

EU Performance Framework: Implications for Rural Areas

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GRANULAR

GRANULAR KTA Bootcamp
Performance indicators in the new MFF:
What do they mean for the
future of rural areas?
19 March 2026



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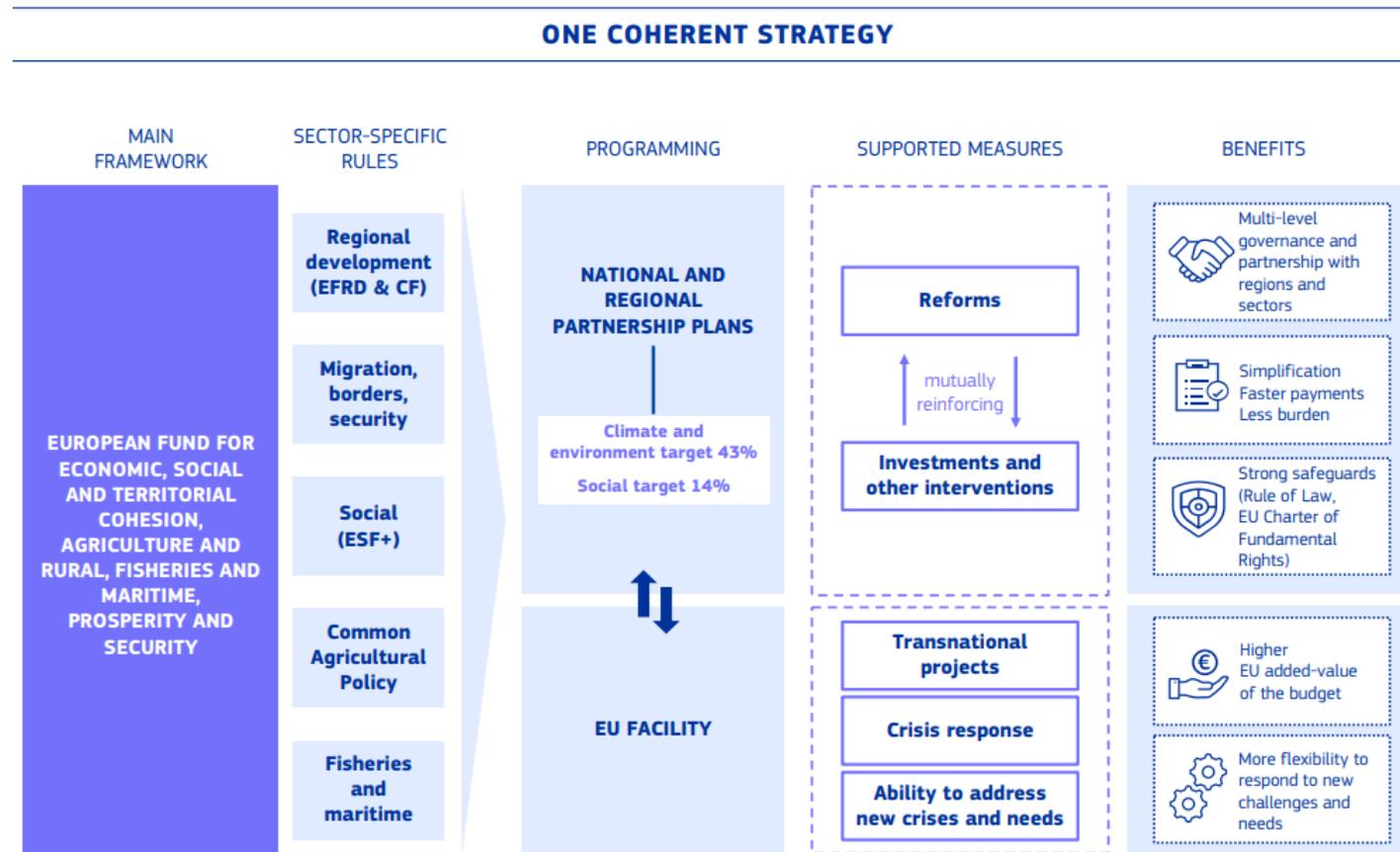


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National and Regional Partnership Plans (NRPPs) 2028-2034

- ▶ Follows template COVID Recovery and Resilience Facility
- ▶ “Performative” Partnership, Right to Stay
- ▶ Structural Reforms
- ▶ Centralised by default
- ▶ Same figures per MS as in 2027 (2018 costs)
- ▶ Integration within CAP and Cohesion Funds into a Single Plan (NRPP)
- ▶ NRPPs could translate EU-wide priorities into region-specific strategies, adapting interventions to local contexts
- ▶ *Enable multi-fund synergies , functional area approaches*





Brussels, 16.7.2025
COM(2025) 545 final

ANNEX 1

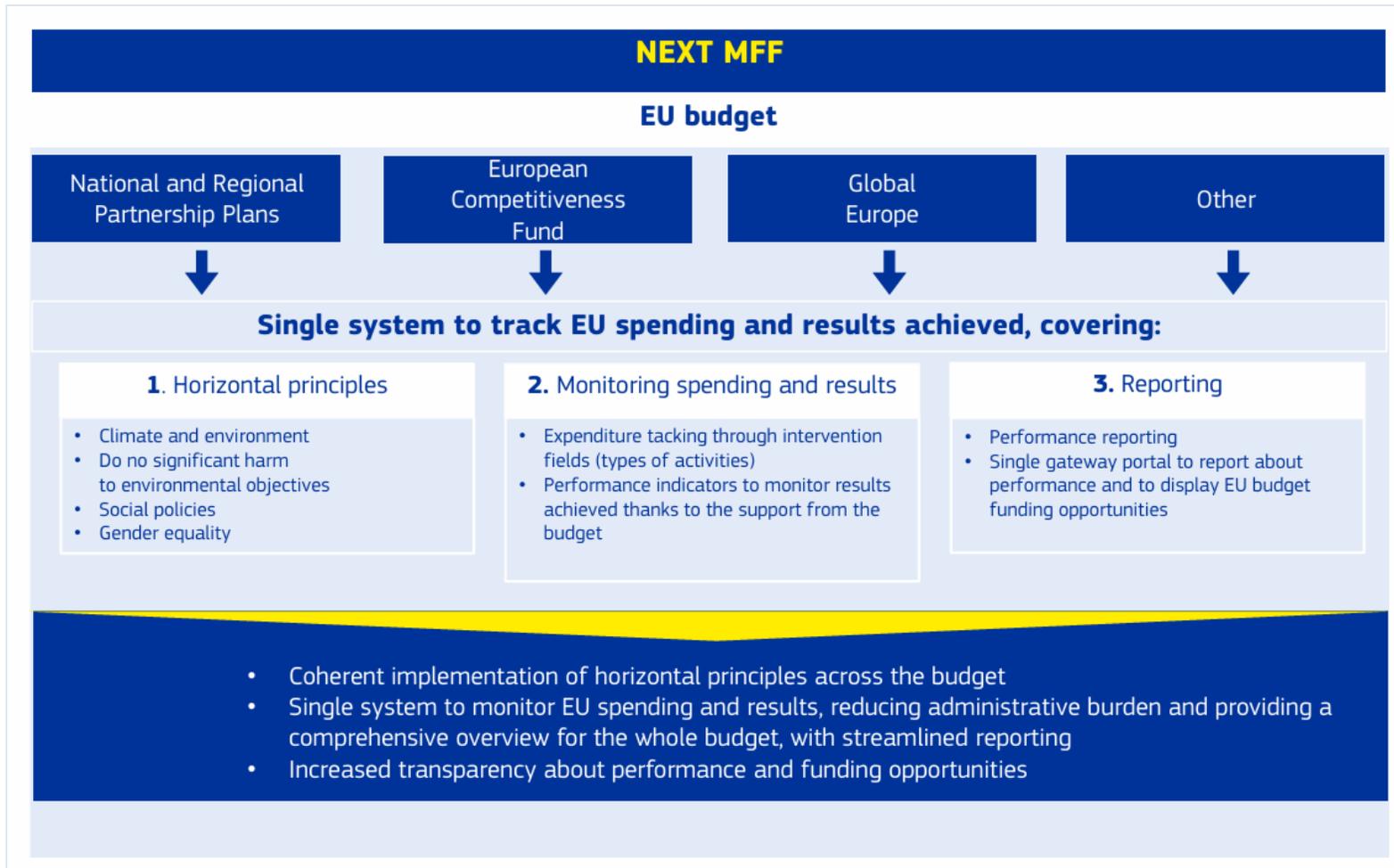
ANNEX

to the Proposal for a

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
establishing a budget expenditure tracking and performance framework and other
horizontal rules for the Union programmes and activities**

{SEC(2025) 590 final} - {SWD(2025) 590 final} - {SWD(2025) 591 final}

New EU Performance Regulation



- ▶ The 2028–2034 EU budget’s single performance framework.
- ▶ Monitors how the budget is spent and what results it achieves, based on simpler rules.
- ▶ Increase transparency, accountability and consistency
- ▶ Reduce administrative burden
- ▶ Ensure a simpler, more effective delivery of EU priorities.

EUROPE'S BUDGET

A new performance framework

JULY 2025

The long-term EU budget will feature an enhanced and single performance framework to monitor how the budget is spent and what results it achieves, based on simpler rules. This will increase transparency, accountability and consistency, reduce administrative burden, and ensure a simpler, more effective delivery of EU priorities.

Why is this a priority?

Clear, reliable and timely information on how the EU budget is being used and what results it delivers is essential for transparency and accountability. A robust performance framework helps maximise the effectiveness and efficiency of every euro invested, ensuring that budgetary resources are aligned with strategic priorities and directed where they deliver the greatest results.

What is the Commission proposing?

- An **enhanced, simpler, and more consistent framework** for supporting horizontal principles, tracking budget expenditure and monitoring performance
- A strengthened **performance-based management** of the EU budget; reducing administrative burden and improving transparency and accountability, in line with the new Financial Regulation

BUDGET EXPENDITURE TRACKING AND PERFORMANCE FRAMEWORK

1. Horizontal principles

- Promoting climate and environmental objectives
- Implementing the budget without doing significant harm to the climate and the environment
- Supporting social policies
- Contributing to gender equality

2. Monitoring

- Expenditure tracking through simplified thematic intervention fields
- Performance indicators to monitor outputs and results of each programme
- Single methodology to track contribution to policies

3. Reporting

- Single performance report
- Single gateway portal on budget implementation, performance and funding opportunities

The new **Performance Framework** will simplify and harmonise how EU spending and results are monitored, enabling performance data to be aggregated across the entire EU budget. It will comprise three main elements:

- **Intervention fields:** allowing expenditure to be tracked per type of activity (e.g., 'renovation of buildings for social housing') and for key policies such as green and social objectives, as well as gender equality;
- **Output indicators:** measuring what is directly delivered through the funded activities (e.g., m2 renovated);
- **Result indicators:** measuring the direct effects or benefits of those activities (e.g., greenhouse gas emissions avoided).



A new **Single Gateway Portal** will provide, for the first time, a single entry point for performance information, and for funding opportunities available across the EU budget, increasing transparency and facilitating access to EU funds for beneficiaries.

What does it mean in terms of simplification?

The proposed regulation will deliver major simplifications across the following key dimensions:

Harmonised horizontal provisions and principles

A single approach to implement climate and environment, do no significant harm principle, social policies and gender equality

Common methodology to track EU budget expenditure

A single methodology to monitor the expenditure supporting climate mitigation, climate adaptation, environment, and social objectives

Common list of performance indicators

Streamlined output and result indicators, moving **from over 5 000 to around 900 indicators**, and allowing aggregation at EU budget level

A single report on performance

From 32 programme-specific reporting requirements to a single performance report: the Annual Management and Performance Report

A Single Gateway portal

Merging over 30 portals and dashboards into a single entry point for funding opportunities and EU budget performance information

Streamlined evaluations

Implementation report replacing mid-term evaluation

De-territorialisation of EU policies?

- ▶ Expenditure tracking per urban, rural area.
- ▶ Does not define what is “rural” (even for 10% earmark for rural areas).
- ▶ EU led the world with the definition of what is urban, rural and functional areas (DEGURBA, TERCET): Regulation (EU) 2017/2391
- ▶but not used to track EU funding.
- ▶ Tracking expenditure at NUTS3 level (at best) could result in “rural investment” in capital city of a province, region, département, county.

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.

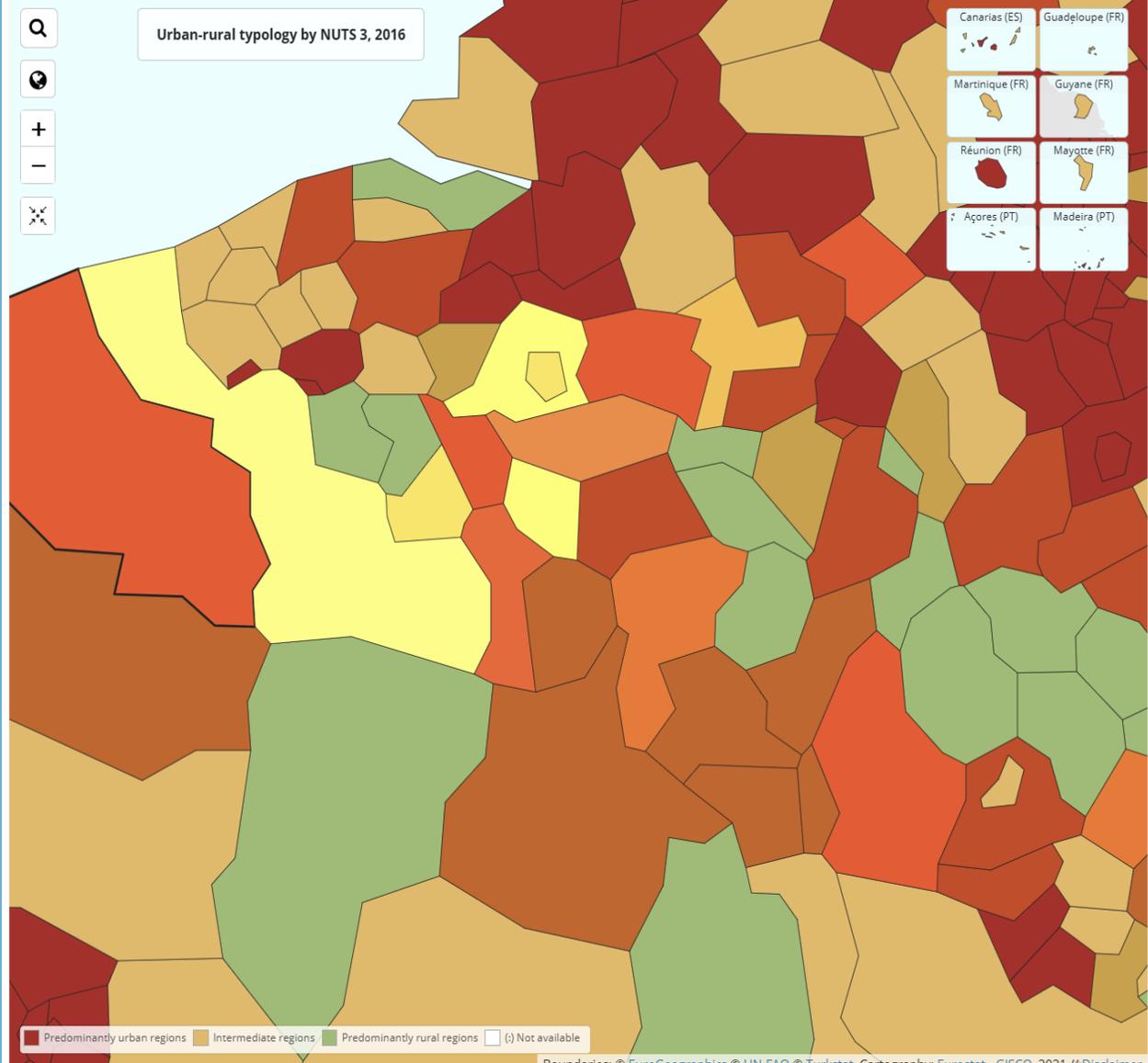
01	Urban areas
02	Rural areas
03	Areas affected by industrial transition
04	Islands and coastal areas
05	Other types of territories targeted
06	Sparsely populated areas
07	No territorial targeting
01	Outermost regions
02	Small Aegean Islands
03	Eastern border region
04	Northern sparsely populated areas

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 through **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;

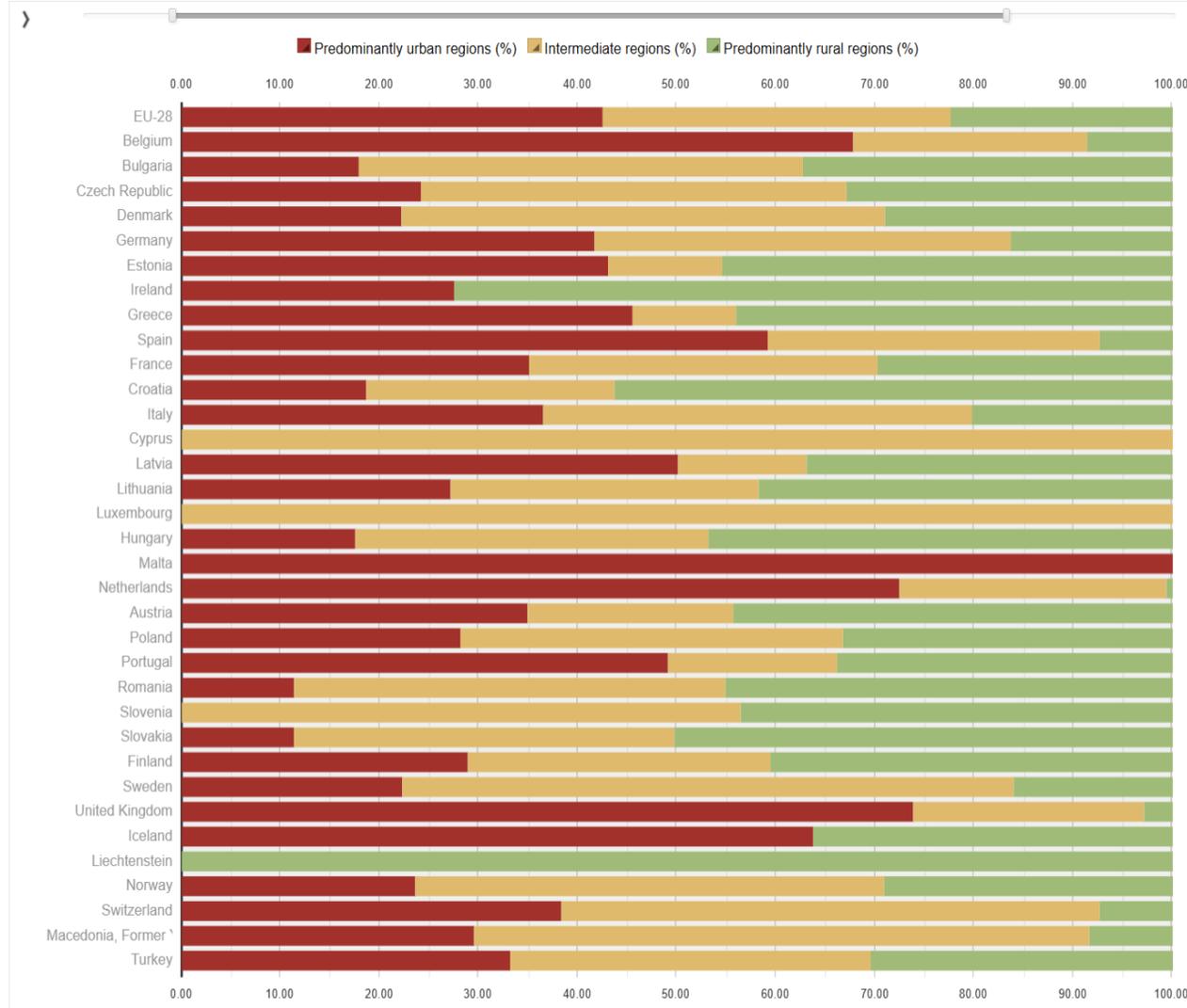


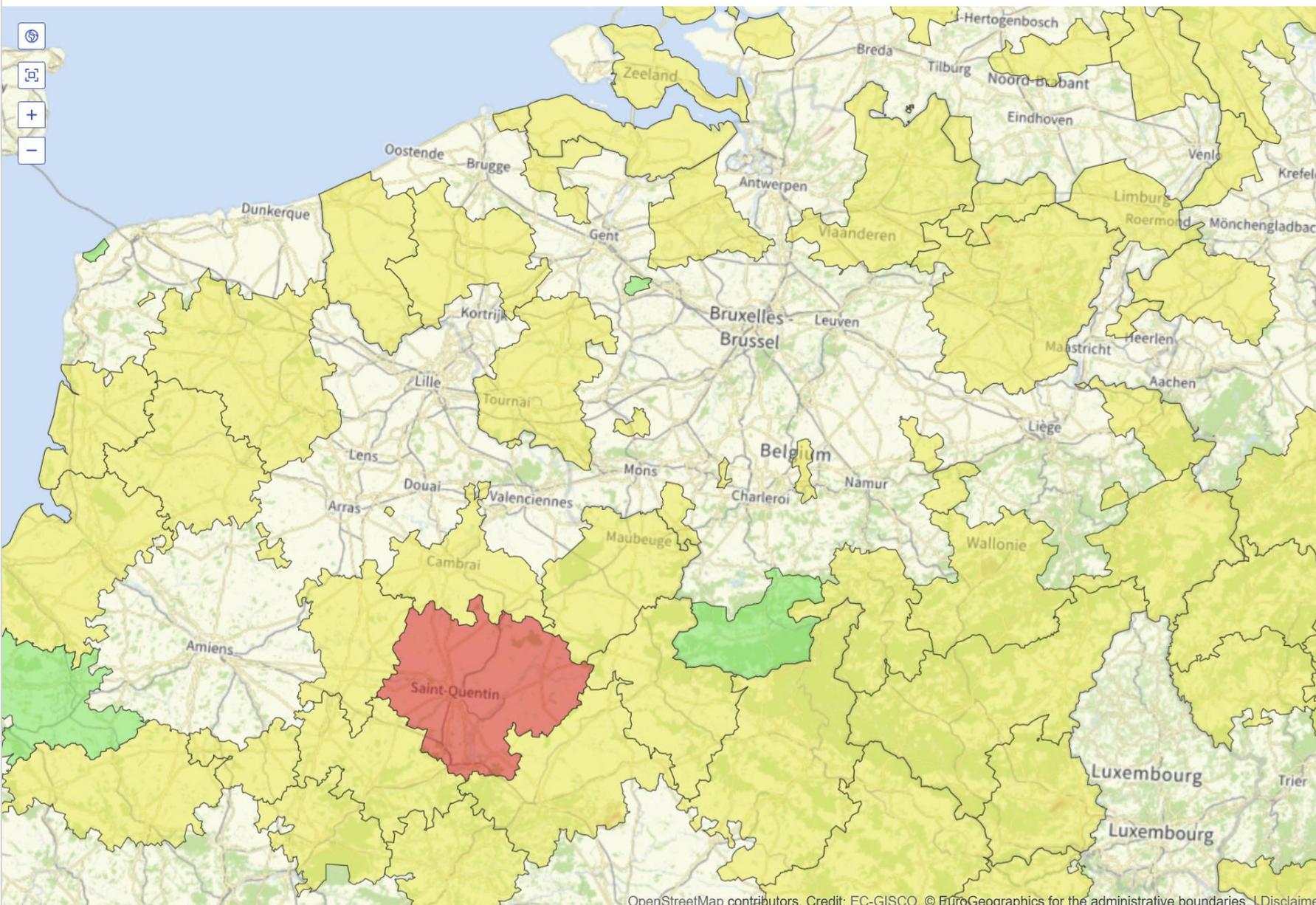
Urban-rural typology, by NUTS 3 regions



Statistical domains
Urban-rural typology

Population structure, by urban-rural typology, 1 January 2013





FRAG / FRAU Legend

The largest settlements are:

- City
- Town
- Village or hamlet

Base map Color Grayscale

50k, 30 to 60 minutes

FRAU (1521)

FRAG (1548)

25k, 30 to 60 minutes

FRAU (1963)

FRAG (1991)

25k, 30 to 45 minutes

FRAU (2047)

FRAG (2087)

Boundaries

NUTS3 v2016

LAU

Display

Local centres

FUA

Outcomes, or still outputs?

ANNEX I Intervention fields and indicators

CCM: climate change mitigation
CCA: climate change adaptation and resilience
ENV: environment
SOC: social

Policy area (level 1)	Policy area (level 2)	#	Intervention field	CCM	CCA	ENV	SOC	Output indicator	Result indicator
Agriculture and fisheries	Agriculture	1	Promote generational renewal of farmers	0%	0%	0%	0%	<ul style="list-style-type: none"> • Number of farmers; • Number of cooperation projects; • Number of funding agreements; • Number of smallholders in third countries; 	<ul style="list-style-type: none"> • Number of new young farmers and other new entrants in agriculture supported – by gender;
Agriculture and fisheries	Agriculture	2	Targeted support to farmers income	40%	40%	40%	0%	<ul style="list-style-type: none"> • Hectares; • Number of farmers; • Number of smallholders in third countries; 	<ul style="list-style-type: none"> • Share of agricultural area under environmental stewardship and protective practices; • Share of additional income support per hectare for farms below average farm size; • New young farmers and other new entrants in agriculture supported; • Other beneficiaries – by target group (women, smaller farms, farms in specific areas, other group of farms); • GHG emissions avoided and removals in tCO₂e; • Increase or protection of soil organic content;
Agriculture and fisheries	Agriculture	3	Support to farmers in sectors in need, protein crops and their mixture with grass	100%	40%	40%	0%	<ul style="list-style-type: none"> • Hectares; • Number of smallholders in third countries; 	
Agriculture and fisheries	Agriculture	4	Support to farmers in sectors in need, grasses and other herbaceous forage	100%	40%	40%	0%	<ul style="list-style-type: none"> • Hectares; • Number of smallholders in third countries; 	

Agriculture, Climate and Gender

- ▶ Restore **context & impact indicators** to avoid an overly output-driven system and to capture long-term environmental/social outcomes.
- ▶ Ensure **CSA uptake is measurable**, linking farm-level data to landscape-level resilience and behavioural change.
- ▶ Introduce **gender-transformative indicators** to address structural inequalities in entrepreneurship, training, access to resources and leadership.
- ▶ Require **NUTS-3 territorial disaggregation** to reveal rural disparities invisible at national level.
- ▶ Align **budget markers (SOC, CCM, CCA)** with actual gender/CSA objectives to avoid under-reporting of social outcomes.
- ▶ Add specific indicators in “neutral” intervention fields (investments, advisory services, POs) to reflect their real relevance for CSA and gender equality.

Partnership and Multilevel Governance

- ▶ Embed the **European Code of Conduct on Partnership** into the performance framework to prevent tokenistic consultation.
- ▶ Introduce indicators to measure quality, representativeness and transparency of partner involvement.
- ▶ Recognise LEADER/CLLD as a distinct performance domain, reflecting proven impact on community participation, **governance quality** and social capital.
- ▶ Increase transparency via the **Single Gateway**, publishing partner selection, MC composition, minutes and engagement quality metrics.
- ▶ Ensure evaluations systematically assess partnership effectiveness, not just outputs.

Transport and Mobility

- ▶ Shift needed from counting infrastructure (km of road/rail) to **real mobility outcomes**: accessibility, affordability, safety and modal shift.
- ▶ Include indicators on **multimodal integration**, interoperability, digital uptake (MaaS), and climate-resilient assets.
- ▶ Address **transport poverty**, particularly in rural and low-income groups (Commission Recommendation (EU) 2025/1021 of 22 May).
- ▶ Require **territorial disaggregation** to show benefits *for rural, outermost and low-density areas*.
- ▶ Ensure EU spending leads to **behavioural change** and contributes to climate goals.

Housing

- ▶ Treat housing as a **coherent policy area**, not dispersed technical measures.
- ▶ Add indicators on **affordability, accessibility, indoor environmental quality, and long-term housing stability**.
- ▶ Track outcomes for **homelessness**, vulnerable groups and integration with social/health services.
- ▶ Introduce territorial indicators (urban–rural gaps, vacancy rates) to capture **structural housing inequalities**.
- ▶ Ensure evaluations assess **cohesion implications** and not just physical outputs.

Access to Essential Services

- ▶ Operationalise the **Right to Stay** via indicators on access, affordability and availability of essential services. (e.g. DG EMPL Report, ESPON PROFECY, RUSTIK GRANULAR)
- ▶ Introduce a unified health-resilience block covering: **patient outcomes, waiting times, innovation uptake, digital health interoperability, prevention and crisis-readiness.**
- ▶ Address gaps in monitoring of **rural access**, demographic decline and territorial inequalities.
- ▶ Include metrics on essential services (energy, water, broadband, transport, financial services) to ensure **social and territorial cohesion.**
- ▶ Ensure evaluations monitor **equity and inclusion**, not just infrastructure and staffing.

Digital Inclusion

- ▶ Ensure digital transformation is monitored not only as a sector but as a **cohesion objective**, tracking territorial digital divides.
- ▶ Strengthen monitoring of **digital skills, public service uptake, SME readiness and institutional capacity**.
- ▶ Make reporting systems capable of capturing **territorial digital disparities** (rural, remote, low-capacity regions).
- ▶ Align with Digital Decade 2030 and Article 174 TFEU by ensuring digital investments support **balanced territorial development**.
- ▶ Use existing indicators to avoid burden while improving **visibility of digital cohesion outcomes**.

Summary and Conclusions

1. Make the Performance Framework genuinely *outcome* oriented

- Move beyond counting activities to tracking real behavioural, social, environmental and territorial outcomes.
- Reintroduce or compensate for lost context and impact indicators, ensuring long term effects and structural trends are visible.

2. Embed a truly *place-based* approach

- Require NUTS 3 territorial disaggregation across all relevant indicators.
- Use DEGURBA and TERCET territorial typologies systematically to distinguish rural, peri urban and urban impacts.
- Ensure all interventions demonstrate clear links between needs → intervention logic → budget → indicators.

3. Mainstream *gender equality* consistently

- Require gender disaggregated reporting for all beneficiary-based indicators.
- Add indicators capturing women's leadership, entrepreneurship, access to training and structural inequality.
- Align SOC budget markers with interventions where gender equality is a real objective.

4. Operationalise partnership and *multi level governance*

- Embed the European Code of Conduct on Partnership into monitoring and evaluation.
- Introduce partnership quality indicators (representativeness, participation, transparency, co creation).
- Create a dedicated performance space for LEADER/CLLD, recognising its proven governance and social value.

5. Citizen and *user-centred* indicators

- Shift from infrastructure metrics to accessibility, affordability, multimodality, inclusion and modal shift.
- Add indicators for affordability, accessibility, indoor environmental quality, and long term stability.

6. Guarantee access to *essential services & health equity*

- Operationalise the Right to Stay via metrics on availability, affordability and quality of services (energy, water, transport, broadband, financial services).
- Introduce a unified health resilience block covering innovation uptake, patient access, digital interoperability and crisis preparedness.
- Track support to demographically declining territories, using the Commission's latest definition.

7. Integrate digital cohesion and *territorial digital readiness*



Thank you

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