



Highlights report

POLICY ACTION LAB


EU funds paving the way to the Rural Vision


Summary

This online Policy Action Lab was organised by the Rural Pact Support Office (RPSO) to foster dialogue among policymakers and practitioners on how to enhance **access to funding for rural actors and communities** in practice. It further reflected on ways to mobilise policy support to ensure that rural areas benefit from **integrated and coordinated funding** streams from various sources. It brought together around 110 participants from 30 countries (EU and non-EU), including public authorities, NGOs, Local Action Groups (LAGs), researchers, advisors, businesses, EU institutions.

Organiser: Rural Pact Support Office

 14 December 2023

 Online

 110 participants

 [Presentations and recordings](#)



If you see this icon, click to watch the recording

Welcome and framing of the day



Radim Sršeň, Deputy Minister for Regional Development of Czechia and Chair of the Rural Pact Coordination Group, welcomed the participants and stressed the need for practical action to achieve the Rural Vision on the ground, overcome euro-scepticism among rural inhabitants and tackle demographic challenges.

Mr. Sršeň called for enhancing territorial development and for multi-sector cooperation to achieve the objectives of the Rural Vision, in a similar way as DG AGRI and DG REGIO work together on the Rural Pact.



Enrique Nieto, Deputy Team Leader of the Rural Pact Support Office highlighted that access to funding for rural areas was one of the key priorities mentioned at the

High-Level Rural Policy Forum in Sigüenza in September 2023.

Mr Nieto underlined that two of the key ingredients to foster concerted action towards meeting the objectives of the Rural Vision are linked to funding issues: (i) appropriate governance systems to facilitate coordination and (ii) mechanisms to coordinate the allocation of funding and ensure synergies.

The Rural Pact Support Office identified **seven key ingredients** in a Policy Briefing on "[Making the Rural Pact happen in Member States](#)" (translated in all EU languages).



Giulia Testori from the Joint Research Centre presented two important tools that can facilitate access to funding for rural areas: the **self-assessment tool for territorial and local development strategies (SAT4TER)** and the **Rural Toolkit on EU funding**.

The SAT4TER enables local authorities and LAGs to evaluate new or existing territorial strategies funded under Cohesion Policy. The tool is built around six building blocks of the [JRC Handbook of territorial and local development strategies](#): strategic dimension, territorial focus, governance, cross-sectoral integration, funding and finance, and monitoring.

The Rural Toolkit enables rural stakeholders to search through a wide range of funding opportunities for rural development. It is available [online](#) as from 6 February 2024 in all EU languages.



MINISTERIO
DE AGRICULTURA, PESCA
Y ALIMENTACIÓN

Isabel Bombal from the Ministry of Agriculture, Food and Fisheries, representing the Spanish presidency of the Council of the EU, outlined key messages from the [Council conclusions](#) on the Rural Vision. The conclusions

highlight the **need to facilitate and optimise the use of all European policies and instruments for rural development**, going beyond the Common Agricultural Policy, Cohesion Policy and the national Recovery and Resilience Plans.

It is important that the different funding streams create synergies and complementarities, avoiding overlaps and silo approaches. The Council called on the Commission to set up a **monitoring system to assess EU funds supporting rural areas** and to establish a **procedure to ensure coherence and synergies among relevant EU policies and instruments**, without increasing administrative burden.

How to enhance local actors' access to funding in practice?

Inspirational examples

Supporting French rural municipalities in applying for funding



AGENCE
NATIONALE
DE LA COHÉSION
DES TERRITOIRES

David Armellini from the **Agence nationale de la cohésion des territoires (ANCT)** presented the programme 'Villages of the future' which is part of an ambitious plan for French rural areas called 'France ruralités', adopted in 2022.

The '**Villages of the future**' programme supports rural municipalities in designing, financing and implementing high-quality development projects within the framework of 'territorial engineering'. The programme puts **120 well-qualified project managers** at the disposal of rural territories. Rural municipalities can also benefit from the help of **young volunteers**, free legal and financial information service and an **open-data platform** to identify funding opportunities.

The use of Simplified Cost Options (SCOs) in Finland



Noora Pehkonen from the **Finnish Food Authority** stressed that the use of **Simplified Cost Options (SCOs)** in Finland will be significantly increased in the 2023-2027 period, compared to 2014-2022. This will include lump sums for preparing Smart Village and EIP projects, business support and draft budgets. A **new method of calculating LAG running costs and animation using flat rates** and lump sums for all projects under EUR 8 000 will be introduced. Flat rates are simple and popular with beneficiaries. Lump sums can be more complicated, e.g. if the project needs to be changed, and they require a new way of thinking. Overall, the use of SCOs streamlines the whole process of applying for, granting and paying the support, while allowing actors to focus on results and effectiveness.

LAGs in Extremadura signed an agreement with a regional cooperative bank, the Caja Rural de Almedralejo, and obtained **highly favourable terms for loans** for entrepreneurs implementing EU-funded projects, as well as for the LAGs themselves. Such cooperation between the bank and LAGs works well, especially if bank representatives are members of the LAG board, but access to credit is still limited because many rural business projects are perceived as high risk.

Bank support to implement LEADER-funded projects in Extremadura (ES)



Diego Curto Portela, **Manager of the Local Action Group Valle del Ambroz in the Spanish region of Extremadura**, addressed the difficulties of accessing LEADER funding due to lack of funds for own contribution and implementing projects before the grants have been paid.

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Group discussions

Three parallel working groups discussed facilitating local actors' access to funding. Each group heard additional examples, shared experiences, and proposed solutions and practical steps.

Enhancing local capacities



Elias Kappner, **German Land Rhineland-Palatinate**, presented a **system of support structures for small rural municipalities** organised at county level, where municipalities, associations and businesses can get information, inspiration, networking, preparation of funding applications and project consulting.



Stefan Niedermoser, **Austrian LEADER network**, outlined how a **one-stop shop support to rural actors** is organised in the region of Tyrol, using the LEADER approach, but combining and coordinating different funding sources.

Potential solutions identified in the group discussion:

- > Advising, consulting, networking and informing about funding opportunities is important, but it should be combined with building capacities for managing projects in a holistic way.
- > A one-stop-shop approach can help address different themes (including social and environmental aspects), but requires good cooperation of local, regional and national (perhaps also EU) levels.
- > LAGs can play an important role in identifying local stakeholders' capacity-building needs.

Simplifying rules



In the Spanish region of Asturias, the government introduced **lump sum support to business start-ups**. **Juan Antonio Lazaro, Asturian Rural Development Network**, explained that such support involves a grant of EUR 35 000 spread over three years for the creation of self-employment.



Tjitte de Vries, Swedish Board of Agriculture, shared the experience of **LAG support for very small-scale, non-investment projects** with grants of EUR 2 000 through an 'umbrella project' of EUR 40 000. This approach facilitates access to funding for inexperienced beneficiaries but can require significant administrative work from the LAG.

Potential solutions identified in the group discussion:

- > SCOs and umbrella projects can facilitate access to funding, but a considerable amount of capacity building is needed, not only for the actors on the ground, but also for programme authorities, paying agencies and auditors to mitigate their fear of risk.
- > An analysis is needed of Member State use of SCOs and umbrella projects within the CAP Strategic Plans, and the extent to which the new result-orientation contributes to simplification of support.
- > The principle of proportionality is important, so that small-scale projects are not required to fulfil the same requirements and undergo the same checks as large projects; rural proofing of delivery rules could be helpful.

Facilitating access to complementary funding



Heather Emberson-Marl, Cornwall (UK), presented how a fisheries LAG cooperates with credit unions to facilitate access to pre-financing for fishermen applying for grant funding.

Potential solutions identified in the group discussion:

- > Involvement of financial intermediaries, especially regional/local ones, is essential to facilitate access to grants for rural beneficiaries; quick decision-making and speedy payments are important.
- > Charities and socially oriented funders or public-sector entities (as in Bulgaria) can provide complementary funding and thus reduce the risk of financial intermediaries.
- > Certain groups of beneficiaries are perceived as high risk, and good-quality data is needed to build trust and demonstrate that local actors can be very reliable borrowers.

[More information on the group discussions](#)

Building recommendations together

The final part of this thematic block featured a panel discussion with: **Eric Caspers**, Schouwen-Duiveland (Netherlands) municipality, **Anke Wehmeyer**, German LEADER Network, and **Serafin Pazos Vidal**, AEIDL.

Key recommendations

- > Funding programme design should always start with a good identification of **real needs on the ground**, taking into account the diversity of rural areas and the capacities of local actors.
- > Simplification and reduction of administrative barriers should prioritise the perspective of **people on the ground**, not programme authorities or auditors.
- > The **proportionality and reasonableness principle** should be applied to small-scale, local projects, and considered also in controls and audits.
- > Rural actors may not be able to deal with administrative issues linked to public financing and need **intermediary organisations** at local or regional level (for example, LAGs, municipalities or dedicated project managers) or one-stop-shops.
- > Intermediaries should not only provide information about sources of funding, but also help with **project design and management** and **matchmaking** between those who need support and those who can offer it.
- > Effective funding systems for rural areas require **trust** and may involve a change of mindsets to avoid risk-averse attitudes or silo mentality.
- > Sharing **success stories of approaches that work well** (making sure these reach the relevant audiences) can help achieve change and overcome institutional inertia. Rural proofing can be used to assess the impact of administrative rules on rural actors.
- > Public administration should be given opportunities to get to know realities on the ground; mandatory **capacity building for programme authorities**, peer-to-peer exchanges and innovative ways of sharing experience can be applied, e.g. design thinking.

How to enhance and mobilise policy support for rural areas?

Inspirational examples

Coordination of funds and support in Catalonia's Rural Vision



Generalitat de Catalunya
Government of Catalonia

Arnau Queralt-Bassa, Director of the Advisory Council for Sustainable Development of Catalonia (Spain), explained how action plans and

resources of the regional government and its various departments, as well as CAP funding, are coordinated into the Rural Agenda of Catalonia.

A bottom-up approach and a high level of trust between actors are essential components of the process. Implementation of the Agenda involves three bodies: 1) Interministerial Commission on Rural Governance engaging all ministries; 2) Rural Pact Steering Committee, representing civil society, to monitor progress and propose improvements; and 3) parliamentary follow-up commission.

Multi-funded CLLD using the ESF+ in Czechia



MINISTERSTVO PRÁCE
A SOCIÁLNÍCH VĚCÍ

Renáta Kučerová, Czech Ministry of Labour and Social Affairs, described how fostering social inclusion in rural areas can capitalise on the experience of

LEADER. In Czechia, LAGs can use ESF+ in their local strategies to address key challenges, such as ageing, lack of public transport or activities for young people.

Support can cover a wide range of topics, from community and social work, to work with families, housing, employment and counselling. LAGs have proved very open to this new challenge and willing to learn. They demonstrated a capacity to respond quickly and flexibly to needs (helping e.g. school children under COVID or Ukrainian refugees) and facilitate inter-municipal cooperation e.g. through a programme of shared social workers.

Combining crowdfunding and EU funds



Mauricio O'Brien, European Crowdfunding Network,

stressed that crowdfunding can contribute to the Rural Vision by providing transparency, legitimacy, cooperation and solidarity, and it can help foster citizen participation and democratise access to finance.

'Match-funding' arrangements create a leverage effect by combining funding from public or private funders (such as EU programmes) with money collected through crowdfunding. Spain, which has the longest experience in matching EU with crowdfunding, Germany and the Netherlands are notable examples.



Group discussions

Enhancing coordination and complementarities between funds



Salme Pihlajamaa, regional ELY centre Satakunnan, overviewed the experience of the Finnish Policy Council, with a Regional Cooperation Group meeting monthly and bringing together experts responsible for various EU Funds.



Barbara Fährmann, Lower Saxony (Germany), highlighted a single entity – the Ministry for Federal and European Affairs and Regional Development – responsible for coordinating EU Funds managed at regional level and CAP funding managed nationally. This includes a number of coordination mechanisms, such as regular meetings, participation in respective monitoring committees, and sharing evaluation results.

Potential solutions identified in the group discussion:

- > A transversal strategic framework is necessary to overcome fragmented approaches by the different funds. The European Commission should lead by example when designing the architecture of EU funds in the post-2027 period; it should strengthen the territorial approach for rural development and consider bringing the European Agricultural Fund for Rural Development (EAFRD) back into the Common Provisions Regulation (CPR).
- > Such a strategic framework needs appropriate governance structures, for example, one committee to coordinate all funds. This might also be needed at the EU level.
- > Improved communication is needed to help local actors use the available tools – this is easier when all the funds are managed by a single institution.

Strengthening territorial development tools



REPUBLIC OF ESTONIA
MINISTRY OF REGIONAL AFFAIRS
AND AGRICULTURE

Olavi Petron, Estonian Ministry of Regional Affairs and Agriculture, demonstrated how, in the post-COVID period, LAGs were entrusted with additional funding from the EU Recovery Instrument. The aim was to

support enterprises and strengthen their businesses resilience to crises, and LAGs proved to be effective intermediaries to achieve this.

Potential solutions identified in the group discussion:

- > LEADER/CLLD is a good instrument, but more trust is needed between the public administration and local actors, and qualitative methods are needed to assess the added value of the approach.
- > Increased harmonisation and coherent application of rules governing the policies relevant for rural areas are needed.
- > Tools need to be adapted to the local level and be more accessible to local actors. Information on funding sources should be combined with support to project management.

Innovative ways to mobilise and combine different funding sources



BANK OF KARDITSA
COOPERATIVE

Panagiotis Tournavitis, CEO of the Karditsa cooperative bank in Greece, presented a range of initiatives that the bank has undertaken to provide

comprehensive support to local businesses (including social economy entities) and to foster social inclusion in the area.



Sisä-Suomen
Kalaleader

Janne Ruokolainen, fisheries LAG Central Finland, overviewed cooperation between Finnish FLAGs and a private fish processor who offered EUR 0.10 on each item sold in a campaign promoting locally caught fish (for a total of EUR 100 000),

enabling FLAGs to provide more support to the fishing sector.

Potential solutions identified in the group discussion:

- > A system of support at the local level is needed to match available funding sources with specific types of business (e.g. small entrepreneurs which are not usually visible to private investors).
- > The media narrative about potential risks involved in rural projects needs to change. Incentives to encourage private businesses to invest in rural areas may be needed.
- > Bank loans should be complemented with capacity building and mechanisms for piloting innovative projects. Once a pilot (financed e.g. from crowdfunding) has been validated, it may qualify for mainstream funding.



[More information on the group discussions](#)

Building recommendations together

The discussion panel brought together experts from different backgrounds: **Marine Gaudron**, Conference of European Municipalities and Regions (CEMR); **Pedro Fernández**, LEADER Network of Andalucía (ARA); and **Maura Farrell**, University of Galway.

Key recommendations

- > Rural policies should be **place-based** and must be designed taking the **local needs** as a starting point – in particular the needs of women and young people in accessing funds should not be forgotten. Capacity building must be provided along with the funding.
- > **Examples of structures and solutions that work** are very important to change mindsets, they trigger innovation, provide inspiration and empowerment.
- > **Cooperation** between different entities, funds and programmes is essential to avoid duplication or overlap, but it should be institutionalised, not reliant on individual good will.
- > Simplification of administrative rules for local actors can start with an **audit of rules** that the local actors have to comply with. In particular, rules designed for mainstream EAFRD funding are not adapted to the LEADER approach.
- > Funding for rural communities could be allocated in the form of '**block grants**' or 'global grants', where the local actors are free to decide on how to use it for individual projects.
- > More possibilities for **combining public funding with crowdfunding** are needed. The latter involves a new level of participation, thus giving a strong voice to citizens.
- > **Rural Pacts at national and regional levels** are necessary. The best way to combine different sources could be to advocate for a **single European fund for rural development**, to which various policies contribute.

On the basis of the group discussion and panels, participants of the Policy Lab were invited to formulate short "takeaway messages" from the event in the chat. These messages focused on the following three topics:

- > the possibility of bringing together into a dedicated fund different resources supporting the implementation of the rural vision, with simplified rules;
- > the need for capacity building that accompanies the funding and is targeted at actors on the ground, but also at managing authorities, ministries and auditors at the national level;
- > the importance of breaking silos, strengthening networks, building trust and fostering a culture of innovation.



Concluding remarks



Edina Ocsko, Vice Chair of the Rural Pact Coordination Group and Coordinator of the Smart Villages Network, was the 'keynote listener' of the event. She stressed that achieving real change requires thinking about new forms of engagement and possibly new target groups.

Good practice examples to enable rural communities to access funding and support already exist. LAGs and regional and national governments play a key role in this.

Ms Ocsko stressed that it is time to take bold steps in designing rural policy post-2027. The Rural Pact Community can contribute by setting up dedicated thematic groups that focus on practical solutions, and by fostering commitments.

At the end of the session, **Pascale Van Doren**, Team Leader of the Rural Pact Support Office, presented the upcoming Rural Pact activities.

Silvia Nanni from DG AGRI said the Commission will consider the proposals from the discussion in the preparation of the post-2027 period, and reminded the audience that the Commission will publish a report on the implementation of the Rural Vision and on the way forward by the end of March 2024.

Join the Rural Pact Community and online platform

https://ruralpact.rural-vision.europa.eu/become-member_en



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