

**POLICY ACTION LAB** 



**Highlights report** 

# Rural areas and communities in the post-2027 EU budget and policies

### Introduction

In this Policy Action Lab, the Rural Pact Community discussed the European Commission proposals for the 2028-2034 EU budget and policies, their implications for rural communities and ways to make rural voices heard in the policy debate.

Participants proposed multiple ideas to strengthen the place of rural areas in the post-2027 EU budget, foster bottom-up approaches and secure a genuine implementation of the partnership principle. Additionally, the event was the occasion to recognise national and regional public authorities who <u>committed</u> <u>concrete actions</u> within the Rural Pact to contribute to the EU rural vision 2040.

The Policy Lab was organised by the Rural Pact Support Office (RPSO) in cooperation with DG AGRI and DG REGIO.

**Organiser:** Rural Pact Support Office



5 November 2025



Brussels (Belgium)



100 participants from 27 EU Member States and one non-EU country (policymakers, public authorities, local practitioners, researchers and civil society representatives)



Presentations & recordings (here)



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### Main highlights from the event

Participants and speakers identified and put forward the following main actions and messages.

## Understanding the opportunities and risks of the legislative proposals for post-2027 EU policies for rural areas

- > The new legislative proposals for the 2028-2034 Multiannual Financial Framework (MFF) and EU policies aim to align all EU funding with a **coherent set of strategic objectives**, while simplifying access and promoting a more flexible use of resources across policy areas.
- > The proposals allow for **enhanced and more integrated support** for rural development, territorial cooperation and innovation, while **leaving much discretion to Member States** to shape their National and Regional Partnership Plans (NRPPs) as to how this will be managed and implemented.
- > The draft legislation offers possibilities to give prominence to support rural areas by designing a dedicated rural chapter within the NRPPs or a territorial chapter with a rural component, or by including rural support transversally in different chapters.
- > The proposals enable widening the scope of interventions supported under LEADER/CLLD and for rural-urban partnerships, as well as for different approaches to involving rural stakeholders in shaping the NRPPs and in defining the performance framework.
- > Representatives of rural stakeholders, experts and co-legislators raised the need to ensure rural areas across all Member States and regions benefit from the new possibilities, given their crucial role in Europe's **resilience**, **competitiveness and security**.
- > **Public authorities at national and regional levels are joining the Rural Pact** to provide a more comprehensive response to the needs of their rural areas, to foster bottom-up initiative and ownership, and to become part of a larger EU community.

### Recommendations to strengthen the post-2027 policy framework for rural territories

- > Strengthen support for rural areas in the NRPPs through a **mandatory minimum allocation of funding** (ring-fencing) for rural development and use of the long-term vision for the EU's rural areas (<u>EU rural vision</u>, <u>LTVRA</u>) as strategic reference for designing support and interventions, and strengthen provisions to operationalise the tracking of funds going to rural areas.
- Set a minimum allocation of funding for LEADER/CLLD, enabling a broad scope of thematic interventions and beneficiaries – extending beyond farming, farmers and forest owners – and applicable to all types of territories, not only those with specific disadvantages.
- > Set out stronger and clearer provisions for support to **Smart Villages** as a distinct but integral part of territorial cooperation.
- > Improve provisions for **rural proofing** of the plans, addressing rural needs in CAP recommendations, fostering a more territorial approach of the European Semester, guiding the assessment of the territorial impact of the plans and providing best practices for inspiration.
- > Strengthen the application of the **partnership principle** by ensuring that local and regional authorities, civil society organisations, Local Action Groups, and community-based stakeholders are genuinely involved throughout the entire policy cycle from planning and design to implementation, monitoring and evaluation.
- > Enhance **capacity building and peer learning** across policy areas and levels of governance, with strong action at EU level, such as bolstering the Rural Pact or creating a European Rural Initiative. This intends to enable genuine partnership and effective collaboration of relevant stakeholders in the design, implementation and monitoring of the post-2027 policies and budgets.

### Welcome and introduction to the day



### **Opening words**

Catherine Geslain-Lanéelle, European Commission, DG AGRI



The challenging geopolitical context underpinning

development of the new EU budget proposal called for a more **ambitious** and **agile** framework, which enables the EU to react quickly to unexpected events and new priorities while ensuring we move towards a simpler, more flexible and impactful budget. The National and Regional Partnership Plans (NRPPs) offer the possibility of a more integrated, synergistic approach across policy areas. They will be prepared in



close partnership between the Commission, Member States, regions, local communities and other relevant stakeholders.

Rural communities expressed concerns about the perceived loss of policy focus on rural areas and doubts on the capacity of the proposed governance to secure predicatability for beneficiaries. However, rural areas do remain an important priority at the EU level. The co-decision process on these legislative proposals is still ongoing and stakeholders have an opportunity to shape the narrative and work jointly with the co-legislators towards positive rural outcomes of the negotiations. Subsequently, stakeholder engagement in the preparation of the NRPPs will be essential to further strengthen the prosperity and attractiveness of rural areas through adequate interventions in the plans.

### Introduction to the day

Urszula Budzich-Tabor, Rural Pact Support Office (PPT)



Participants expressed views on certain elements of the legislative proposals prior to the event. Most agree that improved synergies under NRPPs between the Common Agricultural Policy (CAP) and other EU policies will have a positive impact on rural areas.

New elements such as an increased focus on competitiveness and shift to performance-based payments are met with mixed feelings, of minimum while а lack **LEADER** allocation for considered a risk. A significant percentage (44%) of event participants say their Member State or region is already taking action to ensure that rural areas benefit from the proposed post-2027 policy framework.



### Post-2027 EU policy framework: what implications for rural areas?



### European Commission proposals post-2027 and support foreseen for rural areas

Fabio Cossu, European Commission, DG AGRI (PPT)



The proposals for the 2028-2034 period involve significant harmonisation of

rules and simplification in delivery (from around 50 spending programmes to 16) and greater flexibility to make it easier to address crises.

The largest part of the new budget (EUR 865 billion) will be allocated to a new European Fund for economic, social and territorial cohesion, agriculture and rural, fisheries and maritime,



prosperity and security. In each Member State, this fund will be programmed through a National and Regional Partnerhsip Plan, which may be structured into different chapters (sectoral, regional, territorial, etc.). Within this budget, certain amounts are pre-allocated, for example a minimum of EUR 294 billion is ringfenced for income support in farming and forestry.

Member States will determine – in close consultation with relevant stakeholders in line with the mandatory application of the partnership principle - how much of the non-ringfenced budget will be allocated to wider rural development.1 These interventions will contribute to supporting sustainable prosperity and reducing territorial disparities across all regions, especially through strategies for the integrated development of urban and rural areas, including support for territorial services and infrastructure.

They will also contribute to sustaining quality of life in rural areas – in particular, improving attractiveness and living standards, including access to healthcare, fair work conditions and generational renewal. To achieve greater synergies, interventions in rural areas can also support other EU policy objectives, such as cohesion or democracy. This non-ring-fenced funding can be used to support local development strategies under LEADER/CLLD.

Existing governance bodies can maintain their role (with the obligation to introduce a national

coordinating authority to ensure a coherent approach), and networking support will continue to be available to facilitate exchange and capacity building. Capacity building at the EU level will be available to help national and regional authorities and all relevant stakeholders to adapt to the new model implementation.

common budget tracking performance framework will enable tracking expenditure by type of territory, which will enable an understanding of the amount of funding spent in rural areas.



<sup>&</sup>lt;sup>1</sup> The information presented during the Policy Lab of 5 November does not take into account later proposals for changes, introduced in the course of negotiations with co-legislators.

### Main messages emerging from the Rural Pact Conference

Karen Keaveney, University College Dublin and Rural Pact Coordination Group (PPT)



In September 2025, 250 Rural Pact Community members convened at the <u>Rural Pact Conference</u> in Pecq, Belgium, to discuss the proposals for the post-2027 rural policy framework – read the <u>full event report</u>.

Discussions highlighted the importance of:

Securing a visible and guaranteed rural dimension in the new policy framework, embedding rural objectives and vision in the NRPPs, with relevant indicators and monitoring systems;



- > Ring-fencing funding for rural areas, including a dedicated allocation to LEADER/CLLD and Smart Villages, and simplifing rules and procedures for small projects;
- > Ensuring data availability and evidence on rural territories;
- > Enabling genuine multi-level partnership with a strong role for regional and local authorities, civil society, youth and community organisations in the design, implementation and monitoring of future rural policies.

#### Main messages from the sixth European Rural Parliament

Tom Jones, European Rural Community Alliance (PPT)



The European Rural Parliament (ERP) meeting in Inverurie (20-23 October 2025 – Scotland, UK) gathered over 400 participants from 40 European

countries to discuss, share and make suggestions for the future of rural Europe. The resulting <u>Declaration of Inverurie</u> is a strong appeal of rural stakeholders to decision makers: "We do not ask for help – we ask for support in partnership". This partnership should not be just a token consultation, but a genuine and complete engagement.





Rural voices must be heard across all levels of governance, and placebased policies should not mean creating more layers of bureaucracy. A clear message from the ERP is that Europe needs to establish dedicated rural policy framework that is consistent, stable and well resourced. Political and financial commitment remains essential at every level – European, national and regional - to address inequalities and diversity across rural territories.

# Keynote speaker: National and Regional Partnership Plans – opportunities and risks for rural areas Kai Böhme, Spatial Foresight (PPT)



The post-2027 policy framework introduces significant flexibility: this creates new opportunities, but it also places responsibility on stakeholders to work together to ensure that these

possibilities evolve in the right direction. Rural areas should not be viewed merely as recipients of support, they have much to offer, including contribution to Europe's resilience, security and defence. Cohesion and competitiveness are not opposing objectives, on the



contrary, strengthening competitiveness in rural areas directly reinforces cohesion – and vice versa.

The NRPPs may take different shapes depending on the approach of each Member State: some may include a dedicated rural chapter or a broader territorial chapter. Alternatively, rural development can be mainstreamed across all chapters, provided that each of them is effectively 'rural-proofed'. However, the partnership principle remains vaguely defined in the proposed legislation, leaving unanswered the question how rural stakeholders can participate in shaping the NRPPs or deciding how funding is allocated.

Milestones and targets will have to be negotiated between the Commission and national authorities, as well as between the national and local levels. Yet, defining targets requires a vision of what is to be achieved: the EU rural vision could serve as reference point, but its role needs to be made more explicit in the legislative proposals.



The future of LEADER/CLLD will be very important and substantial reflection is needed to identify solutions most adapted to rural needs. The new framework also creates opportunities for functional-area approaches that span across both urban and rural territories. Strengthened collaboration between the Rural Pact, the Leipzig Charter and the Territorial Agenda could reinforce place-based approaches across the EU. Reinforcing EU-level rural networking (for example, strengthening the Rural Pact or a new European Rural Initiative) is of crucial importance for sharing resources, building partnerships and amplifying ideas.

#### **Initial reactions of European Parliament representatives**

Daniel Buda, Vice-Chair of the Committee on Agriculture and Rural Development, European Parliament



Rural areas are vital for Europe's food security, biodiversity and social cohesion, but they are suffering from

depopulation which has serious social and environmental implications. Access to health care, education and basic services remains dramatically unequal compared to urban areas, calling for a coherent and fair development policy for rural areas.

The next MFF must include a specific and minimum share dedicated to rural development and investment in rural areas. It



is not possible to talk about reducing disparities between regions without first addressing the gap between urban and rural Europe.

### Making post-2027 EU policies fit for purpose for rural people



A panel representing various stakeholders contributed their organisational perspectives to the discussion.

All panellists agreed that the new policy framework needs to designate rural areas as a strategic priority more explicitly, and that the place of rural development in the national plans must be defined with the strong participation of rural communities.

Panellists identified the following **positive elements** of the post-2027 proposals:

- Integration of rural development with other EU policies (cohesion, agricultural, maritime etc.), moving away from silos;
- Possibility to respond to **new challenges** which were impossible to address under the previous policy framework;

#### **Panellists**

- > Radim Sršeň, European Committee of the Regions
- Lidija Pavić-Rogošić, European **Economic and Social Committee**
- > Marianne Selkäinaho, Ministry of Agriculture and Forestry, Finland
- > Piotr Sadłocha, European LEADER Association for Rural Development
- > Michael Schmitz, Council of European Municipalities and Regions
- Potential shift towards place-based planning to address regional and locally shaped priorities;
- Continuation of the **LEADER approach** and its obligatory use under the CAP;
- Opportunities for simplification of delivery rules (including mandatory lump sums under LEADER), which will facilitate access to funding for small rural actors.

A number of **risks** linked with the new policies include:

- Integrating rural development into a horizontal regulation risk losing sight of distinct rural needs, and possibly even bringing about an urban bias in the integrated plans;
- Eliminating policy silos is not going to be easy, as they are still deeply rooted in decisionmakers' minds and in administrative structures;
- A clear **regional dimension** is lacking in the proposed legislation;
- The future of LEADER which is more urgently needed than ever is uncertain in the absence of mandatory ring-fencing, and there is a need to review some unclear or inconsistent provisions (e.g. definitions of beneficiaries or areas where it should be applied);
- The use of **integrated territorial instruments** in rural areas is not obligatory;
- Imprecise definition of 'rural' for territorial tracking and performance based on many quantitative per capita indicators, which favour investments in densely populated areas;
- Lack of concrete measures to ensure **compliance with the partnership principle** which is the cornerstone of European integration.

Specific **recommendations** on the proposed legislation include:

- Stronger and more formal safeguards that adequate funds will be allocated to rural areas, ensuring **dedicated funding** streams beyond agriculture (e.g. for rural innovation, youth engagement, essential services, culture);
- Mandatory rural chapters in NRPPs, with clear goals based on the rural vision, along with indicators and accountability mechanisms;



- Addressing **territorial cohesion** as a democratic imperative;
- Adequate and ring-fenced allocations to LEADER/CLLD which should not be reduced to a narrow administrative tool;
- Harmonised rules for LEADER under the CAP and CLLD under cohesion policy, extending the definition of beneficiaries beyond farmers and clarifying Local Action Group (LAG) tasks, which should be similar to those in the current period;
- Better uptake of existing bottom-up tools, such as Smart Villages, supported by clear requirements and sufficient resources for Member States to apply them effectively;
- Common guidelines on implementing the partnership principle; empowering local actors who should be recognised as strategic partners and co-authors of strategies and plans, not just beneficiaries;
- Building capacity and trust among all actors involved in the delivery of rural policies;
- Rural proofing of all policies, including an improved EU definition of rural proofing and opening realistic possibilities for rural areas to benefit from funds allocated to competition and innovation;
- Addressing the needs of local authorities in rural areas, in particular ensuring their ability to continue to provide basic services.

### Making the Rural Pact a reality in Member States and regions



The Rural Pact Community acknowledged national and regional public authorities formally committing through the Rural Pact to implement concrete actions that contribute to the EU rural vision.

Mario Milouchev, Director at the European Commission, DG AGRI (PPT) reminded the audience that national and authorities regional commit to put in place some or all of the seven ingredients



that contribute to making the Rural Pact happen in Member States. He recognised with gratitude the public commitments by:

- Czech Ministry for Regional Development, represented by the Deputy Minister for Regional Development, Radim Sršeň;
- Regional government of Opolskie (Poland), represented by its Marshal, Szymon Ogłaza;
- Regional government of Castilla-La Mancha (Spain), represented by its Vice-President, José Luis Martínez Guijarro;
- Regional government of Catalonia (Spain), represented by the Minister for Agriculture, Livestock, Fisheries and Food, Oscar Ordeig Molist.

Discover public authorities' commitments through the Rural Pact; additional commitments are expected in the near future.

### **Key messages from working groups**



### Suggestions on the evolution of the legislative proposals

The place of rural areas and communities in post-2027 EU policies

- > An **obligatory chapter dedicated to rural areas in the NRPP** (or a rural section of regional chapters) with its **own funding allocation** and with objectives defined in line with the rural vision. Alternatively, a separate programme for rural development for each Member State;
- > **Applying rural proofing to NRPPs**, with allocated responsibilities and guidelines to be followed, using the rural vision as framework for assessment.
- > Clear **rules on NRPP assessment** and possibly rejection if they do not meet the requirements in the regulation.
- > Implementing a territorial approach in the **European Semester** and including a broader rural focus in **CAP recommendations** (beyond sectoral recommendations).
- > Implementing a territorial approach in the **European Semester** or stronger rural focus in **CAP recommendations** (beyond sectoral recommendations).

### Bottom-up approaches

- > Ring-fencing a **minimum allocation for LEADER** to ensure stable and predictable funding for bottom-up approaches across the EU;
- Solving inconsistencies in LEADER/CLLD provisions (expanding the **definition of beneficiaries** not only farmers and forest owners, application going beyond areas with specific disadvantages, **harmonising provisions** for Simplified Cost Options between LEADER and CLLD);
- > Mandatory participation of LAGs in designing, implementing and monitoring the NRPPs;
- > Include the concept of 'Smart small communities' in the NRPPs (based on lessons from Smart Villages) as a dedicated article under Territorial Cooperation, defined as a participatory, multi-annual and community-owned approach;
- > Mirroring current EU urban actions (such as the EU Urban Initiative) by establishing **similar mechanisms for rural and functional areas**, with rural-urban partnerships as an integral part of territorial development policy rather than separate or competing priorities;
- > Embed the **rural vision in the NRPP architecture** so that bottom-up and place-based rural development approaches are consistently applied.

#### Effective partnership

- > Strengthening of the **partnership principle article** in the legislation (requiring a more formalised process), and its enforcement by the European Commission;
- > An **indicator framework** (with composite indicators, both quantitative and qualitative) to check how the partnership principle is implemented across Member States;
- > **Earmarked funding** to support the partnership principle process (for example, under LEADER/CLLD);
- > Developing an **EU guidance/recommendation** for Member States (could be adapted from the checklist on qualitative stakeholder involvement under the Just Transition Fund);
- > **Explicit mention of the Rural Pact** in the legislation (mandatory, similarly to the CAP Networks) as an instrument to empower networks, managing authorities and local actors to learn how to participate;
- > Improving the **capacity of audit authorities** and support auditors in learning how to assess performance (in order to assess the change that has been achieved, rather than follow every euro spent).

### Proposed actions to be taken by Rural Pact stakeholders

- Coordinated advocacy for the support of rural development at EU, national, and regional policy debates (e.g. a position paper to the European Parliament on the importance of rural development and bottom-up approaches, a public consultation on the role of LEADER/CLLD); and strengthening the position of rural stakeholders in discussions on future EU policies with urban counterparts;
- Fostering and replicating Rural Pact models at national and regional levels; creating links between Rural Pact and monitoring committees of EU funds; organising Rural Pact events across Member States – possibly with a full-time Rural Pact manager in each Member State;
- Capacity building for rural stakeholders at all governance levels (including peer-to-peer learning, visits of different EU Directorate-General officials to Member States to understand rural issues);
- Disseminating good practice examples (e.g. of successful rural-urban cooperation and implementation of the partnership principle).

## **Co-creating conclusions and proposals**



#### **Keynote listener**

Edina Ocsko, Vice-Chair of the Rural Pact Coordination Group (PPT)

PACT

The legislative proposals for the post-2027 policies offer a number of opportunities in line with the rural demands, including: integrated approach without

policy silos opening possibilities for synergies; territorial tracking requirement enabling to follow rural funding; and greater flexibility to respond to national, regional or local priorities.

However, certain risks are associated with these opportunities: no ring-fencing for rural development, and specifically for



LEADER/CLLD and Smart Villages; problems of defining what is rural and data availability; and insufficient safeguards for genuine multi-level partnership and empowerment of rural communities. Many agree on the need for an explicit recognition of the Rural Pact model and a clear reference to rural proofing of all policies.

Rural stakeholders can contribute to improve the draft legislation by making concrete proposals for changes to the legislation, such as those already published by the Rural Pact Coordination Group -RPCG, ELARD and Smart Village Network Services. This can be achieved by entering into dialogue with the European Parliament as co-legislator, forming alliances around the Rural Pact Community and RPCG, and taking action at national, regional and local levels.

## **Concluding remarks**



#### **Next steps for the Rural Pact Support Office**

Enrique Nieto, Rural Pact Support Office (PPT)



The Policy Lab will be followed directly by the sixth meeting of the Rural Pact Coordination Group which will take up its results to discuss further how to contribute to shaping the legislative proposals.

### **Closing remarks by the European Commission**

Peter Berkowitz, European Commission, DG REGIO



While it is important to acknowledge the risks, it is

equally essential to recognise the opportunities that the proposals present. The proposals provide a framework for better integration and synergies, as well as a single set of rules, bringing a significant simplification which would make a real difference to beneficiaries.

The EU budgetary context is challenging, and the only viable way forward is to use available resources more efficiently and strengthen collaboration. The proposed



framework places an obligation on Member States to concentrate resources, taking into account the specific needs and challenges of rural areas. This development of territories will be addressed in the European Semester to ensure that discussions take place at the highest level of economic coordination. The Commission will verify the application of the partnership principle.

There is a need to ensure stronger partnerships and multi-level governance. Capacity is a major issue, so the proposals envisage stronger support for administrative capacity building at all levels. Tracking will be required for every project, similarly to projects in the current <u>Kohesio database</u>.

LEADER is widely recognised as a European success story delivering undeniable added value. It should be maintained as well as other CLLD schemes and made as simple as possible, ensuring resources are easily accessible.

The recent European Commission initiative on the 'right to stay' aims to ensure that people have the possibility to live and work where they come from without facing structural disadvantages. This requires improved access to local services and making places more attractive – an agenda in which LEADER/CLLD will have an important role to play.

DG REGIO is preparing to launch a call for evidence to which rural stakeholders are strongly encouraged to contribute. They are also invited to engage actively in discussions on the future, not only of rural development, but of cohesion policy as a whole.

Join the Rural Pact Community and online platform <a href="https://ruralpact.rural-vision.europa.eu/become-member-en">https://ruralpact.rural-vision.europa.eu/become-member-en</a>













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