



# GRANULAR

KNOWLEDGE TRANSFER ACCELERATOR

## Performance indicators in the new MFF: What do they mean for the future of rural areas?

HIGHLIGHTS REPORT

19 March 2026

### Introduction

On the afternoon of 19 March 2026, the [European Association for Innovation in Local Development \(AEIDL\)](#) hosted the final webinar of the [GRANULAR](#) webinar on “[Performance indicators in the new MFF: What do they mean for the future of rural areas?](#)”. Organised under the framework of the [GRANULAR Knowledge Transfer Accelerator \(KTA\)](#), the event brought together experts to scrutinise upcoming shifts in EU budget governance. The primary goal was to examine how the proposed 2028-2034 Multiannual Financial Framework (MFF) and its new single performance framework will reshape the design, implementation, and evaluation of rural development policies.

During the introduction, **Serafin Pazos Vidal (AEIDL)** framed the session as a practical continuation of earlier theoretical discussions on [well-being and “beyond GDP” metrics](#). He highlighted a “**certain disquiet**” across Europe regarding how these new governance methods (defining, measuring, and paying for policies based on a performance framework) will impact local development. He specifically challenged the audience to examine “**how granular**” the new framework actually is, noting that while researchers in [GRANULAR](#) have spent four years understanding local dynamics down to the “square meter level,” it remains to be seen if this detail is successfully being translated into actual policy-making.

The event aimed to **identify gaps in existing indicators** and advocate for a transition from merely counting outputs, such as kilometres of road built, to measuring real **behavioural, social, and environmental outcomes**. A core objective was to explore how **place-based evidence** can ensure policies respond to the diverse realities of rural areas rather than relying on “one-size-fits-all” approaches. This includes the need for **territorial disaggregation** (at the NUTS-3 level) to reveal rural disparities that are often invisible in national-level data, as well as the implementation of **diagnostic monitoring** to detect and correct policy problems in real-time.

ORGANISER:



19 MARCH 2026



ONLINE



78 PARTICIPANTS

(research & education, public authorities, NGOs, civil society, EU institutions, rural communities, etc.)



PRESENTATIONS AND RECORDINGS [HERE](#).

**Cite as:** Iglesias M., Ntabuhashe, M., Pazos-Vidal, S. (2026). *GRANULAR Knowledge Transfer Accelerator: Performance indicators in the new MFF: What do they mean for the future of rural areas?. Highlights' report.*



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# Performance indicators in the new MFF



**David Bokhorst**  
European University Institute

**David Bokhorst**, from the European University Institute (EUI) presented an analysis of the **European Commission's proposed National and Regional Partnership Plans (NRPPs)**, developed jointly with Jonathan Zeitlin (University of Amsterdam & EUI). The analysis highlights that the NRPPs represent the most significant shift in EU budgetary governance since the 1980s. Dr Bokhorst described the new regulation as a **"credible hybrid"** that seeks to merge the core strengths of Cohesion Policy Funds (CPF), such as shared management and the involvement of local authorities, with the performance-based innovations of the Recovery and Resilience Facility (RRF). Under this model, EU funding will transition toward a system where disbursement is linked directly to the fulfilment of specific milestones and targets.

The presentation highlighted that the proposed framework addresses several previous criticisms from the European Court of Auditors, including **clearer assessment criteria and transparent ex-ante payout values** for milestones. Dr. Bokhorst also noted that the NRPPs offer **increased flexibility** compared to previous structures, featuring smoother disbursement systems and easier plan revisions based on "reasoned requests". A mandatory **mid-term review** has also been introduced to allow for the submission of revised plans and periodic readjustment of policy priorities.

However, Dr. Bokhorst identified several **unresolved problems** that could undermine the framework's effectiveness. He pointed to the lack of a clear definition for addressing a "significant subset" of national recommendations and expressed concern regarding the **questionable effectiveness of the proposed 'regional test'** in ensuring genuine

stakeholder participation. Furthermore, he warned that **"the multi-tiered Single Audit approach creates new challenges that will require national audit authorities, the Commission, and the European Parliament to develop new expertise in assessing detailed performance information alongside traditional cost-based audits."**

A critical weakness identified in the presentation is the reliance on over **500 mandatory common indicators**, which Dr Bokhorst argued are **overly output-focused** and fail to measure real intervention effects. By focusing on metrics like "kilometres of road built," the system risks becoming a bureaucratic "tick-the-box" exercise that ignores **behavioural, social, and environmental outcomes**. He emphasised that such output-driven steering is often not conducive to local ownership or long-term policy effectiveness.

As a more effective path forward, Dr Bokhorst advocated for a transition toward **"diagnostic monitoring"**, which prioritises intervention logics and real-time problem detection over standardised reporting. This approach would involve **fewer common indicators** (focused on established methodologies like greenhouse gas emissions) while allowing local committees to set **project-specific indicators**. By empowering these committees to qualitatively adapt plans based on local realities, the goal is to create **genuine ownership of projected impacts** rather than merely communicating collective outputs.



# Performance framework: implications for rural areas



**Serafin Pazos-Vidal**

European Association for Innovation in Local Development (AEIDL)

Building on the broad governance overview, **Serafin Pazos Vidal (AEIDL)** transitioned the discussion to a more “granular” examination of how these proposed shifts in EU budgetary governance will specifically impact rural areas. Dr Pazos Vidal used cross-project policy research from Horizon Europe projects (such as **GRANULAR**, **FUTURAL**, **RURACTIVE**, **BEATLES**, **RURBANIVE**, **SMARTERA**, **GRASS CEILING** and **CODECS**) to scrutinise whether this new performance framework can successfully respond to local realities or if it risks remaining disconnected from the “square meter level” dynamics of rural life.

A core theme of the presentation was the “**revolutionary change**” of integrating approximately 20 different EU funds, including the **Common Agricultural Policy (CAP)** and **Cohesion Funds**, into a single National and Regional Partnership Plan (NRPP). He noted that while this holistic approach offers a significant opportunity to break down bureaucratic silos and enable **multi-fund synergies**, the proposed framework is largely “**centralised by default**”. He cautioned that this default centralisation could create substantial challenges for regional competence and the gathering of local intelligence necessary for effective, place-based development.



Figure 1. National and Regional Partnership Plans (NRPPs) 2028-2034, European Commission.

Dr Pazos Vidal expressed serious concern regarding the potential “**de-territorialisation**” of EU policies within the new framework. He pointed out that while the EU has established world-leading **standards for defining urban and rural areas** (specifically the **DEGURBA** and **TERCET** classifications) these are not systematically mandated for tracking funding in the proposed Performance regulation 2028-2034.

He warned that, without clear territorial disaggregation at very least the **NUTS-3 level**, it opens to unexpected scenarios whereby EU funded interventions in the main city of a predominantly rural county or province could be reported as “rural investment”, masking true disparities, whether EU funds are really reaching the territories that need them most.



Figure 2. Urban-Rural Typology of European NUTS-3 level, Eurostat.

The presentation further critiqued the draft framework for remaining excessively **output-focused** rather than **outcome-oriented**. He argued that metrics like the “number of farmers supported” are “**low-hanging fruit**” that fail to measure real societal impacts. Instead, building of the findings from the above-mentioned projects he advocated for a transition to tracking **behavioural, social, and environmental outcomes**. For instance, AEIDL research from the **BEATLES** and **GRASS CEILING** projects, identified **at least 20 existing, comparable indicators** that could be introduced to track the uptake of **Climate-Smart Agriculture (CSA)** and mainstream **gender-transformative metrics** to address structural inequalities in rural leadership and resource access.

In addressing rural well-being, Dr. Pazos Vidal highlighted the need to operationalise the “**Right to Stay**” through metrics on the **accessibility, affordability, and quality of essential services**. He noted a glaring gap: while the European Commission recently established a definition for “**transport poverty**,” it is currently missing from the performance

framework, limiting the ability to incentivise **geographical inclusion**. Additionally, he called for **housing** to be treated as a coherent policy area, using indicators to track **vacancy rates** and affordability to capture the urban-rural gap. Moreover, he also emphasised monitoring **digital transformation** as a cohesion objective to track the **territorial digital divide**.

Finally, Dr. Pazos Vidal stressed embedding the **European Code of Conduct on Partnership** into the performance framework to prevent “**tokenistic**” consultation. He argued for introducing specific indicators to measure the **quality, representativeness, and transparency** of stakeholder involvement, and recommended **recognising LEADER/ CLLD as a distinct performance domain**. He concluded that “**small improvements**”, such as leveraging existing indicators to make the framework more spatially and sectorally sensitive, could ensure the EU budget is genuinely responsive to rural structural trends and citizen needs.

# Rural attractiveness and perceptions: evidence for place-based policy



**Carlos Tapia**  
Nordregio

Carlos Tapia (Nordregio) challenged the prevailing narrative that rural areas are in a state of generalised demographic decline. He noted that research and policy often oversimplify rural realities by focusing almost exclusively on population loss, aging, and poor infrastructure. Dr Tapia presented evidence that between 2011 and 2021, **16.2% of the total EU**

rural cells actually experienced “rapid growth,” meaning they grew faster than the administrative regions in which they are located. This finding highlights that rural Europe requires a more nuanced, evidence-informed approach to policy

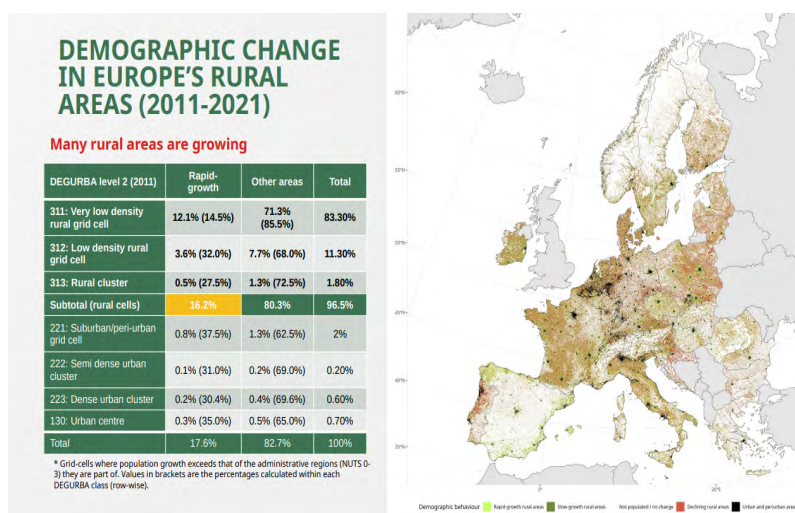


Figure 3. Demographic change in Europe's rural areas (2011-2021).

The presentation explored the **key determinants of rural demographic attractiveness**, which Dr Tapia described as a multi-faceted concept with no single, universally applicable definition. Central drivers identified in the literature include **accessibility to basic services, employment conditions, social trust, and overall quality of life**. The analysis specifically highlighted **proximity to UNESCO sites and cultural heritage** as being strongly and systematically associated with higher growth probabilities. Conversely, factors like high elevation and increased travel time to urban centres were confirmed to have a strong negative impact on population growth.

Using mixed-effects models across 30 European countries, his research revealed specific **correlations between local conditions and demographic performance**. Positive predictors for growth included high-tech employment, economic diversification, higher income levels,

and higher housing prices. Negative predictors included **perceived corruption, extreme heat days, and a high median age**. Interestingly, the study showed that environmental quality, such as biodiversity preservation measured via the hemeroby index, also positively influences attractiveness. These results underline that demographic performance is deeply tied to **material living conditions and structural economic diversity**.

A significant portion of the presentation was dedicated to **territorial nuance**, showing that growth patterns vary wildly across the continent. This variation suggests that the factors driving attractiveness in one region may be entirely different in another. Consequently, **Carlos Tapia argued that “territorial conditions matter and policies should be informed by this diversity in order to be able to capture the intrinsic complexities of rural areas”**.

To map these complexities, Dr Tapia emphasised that **rural diversity is fundamental to policy effectiveness**, arguing that interventions must be informed by territorial specificities rather than a generalised narrative of demographic decline. He characterises this diversity the **structural perspective** via the [GRANULAR report characterising rural diversity](#). This typology builds upon the standard **DEGURBA** classification (which relies solely on population density) to add significant nuance by incorporating layers such as **population change rates (2011–2021)**,

**building volume, elevation, landscape modification (Hemeroby index), and accessibility indicators** like travel times to urban centers. By developing this grid-level analytical tool, Dr Tapia aims to provide the **granular, place-based evidence** required for more responsive policy and planning, ensuring that the diverse realities of rural territories across Europe are accurately reflected in performance-based funding decisions.

## GRANULAR Rural Compass for rural diversity



**Bettina Bock**  
Wageningen University

In the final session of the webinar, **Carlos Tapia (Nordregio)** presented on behalf of **Bettina Bock (Wageningen University)** to introduce the [GRANULAR Rural Diversity Compass](#). This conceptual framework was designed as an analytical tool to provide a richer, more nuanced understanding of rural areas by adopting a **functional perspective**. While structural typologies are useful, the research argued that the functional lens of the Compass is necessary to explain the ongoing differentiation of rural territories and identify their place-specific challenges and opportunities.

The framework is built on the “points of departure” that rural areas serve multiple functions and that the balance between these functions is **place-specific, dynamic, and influenced by relationships with other areas**. By focusing on these core functionalities, the Compass aims to support “**rural proofing**” in policy contexts. Dr Tapia emphasised that understanding the interaction of these functions over time is essential for creating evidence-informed policies that respond to the diversity of rural life.

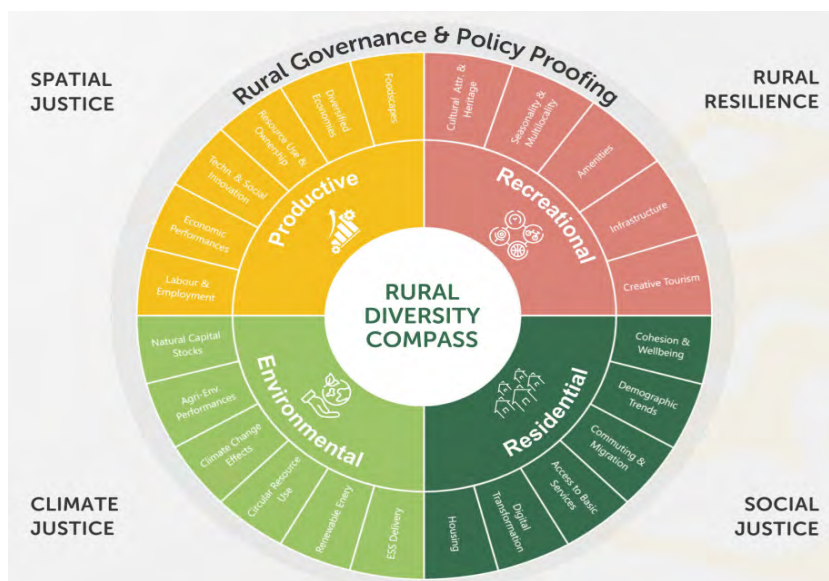


Figure 4. Rural diversity compass, GRANULAR.

The Compass is structured around four primary functionalities, the first two being **Residential and Productive**. The **Residential** function focuses on dimensions relevant to rural residents, including social infrastructure (such as housing, services, and digital transformation) and social composition, including demography and community well-being. The **Productive** function examines economic structures, including various sectors, labour, and employment, alongside performance metrics like economic innovation and productivity.

The remaining two functionalities are **Environmental and Recreational**. The **Environmental** function tracks natural capital stocks, circular resource use, and renewable energy production, while also monitoring environmental performance regarding climate change mitigation and adaptation. The **Recreational** function combines the infrastructure for leisure and tourism (including cultural heritage and rural amenities) with a focus on “performance pressures” such as seasonality and the presence of second-home residents or multilocality.

Beyond these categories, the Compass is grounded in four overarching perspectives: **Spatial, Climate, Social Justice, and Rural Resilience**.

These lenses ensure that the diversity of functionality dynamics supports governance for justice and resilience. For example, identifying a weakness in “residential functionality” can help define exactly why housing is needed in a specific area and for whom, allowing local actors to develop context-specific solutions rather than relying on top-down measures.

In his concluding remarks, Carlos Tapia emphasised that **rural diversity shapes demographic performance and vice-versa**. He stressed that because no single standpoint is “intrinsically better” for characterising rural areas, a **combination of structural and functional perspectives** is required for effective governance. The ultimate goal of these tools is to ensure that policy decisions are based on **granular, place-based evidence** rather than broad assumptions. Dr Tapia warned that without this focus on territorial diversity, rural development policies are **likely to fail to respond to the real needs** and complexities of diverse rural communities.

## Group discussion

### Moderated by Maria Alonso-Roldan (AEIDL)

Following the round of presentations, an open discussion session, moderated by **Maria Alonso-Roldan (AEIDL)**, focused on the theme of “**collecting data with a purpose**” as a vital component for advancing rural well-being through meaningful local engagement. The speakers addressed the necessity of transitioning from traditional reporting methods toward a governance framework that fosters genuine local ownership of policy impacts.

**David Bokhorst** detailed the concept of “**diagnostic monitoring**” as a practical alternative to the current centralised systems. He explained that this approach prioritises **intervention logic** and project-specific indicators over the simple communication of collective outputs, such as “kilometres of road built”. He cited the Dutch “**Comptabilite Vet**” (accounting law) as a model where evaluation criteria and follow-up processes are established ex-ante to ensure projects are assessed based on their intended local effects.

When asked for a single critical change to the performance framework, **Serafin Pazos Vidal** advocated for the systematic inclusion of the **TERCET classification** within the main regulations and annexes. He warned that if this worldwide standard for defining urban and rural areas is not clearly mandated in the legislation, national and regional managing authorities are likely to miss the granular territorial details required for effective, “rural-sensitive” policy design.

**Carlos Tapia** highlighted the limitations of broad regional generalisations by **demonstrating how demographic growth patterns vary significantly** across the continent. For example, while rural growth in Poland is largely concentrated in peri-urban areas, growth in Scandinavia, Ireland, and Spain is more dispersed and not necessarily tied to urban proximity. He emphasised that because “**territorial conditions matter**,” policies must be informed by this diversity to capture the intrinsic complexities of different rural areas.

Discussing the “ideal pipeline” from data to policy, **Carlos Tapia** used a historical example from **Sicily** to illustrate that high volumes of funding transfers do not automatically improve regional outcomes. He argued that **accountability and performance** (specifically how funding transforms a region for the better) must be the primary concern rather than simply tracking the total amount of money managed.

The panel concluded by debating the future of **Monitoring Committees**, with **Serafin Pazos Vidal** calling for them to be empowered with a more **participatory, knowledge-based approach** guided by minimum pan-European criteria. **David Bokhorst** noted that while the new framework shows progress, it still relies too heavily on output indicators. He warned that “**output steering is not conducive to ownership and effectiveness**,” suggesting that a successful system must balance local ownership with national transitions while remaining open to real-time social realities.

## Conclusion & next steps



**Merveille Ntabuhashe**

European Association for Innovation in Local Development (AEIDL)

This event comes at a particularly timely moment, as the European Parliament and Council are negotiating the shift towards performance-based NRPPs for the next MFF. In the context of growing concerns around rural development, the session provides granular evidence to inform these ongoing legislative discussions before they are finalised. It highlights key gaps and advocates for the mandatory inclusion of TERCET classifications to ensure that rural realities are adequately reflected in the new funding framework.

This session successfully concluded the [GRANULAR Knowledge Transfer Accelerator \(KTA\)](#) webinar series, marking the final of nine

events dedicated to the motto of “collecting data with a purpose” to advance rural well-being. Since its beginning in 2023, the series has explored a wide range of critical topics, including Living Labs, rural data, climate neutrality, and rural proofing, with the goal of making data more granular, place-based, and accessible for decision-makers.

While this webinar marks the official end of the series, the **Community on [Innovating rural public policy](#)** remains open for continued engagement and partnership. All stakeholders are encouraged to attend the final event of the project: the joint [GRANULAR & RUSTIK final conference](#), taking place on **24 & 25 June 2026 in Brussels**.

