

The Commission's proposal for the MFF: Perspectives regarding the final framework and implications for Local Development?

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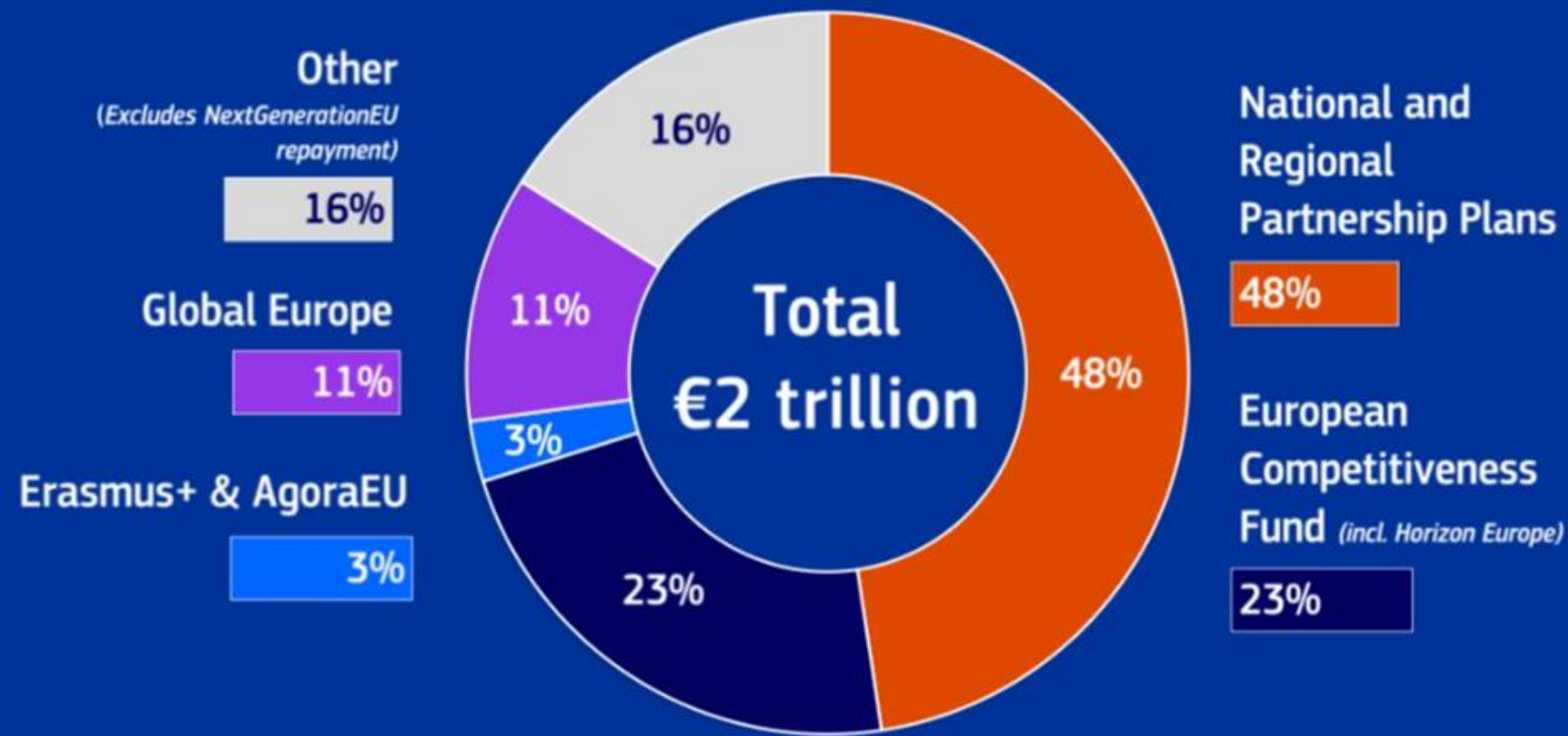
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“A new architecture of EU policies and funds post-2027– Part 3”

4 December 2025

AN AMBITIOUS BUDGET FOR A STRONGER EUROPE 2028-2034

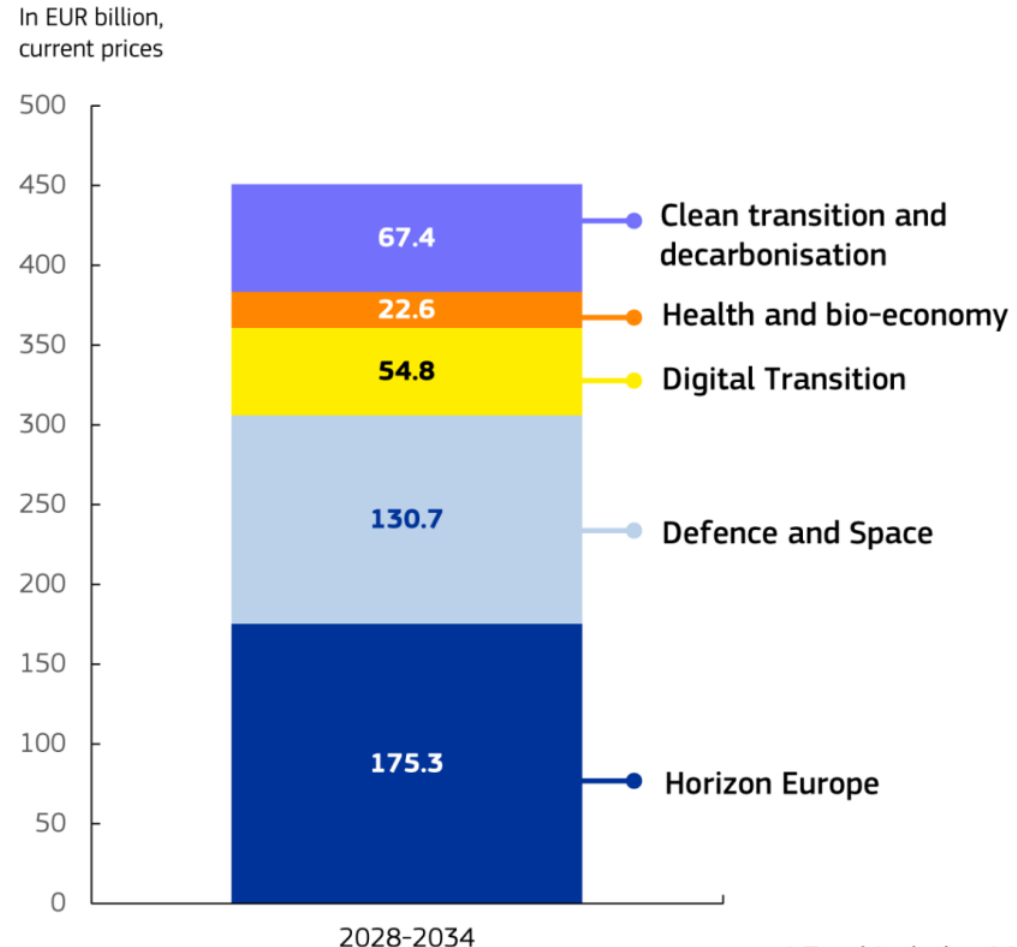


- ▶ From 52 to 16 programmes
- ▶ Simpler for beneficiaries
- ▶ Results oriented
- ▶ More agile

European Competitiveness Fund

- ▶ Half of EU budget directly managed by EC
- ▶ Bigger Flexibility to respond to Crisis: “VDL Slush fund” (currently, only 4%)
- ▶ Integration of existing funds into 1 framework
- ▶ Horizon Europe “nominally” independent
- ▶ Limited scrutiny by MEPs- Council (Budgetary Authority)
- ▶ EU Taxes & Debt

European Competitiveness Fund*
(including Horizon Europe)

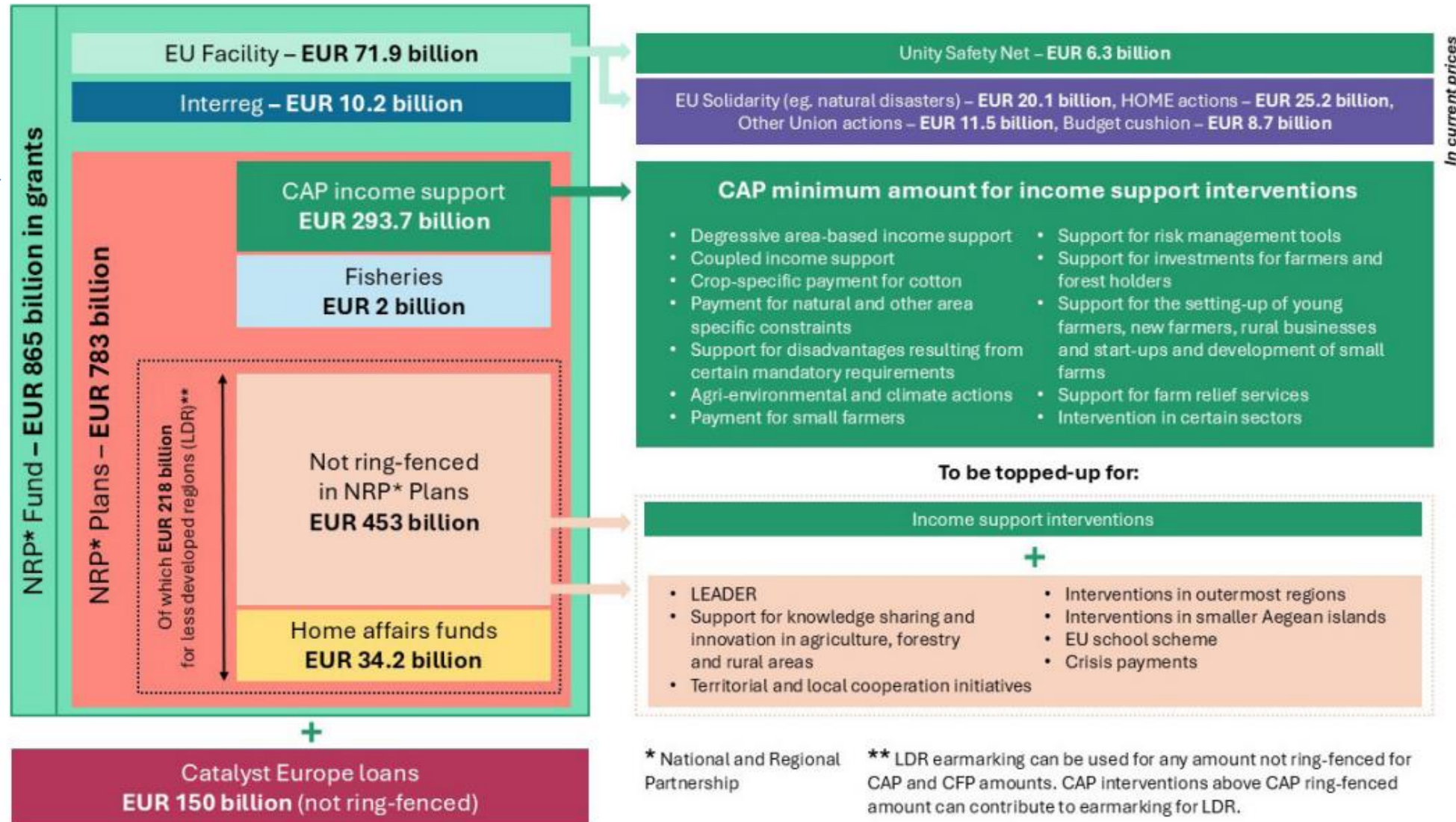


* Total includes 11 bn for the InvestEU instrument

The new CAP 2028-2034

- ▶ Radical restructuring of EU policies
- ▶ One Plan per Member State
- ▶ CAP Budget (Pillar I farm support) earmark
- ▶ New performance framework (output, milestone based)
- ▶ LEADER is optional
- ▶ Very general rules

Figure: The CAP within the National and Regional Partnership Fund 2028-2034

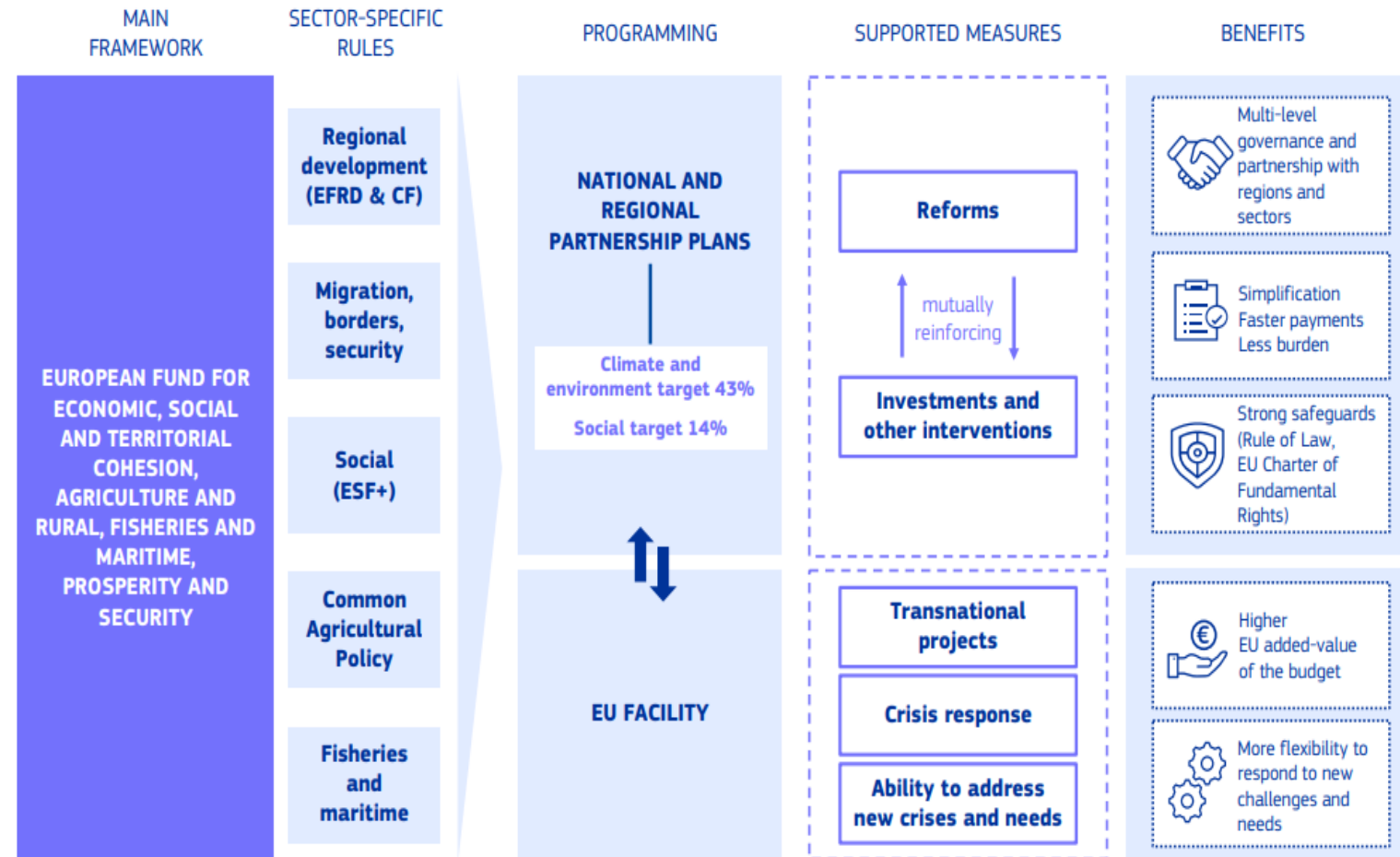


National (and Regional) Partnership Plans

- ▶ **PROVINCES** (NUTS3) as basis for NRPP funding allocation!!!
- ▶ Follows template COVID Recovery and Resilience Facility
- ▶ “Performative” Partnership, Right to Stay
- ▶ Structural Reforms
- ▶ Centralised by default
- ▶ Avoid silos between funds supporting Local Dev.
- ▶ Same figures per MS as in 2027 (2018 costs)
- ▶ Rural Development, LEADER, Urban funds available but are optional by Member States



ONE COHERENT STRATEGY



Latest Developments

- ▶ MEP, CoR, EESC, Stakeholder opposition ↔ Council quite OK
- ▶ Commission letter suggest changes in proposal:
 - ▶ 10% Rural earmark
 - ▶ Partnership principle Check
 - ▶ Regional Chapters safeguards
 - ▶ Direct dialogue with Regions
- ▶ Council 1st Negotiating Box
- ▶ EP, CoR, EESC start formulating positions.

LEADER, CLLD and Smart Villages

- ▶ CLLD/LEADER set in NRRP Regulation & New CAP Regulation
No earmarking nor in LEADER nor in CLLD
- ▶ Presently Rural **€70,2bn**: €45.6bn Cohesion & **€24.6** billion in CAP (vs. 8% ERDF Sustainable Urban Development €18.08bn)
- ▶ 10% Rural NRPP = EAFRD (€86bn)
- ▶ Smart villages marginally mentioned and left to the discretion of Member States; result indicator 40 removed.

LEADER	2028-34 (Proposal)
Budget	No min allocation but mandatory support ' <i>at least in rural areas with disadvantages defined by the MS in the NRP Plans</i> ' (Article 18, CAP Regulation COM(2025)560)
Beneficiaries	More focus on farmers and actors not managing/ participating to measures in the NRPPs under the CAP regulation (change in direct beneficiaries' definition)
Activities	Some LAGs fundamental tasks removed : ability to launch calls, select projects, and set support levels.
Simplification- Simplified Cost Options	SCOs Mandatory by default for a wide range of operations below specific thresholds (Article 35(1) interventions, unless state aid), e.g. mandatory use of SCOs for the costs of operation of LEADER LAGs (Article 77(a) of NRPP Reg COM(2025)565).
Simplification – Finance not Linked to Costs	Explicitly established as a primary option for public support not exceeding 400.000€ (Article 78 of COM(2025)565). Focus on results/outputs.

Source: Proposal for the future CAP and Proposal for the Fund. MFF 2028-2034. AEIDL.

Among the regions concerned, particular attention shall be paid to rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps such as the northernmost regions with very low population density and island, cross-border and mountain regions.

01	Urban areas
02	Rural areas
03	Areas affected by industrial transition
04	Islands and coastal areas
05	Other types of territories targeted
06	Sparsely populated areas
07	No territorial targeting
01	Outermost regions
02	Small Aegean Islands
03	Eastern border region
04	Northern sparsely populated areas

g) The specific needs and challenges of **rural areas**, especially those suffering from **structural problems** such as a **lack of attractive employment opportunities, skill shortages, underinvestment in broadband and connectivity**, digital and other infrastructures and **essential services**, as well as **youth drain** by strengthening the socio-economic fabric in those areas, in particular though **job creation**, support for young people and generational renewal;

Multisector support	Integrated territorial tools	335	Community-led local development/LEADER and other integrated territorial tools	0%	40%	0%	0%	-Number of preparator projects; -Number of implement projects; -Number of implement strategies; -Number of funding agreements; -Number of cooperation projects; -Number of local action groups supported;
Social	Social inclusion	477	Social integration including access to quality services of third-country nationals	0%	0%	0%	100%	-Number of participant gender, by labour market status, by age, by education level and by type of support (language course, civic orientation course, personalised professional guidance, others); -Number of local and regional authorities supported to implement integration measures;

New EU Agenda for Cities

1. Streamlined Support Mechanism

- EU Cities Portal (current MFF): Single entry point for policies, funds, tools, data.
- EU Cities Platform (next MFF): Integrated support for planning, capacity building, finance, and peer learning. Forecast up to 20bn 2028-2034

2. Funding & Investment

- Operationalisation fund to incentivise EU priorities.
- Leverage private sector via PPPs and innovative financing.
- Flexible financing through Climate City Contracts & “proof-of-quality” seals.

3. Governance & Engagement

- Twice-yearly Implementation Dialogues (political & operational).
- Urban expert group for legislative input.
- Regular State of European Cities Report.

4. Data & Knowledge

- Consolidated urban data and common indicators.
- Peer learning and cooperation opportunities.

5. Direct Support

- Innovative projects aligned with European Urban Initiative.
- Joint procurement systems for key assets (e.g., clean buses).

Making Right to Stay a reality

- Not a right, but a goal: EU law and funds can only provide enabling conditions
- New definition of demographically declining area in post 2027 Structural Funds
- National Single Plans + Structural Reforms + Activist Internal Market & Competition
- Blending of Single Plans (Nat & Regional) with re-population & shrinking strategies
- Mandatory catalogue of essential services per MS (15' – 30' – 60')
- Functional Area approaches mandatory in delivering NSP
- Integration of existing datasets into single platform & drafting NSP and Rural Proofing

Amending the draft MFF Regulations

- ▶ Integrate DEGURBA classification, define functional areas
- ▶ Specific provisions for Northern Sparsely Populated Areas, Demographically Declining areas (9th Cohesion Report Definition)
- ▶ Earmark 10% NRPP for Local Development (urban and rural)
- ▶ Competence-based regional check.
- ▶ New European Code of Conduct on Partnership
- ▶ NRPP programming at NUTS3 level.
- ▶ Performance Framework to move from output & quantity to outcome based & quality indicators: Move from supply to demand indicators, demand, affordability, satisfaction and accessibility, gender (e.g. essential services).

Thank you!

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