



Smart Villages Implementation Policy Lighthouse Example Austria

Factsheet

2024

The Smart Rural 27 project (2nd Preparatory Action on Smart Rural Areas in the 21st Century, 2021-24) aims at improving the Smart Villages support framework at both the local (rural communities) and regional/ national (policymaking) contexts.

Smart Villages Implementation

Policy Lighthouse Example - Austria

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1. Context & history of Smart Villages development in Austria

How the Smart Villages concept “historically evolved” in Austria?

Smart Villages as a term, was initially developed in the context of the Interreg Alpine Space programme (2014-2020). It supported the setting up of smart region projects (Austrian Partner Tyrol/Pitztal). The “Smart Villages” **Interreg Alpine Space** project aimed to prepare cities and municipalities in rural areas to recognise the opportunities of digitisation and to use them to their advantage.

Since the start of the EU Action for Smart Villages (2017), an expert of the Austrian managing authority (MA) has regularly participated in the working group meetings and has also been involved in the definition of the Smart Village concept at the EU level. This expert was part of the unit in the MA responsible for non-agricultural measures in the rural development/ CAP context, **so this involvement on EU level led to early considerations how to interlink Smart Villages with other programmes and funds.** The outcome was a strategic focus on LEADER and related interventions in the ownership of the CAP MA.

When did planning start and how?

In 2019/2020 the Federal Ministry of Agriculture, Forestry, Regions and Water Management (managing authority for the CAP Strategic Plan) started to work on Smart Villages as a new part in the Austrian CAP Strategic Plan 2023-2027 from the very beginning of the whole CAP planning process. Already during the SWOT phase, Smart Villages was taken into consideration .

Since Austria already **had a long tradition of participatory development on different levels**, the managing authority¹ considered the added value of Smart Villages primarily in the combination of digitalisation and development processes at local level. These aspects were seen as complementary to LEADER (especially the LEADER methodology), which at that time already covered most of the rural territory of Austria.

This view was further reinforced by observing the development process of Stanz as the pilot Smart Village in Austria. **It was soon recognised, that this combination of digitalisation, social innovation and local development can release positive dynamic.**

While the MA took part in the ENRD thematic working group and other activities, a team member of the National Rural Network also acted as a national expert for Smart Villages. So there was a close communication connection between the Smart Rural 21 project and the managing authority.

¹ https://info.bml.gv.at/dam/jcr:936774ea-78ed-4a9f-858b-344293e64480/Anhang%20II_SWOT-Analyse.pdf

Fortunately, all the information provided at that point in time by the ENRD working group on Smart Villages, the international developments around the Smart Rural 21 project, the Austrian pilot smart village, and the activities carried out by the Austrian National Rural Network (NRN) could be successfully integrated thanks to enough (personal) resources and attention of the managing authority.

Last but not least the definition of the R.40 indicator increased the efforts to identify suitable CAP interventions to implement Smart Village actions.

These activities **helped identify the added value in the context of existing rural/local development initiatives and approaches**. The good examples that already existed at this point in time (like Stanz) increased confidence in the concept. Additionally, COVID was a push for the digitalisation agenda (such as remote working, co-working).

Not only the activities but also **the structure within the MA - one single unit that is mainly responsible for all non-agricultural interventions like LEADER, rural innovation systems, etc.** - was a positive prerequisite to integrate Smart Villages in the CAP Strategic Plan. It made it easier to cross-cut Smart Villages with different interventions.

Preparatory activities for the CAP Strategic Plans

In May 2020 the Austrian National Rural Network launched a first major event for a broader public trying to provide access to the Smart Village concept and existing good practices that were somehow connected either to the term or to the key characteristics of the Smart Villages concept. Due to the first COVID pandemic this event was reorganised as an online webinar combined with a workshop. There was a huge interest and nearly 150 people participated virtually.

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For the preparation of the CAP Strategic Plan, **the managing authority implemented thematic working groups**. The thematic **sub working group on “local development”** (in the framework of non-agricultural interventions) invited the Smart Rural 21 national expert to present the Smart Villages approach.

Additionally during the programming process **several thematic dialogues (“Fachdialoge”) were organised**. One of them³ dealt with the future of local and regional development post COVID and was organized (virtually) in June 2020. The managing authority also presented the state of play concerning Smart Villages in the CAP.

² <https://www.zukunftstraumland.at/aktuell/387>

³ <https://www.zukunftstraumland.at/veranstaltungen/9641>

The managing authority together with the Austrian Research Promotion Agency ((Österreichische Forschungsförderungsgesellschaft, FFG) launched an **initiative called „Regional. Digital. Innovativ.“**. This was a pilot initiative to show and prove the potential of digitalisation for rural and regional development. As a first step LEADER LAGs and regional managements were interviewed about their main needs connected to digitalisation (especially in the context of the Covid crisis). This unveiled **three main topics**: strengthening of regional innovation capacity, public transport/accessibility and regional value added/regional economy. This was followed by a so-called “challenge”, and resulted in three innovative projects that were supported by the ministry. The positive results additionally **convinced the MA that there is a need for an initiative that strengthens digitalisation on local level.**

2. Provisions of the CAP Strategic Plan on Smart Villages

The Austrian CAP SP contains four interventions that support the R.40 indicator:

- LEADER (77-05, COOP)
- Supporting village and city centers - investments to revitalise and refurbish or rebuild empty, misused or underused buildings or public areas (73-10, INVEST)
- Vacancy reactivation through awareness raising & consulting, development concepts & management for town and village center strengthening (77-04, COOP)
- Rural innovation systems under the European Innovation Partnership (77-03, COOP)

All four interventions demand a strategic basis in the form of a Smart Village strategy.

- **Intervention 77-05 – LEADER:** The Smart Village concept is basically implemented via LEADER/CLLD. **The Local Action Groups (LAGs) can use the Smart Village concept and implement it preferably via umbrella projects.** A labelling of Smart Village projects is necessary. Thematically, all 4 fields of action can be addressed (economic competitiveness, cultural and natural heritage, common goods/social services, climate change adaptation/ mitigation). The key aspect of Smart Village implementation in LEADER is the **integrated handling of local challenges through new and innovative solutions.** In particular, the use of technologies in the sense of digitalisation is defined as smart. Consideration should also be given to other features of Smart Village such as participation and cooperation and strategic approach.

- **Intervention 77-04:** The goal is to **revitalise local and urban centers by attracting and reactivating vacancies**. The conditions are created through **cross-municipal, regional and smart site management** as well as an increase in problem-awareness and problem-solving skills of the actors involved. In order to achieve this goal, someone is required to actively promote local vacancy and usage management across communities. A prerequisite for the establishment of a utilisation and vacancy management is the creation of a participatory integrated **urban development concept, which is to be considered as a smart village strategy**.
- **Intervention 73-10** is an investment type measure with a similar thematic focus as 77-04. The goal is to **revitalise local and urban cores by attracting and reactivating vacancies**. In line with Specific Objective 8 of the CAP Strategic Plan, a contribution will be made to the strengthening of local development, local economic development and thus employment. By improving local development, in particular the accessibility of services of general interest, the inclusion of people with reduced mobility will also be strengthened. A prerequisite for investment projects (for the revitalisation and refurbishment or refurbishment of vacant, misused or underused buildings or public areas) is the **creation of a participatory (so-called) integrated urban development concept, which is to be considered as a smart village strategy**.
- **Intervention 77-03:** Rural innovation systems provide a two-fold funding scheme. **Rural Innovation Support Networks (LINs):** The regionally anchored, multifunctional innovation network brings together the actors in novel cooperations in the region and supports the preparation and implementation of innovative projects through the development and/or establishment of **regional innovation support networks** and their qualitative support. This will strengthen the innovative capacity of actors in the regions. **Rural Innovation Partnerships (LIPs):** Following the example of the European Innovation Partnership, the Rural Innovation **Partnership will be implemented on the basis of the interactive innovation model and the multi-actor approach**. The regional challenges and the future issues and trends relevant to the region need to be addressed even better across sectors or sectors in the cooperation of different actors in the region along (new and existing) innovation and value chains. This also aims to strengthen the interaction between the agricultural sector and the non-agricultural sector. Furthermore, they can have cross-regional character.

The R40 (Number of smart village strategies) indicator and target values

All four above mentioned interventions contribute to the R.40 indicator (LEADER is not included) as follows:

- 2023: 0
- 2024: 5 (5)
- 2025: 13 (18)
- 2026: 16 (34)
- 2027: 12 (46)
- 2028: 5 (49)
- 2029: 3 (54)

A [detailed factsheet on the CAP Strategic Plan in Austria](#) has been developed and published on the Smart Rural 27 website⁴.

3. State-of-play of the implementation of CAP interventions

In general it needs to be said that Austria is still in an early stage of the CAP SP implementation.

LEADER LAGs were approved in June 2023. 82 of 83 LAGs included plans how to work with the Smart Village concept in their Local Development Strategies (LDS). Currently approximately **7 projects that have been submitted for LEADER funding can be categorised as Smart Village projects**. A first more solid indication about numbers and topics of projects are expected in mid 2025 with the delivery of the first set of monitoring indicators.

Intervention 77-03: 4 rural innovation networks (LINs) are approved. They are considered as Smart Villages since they have to provide a strategy following Smart Village criteria from the very beginning. **3 further initiatives are on their way** towards a rural innovation network and they entitled themselves “smart valleys” since they are cooperations of a few municipalities (but also local, not regional scale).

In intervention 77-03 (rural innovation systems): 20 applications were received (first cut-off date in September 2023). Next cut-off dates are April 2024 and September 2024. 77-03 LIN: Cooperations of regional actors representing local economy (rural businesses, rural development organisations) are the main beneficiaries.

⁴ https://www.smartrural27.eu/wp-content/uploads/2024/05/AT_SR27-CSP-Factsheet-1.pdf

The **projects to date mainly focus on local economy**. Thematic areas include bioeconomy, circular economy, social innovation and startups.

As far as technical support is concerned, **national CAP Network is responsible for providing individual funding advice to funding applicants for funding measure 77-03** ('Rural innovation systems within the framework of the European Innovation Partnership') from the initial idea through to feedback on the drafts of specific funding applications. **As an innovation broker**, the CAP network also provides support in the search for potential partners for a project and connects different stakeholders in line with the interactive open innovation model. Additionally, there is further support of the Managing Authority.

The setting up of a **Smart Rural 27 Taskforce** was helpful for getting other federal actors on board and generate interest in the Smart Village approach. In the CAP implementation phase the taskforce was a valuable sounding board; the common process and project impulses from EU-level (e.g. via the presentation of Smart Rural 27 core team experts during a taskforce meeting) were helpful to get a common picture amongst taskforce members.

Eligibility and selection criteria

All interventions that contribute to R.40 require an integrated strategy that shows Smart Village characteristics. This is defined in the selection criteria are publicly available: [Selection procedure and selection criteria for project measures of the CAP Strategic Plan in Austria 2023-2027](#)⁵. For LEADER the specific criteria are defined in the [Smart Villages Factsheet for LAGs](#)⁶. Basic requirement for Smart Village initiatives is a smart village strategy.

Depending on the intervention **this can be a distinct part of a LEADER LDS**, the Innovation Network approach, an ISEC (integrated urban development concept) or similar. The applicants also **need to describe innovation and participatory approach** – these are based on the selection criteria. Concerning the spatial extent, it is clear, that Smart Village is more local **than a LEADER area**. But since 77-03 (rural innovation systems) and 77-04 are cooperation measures **the area might cover more than just one municipality**.

⁵ https://www.ama.at/getattachment/cdb73e51-8734-40a6-887d-d3465693994f/Auswahlkriterien-Projektmassnahmen-GSP_Version-2-0.pdf

⁶ <https://www.zukunftsraumland.at/download/2702?v=1633939943>

In general Smart Villages is implemented with a strong focus on strategies. This means that **smart village strategies often are a necessary basis for funding implementation activities**. In the intervention of rural innovation systems for example there is the option to apply for an idea/ development process prior to LIN and LIP. This generally leads to a smart village strategy as a result. In LEADER, a clear differentiation between smart village strategies and projects has to be made in the upcoming process.

A first analysis of the uptake of Smart Villages in the 83 LEADER LDS can be found online:

<https://www.smartrural27.eu/wp-content/uploads/2024/03/LDS-Analysis-4.pdf>

4. Main lessons learnt & recommendations

Providing the opportunity to use four really different interventions to implement Smart Villages has been challenging. Therefore the integration of Smart Villages into administrative processes is not yet completed. The Smart Village approach is taken very seriously, so **a lot of work needs to be done to sharpen** the framework so that the features are clearer and more likely.

The main challenge is to elaborate specific Smart Villages approaches in different interventions: *“to get Smart Villages characteristics into the DNA of the interventions”* (Rita Trattnigg, MA)

Better understanding how to generate **synergies between LEADER and Smart Villages** is still needed so that Smart Villages is understood as an opportunity to reinvolve people on a **more local level**.

Digitalisation and new technologies are tackled with a special initiative in fall 2024 (see results of [fourth taskforce meeting](#) for details)⁷.

Implementing and monitoring the four Smart Village interventions is an important next step that the Austrian authorities will take.

⁷ https://www.ama.at/getattachment/cdb73e51-8734-40a6-887d-d3465693994f/Auswahlkriterien-Projektmassnahmen-GSP_Version-2-0.pdf