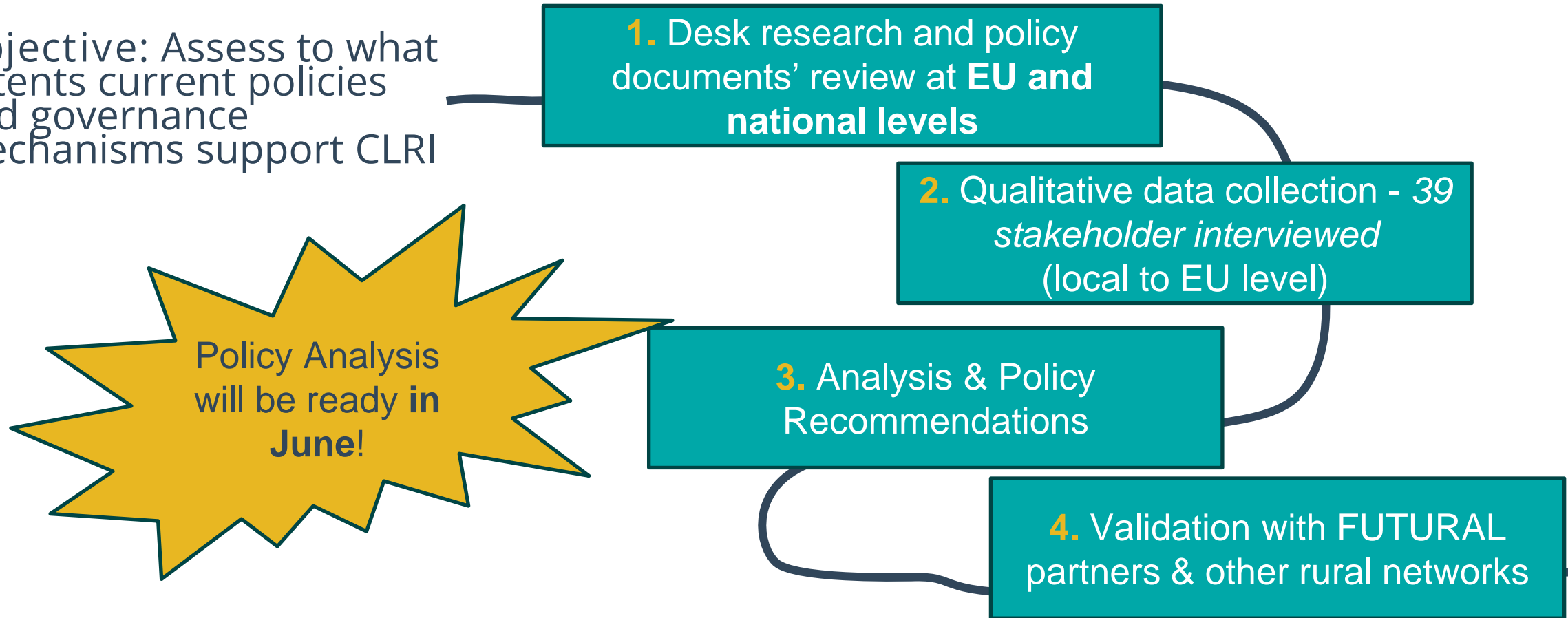
1. CLRI address key challenges: Necessity-pulled innovation
2. CLRI spans across strategic sectors incl. high-added value sectors
3. CLRI has a public interest

→ CLRI is a European public good as it enables among communities to pursue **the Right to stay** in rural areas



# Our policy analysis

Objective: Assess to what extents current policies and governance mechanisms support CLRI



# EU-Level Support

Identification of 100 existing policy and governance frameworks impacting community-led rural innovation

41 Policy Frameworks, Measures, Programmes

54 Governance frameworks

Table 1 Policy Instruments, Measures and Programmes relevant to smart community-led innovation in rural areas.

	Steering	Instrument type	Support to				Support Type		
			DI	SI	CLLD	RD	PL	ECO	TCB
CAP 2023-2027	DG AGRI	Legislation & Regulatory Frameworks	X	X	X	X	X	X	X
CAP Strategic Plans 2023-2027		Legislation & Regulatory Frameworks	X	X	X	X	X	X	X
EU LTVRA		Strategies, Plans, Guidelines	X	X	X	X	X	X	X
Farm Sustainability Data Network		Information & Knowledge Platforms	X		?	X			X
Common Provision Regulation 2021-2027	DG REGIO	Legislation & Regulatory Frameworks	X	X	X	X	X	X	X
ERDF/CF 2021-2027		Legislation & Regulatory Frameworks	X	X	X	X	X	X	X
Interreg projects		Funding Instruments	X	X	X	X	X	X	X
Communities for Climate		Other	?	X	X				X
New European Bauhaus	DG REGIO with other DGs	Funding Instruments	X		X	X			X

**Support To:**  
Digital/Social Innovation  
CLLD, Rural Development

**Support Type**

Compliance rules & processes

Cooperation Frameworks

Working Groups

Networks & Initiatives

Specialised Agencies & Bodies

Information & Knowledge  
Platforms

# EU-Level Support

## LEADER in the CAP

- 5 bln EUR (7.7% of EAFRD, above min. earmarking)
- 2,678 Local Action Groups (vs. 217 LAGs in 1991)
- Covering approx. 65% of the rural population in the EU-27

## Smart Villages

- 2,624 Smart Villages (projects & strategies) foreseen
- 18 CAP SPs planned interventions via LEADER
- 5 CAP SPs planned dedicated Smart Villages interventions
- 6 CAP SPs more than 1 rural development interventions

## CLLD in Cohesion Policy

- € 750 million planned to support bottom-up CLLD via the ERDF and ESF+ (*equal split between rural and urban*)
  - No min. earmarking

## Other policy & policy instruments

Horizon Europe  
EU's Long-Term Vision for Rural Areas  
Social Economy Action Plan  
New European Bauhaus, CERV programme  
Digital Decade Programme

# National level support

Analysis of rural innovation policies in 6 countries (AT, BE, ES, GR, LT, RO)

## CAP Strategic Plans

- *But quite uneven approach!*
  - LEADER funding: 5/6 countries >5% mandatory earmarking (ES- 10% of EAFRD to LEADER)
  - Smart Village: Only LT and ES with clear Smart Village definition, budget & result indicator
  - Digitalisation in agriculture (R3)- from >80% in Flanders-BE to <1% in Wallonia-BE and RO
  - EIP Group Projects: approx. 400 in GR to <10 in Wallonia-BE

## Cohesion Policy OPs

- *Most interventions target innovation but not explicitly rural communities!*
  - ERDF- 'Smart Regions using CLLD' (AU), local economic development in marginal areas (ES), eco-innovation
  - ESF+- Community-based services (LT), social economy (LT, RO)

## Other policy & policy instruments

- No national strategies on CLI or rural innovation
- Interreg Italy-Austria: financed CLLD via 4 projects - Terra Raetica, Wipptal, Dolomiti Live, HEurOpen
- Digibanks in Flanders (BE): 350-500k EUR run by local partnerships
- Smart Village Kit (RO) proposed to municipalities by the Association for Smart City and Smart Villages

# Smart Village (LT, CAP Strategic Plan)



- Dedicated Smart Village intervention 'KP21sum'
- 600k EUR/strategy (on average)
- *25 Smart Rural Strategies- address rural challenges and inequalities, producing clear and measurable change at local level*
- Beneficiaries: LEADER LAGs, with natural and legal persons, local authorities or other urban/rural LAGs.
- Strategies might take place in rural areas which are not targeted by the LEADER programme but cover one or more administrative units (e.g. existing village or groups of villages, city, functional area).
- Costs cover development, coordination and management of the Strategy
- Simplified Cost Options (up to 12% of total costs)

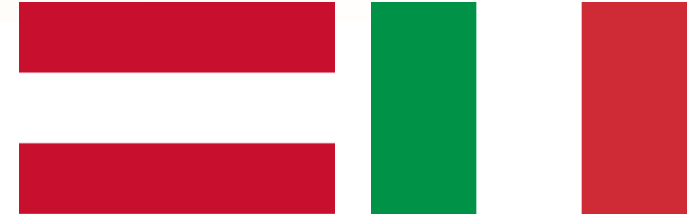
# Smart Regions Using CLLD (AT, National ERDF OP 2021-27)



- Aim: overcome competitive thinking and insufficient coordination between predominantly small-scale municipalities
- Policy Objective 5 (SO5.2), Approx. 6.9 mIn EUR
- Key intervention areas: Urban-rural, climate change, *innovation-oriented* economic and local development.
- Targets (by 2029):
  - 5 Local Development Strategies financed
  - 2,100 people involved in the process
  - 600,000 people benefitting



# Interreg Italia-Austria 2021-2027



- Pioneering financing to CLLD since 2014
  - 200 projects financed, 11,2 mln EUR
- In 2021-2027:
  - CLLD Funding provided via 4 projects (Terra Raetica, Wipptal, Dolomiti Live, HEurOpen)
  - Projects shall fit to cross-border strategy of the project
  - Small to medium-size projects (50k-200k EUR)
  - Thematic areas: tourism, culture, multilingualism, *smart villages*

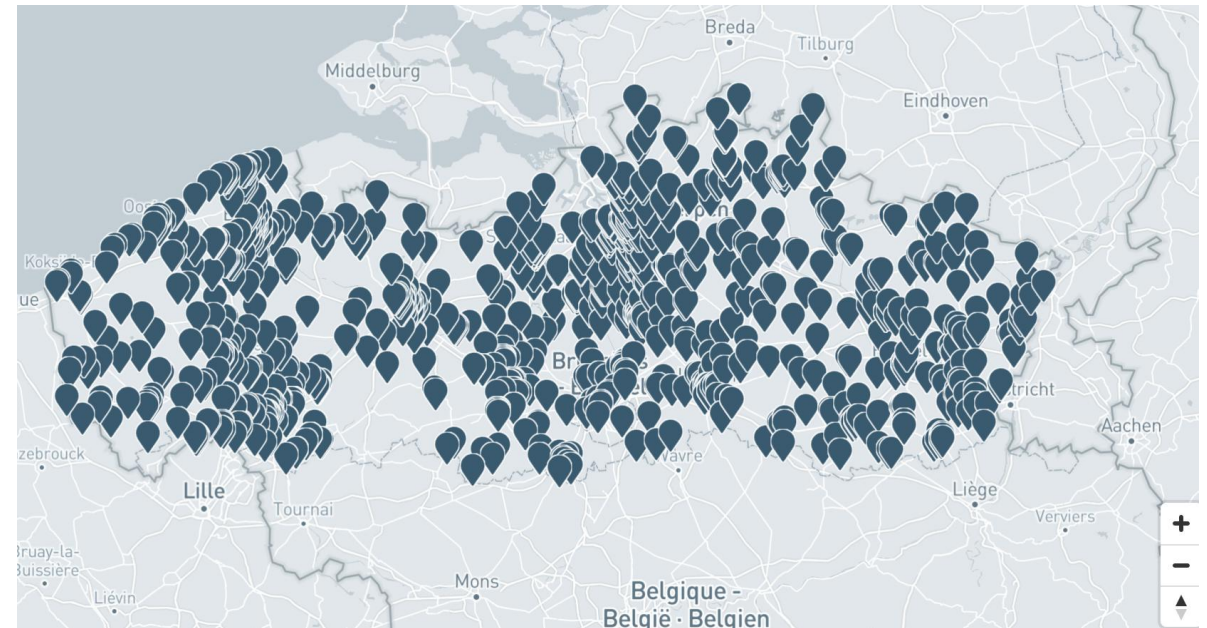


[CLLD Projects | Interreg Italy Austria](#)

# DigiBanks (BE)



- Flemish government-initiative (2022-2026)
- Aim: to reduce the digital divide and support digitally low-skilled population or low-income population into digital tasks
- Run by local partnerships
- Since 2024, 50 DigiBanks financed across 220 municipalities
- 350k-500k EUR per bank



[Digibank - need digital help? - Digibanks](#)

# Key Take-Aways

**Cohesion Policy's Role:** Allocates more funds to rural development beyond farming than CAP Pillar II, but *LEADER* (under CAP) is by far more relevant to finance community-led innovation despite its limitations.

- Smart Villages: offers a targeted approach for community-led innovation within both CAP and Cohesion Policy, but its uptake and budgetary allocation remain *limited*.
- **Beyond CAP/Cohesion:** Sectoral and national policies (e.g. digital/social policies, industrial policies) offer valuable alternatives to diversity fund for CLRI but are often *spatially blind, less accessible* to local initiatives or *misaligned with rural development (incl. Competitiveness Compass)*

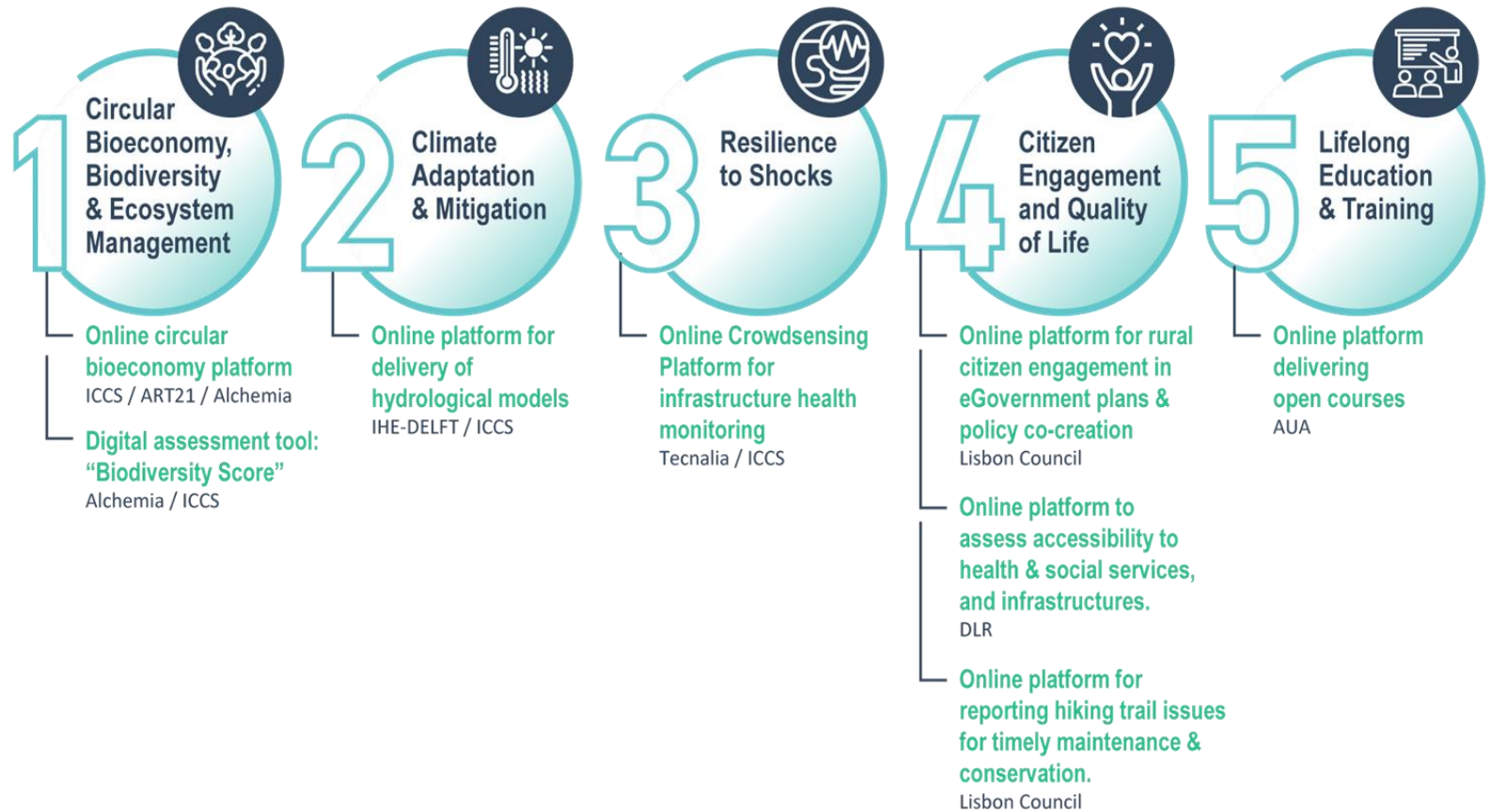
- Multi-Level Governing Landscape: Rural innovation is influenced by policies developed both at EU and MS levels. EU Funding Treaties and existing governance mechanisms offer legislative and operational basis for advocate for stronger support for community-led rural innovation (*in theory*), but they are too complex (*in practice*).

- **Constrained national space for communities:** Local authorities and civil society networks are increasingly *financially constrained*, facing imbalance between local duties and municipal size (e.g. 'right on municipal uniformity' in Spain), geopolitical instability.

- Technical and Financial Needs: are the major barriers to civil society representatives (e.g. rural networks, associations). Excessive bureaucracy or rigid regulations harshen this.

# The FUTURAL project (Horizon Europe)

FUTURAL (*Empowering the future through innovative smart solutions for rural areas*) will prototype, test, pilot, and demonstrate **8 community-led, social, technological and business innovations** in different geographical and socio-cultural rural contexts.



# Further resources

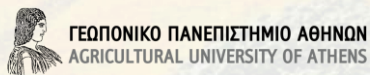
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- [European Commission \(2023\). Cohesion 2021-2027: forging an ever stronger Union Report on the outcome of 2021-2027 cohesion policy programming. SWD\(2023\) 134 final](#)
- [EU CAP Network. 13/06/2023. LEADER facts and figures: New LAGs for 2023-2027 | EU CAP Network.](#)
- [Kah, S., Georgieva, N., Fonseca, L. \(2020\). EU Cohesion Policy in non-urban areas. Research for REGI Committee.](#)
- [Lostrangio, C., Pazos-Vidal, S. \(2025\). Existing Policy and Governance frameworks for smart community-led innovation. FUTURAL project. \*Published soon\*.](#)
- [Makrandreou, M. EU Commission - DG AGRI. 3rd meeting of the Subgroup on LEADER and Territorial Dimension. 5-6 March 2025.](#)





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THANKS!  
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