



FUTURAL

Empowering the **FUT**ure through innovative Smart
Solutions for **rURAL** areas

Policies and governance mechanisms for community-led
innovation in rural Greece

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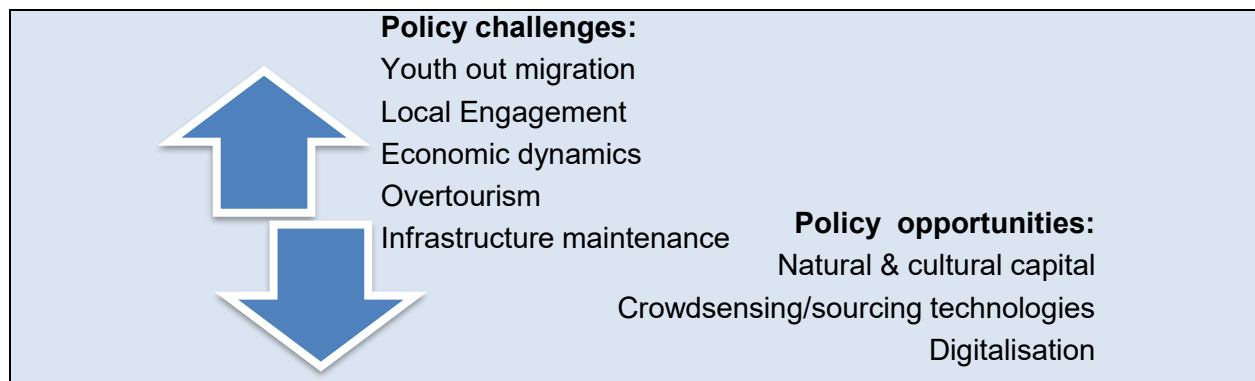
FUTURAL Case Study in Greece

The **FUTURAL Pilot** is located in the Greek island of Kythira, in the southwest side of the country. The unspoilt **natural landscape**, rich biodiversity, **cultural heritage** and traditional lifestyle, characterize this island and makes it a strong point of attraction for the tourism sector.

However, this island faces a few interconnected challenges ranging from **youth outmigration** and difficulties in **engaging with the local population**, to poor **economic development** and **overtourism**, and issues with the **maintenance of the island infrastructure**. In FUTURAL, two community-led innovations are being piloted to address these challenges in the rural Pongau:

- A **hiking trail maintenance platform**, allowing citizens to report problems on hiking trails to ensure timely maintenance and conservation.
- An **online platform delivering open course** tailored to the needs of rural communities and promoting lifelong learning.

Public policies could unlock transition of these regions by unlocking the opportunities provided by the valorisation and conservation of **natural and cultural capital**, the promotion of **crowdsensing and crowdsourcing technologies**, and the **digital transition**.



Rural areas and innovation in Greece

In Greece, rural land surface **exceeds the 90% of the country surface** -with 2/3 of this are remote rural areas- but it hosts **less than a third** of the country population (Rural Observatory, 2021). The country is considered a **moderate innovator**, with below EU average indicators of digital skills and internet take-up, and particularly in terms of broadband penetration.

Table 1 Rural Areas in Greece. Source: FUTURAL Policy Analysis (2025).

	Rural Population	Rural Surface (Close to City)	Rural Surface (Remote)	Rural Surface (Total)
Greece	30.7%	29.3%	63.9%	93.2%
EU27	25.8%	34.2%	41.5%	75.7%

Table 2 Digital Economy and Society Index (DESI) in Greece. Source: FUTURAL Policy Analysis (2025).

DESI Index				
	Broadband penetration	Basic digital skills	Above basic digital skills	Internet take up
Greece	37.5	52.4%	20%	86.9%
EU27	122	55.6%	27.3%	93.1%

Governance framework for enhanced community-led rural innovation

Greece became a **decentralised parliamentary republic** in relatively recent times, following a referendum occurred in 1974. The country is organised along four administrative levels (State, decentralized regions, regions and municipalities). Since the establishment of the republic, two main administrative reforms have occurred at national level. Namely, the **Kallikratis Plan** (Law 3852/2010) which led to the merging of communities and small municipalities into bigger administrative units, and the **Cleisthenes Reform** (Law 4555/2018) which reviewed the electoral system and addressed the overlap and unclear assignment of functions across the different levels of governance.

Despite these reforms defining a transfer of competencies towards regional and local governments, the practical divisions of roles remain unclear and sometimes overlapping. Furthermore, the country failed to couple **administration with fiscal decentralisation**. This makes Greece as one of **the most centralised OECD countries** with **local and regional authorities** mostly dependent on the central government revenues. The 2007-2017 financial crises worsened the government revenues, with a knock-on effect on central government transfers to subnational levels. In 2021, the country raised the number of municipalities to meet their demand to have better administration and less area to manage (Law 4804/2021).

Table 3 Institutional and Administrative Frameworks in Greece. Source: FUTURAL Policy Analysis (2025)

Institutional and Administrative Framework	
Institutional Framework	Decentralised state
EU Entrance	1981
Administrative Levels	4 Levels (<i>State, Decentralised regions, regions, Municipalities</i>)
Power distribution across Levels	Central government holds primary authority, with regions implementing policies
Competence Level on Relevant Policy Areas	
CAP, Rural Development (incl. LEADER)	State, Regions
Regional Development (incl. CLLD)	State, Regions
Digital Policies	State, Regions
Social Policy/ Social Innovation	State, Regions, Municipalities
Local Government	
No. Local Units	332 municipalities divided in 947 municipal units & 6103 communes

Local Government Competences	Housing, infrastructure, community amenities; environmental protection; education; recreation, culture; social protection; health; economic affairs & development; public order & safety; general public services.
Local Government Autonomy Index	Slightly Above the OECD mean

Policy framework for enhanced community-led rural innovation

In Greece, both the **CAP and Cohesion Policy** can be used to support community-led innovations. In the national CAP Strategic Plan, the **LEADER programme** covers more than 70% of the country's rural population, and it has an allocated budget of 6% of the EAFRD (i.e. beyond the 5% minimum allocation). Greece did not foresee any targeted interventions to **Smart Villages** in its 2023-2027 CAP Strategic Plan. However, Smart Villages projects or strategies can be financed via measures on LEADER

Under the **Cohesion Policy**, regional Operational Programmes can support forms of community-led innovation, such as community-based services, energy communities, and sustainable local initiatives. **At national level**, there are no national policies tailored specifically to community-led rural innovation, but opportunities to target community initiatives are more broadly included in sectoral policies (e.g. on digital innovation, rural development or social policies).

Table 4 Policy framework for community-led rural innovation (Greece). Source: FUTURAL Policy Analysis (2025)

Common Agricultural Policy- National Strategic Plan (2021-2027 period)	
<i>LEADER</i>	<ul style="list-style-type: none"> •Population Coverage: 72.16% of rural population, 5.87 mln people •Local Development Strategies: 50 •Preparatory Actions/projects: 0 •Budget: € 200 mln (6% of EAFRD)
<i>Smart Villages</i>	<ul style="list-style-type: none"> •Dedicated interventions: N/A •Other interventions: Support for local development through LEADER (CLLD) (P-77-4.1, COOP) •R40. Smart transition of the rural economy: Smart Villages strategies projects- N/A •Budget: Referenced but no budget
<i>Selected Indicators (PMEF result and outputs indicators)</i>	<ul style="list-style-type: none"> •R1: 208,113 people benefitting from advice, training, knowledge exchange or participating in EIP Operational Groups •R3: 17.5% Farms support for digital agricultural technology •R39: 7,640 Rural business developed (incl. bioeconomy) •O1: 394 EIP operational group projects •O23: 120 Supported off-farm non-productive investment operations or units •O24: 73 Supported off-farm productive investment operations or units

	•O27: n/a Rural businesses receiving support for start-up
Cohesion Policy (2021-2027 period)	
<i>CLLD</i>	Yes, differently according to regional Operational Programmes ¹
<i>National ERDF Operational Programme</i>	At national level, sectoral programmes target competitiveness (EUR 3 885 mln) and digital transformation (€943). Just the Transition Development Transition Programme (€ 1 629) targets smart communities through small scale interventions but so far this was implemented in cities (territorial targets are not planned).
Other Relevant National Policies	
<i>Digital and Innovation</i>	National Broadband Plan 2021-2027 - Digital Transformation Bible 2020-2025 - National Growth Strategy 2018
<i>Social Policies</i>	National Demographic Action Plan - National Strategy for Social Inclusion and Poverty Reduction - National Strategy for Sustainable and Fair Growth 2030
<i>Rural, Local Development</i>	National Demographic Action Plan - GR-eco islands - Fund for the Decarbonization of the Islands - Special Spatial Planning Framework of Tourism (under development)

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¹ A few examples: Western Greece Regional OP 5.2 on Strengthening sustainable local development through integrated interventions in the Region of Western Greece (31 mln EUR); Ionia Nisia Regional OP supporting community-based care for children and adults within PO4; Epirus OP RSO2.2 2A. Pilot Action to Support the establishment of (Non-Profit) Energy Communities.