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A new architecture of EU policies and funds post-2027 – what place for local development?

LDnet debate on how the next MFF can evolve in 2026

22 January 2026



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A new architecture of EU policies and funds post-2027 – what place for local development?

LDnet debate on how the next MFF can evolve in 2026 (22 January 2026)

Introduction

Serafin Pazos-Vidal, Urszula Budzich-Tabor



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Reminder: what has happened so far:

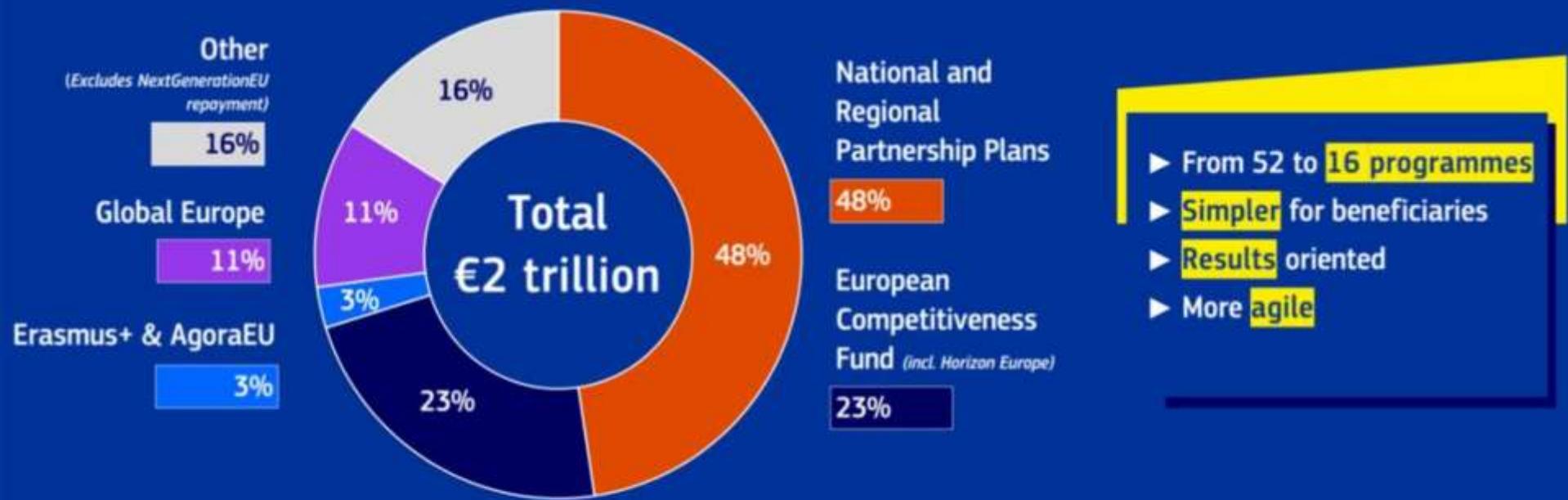
A new architecture of EU policies and funds post-2027 – what place for local development?

- 19 February 2025 – initial exploration of potential changes in EU policies and the future of territorial instruments
- 28 May 2025 – overview of the positions of key local stakeholders

16 July 2025 – European Commission publishes its proposal for the Multiannual Financial Framework 2028-2034

- 4 December 2025 – discussion how the proposals might evolve

AN AMBITIOUS BUDGET FOR A STRONGER EUROPE 2028-2034





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Key concerns about the EC proposals:

- Centralisation of decision-making at national level – risk of losing the regional and local dimension
- Too much flexibility at MS level – can increase inequalities
- Needs of certain types of territories (especially rural) not explicitly safeguarded – competition from stronger players (farmers, urban interests...)
- EU area-based tools (LEADER/CLLD, Smart Villages...) not prioritised in spite of recognised success



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The “10% for Rural” is EAFRD under a new name

- January MFF Letter for VDL makes it clear that this is in response to Mercosur farm concerns
- VDL suggests €67bn as opposed to EAFRD's €87bn (95% of EAFRD is for farm-related investments)
- Letter to EP and Council does not explicitly link 10% for rural to right to stay, LEADER, beyond agriculture rural development
- Neither the Regulations nor the Performance Framework define what is rural, despite the EU legally binding definition (TERCET): thus giving MS all leeway to report investments in “rural”
- *The ‘rural target’ expressed as a minimum percentage 10% of the NRP Plans’ envelope outside of the earmarked amounts for the CAP and CFP shall be destined to ‘to improve the attractiveness and living standards, including access to healthcare, in rural areas’ and to ‘foster the attractiveness of territories to support the right to stay including by supporting strategies for the integrated development of urban and rural areas, including support for territorial services and infrastructure’ in areas designated as rural under the TERCET – DEGURBA classification of Regulation (EU) 2017/2391 and reported as such in the [Performance Tracking Regulation];*



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Forget 10% for Rural , focus on 10% for Local

- The amount of EU funds earmarked for Territorial (urban and rural) development (earmarks of both 8% of ERDF and CAP) presently amounts to €88.28 billion in 2021-2027
- Member States frontally opposed to revive uniform EU-wide urban (ERDF) and rural earmarks (LEADER), but MS might be amenable of a wider earmark they can more flexibility adapt.
- 10% of NRPP is slightly less than what Cohesion Funds including EAFRD have spent in 2021-2027
- This 10% for local can also double count for the 10% for rural
- *At least 10% of NRP Plan national allocations shall be earmarked for territorial development (urban and rural) in areas specifically defined as such by Regulation (EU) 2017/2391), maintaining flexibility while ensuring continuity with current cohesion and rural development spending. Investments in rural areas shall also count towards the 10% rural earmark for rural in NRP Plans;*



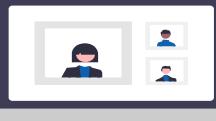
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The “Regional Check” is non-enforceable as it stands

- The European Commission runs the risk of endorsing a domestic centralisation of powers using EU funds as the excuse, but extending it to purely domestic policy areas (RRF is precedent)
- This would run against the Treaty articles of Conferral, Subsidiarity AND respect of the constitutional identity of Member States, including local and regional autonomy
- Regional Check is a belated but welcome addition, but requires clearly and legally defined tests for it to be enforceable, to give leverage to the EC to block any national government using NRPP as a centralising devise for political reasons.
- *The European Commission, following its mandate to enforce Article 4(2) and 5(1) of the Treaty of the European Union as its role in implementing the EU budget from Article 317 TFEU, shall not accept a draft NRP Plan where the regional chapters and territorial investments are not entrusted to the local and regional authorities that have the legal competences the domestic constitutional framework, unless there has been an explicit conferral from these authorities to a national or other authority for the specific purpose of NRP Plan;*



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Questions for discussion:

- What are the opportunities and challenges for local communities of the MFF proposals published in July?
- What are the key points around which the policy debate should focus in 2026, and what specific changes should be advocated from a local perspective?
- Who can be potential allies of local development stakeholders in this debate?