



Smart Villages in CAP Strategic plan Poland

Factsheet

The Smart Rural 27 project (2nd Preparatory Action on Smart Rural Areas in the 21st Century, 2021-2 aims at improving the Smart Villages support framework at both the local (rural communities) and regional/ national (policymaking) contexts.



Smart Villages in the CAP Strategic plan Poland

SUMMARY OF FINDINGS

What are the basic SV components?



DEFINITION OF SMART VILLAGES

There is no strict Smart Villages (SV) definition but the following quotations describe what is the goal of SV in Poland. *"An additional instrument for inducing innovation is the implementation of the concepts of the smart village, which by their very nature are aimed at innovative solutions, including in the field of technology and digitization."* (PL CAP SP, p.1019) and *"A new instrument to be implemented as part of the intervention will be smart villages development projects aimed at using knowledge or innovation to find solutions in the areas of improving the quality of life, reducing depopulation, unfavorable demographic trends, increasing the quality of local services or security, respect for the local environment, insufficient number of jobs or digital exclusion, among others"* (PL CAP SP, p. 1204).

Is there a focus on digital innovation? According to the Polish CAP Strategic Plan (SP) *"An additional instrument for inducing innovation is the implementation of the concepts of smart villages, which by their very nature are aimed at innovative solutions, including in the field of technology and digitalisation"* (PL CAP SP, p.1019). This means that there is relatively strong focus on innovation, which might be but not necessarily linked to technology and digitalisation goals. It is important to highlight that innovation is understood in a very broad way not restricted to technological aspects.

Is rural area / village defined? *"Rural areas — as a rule, these are areas located outside the administrative boundaries of cities with some exceptions. In case of the 'Infrastructure in rural areas' intervention, rural areas will also include cities with a population of not more than 5,000, and in case of smart villages and LEADER intervention — cities with no more than 20,000 inhabitants."* (PL CAP SP, p. 407)

Is there a reference to smart village strategies? In the Polish context, an "SV concept document" is a simplified form of a smart village strategy. The CAP SP outlines what the SV concept should contain, emphasising that it is to be a simple and practical document with a limited diagnostic section. However, it is to include a list of potential projects to be implemented.

Smart Villages in the CAP Strategic plan - Poland

Dedicated Smart Villages interventions



Infrastructure in rural areas and the implementation of the concept of smart villages (10.10, INVEST)

Other relevant interventions



Leader/Local Community-Led Development (CLLD) (13.1, COOP)

Mostly contributes to...

SO4: Contribute to **climate change mitigation and adaptation**

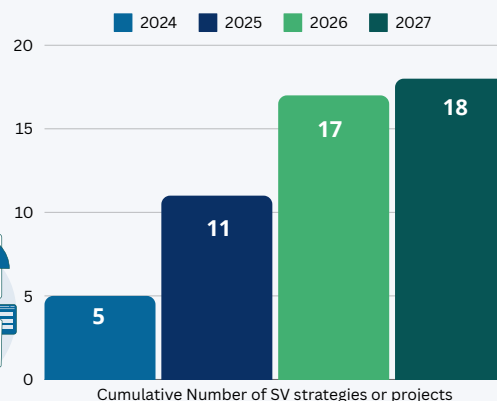
SO7: Attract and sustain **young farmers** and other **new farmers** and facilitate sustainable **business development** in rural areas

SO8: Promoting **employment, gender equality**

SO9: Improve the response of Union agriculture to societal demands on **food and health**



R.40: SV strategies - Target



Direct financing:



Total budget for **intervention 13.1:** €1 814 400
 €800 / SV concept preparation
 Up to €100.000 / SV concept implementation

Total budget for **intervention 10.10:** €36.000.000
 From €300.000 to €2.000.000 / SV concept

Other relevant programmes:

No other directly relevant programmes for Smart Villages have been identified.



Technical Support

No specific CAP Network support actions for Smart Villages have been identified in the CAP SP.



SMART VILLAGES IN THE CAP STRATEGIC PLAN

Strategic statement

The concept of Smart Villages is mentioned in the strategic declaration as one of the forms of support aiming at **strengthening the economic structure of rural areas**: *“The concept of smart villages, including the development of the bioeconomy, will be implemented. Investments will be made in technical infrastructure of a smaller scale.”* (PL CAP SP, p. 33) Smart Villages as a concept is mentioned in the part relating to supporting disadvantaged groups, but at the same time it is indicated that the Smart Villages concept can also include the development of bioeconomy.

Assessments of needs and intervention strategy

The concept of Smart Villages is directly mentioned in the description of 2 of the more than 80 needs in the CAP SP. These are needs under SO8: (1) **‘Stimulating local development through innovation, digitization and use of endogenous potential’** and (2) **‘Development of forms of cooperation in rural areas in the productive, service, social dimensions’**.

The first need points to SV as an innovative form of local management, which should be used to strengthen social potential with limited resources for investment. This is because SV provides opportunities to prepare tailor-made solutions, adapted to the local context and the needs and resources of the community. It also highlights the role of modern technologies as the answer to many challenges.

The second need links SV to the LEADER approach, pointing out, however, that SV is more area-based and thematically focused and places even more emphasis on the use of IT tools and innovation. This bottom-up form of cooperation allows to search for the most optimal solutions to improve the situation at the local level. In this context, special attention is paid to digitalisation, which can prevent depopulation by offering remote jobs.

Specific Objectives

SO4: Contribute to climate change mitigation and adaptation

The potential of SV for the development of bioeconomy and circular economy is indicated in need for ‘Development of sustainable energy also based on non-food uses of agricultural and forest biomass’.

SO7: Attract and sustain young farmers and other new farmers and facilitate sustainable business development in rural areas

The implementation of the concept of Smart Villages is mentioned in the need for 'Development of public services and technical infrastructure including Internet access'. SV which can lead to the development of a circular economy in small rural villages will enable, among other things, further transformation of farms towards resilient and environmentally friendly agricultural production.

SO8: Promote employment, growth, gender equality

SV concepts are addressed directly under 3 needs:

1. The need for 'Stimulating local development through innovation, digitalisation and endogenous potential' indicates the need to revitalise small towns and increase their competitive advantages. SV, in particular, will enable the use of the potential of the agricultural sector (production waste used for thermal energy production, use of new organisation of supply of food products to the local market, other use of waste and by-products of agricultural production e.g. production of ecological packaging) to build self-sufficient, better organised and well-networked rural communities.
2. The need for 'Development of forms of cooperation in rural areas in the productive, service, social dimension' mentions that SV - as one of the forms of cooperation at the local level - will contribute to greater integration of the community, including its members belonging to disadvantaged groups.
3. The need for 'Involvement of young people in local life, including decision-making, community networking' indicates that SV can be a way to reduce the exodus of young people by creating favourable conditions for living in rural areas and also include young people in local development management alongside LEADER.

SO9: Improve the response of Union agriculture to societal demands on food and health, including high quality, safe, and nutritious food produced in a sustainable way

The need for 'Raising awareness among market participants, including promotion of actions aimed at combating food waste and healthy diets' indicates that SV could cover building a biogas plant using waste from the agro-food industry.

Target plans

In the Polish CAP SP R.40: 'Number of supported smart village strategies' is programmed. **Projects under Smart village strategies will be supported** (not the whole strategies). The low target number indicates the **pilot character of support**. The plan is to grant **at least one strategy per voivodships** (the largest administrative territorial unit in Poland corresponding to province/ 16 voivodships). At the moment, this indicator does not include values which can appear after the selection of LAGs and design of LDSs.

Consistency of the Strategy and complementarities

In the Chapter on 'Consistency of Strategy and complementarities', Smart Villages is mentioned only once in Chapter 3.1.3: 'Explanation on how to achieve the greater overall contribution set out in Article 105'. It states that an important element of the **implementation of higher environmental ambitions** is also the intervention on 'Infrastructure in rural areas and the implementation of the concept of Smart Villages', which contributes to improving living and business conditions in the countryside. At the same time, it is expected that operations will be carried out concerning the construction of installations of renewable energy sources, retention reservoirs for the collection of rainwater and meltwater and passive construction, as well as individual wastewater treatment systems. Such indication is in line with the description of the implementation of the SV intervention, where **projects are expected to focus on passive construction and renewable energy sources**.

Elements common to several interventions ...including the CAP Network

No specific CAP Network support actions for Smart Villages have been identified in the CAP SP.

Smart Villages interventions

DEDICATED INTERVENTION

Infrastructure in rural areas and the implementation of the concept of smart villages (10.10, INVEST)

This intervention envisages the implementation of several SV concepts, or rather those elements of the concepts, where the beneficiary is a public entity and which fall within the preferred scope of this intervention, in particular investments in modern infrastructure, including infrastructure for adaptation to climate change and environmental protection (e.g. through the construction of renewable energy installations, retention reservoirs to collect rainwater and meltwater, and passive construction). This is a pilot form of support. It is envisaged that it will be linked to LEADER in such a way that **the SV concepts submitted under Intervention 10.10 need to meet the requirements of the LEADER intervention** concerning the content of the concept, even if they were not financed under LEADER. The point is to ensure a uniform standard for SV concepts. The goal is to support activities responding to the diagnosed needs of local communities and involving their local resources.

The only **beneficiaries** are public bodies, but it is necessary to present in the SV concept the other partners involved.

Eligibility criteria indicate that projects must be covered by concepts that meet the requirements for SV indicated in of the LEADER intervention although they do not have to be financed under the LDS. In addition, the concepts need to have elements which can be implemented by public bodies.

“Under this area, it is envisaged to implement selected elements of the concept of Smart Villages, covering infrastructure investments that in a bottom-up, comprehensive and innovative way will allow to solve a specific and important problem in a given area.

*As for the **selection criteria**, they are as follows:*

- a) the impact of the completed project on the development of the town;*
- b) applications of digital components;*
- c) identification of the further functioning of the project, including additional sources of funding;*
- d) the complexity and maturity of the proposed solutions;*
- e) innovation;*
- f) indication of the economic dimension of the project.” (PL CAP SP, p. 890)*

SV projects will be financed under separate scheme (called Area B) with the budget around €36 million. The **aid amount** granted for the implementation of one SV concept in Area B is minimum PLN 1.5 million (around €300.000) and maximum PLN 10 million (around €2 million). It is expected to finance at least 18 SV concepts. It maybe a higher number if the budget per one SV concept is lower than the maximum.

It is important to mention that due to the limitation concerning the type of beneficiary (only public bodies), the **projects will probably focus on public infrastructure for climate change adaptation and environmental protection**. In addition, it is underlined that projects should be innovative and exceptional. It is also required to have other partners involved in the project but so far, the details of this partnership are not specified.

OTHER RELEVANT INTERVENTIONS

LEADER/Local Development Community-led (CLLD) (13.1, COOP)

The main goal is to prepare the Smart Village concepts (i.e. simplified SV strategies). This is a continuation of the support that was introduced in the Rural Development Programme of 2014-2020 in the transitional period. It is also possible to support implementation of SV.

The CAP SP indicates that the Smart Village concept is tailored to the needs diagnosed in the Local Development Strategies (LDS), including support for operations implemented by beneficiaries within the framework of bottom-up concepts of smart villages, covering rural areas and aimed at developing **effective and non-standard solutions to local problems** through innovative approaches.

“These solutions should:

a) include the use of digital and telecommunications technologies or better use of knowledge, b) demonstrate a benefit to the local community, including in terms of improving the quality of life, increasing the quality of local services or security, respect for the environment and climate, problems of underinvestment, aging population, depopulation, insufficient jobs, digital exclusion.” (PL CAP SP, p. 1019).

There are two kinds of **beneficiaries** of support. Under the preparation of SV concepts, LAG is a beneficiary who offer grants under umbrella projects to entities eager to work on SV concepts. Under the *implementation* of projects covered by SV concepts there is a wide range of beneficiaries (natural and legal persons, non-governmental organisations, public sector entities, micro and small enterprises, organisational units without legal capacity).

“Eligibility conditions for SV concepts concern its content and are the following:

a) a description of the process of developing the concept in partnership; b) a simplified SWOT analysis; c) a plan for involving the community in the subsequent implementation of the concept; d) a list of projects that will make up the implementation taking into account the digital or environmental or climate component.” (PL CAP SP, p. 1016).

LAGs can add other eligibility criteria and are responsible for defining the selection criteria.

The preparation of SV concepts is financed under umbrella projects managed by the LAGs. It is also possible to implement projects covered by the concept under dedicated calls or under general calls but with preference (additional points) for projects that are covered by these concepts. LAGs define both eligibility and selection criteria for these calls, however the projects must fit into at least 1 of the 8 LEADER objectives indicated in the CAP SP:

1. Development of entrepreneurship
2. Development of non-agricultural functions of agricultural holdings
3. Development of cooperation in short food chains
4. Improvement of access to services for local communities
5. Preparing the concept of smart village
6. Improvement of access to small public infrastructure
7. Raising civic awareness about the importance of sustainable agriculture, agri-food economy, green economy, bioeconomy and protection of the cultural and natural heritage of the Polish countryside as well as strengthening education programmes of leaders of public and social life
8. Social inclusion of disadvantaged people.

For the **funding of the preparation of SV concepts** any entity can receive a grant of PLN 4,000 (around €800). This is in the form of standard unit cost support and therefore, does not require invoice settlement. The plan indicates explicitly what elements such a concept should ultimately contain to be eligible. Support for the implementation of projects under SV concepts is up to PLN 500.000 (around €100.000) depending on the decision of the LAG. Projects listed in SV concepts can be also implemented under this Intervention. These will be projects supported in form of reimbursement of costs.

At the moment, due to the fact that the CAP SP does not list all the indicators that could potentially be implemented under the LDS framework, it is not yet possible to determine what will be the scale of SV implementation under the LEADER approach. This information should emerge only after the selection of the LDSs.

Umbrella projects for SV preparation will be the sum of the grants awarded based on unit costs. Unit cost for SV preparation was determined on the basis of an analysis of the costs of preparing town renewal plans financed under Measure 313: 'Renewal and Rural Development' of the 2007-2013 RDP, adjusted by the rate of inflation.

Support for SV projects implementation will be in the form of reimbursement of eligible costs.

The intensity of support will be:

- up to 50 % of the eligible costs for operations involving productive investments,
- up to 100 % of the eligible costs of other operations,
- up to 75 % of the eligible costs for public entities, of which the aid financed by the EAFRD is up to 55 % of the eligible costs and the remaining 20 % of the eligible costs from the State budget.

Modernisation: AKIS and digitalisation

Smart Villages is mentioned in the planned organisational set-up of the improved AKIS as *"a new instrument to be implemented as part of the intervention will be smart villages development projects aimed at using knowledge or innovation to find solutions in the areas of improving the quality of life, reducing depopulation, unfavourable demographic trends, increasing the quality of local services or security, respect for the local environment, insufficient number of jobs or digital exclusion"* (PL CAP SP, p. 1206).

Smart Villages in other EU funds and programmes

No other dedicated programmes / initiatives identified in support of Smart Villages.

Ex-ante Evaluation

In the Ex-ante recommendations there was the suggestion to expand the thematic scope of SV projects, which would not be a closed catalogue, and include, in addition to the indicated investments in infrastructure for climate change adaptation and environmental protection, activities responding to the diagnosed needs of local communities and involving local resources. Among others, in the areas of public services (e.g., energy, security, education, transport, care and health), public management (e.g. e-government, waste management, spatial planning) and entrepreneurship (e.g., organisation of food markets and supplies, rural tourism, precision agriculture). The evaluators also suggested to add an additional eligibility condition relating to the need for beneficiaries to undertake cooperation with social and economic actors in the implementation of operations.

The recommendations have been partially addressed in the amended CAP SP. It was added that problems to be solved by SV concepts can be related to improving the quality of life of the population, reducing adverse demographic trends, improving the quality of public services, respecting the natural environment, increasing employment and digital inclusion. It was also highlighted that activities supported should respond to the diagnosed needs of local communities and involving their local resources.

*The overall analysis and the references are based on the original **Polish CAP SP version 1.1 approved on 31/08/2022**. The Factsheet is produced under Contract No AGRI-2020-0332 with the Union and the opinions expressed are those of the contractor only and do not represent the contracting authority's official position.*