



Report on
1st Managing Authorities Stakeholder Platform
Workshop
'Supporting Smart Villages through the CAP Strategic Plans'

20 October 2023 9:30 – 13:00 CET

Online



Preparatory Action - Smart Rural Areas in the 21st Century - Contract No:
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1. Context

1.1. Purpose of the session

The 1st Managing Authorities Stakeholder Platform Workshop took place on 20 October 2023. The purpose of the meeting was to launch the Platform for Managing Authorities. The platform is to provide an opportunity to exchange about the **design and implementation of Smart Villages interventions in the CAP Strategic Plans** and allow CAP MAs to **learn from each other and improve their own Smart Villages support frameworks**.

The first MA Platform Meeting focused on how Smart Villages are supported through the CAP Strategic Plans. Examples of Smart Villages interventions were presented and discussed from more advanced Member States on planning Smart Villages support and implementation.

1.2. Target audience

The meeting was dedicated to CAP Managing Authorities across the 27 Member States and other (e.g. regional) implementing bodies of the CAP SP.

44 participants registered from 24 Member States (see Figure 1).

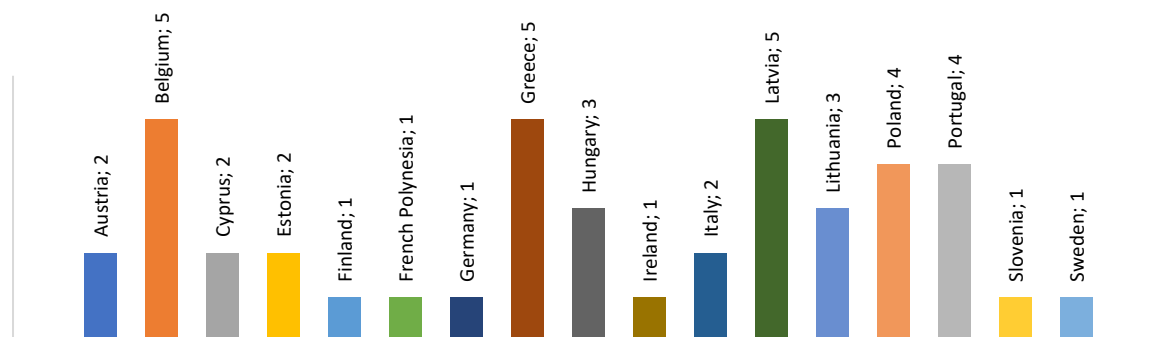


Figure 1, Participants by countries

Majority of participants (**47%**) **represented the main target group**: CAP Managing Authorities. Other interested stakeholders included Regional Authorities, National CAP Networks, representatives of the European Commission DG AGRI Geographical units, Smart Rural 27 project National experts and researchers (see Figure 2).

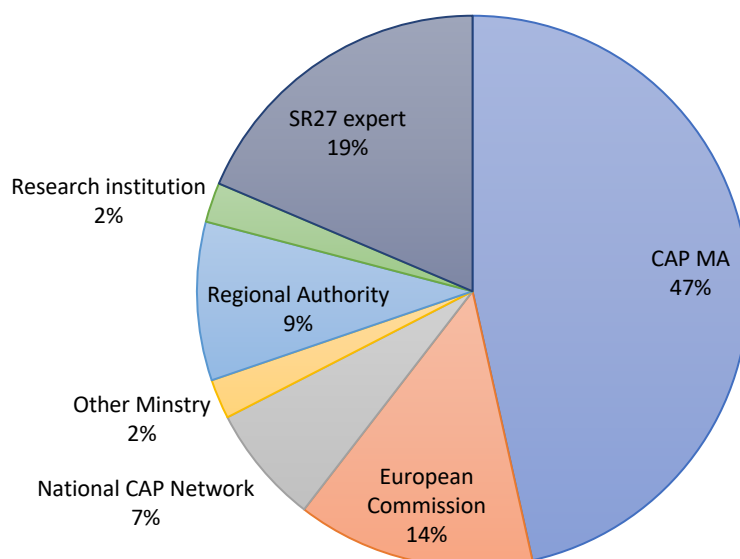


Figure 2, Type of stakeholders

1.3. Agenda

Timing	Agenda item
9:30 – 10:00	Welcome and introduction Presentation of the Smart Rural 27 project, the European Smart Villages Pilot Observatory & the purpose of the Managing Authority Stakeholder Platform, by Edina Ocsko (E40, Smart Rural 27 Project Coordinator)
10:00 – 10:15	State-of-play: Supporting Smart Villages through CAP interventions (Zoom Canva)
10.15 – 11.00	Examples of CAP interventions from selected CAP SPs – Hungary & Lithuania (Q&A) <i>Discussion</i>
11.15 – 11.30	Short Break
11:15 – 12:00	Discussion around key topics of interest: Round 1 discussion & feedback: What is smart and what should be the focus of Smart Villages interventions?
12:00 – 12:45	Discussion around key topics of interest: Round 2 discussion & feedback: Who are the key beneficiaries? How far (smart village) strategies vs. projects are supported?
12.45 – 13.00	Conclusions & Next steps



2. Outcomes from the event sessions

2.1. Introductory presentations

2.1.1. **Presentation of the Smart Rural 27 project, the European Smart Villages Pilot Observatory & the purpose of the Managing Authority Stakeholder Platform**, by *Edina Ocsko (E40, Smart Rural 27 Project Coordinator)*

Edina introduced the Smart Rural 27 project's goal and the Pilot European Smart Villages Observatory main components, starting from local level with Knowledge Clusters, going to national level with Taskforces and their focus on Smart Village policy exchanges and finally introducing the European level with Stakeholder Platforms, from which one of the platforms is the Managing Authorities platform. The MA Platform gathered for the first time during this meeting with the aim to provide support and information to Managing Authorities in programming and implementing Smart Villages through CAP Strategic Plans.

Initial findings from CAP Strategic Plans Analysis Synthesis Report, carried out within the project, were presented, showing the countries where Smart Villages have a dedicated intervention and where and how Smart Villages are supported through LEADER intervention. The questioning on the understanding of the indicator R.40 'Number of Supported Smart Village Strategies' was presented highlighting that the understanding of the 3 components: smart, village and strategy – varies among Member States.

2.1.2. **State-of-play: Supporting Smart Villages through CAP interventions** (Zoom Canva)

Participants were invited to join a pre-prepared Zoom Whiteboard in order to co-create a state-of-the-art timeline showing how each Member state have programmed Smart Villages in the CAP Strategic Plans and where they are in the process of implementation (see Figure 3). The majority of participating Member States indicated that they have programmed Smart Villages under LEADER intervention, except of Lithuania, Hungary and Finland where there is a dedicated intervention. In a number of member states the Local Action Groups have not yet been selected and/or Local Development Strategies have not yet been approved, therefore, it was difficult to understand how exactly and to which extent the Smart Villages concept will be implemented under LEADER. Some of the Member States, as Lithuania and Greece, confirmed working on a guidance material for LAGs to support them in the Smart Villages implementation process.

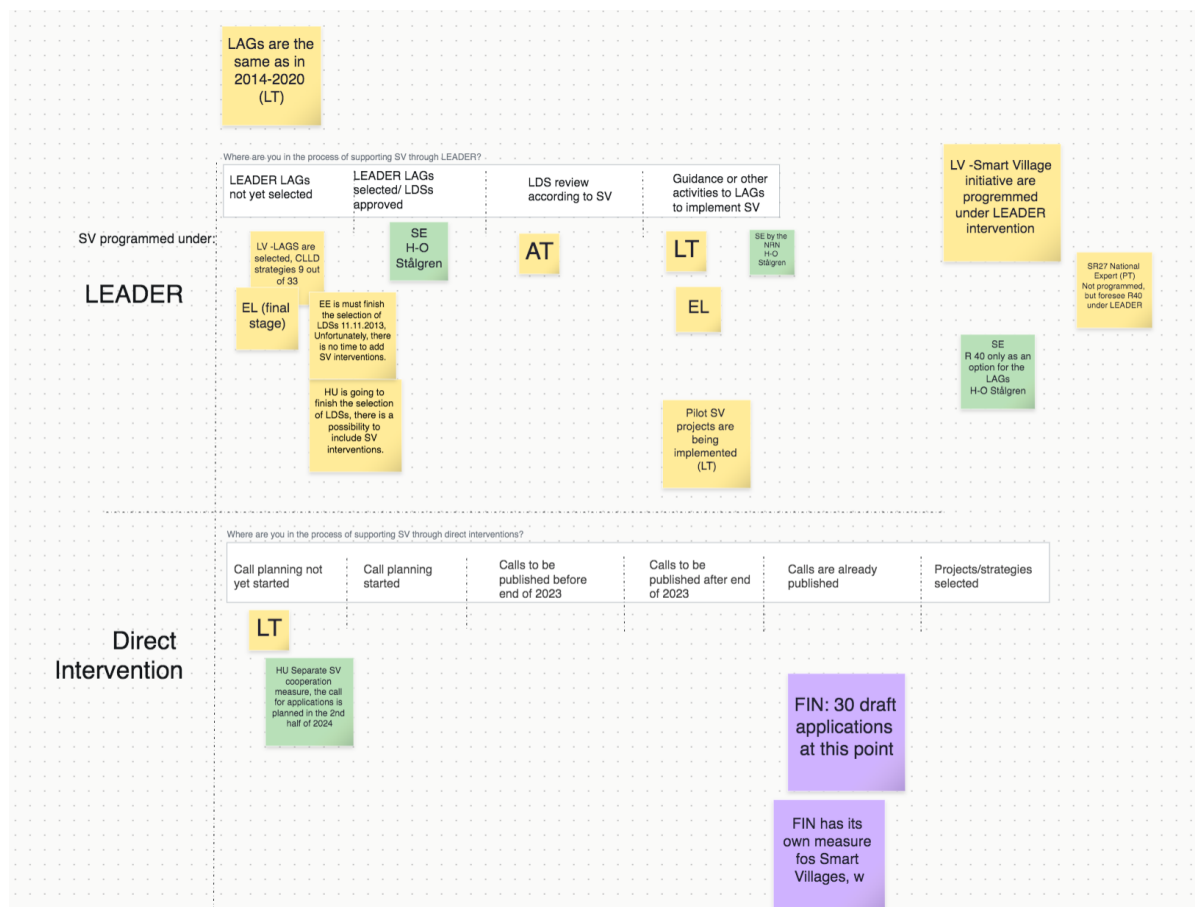


Figure 3, Zoom Canva “State of play”

2.2. Examples of CAP interventions from selected CAP SPs – Hungary and Lithuania

2.2.1. Smart Villages in Lithuania, by Jelena Dokudovič Ministry of Agriculture, EU Affairs and Support policy Department, LEADER Program and Rural Development Division

Lithuanian MA representative Jelena Dokudovič introduced the definition of Smart Villages and the understanding of the concept in Lithuania. Detailed information was provided on how Smart Villages is programmed in the Lithuanian CAP Strategic Plan through dedicated intervention and supported also under LEADER intervention. The **Smart Villages intervention is designed as a stand-alone/ dedicated intervention**. It is implemented based on the LEADER principles but is not integrated into the LEADER intervention. LAGs will participate as initiators of the smart village strategy, developers and help activating actions within their territories. Smart village strategies will be implemented on a partnership principle with local interested stakeholders (natural and legal persons – SMEs, municipalities and their bodies or enterprises). These partnerships will be responsible for the implementation of different activities of the Smart Rural Strategy. Territorial scale of the intervention was introduced including villages, small towns and other residential territories with population not exceeding 6000 persons. The territory should not necessarily coincide with administrative boundaries. Intervention can focus also



on functional or thematic territories. It was stated that the topics of Smart Rural Strategies can be wide-ranging and include smart initiatives as smart solutions in the fields of climate change and renewable energy, smart stakeholders and smart services.

2.2.2. **Smart Villages in Hungary**, by Miklós Maác, Chief Counsellor in the Ministry of Agriculture of Hungary

The focus of the presentation was the programming of Smart Villages in the Hungarian CAP Strategic Plan. It was presented that there is a dedicated cooperation intervention but also a possibility for LAGs to include SV in their LDS. As the dedicated intervention is a cooperation intervention, there is a need for partnerships with at least 2 partners that apply together and one of them should be a local public authority. And the reach of each cooperation should be at least 1000 habitants. The main questionings are on the concept itself- what is smart, tangibility of principles for the beneficiaries. Also, one of the key issues is the low level of the willingness to cooperate and create partnerships. In what concerns the combination of funds, it is well received that the direct intervention is combined with the LEADER intervention or other CAP SP interventions, however, combination with other funds is difficult at least until the regulations of EU development funds will not be harmonised. Important factors of success are identified to be the human capacity and the knowledge and know- how. It was also highlighted that the Smart Villages strategies are not an end in itself the result should be the investment or service realised in the village.

2.3. Outcomes of the Discussion around key topics of interest

2.3.1. Round 1 discussion & feedback: **What is smart and what should be the focus of Smart Villages interventions?**

The first round of discussion focused on the notion of ‘smart’ within the concept of Smart Villages, and how far it is understood as digital innovation. The majority of participants confirmed that digital and technological innovation is not an obligation in their countries for the Smart Villages, innovation can also be social or economic, or process innovation (See Figure 4). While digital solutions implementation is not the primary focus, it gains significance, particularly in the Lithuanian context, where it is more evident at the strategic level. For instance, there may be a necessity to incorporate digital elements in Lithuania to enhance the project's score. However, at the project implementation level, a broader array of themes is considered.

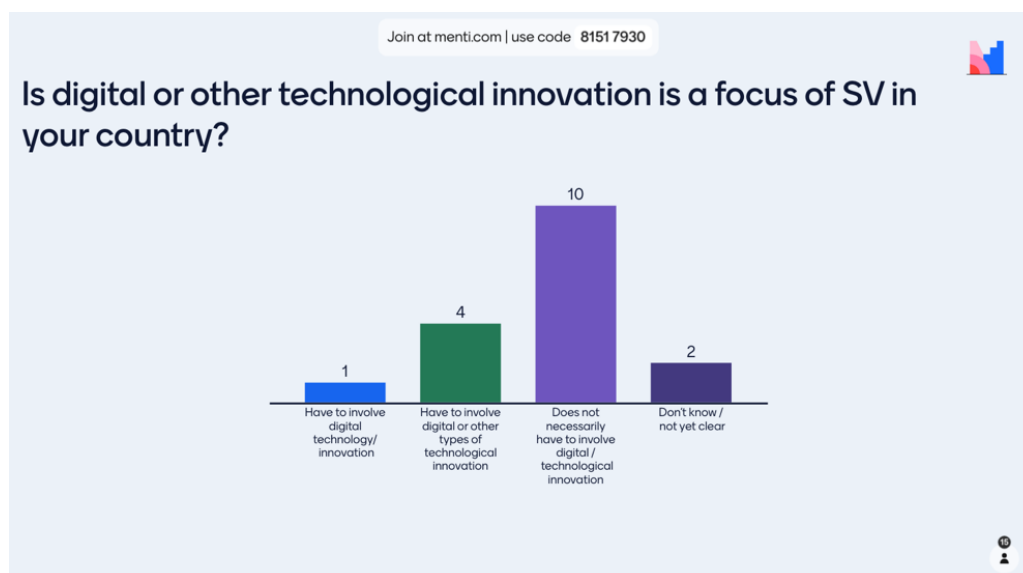


Figure 4, is digital and technological innovations a focus of SV?

There is common agreement that innovation is not always digital, and even when it is, we should assess its social impact and conduct some kind of scoping beforehand. The overarching question remains: **How do we translate these aspects into criteria, and how do we distinguish innovative and smart initiatives from those that are not?**

- For instance, in *Austria*, the digital innovation dimension is being strengthened within LEADER through Smart Villages. A series of activities are planned for early 2024 to support LEADER LAGs in innovative approaches. The main focus is, however, not digital innovation but social innovation. Based on recent discussions within the taskforce, there will be stronger emphasis on why digital technologies are applied, what the purpose and potential social impact are. Furthermore, synergies are now discussed with the concept of systemic innovation (innovation ecosystems) and transformative innovation (in collaboration with research institutes). Within EIP-AGRI – that is one of the key interventions also to support Smart Villages in Austria – the multi-actor approach is being stressed, but the multi-level governance aspect of innovation (linking innovations at different territorial levels) is also important.
- The *Hungarian* MA highlighted that if we do not require digital innovation, it is hard to define through specific eligibility or selection criteria what innovation exactly is. In Hungary, while ‘digitalisation’ also features in the name of the dedicated Smart Villages intervention, they also plan to focus on social innovation. However, it is still challenging how to define criteria.
- *Finland* could be a good practice in this regard, where the European Innovation Partnership (EIP) criteria are applied to Smart Villages.
- Similarly, in *Lithuania*, projects will be assessed according to a specific methodology: there are four types of innovations, including specific examples from the ground on what they mean.
- In *Poland*, innovation definition is similar to that of Lithuania (i.e. include a series of different types of innovations) there is almost no focus at all on digitalisation, but Smart Villages rather focus on environment and climate. Applicants might have to describe how they address digitalisation but there is no strong focus on this aspect and there is no specific selection or eligibility criteria defined linked to digitalisation. Innovation criteria and selection criteria will be mostly defined by LEADER LAGs in Poland, so it is not yet known what the criteria will be.

As far as the dedicated Smart Village infrastructure investment is concerned, the ministry is working closely with the Polish Academy of Sciences/ Institute for Rural and Agricultural Development to define specific criteria for selection. That intervention supposed to be open only in 2025.

When it comes to the thematic areas of innovation, most participants indicated that innovation concerns a divers set of thematic areas (see Figure 5).

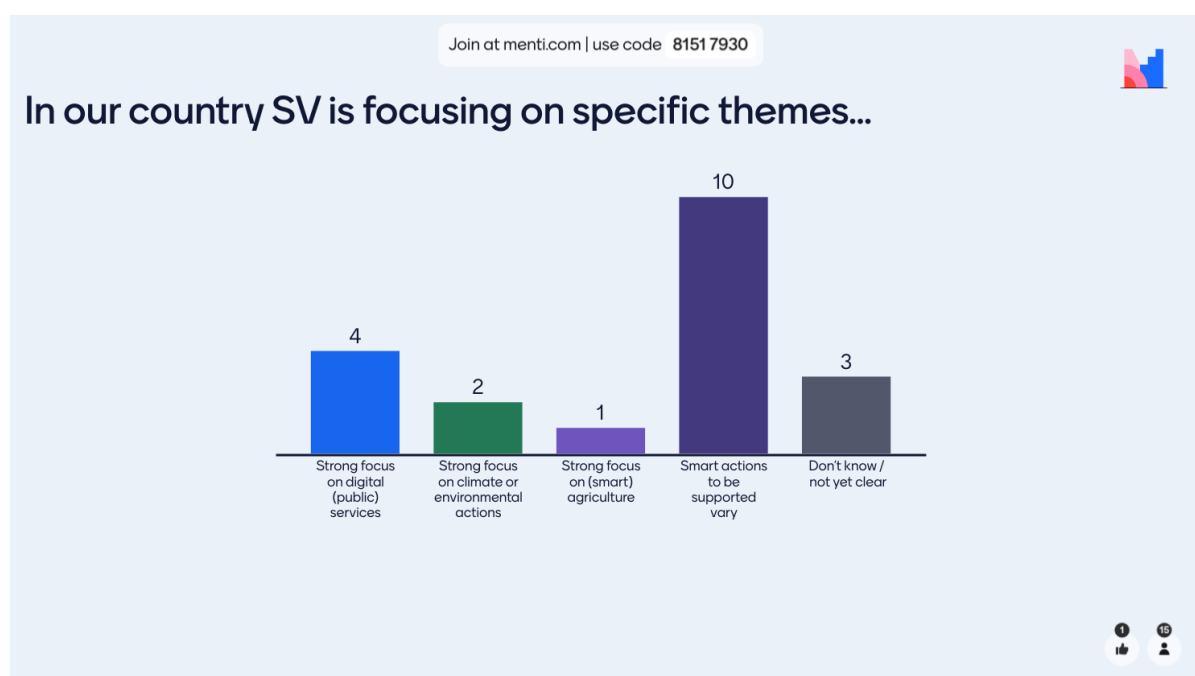


Figure 5, Specific themes of SV

Asked about the need of guidance for implementation of Smart Villages, Managing Authorities confirmed having more need of good practice examples, as in most of the Member states the implementation is in an experimental stage and is left quite open to promoters to interpret and implement Smart Villages accordingly to their local needs.

2.3.2. Round 2 discussion & feedback: **Who are the key beneficiaries? How far (smart village) strategies vs. projects are supported?**

How far Smart Villages will concern strategies vs. projects, varies from one country to another, and there is still a lack of clarity on the differentiation between the two. A quick snapshot of the situation is presented in Figure 6 below.

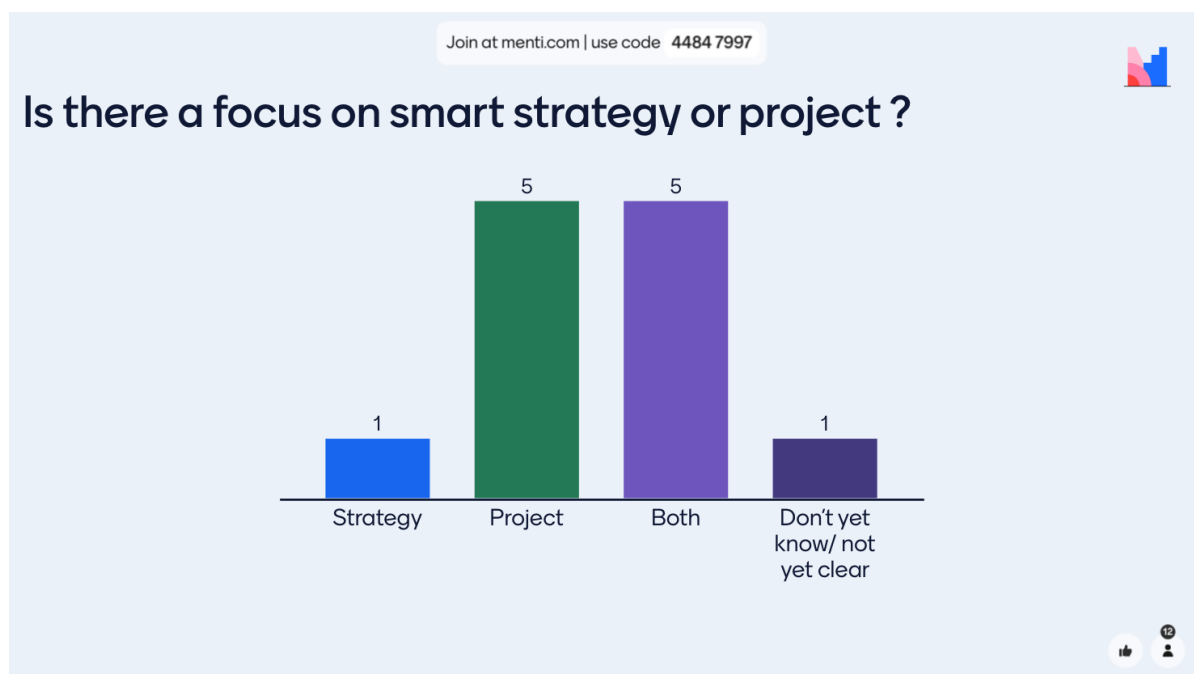


Figure 6, Smart Villages strategies or projects

- In *Finland*, the MA has tried to make it simple, they don't like the word strategy because there are so many strategies at different levels. In their system, it's the project plan that is considered to be a strategy.
- In *Poland*, they also try to avoid the strategy, and they are using "concept" instead not to imagine something too big or complex. A concept has four key aspects: (1) SWOT, very simplified SWOT analysis; (2) description of the partnership principle, (3) list of project; (4) description of the influence of the concept in the area. The SR27 Taskforce is currently trying to convince the managing authority to prepare some more detailed guidance until then only these four criteria are available as described in the cap.
- In *Latvia*, there is no specific requirement in the call to develop plans or strategies, but the LAGs may request applicants to demonstrate some kind of plans.
- In *Greece*, LAG strategies are just being selected, but they already recognise that there is a need for animation for LAGs to understand and better implement Smart Villages, including what is meant by smart village strategies and projects.
- In *Hungary*, each cooperation operation is expected to produce a number of local strategies or simplified strategies. However, it still needs to be seen if villages can cooperate at all if they can get involved.

3. Conclusions

Overall, social innovation is the main focus of Smart Villages in Member States, but specific criteria of 'smartness' still needs to be considered further. In most Member States it is still not fully clear what will be meant by smart village strategy. Approaches vary, from project level plans (Finland) to more complex 'concept' requirements (Poland).

In this sense, the Polish approach already set in the Common Agricultural Policy (CAP) is interesting. It defines four key components for the concept, which are very simplified strategies (see above). It is also interesting to learn about how Lithuania they measure the impact of such strategies (a key component



of the Smart Villages approach). It is evident that some further guidance is needed, or at least an exchange on how various countries are defining strategies, criteria and how they measure impact (indicators). In particular, we need to think about **how to guide Local Action Groups (LAGs)**, who are very often responsible for deciding on the concepts. They act as intermediaries, and we need to consider how to guide both the LAGs and the local municipalities. For instance, what the minimum elements of those strategies are. In this programming period, we see a wide variety because the definition was kept quite vague, allowing for experimentation. We should learn from these experiences.

The next face to face European Smart Villages Pilot Observatory meeting was presented, encouraging to invite other Managing Authorities to better explore the possible multi-funding approach to Smart Villages. The Managing Authorities were invited to consult the information available on different blocks of the Observatory, including National Taskforces and Knowledge Clusters of Communities.