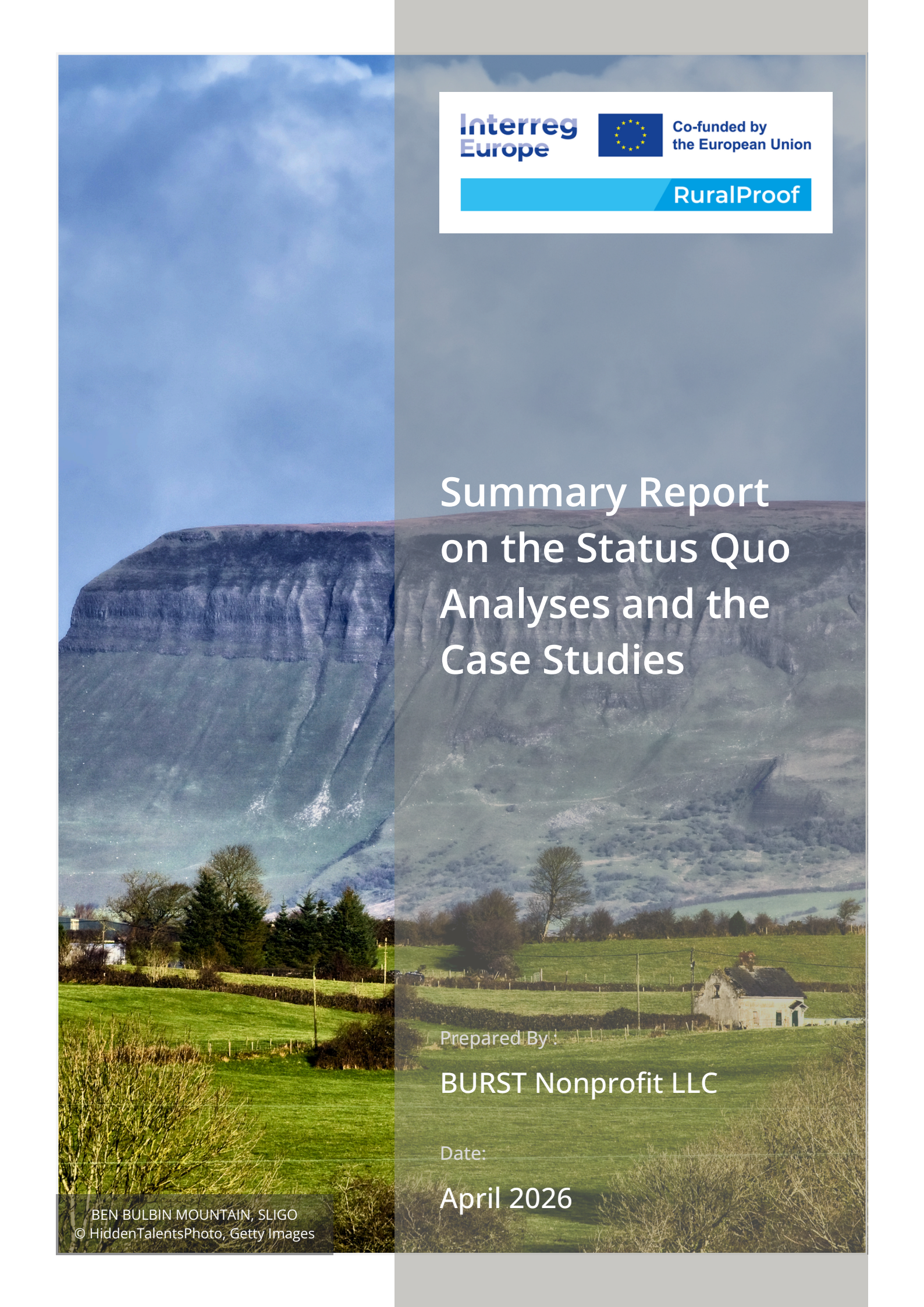




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RuralProof

Summary Report on the Status Quo Analyses and the Case Studies

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Summary Report - RuralProof project

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1 INTRODUCTION

The **RuralProof project** addresses one of the most persistent structural challenges facing the European Union: the widening development gap between urban and rural areas. Despite decades of financial and policy interventions, many rural regions remain trapped in a cycle of depopulation, fragmented services, and limited economic potential. RuralProof aims to break this cycle by reframing national and regional policies through the implementation of **place-based, innovative governance approaches**. By shifting the focus from "one-size-fits-all" strategies to evidence-informed policy making, the project seeks to ensure that no individual or settlement is left behind.

1.1 Purpose and Scope

This Summary Report serves as the primary synthesis of **Phase 1** of the project. Its core purpose is to consolidate the findings from the individual **Status Quo Analyses (SQA)** and the **Case Studies** prepared by the project partners. The report identifies recurring structural challenges, development needs, and strategic "breakout points", as well as the underlying policy and governance mechanisms that shape these challenges, that will guide the consortium toward **Stage 2 (Good Practice collection and transfer)** and **Stage 3 (Policy enhancement)**.

Crucially, this report is **not a comparative analysis or a ranking exercise**. The RuralProof partnership encompasses an extreme diversity of territorial scales and governance levels—ranging from a comprehensive national analysis of all five planning regions in **Latvia** and the whole of **Albania** to the local municipality level in **Bač**, the mountain-specific territory of **Alto Bellunese**, and diverse regions such as **Thessaly**, **Lodzkie**, **South Transdanubia**, and the **Northern and Western Region of Ireland**. While some comparative statements are included to highlight common patterns or shared "vicious cycles," the scope is descriptive, focusing on the common realities faced by rural administrators across different European contexts.

1.2 Methodological Foundations

The report is built upon a **shared, evidence-led methodology** coordinated by the Lead Partner and the Advisory Partner, **BURST**. This framework was designed to ensure well-founded self-examination while allowing regional specificities to remain visible. The initial diagnostic phase, the **Status Quo Analyses (SQA)**, required partners to investigate their territories along **four thematic strands**:

1. **Potential obstacles** to the development of (lagging) rural areas.
2. **Assessment of development efforts** over the past 20 years in fields such as public administration, service provision, and infrastructure.

3. **Efficiency evaluation** of national and EU support systems and development funds.

4. **Identification of existing policy instruments** affecting these territories.

This diagnostic process was enriched by **Stakeholder Fora** in each region, ensuring that the findings reflect the lived experience of local actors, from mayors to private enterprises.

Building upon this foundation, partners then developed targeted **Case Studies** to translate these diagnostic findings into specific regional development goals and concrete policy improvement objectives. While the analytical framework is structured along thematic strands, the synthesis of the Case Studies indicates that **many of the key challenges are rooted in policy implementation logics** (e.g. integration gaps, administrative capacity, governance models), which are not fully captured by thematic categorisation alone.

RuralProof partner organisations elaborating the Status Quo Analyses and the Case Studies:



1.3 Structure of the Report

The Summary Report follows a logical flow from territorial evidence to strategic action and is structured across the following core chapters:

- **Overview of Partner Regions:** Short, descriptive profiles of the targeted territories and their basic demographic data.
- **Core Challenge Themes Emerging Across Regions:** A synthesis of recurring structural patterns, including demographic pressures (ageing/depopulation), the infrastructure-service divide, economic structure and labour market constraints, and administrative barriers.
- **Opportunities and Pathways:** Identification of regional strengths, typologies and forward-looking trajectories (including specific development targets) to facilitate knowledge transfer.
- **Policy Context and Structural Issues:** Analysis of governance systems and observed gaps in policy responsiveness, such as "territorial blindness" in sectoral plans.
- **Implications for Policy Enhancement Work:** A bridge to future work, outlining the types of policy improvements partners wish to implement, the key needs policies should address, and the workable practices available for transfer.
- **Conclusions:** Main messages informing the search for transferable good practices in the next project stage.
- **Annexes:** Status Quo Analyses and Case Studies elaborated by RuralProof partners.

This chapter provides a descriptive overview of the diverse territories participating in the RuralProof project. These regions encompass a broad spectrum of European rurality, ranging from small local municipalities and mountainous unions to entire national frameworks. The primary aim of this overview is to establish the territorial context for each partner, documenting the basic demographic and administrative foundations upon which their individual Status Quo Analyses are built. In line with the project's methodology, these profiles are purely descriptive and intended to highlight unique regional features rather than provide a comparative ranking or benchmarking exercise.

2.1 Basic Data of Targeted Regions

The following table summarizes the governance levels, geographical areas, and population figures for each targeted region as reported in their respective Status Quo Analyses in January 2026.

Partner Region	Governance Level	Area (km ²)	Population
Latvia (National Level)	national public authority	64,570	1,878,575
Albania (National Level)	national public authority	28,748	2,400,000
Northern and Western Region (IE)	regional authority	25,792	962,200
Lodzkie Region (PL)	regional public authority	18,219	2,345,924
South Transdanubian Region (HU)	regional (statistical)	14,169	845,970
Region of Thessaly (EL)	regional public authority	14,036	688,255
Alto Bellunese (IT)	local public equivalent body	2,333.4	58,547
Municipality of Bač (RS)	local public authority	365	11,431

2.2 Key Territorial Features

This section describes the specific traits of each partner region that influence their respective development paths. The information is divided into geographic/infrastructure layers and socio-economic/governance layers to highlight common patterns across the project area.

2.2.1 Geographic factors and resources; built infrastructure

LATVIA (NATIONAL LEVEL): Latvian rural areas are characterized by **extremely low population density** (averaging around 30 people per km² but dropping below 5 per km² in remote municipalities) and dispersed settlement patterns, increasing dependence on mobility. A critical bottleneck is the condition of the road network, as nearly half of all gravel roads are in poor condition, reinforcing peripheral isolation.

ALBANIA (NATIONAL LEVEL): Albania's territory is predominantly mountainous, with approximately 43% of the population residing in rural areas. There are **sharp infrastructure disparities** between the growing Tirana-Durrës axis and the remote mountain regions. Rural settlements typically have only 1–3 daily public transport connections, while travel times to key services generally range from 30 to over 60 minutes, **severely limiting access to healthcare, education, and employment**.

NORTHERN AND WESTERN REGION (IRELAND): Predominantly rural and remote, the region has a sparse population density of 37 inhabitants/km². It faces a legacy of historical underinvestment in traditional infrastructure such as roads and rail. A standout structural challenge is the **high rate of residential and commercial vacancy and dereliction**, which is deeply structural across towns and villages. Eight of the nine local authorities located in the region have residential vacancy rates that are higher than the national average.

LODZKIE REGION (POLAND): Located in central Poland, the region serves as a major national transport hub with modern motorways and rail corridors. Despite modern motorways, rural areas—which cover over 93% of the region's total area—suffer from **severe "transport exclusion"**. Remote villages often have **0–3 daily public transport connections**, and significant infrastructure gaps remain, with only **28.2% of rural residents connected to public sewage systems**.

SOUTH TRANS-DANUBIAN REGION (HUNGARY): Located in southwestern Hungary, the region features diverse landscapes and significant natural assets, including the Lake Balaton fringe and thermal water resources. However, the region suffers from a severe **infrastructure backlog**, lagging behind other Hungarian regions in road, rail, and digital connectivity. There is a pronounced lack of direct expressway and railway connections between its larger cities and neighbouring regions.



REGION OF THESSALY (GREECE): Thessaly is defined by a dual structure: a fertile central plain that acts as Greece's primary agricultural hub, and remote, sparsely populated mountain and island belts. While external connectivity via motorways is strong, **internal rural public transport is limited** to 1-3 daily connections during commuting hours. The region also faces **high climate vulnerability**, evidenced by catastrophic floods in 2023, necessitating urgent upgrades to water and flood management infrastructure.

ALTO BELLUNESE (ITALY): This 100% mountainous territory in the Dolomites faces extreme morphological constraints. The population is highly dispersed, with **82.1% living in settlements of under 5,000 inhabitants**. While basic utility coverage is near-universal, **physical accessibility remains a major daily hurdle**, with many remote municipalities requiring nearly an hour of average travel time to reach the primary service center in Belluno.

MUNICIPALITY OF BAČ (SERBIA): Situated along the Danube, Bač is defined by its fertile agricultural land (62% of the territory) and rich natural heritage, including a UNESCO-listed biosphere reserve. However, the municipality experiences **major utility and connectivity gaps**; there is **no rail connection**, and the **public sewerage system covers only 30% of households**, almost exclusively in the administrative center.

2.2.2 Socio-economic factors, governance, demographics, human resources, economic strengths/weaknesses

LATVIA (NATIONAL LEVEL): The territory faces extreme demographic pressure, characterized by a **14% decline in rural population over the last decade (peaking at -23.5% in Latgale)**, an ageing society, and continuous youth outmigration. The rural economy is dominated by bioeconomy sectors that suffer from low productivity. Governance has been highly centralized through recent administrative-territorial reforms, which has simultaneously increased the distance between decision-makers and remote rural communities, making the region increasingly reliant on strong bottom-up initiatives like Inhabitant Councils and the Smart Village movement.

ALBANIA (NATIONAL LEVEL): Albania faces profound demographic challenges, including a declining rural population due to massive outmigration and an ageing demographic profile. The "brain drain" is severe, with an estimated **net loss of over 30% of graduates in the last decade**. Economically, the country is dominated by the services sector, but agriculture still employs roughly one-third of the workforce while contributing less than one-fifth of the GDP, highlighting **weak economic diversification and low productivity** in rural areas.



NORTHERN AND WESTERN REGION (IRELAND): Despite possessing a highly skilled workforce, cutting-edge research institutes (e.g., Atlantic Technological University), and significant multinational clusters, the region is the only NUTS 2 Region in Ireland classified as a "Transition Region"¹. A severe **lack of "agglomeration economies"** means the region does not benefit from the economic advantages associated with strong urban centers. Governance is **highly centralized (around 90% of government expenditure is managed by central government)**, heavily restricting the regional autonomy required to address these specific rural inequalities locally.



LODZKIE REGION (POLAND): While the region has seen industrial and construction growth around its urban hubs, its rural areas remain heavily dependent on agriculture or commuting to the city of Łódź. A fundamental weakness is the **sustained outmigration of young** (ages 20-34) **and educated residents**, leading to a shrinking labour force and an **ageing index of 167**. Smaller rural municipalities also show **weak rural entrepreneurship** and often lack the administrative capacity to manage complex EU-funded projects effectively.



SOUTH TRANS-DANUBIAN REGION (HUNGARY): The region's economic structure is outdated, heavily reliant on agriculture and light industry with low export capacity and weak SME innovation. It faces persistent "brain drain," youth outmigration, and a rapidly **ageing population (index of 175.7%)**, placing immense pressure on local services. Governance is highly centralized, and the **role of spatiality in government decisions is almost completely absent ("territorial blindness")**, leading to the fragmentation of sectoral strategies.



REGION OF THESSALY (GREECE): Thessaly is experiencing rapid demographic decline and an exceptionally high **ageing index (186%)**. The continuous outmigration of tertiary-educated youth severely weakens the region's innovation capacity. The economy relies heavily on traditional, low value-added agriculture and fragile micro-SMEs. Following the "Kallikratis" reform, the regional authority expanded its governance responsibilities, but **administrative capacity remains constrained** by technical staffing shortages in smaller municipalities.



ALTO BELLUNESE (ITALY): The region suffers from relentless depopulation and an ageing index where there are **3.45 seniors for every youth aged 0-14**. The economy is polarized between a dominant eyewear manufacturing sector and tourism. A major socio-economic barrier is the **severe labour shortage**, which is directly tied to the "**housing paradox**" — the inability to find modern, affordable housing for incoming workers despite a surplus of older, vacant buildings.



¹ The European Commission is upgrading the wider northern and western region of Ireland to a "more developed region" from a "transition region" for the next EU funding period (2028-2034).

MUNICIPALITY OF BAČ (SERBIA): Classified as an underdeveloped "shrinking region," Bač has **lost 33.73% of its population over the last 30 years** and faces a very unfavorable **ageing index of 177.3**. The agrarian-based economy struggles with low profitability due to limited processing capacities and market access for small producers. Human resource potential is deeply constrained by a "brain drain" and a low educational profile, where **only 3.2% of the population holds a higher education degree**. Institutional capacity to plan and deliver local services remains limited.



3 CORE CHALLENGE THEMES EMERGING ACROSS REGIONS

The individual Status Quo Analyses reveal that despite diverse geographies – ranging from the Alpine Dolomites and Baltic forests to the Mediterranean plains and the Western Balkan Mountains – RuralProof territories are united by a self-reinforcing "vicious cycle" where demographic decline, service withdrawal, and administrative constraints undermine regional cohesion.



3.1 Demographic Pressures

All partner regions are grappling with profound demographic imbalances, primarily characterised by long-term depopulation, rapid ageing, and the persistent "brain drain" of young talent.

PROFOUND DEPOPULATION AND OUTMIGRATION: Multiple regions report severe population losses. The **Municipality of Bač** has lost 33.7% of its residents over the last 30 years. **Latvia** saw a 14% national decline over a decade, peaking at 23.5% loss in the Latgale region. **Thessaly** recorded a net migration loss of 15,000 residents between 2011 and 2021. In **Alto Bellunese**, some peripheral municipalities lost over a third of their population in just twenty years. In **South Transdanubia**, the resident population has fallen gradually across the 2000s and 2010s, creating a unique dynamic where the rural population share has proportionally increased in many districts simply because larger cities declined even faster than smaller settlements.

THE "AGEING SOCIETY" TRAP: Ageing indices are consistently higher than national averages. **Thessaly's** ageing index (seniors vs. youth) is 186%. In **South Transdanubia**, the index has reached 175.7%, significantly exceeding the national average of 145.5%. **Bač** faces a highly unfavourable index of 177.3%. The **Lodzkie Region** reached 167% in 2024, and **Alto Bellunese** records an extreme ratio of 3.45 seniors for every youth aged 0-14. **Ireland's Northern and Western Region** has an old age dependency ratio of 27.6%, significantly higher than the national 23.9%.

THE BRAIN DRAIN AND YOUTH EXODUS: A critical structural challenge is the outflow of tertiary-educated youth. **Albania** estimates a net loss of over 30% of graduates in the last decade. In **Alto Bellunese**, the young population aged between 15 and 34 fell by 40% between 1982 and 2024. **Latvia** identifies youth outmigration as being driven by education mobility, as students rarely return after studying in urban centres.

SELECTIVE COUNTER-TRENDS: Some rural areas near major hubs, such as those in the

Lodzkie Region, have bucked trends through suburbanisation, with rural areas gaining +2.86 inhabitants per 1000 due to internal migration. **Latvia** also notes a small "return window" among the 25–34 age group in some regions.



CONCLUSION: Demographic decline across the RuralProof area is not merely a statistical reduction in residents but a systemic erosion of the social and economic fabric that compromises future regenerative capacity. The data reveals that the persistent outmigration of youth and graduates represents a form of "**intellectual disinvestment**" that leaves rural territories without the human capital needed for innovation. Stabilising the demographic structure through targeted youth retention and "returnee" packages is the foundational prerequisite for the success of all other rural policy interventions.



3.2 The Infrastructure and Service Divide

A widening gap exists between "hard" infrastructure improvements and the actual "functional accessibility" of essential services for residents. In several regions (e.g., Lodzkie, Thessaly), this gap is not primarily due to missing infrastructure, but to the lack of integration between transport, services, and economic interventions, which operate in parallel rather than as coordinated territorial systems.

TRANSPORT EXCLUSION AND REMOTE MOBILITY: While motorways have improved external connectivity in **Thessaly** and **Lodzkie**, internal rural public transport has often stagnated. The transport infrastructure of the **Northern and Western Region of Ireland** ranks 218th out of 234 EU regions, with rural dwellings averaging 3.8 km from a bus stop—and up to 13.5 km in Donegal. In **Lodzkie**, remote rural areas often have 0–3 daily connections. **Albania and Thessaly** also report a sparse 1–3 daily bus connections for remote villages. **Latvia** reports that "transport poverty" is an everyday reality where a single missed connection can mean full exclusion for the day.

SERVICE CONSOLIDATION AND WITHDRAWAL: Efficiency-driven centralisation has led to a contraction of local service points. **Latvia** saw general education institutions decrease by 40–50% and physical post offices fall from 618 to 155 in a single decade. In **South Transdanubia**, small villages lack nursery facilities, creating gaps in early childhood education. In **Thessaly**, institutional elder care is extremely limited, with less than 2% of the 65+ population residing in nursing homes. In **Alto Bellunese**, only 9 of 40 municipalities have a public kindergarten, forcing families to rely on difficult inter-municipal travel.

THE DIGITAL CONNECTIVITY AND UTILITY GAP: Despite high nominal 4G coverage (over 99% in **Latvia**), "white zones" and digital literacy gaps persist in remote areas of **Albania** and **Hungary**. Basic public utilities are also lagging in certain regions; only 28.2% of rural residents in **Lodzkie** and 30% of households in **Bač** are connected to public sewerage networks, while rural **Albania** sits at 65%.

COMPENSATORY SERVICE MODELS: Regions are testing multifunctional hubs. **Latvia** has successfully expanded a network of 314 State and Municipal Customer Service Centres (SMCSC). **Thessaly** utilizes Citizen Service Centres (KEP) as major equalisers for rural residents.



CONCLUSION: The paradigm shift in rural governance from physical proximity to "**functional reachability**" is only viable if matched by seamless mobility and digital integration. In the absence of such compensatory measures, the current model of service centralisation effectively acts as a "service tax" on rural residents, who must absorb higher travel costs and times.



3.3 The Housing Paradox

Regions identify a structural mismatch between a quantitative surplus of uninhabited dwellings and a qualitative deficit of modern, habitable units.

EXCESSIVE VACANCY RATES: High vacancy is a defining challenge in the **Northern and Western Region of Ireland**, where 8 of the 9 Local Authorities recorded residential vacancy rates above the national average. **Bač** identified nearly 1,400 uninhabited or abandoned dwellings, while **Lodzkie** notes technically degraded vacant stock in shrinking towns.

THE MODERNITY AND SIZE DISMISMATCH: In **Alto Bellunese** and **South Transdanubia**, families and specialists often move away because existing housing is "too big, too old, and too expensive" to maintain, while modern small units for single households are scarce. In **Alto Bellunese** specifically, the paradox manifests as a severe housing shortage for incoming workers despite a surplus of empty buildings, directly causing chronic labour shortages in key sectors. **Albania** and **Latvia** identify outdated housing as a structural bottleneck for attracting the "specialists" and "returnees" required for regional innovation.

THE "LOW-VALUE TRAP": **Latvia** and **South Transdanubia** identify a "low-value trap" where limited property values and lower rural incomes reduce access to commercial bank loans for renovations.



CONCLUSION: The rural housing crisis is fundamentally a **qualitative and financial mismatch** rather than a lack of space, where a significant surplus of uninhabited dwellings coexists with a chronic shortage of modern, energy-efficient units. Without active policy intervention to break the "**low-value trap**"

– where limited real estate values prevent commercial lending for renovations – housing will remain a critical bottleneck that nullifies other efforts to attract the talent required for regional development. In several partner regions, this mismatch directly constrains labour market functioning and talent attraction, indicating that housing should be addressed as a core component of local economic and workforce policies rather than as a standalone sector.

Outlook on the population decline of rural towns

Shrinking cities vs. Urban sprawl

In many regions of the European continent, the population is decreasing drastically and the urban fabric is aging, while the proportion of built-up areas continues to increase.

Since the end of the 20th century, the problem of shrinking cities has become a global trend, but in Europe, especially in post-socialist and traditionally industrial regions, it is occurring with extraordinary intensity. According to OECD data, about one fifth of European functional urban areas (FUAs) are struggling with population decline. However, in parallel, the growth of built-up areas, the so-called "urban sprawl", has not stopped. Urban sprawl, which occurs alongside population decline, is not a sign of development, but a kind of 'vacant expan-



STREET IN NEW ALRESFORD
© Theo Felten, Pexels



sion', where, in addition to decreasing population density, the increasing costs of infrastructure maintenance are borne by fewer taxpayers.

OECD has made key policy recommendations regarding this situation:

- First, acknowledge the demographic reality and anticipate change through evidence-based policy responses by systematically integrating population projections into strategic planning and public investment decisions;
- Adapt spatial planning, land use and housing policies to demographic trends by promoting compact development – through densification in growing cities and more efficient reuse (e.g. revitalizing brownfield areas) and consolidation (i.e. promoting the concentration of people, business and services rather than being spread) in shrinking towns and rural areas – alongside renovation and efficient use of infrastructure and land (e.g. using taxation of greenfield investments to protect agricultural land, active role of local governments in 'land banking');
- Create age-friendly places that support healthy ageing, integrate care systems, and foster inter-generational communities through innovation and inclusive services;
- Strengthen co-ordination across sectors and levels of government through integrated planning and vertical and horizontal governance mechanisms, ensuring coherent and efficient responses to demographic challenges.



3.4 Social and Community Dynamics

Rural areas display strong local identities and social cohesion, yet formal involvement in decision-making remains uneven.

THE LAG AND COMMUNITY MODELS: Local Action Groups (LAGs) are identified as the most effective mechanism for bottom-up planning. **Latvia** boasts strong community-led governance structures, including over 300 active Inhabitant Councils and more than 120 Smart Villages. **Bač** benefits from a multicultural environment and active cooperatives.

PARTICIPATION AND BARRIERS: While institutional involvement is high, direct citizen and youth participation is often symbolic or “formal” in **Bač, Thessaly, and South Transdanubia**. In **Alto Bellunese**, long distances, mountain morphology, and low digitalization prevent the effective and continuous participation of citizens in co-development tables. **Latvia** reports a “burnout” of existing NGO leaders.

CENTRALISATION BARRIERS: Highly centralised governance models restrict regional and local autonomy and severely limit effective bottom-up collaboration. In **Ireland**, the fact that 90% of expenditure is managed centrally is identified as a primary barrier to enabling stronger regional and local collaboration. Similarly, **South Transdanubia** suffers from excessive centralisation and sectoral dominance, where local territorial autonomy is exceptionally low and the principle of subsidiarity is almost completely absent. This structure leads to the “territorial blindness” of national sectoral plans, overriding complex regional interests and acting as a fundamental limitation to spatially coordinated, scale-based local development.



CONCLUSION: While the social fabric in rural territories remains resilient – evidenced by strong Local Action Groups (LAGs) and the “Smart Village” movement in Latvia – the structures for civic participation are increasingly facing “**leadership fatigue**” and a **generational participation gap**. The tendency

for participation to be perceived as a formal procedural requirement rather than a genuine co-decisional tool – a concern raised in Greece and Albania – undermines long-term policy legitimacy. Furthermore, extreme centralisation, such as the **90% of government expenditure managed centrally in Ireland**, limits the capacity of local stakeholders to translate community identity into tangible strategic outcomes. Moving forward, rural revitalization depends on shifting from consultative models toward **empowered, multi-fund governance** that specifically lowers the entry barriers for younger residents and provides stable resources for community-led innovation.



RECONSTRUCTION OF A RURAL
TOURISM ACCOMMODATION COMPLEX
© DZERKALI

Same tool, different practice

Local Action Groups (LAGs) in Hungary

Local action groups operated at two levels in Hungary in the 2014-2020 period: cities with a population of

over 10,000 could organize local action groups within the city's administrative area, and for those with a population below that, small settlements could organize themselves into 'LEADER' LAGs (supported by the Common Agricultural Policy), regardless of their administrative borders.

In the 2021-2027 EU cycle, urban LAGs were not included in the Territorial Development Operational Programme ('TOP Plusz'), and thus ceased to exist, while rural LAGs still do not extend to cities, but only support local projects in small settlements (due to the CAP boundaries). This means that lower-level initiatives (from civil organizations and local NGOs) do not prevail in joint urban-rural developments.



3.5 Economic Structure and Labour Market Constraints

Rural economies remain vulnerable due to sectoral dependency and a persistent imbalance where job vacancies exist, but the local workforce is absent or mismatched.

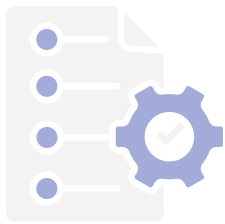
SECTORAL MONOCULTURES: Many regions are predominantly agrarian (Bač, Albania, South Transdanubia). Alto Bellunese faces a "manufacturing trap" where an industrial monoculture reduces artisanal diversity. Traditional agriculture in Thessaly remains highly vulnerable to climate shocks, as seen in the 2023 floods.

THE STRUCTURAL LABOUR SHORTAGE: Partners report that unemployment is no longer the primary hurdle. Instead, there is a chronic scarcity of available labour to staff essential sectors like hospitality, construction, and healthcare. In Alto Bellunese, a structural shortage means over half of small businesses struggle to find skilled personnel, despite record high employment levels. In Latvia and Lodzkie, labour shortages are intensified by the "brain drain," where the outmigration of young graduates leaves local employers without the human capital needed for higher-value-added activities.

LOW WAGE AND PRODUCTIVITY GAPS: In **Bač**, average gross salaries are roughly 25% below the national average and lag behind the wider regional (NUTS 2) average. **South Transdanubia** reports an outdated industrial structure with low export capacity among SMEs, keeping wages below the national norm.



CONCLUSION: Rural resilience is fundamentally constrained by a **structural labour shortage** where record high employment rates — such as **94.2% in Alto Bellunese** — often mask a **"hollowed-out" labour pool** depleted by youth outmigration rather than signalling true economic vitality. This **employment mismatch** is intensified by **sectoral monocultures**, ranging from the "eyewear trap" in Italy to persistent agrarian dependence in **Bač** and **Albania**, which offer limited professional variety for highly qualified graduates. To break this cycle, policy must shift from generic job creation to fostering **diverse, high-quality professional ecosystems** aligned with the green and digital transitions, thereby preventing rural areas from functioning as mere residential commuter zones or stagnant peripheries.



3.6 Administrative and Financial Barriers

A critical "hidden" barrier is the gap between the volume of available funding and the institutional capacity of small municipalities to deliver it.

THE ADMINISTRATIVE BOTTLENECK: Small municipalities lack the technical staff to manage complex EU reporting and procurement. In **Alto Bellunese**, a lack of administrative staff resulted in the risk of renouncing over €22 million in secured border funds because municipalities could not manage the associated bureaucracy. **Thessaly**, **Lodzkie**, and **Albania** report similar staffing shortages and technical capacity gaps that prevent small towns from successfully applying for and implementing external funds.

THE INVESTMENT VS. MANAGEMENT GAP: Current policies prioritise capital expenditure (building assets) but provide limited support for the current expenditure (staffing, maintenance) needed to keep services operational in **Latvia**, **Lodzkie**, and **South Transdanubia**.

URBAN-BIASED FILTERS: Funding often applies "one-size-fits-all" efficiency indicators (minimum user thresholds) that systematically filter out small settlements. **Latvia** identifies the lack of a national cross-cutting structure for rural development as a cause for fragmented policy attention and an over-reliance on urban benchmarks.

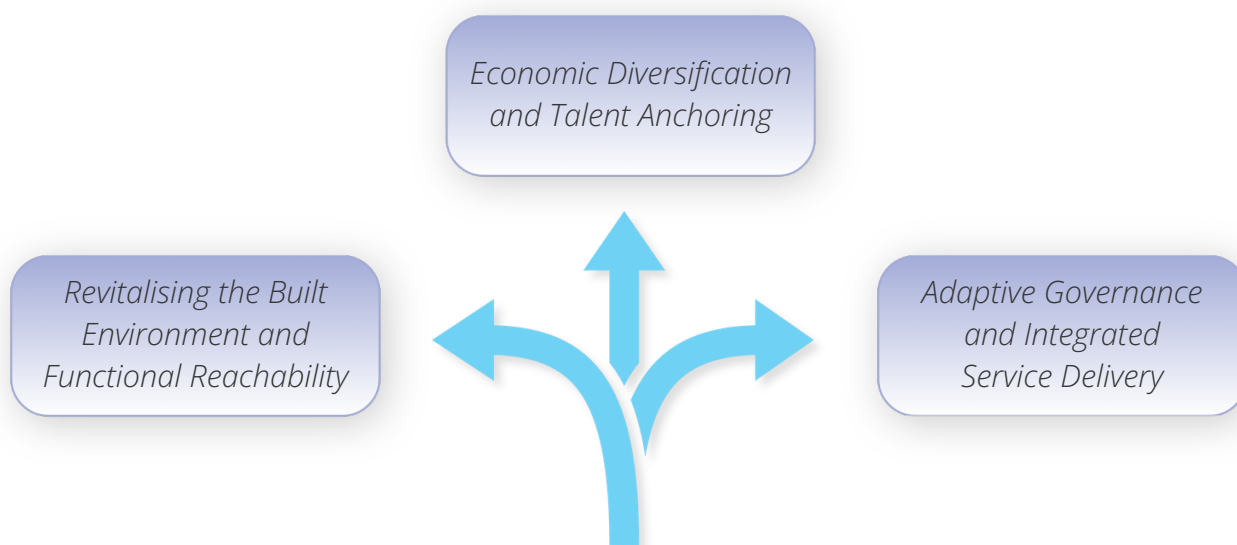


CONCLUSION: The "**Administrative Bottleneck**" represents the single most significant hidden barrier to rural development, where the volume of available funding is frequently nullified by the limited "human infrastructure" of small municipalities to manage it. The experience in Alto Bellunese, where municipali-

ties were forced to renounce over €22 million in funding due to a lack of reporting staff, highlights a critical failure of current policy design that privileges capital expenditure (buildings) over the current expenditure (staff and maintenance) required to deliver it. Policy success in the next cycle depends less on increasing funding and more on implementing **systematic "rural proofing"** – ensuring that eligibility indicators (such as minimum user thresholds) and procurement rules are proportionate to the scale and density of rural settlements.

4 OPPORTUNITIES AND DEVELOPMENT PATHWAYS IDENTIFIED BY PARTNERS

This section synthesises the strategic opportunities identified by RuralProof partners through their SWOT analyses and diagnostic findings. By focusing on the shared structural challenges and the specific regional development targets defined in the Case Studies, the report identifies **three forward-looking development pathways**. These pathways group the partners' concrete policy objectives into **common thematic trajectories** that will guide the **Stage 2 Good Practice exchange**.



Pathway 1: Revitalising the Built Environment and Functional Reachability

This pathway focuses on overcoming spatial and infrastructural deficits by regenerating physical assets and bridging the mobility divide.

- **Tackling Vacancy, Dereliction:** In **NWRA Ireland**, the primary development target is addressing the region's exceptionally high residential and commercial vacancy rates through "compact growth," encouraging the redevelopment of town centres to make rural settlements more active and economically viable. Similarly, **Alto Bellunese** and **Latvia** target the repurposing of vacant buildings to solve the severe housing shortages for incoming workers and specialists.
- **Integrated Mobility and Accessibility:** To connect remote areas to economic opportunities, the **Lodzkie Region** targets the reduction of "transport exclusion" by strengthening public transport networks alongside broadband expansion. **South Transdanubia** and **Thessaly** also prioritise multimodal transport developments and climate-smart infrastructure to reduce the isolation of rural settlements and ensure physical access to urban hubs.

Pathway 2: Economic Diversification and Talent Anchoring

This pathway focuses on breaking the dependency on low value-added raw materials, creating high-quality professional ecosystems, and creating the conditions necessary to attract and retain youth and specialists.

- **Value-Added Processing and Cooperative Development:** In the **Municipality of Bač**, the primary target is enhancing agricultural incomes by strengthening the capacities of small producers to cooperate, access larger markets, and engage in value-added processing. The **Region of Thessaly** and **Lodzkie** similarly target the diversification of the rural economy by supporting agri-food value chains, SMEs, rural incubators, and sustainable tourism.
- **Attracting and Retaining the Workforce:** **Albania**, **Latvia**, and **Alto Bellunese** focus on reversing the "brain drain" and addressing chronic labour shortages. They target the creation of integrated "liveability packages" (bundling employment, housing, and services) to stabilise population trends, support return migration, and anchor talent in hollowing-out peripheries.

Pathway 3: Adaptive Governance and Integrated Service Delivery

This pathway focuses on modernising institutional delivery, overcoming the "Administrative Bottleneck," and redesigning how services are provided to shrinking communities.

- **Shifting to Differentiated Service Delivery:** To maintain functional reachability, **Latvia** aims to shift from efficiency-driven service centralisation to territorially differentiated approaches that ensure access to basic services through integrated physical, mobile, and digital solutions. **Albania** and **Alto Bellunese** target bringing basic services (healthcare, elderly care) closer to citizens via digitalisation and new community-based models.
- **Conjoint Management and Unblocking Capacity:** A critical prerequisite for rural development is improving the capacity of local actors to manage funds. **Alto Bellunese**, **Albania**, and **Latvia** focus on strengthening administrative skills and simplifying procedures. Furthermore, **South Transdanubia** targets the establishment of "shared management systems" and multi-level governance to end the territorial blindness of sectoral policies, ensuring resources are not fragmented across uncoordinated local governments.

5 POLICY CONTEXT AND STRUCTURAL ISSUES AFFECTING REGIONS

This section synthesises the governance frameworks, policy instruments, and structural barriers identified across the RuralProof partnership. It highlights a common tension between strategic alignment at national levels and the operational difficulties faced by local administrators in implementing these policies within rural settings.

5.1 Policy-Making Structures Relevant to Rural Development

Rural development policies are generally shaped through multi-level governance structures, though the degree of centralisation and the roles of intermediate bodies vary significantly across the partner regions.

LATVIA (NATIONAL LEVEL): Policies are created within a multi-level system where the national government sets the legislative framework, and five **Planning Regions** act as intermediaries between national and local levels. While Planning Regions coordinate territorial coherence, they lack independent funding instruments, leaving municipalities responsible for local implementation. There is **no dedicated coordinating body** with an explicit mandate **to address rural territories** as a distinct policy focus.

ALBANIA (NATIONAL LEVEL): Primary responsibility rests with national **ministries** (Agriculture and Territorial Planning), which define strategic priorities aligned with EU candidate requirements. A multi-level structure exists, but implementation is often hindered by **coordination gaps** and limited technical capacity at the municipal level.

NORTHERN AND WESTERN REGION (IRELAND): The system is **highly centralised**, with approximately 90% of government expenditure managed by national departments and agencies. While Regional Assemblies prepare strategic documents like the **RSES**, they have limited autonomy to deviate from national policies, which often adopt a "top-down" and "one-size-fits-all" approach.

LODZKIE REGION (POLAND): The regional authority, led by the Marshal, plays the most significant role in creating development strategies and coordinating EU-funded programs. The system combines top-down frameworks with bottom-up input from municipalities and Local Action Groups, though public participation is often consultative rather than genuinely influential.



SOUTH TRANSDANUBIAN REGION (HUNGARY): The governance system is **exceptionally centralised**—comparable to the Irish model—where **rural development is impacted by almost every national sector** (including transport, education, economy, and healthcare). However, **coordination between these separate sectoral ministries is practically non-existent**. The regional (NUTS 2) tier is merely an artificial statistical construct with no self-governance, independent resources, or regional administrative subdivisions. With the county (NUTS 3) level lacking real operational power and local settlements heavily deprived of resources, there is a profound vacuum of professional coordination between rigid, top-down national policies and local communities.

REGION OF THESSALY (GREECE): Following the "Kallikratis" reform, the Region acts as a **second-level authority with expanded responsibilities for EU fund management**. Strategic priorities are set at national and EU levels and then adapted by the regional authority for local implementation.

ALTO BELLUNESE (ITALY): Rural development is governed through a chain involving national CAP planning, regional implementation (Veneto Region), and local delivery. **Local Action Groups (LAGs)** and **Mountain Unions** are central to implementing place-based strategies like the National Strategy for Internal Areas (SNAI).

MUNICIPALITY OF BAČ (SERBIA): Formally overseen by the Ministry of Agriculture, the policy framework is governed by the Law on the Planning System, which establishes a hierarchy of planning documents. **Governance is largely centralised**, with the municipality responsible for aligning local plans with national and provincial priorities, though **many previous national strategies have expired or are outdated, making alignment difficult**.



5.1.1 Existing Policy Instruments and Their Alignment

Across the partnership, policy instruments are generally **aligned in structure but fragmented in implementation**.

COMMON INSTRUMENT TYPES: The primary tools include national development plans, Regional Operational Programmes (such as FE~~L~~2027 in Lodzkie and ROP Thessaly 2021–2027), the Common Agricultural Policy (CAP/RDP), and territorial strategies like SNAI (Italy), Smart Villages (Latvia), the Town Centre First Policy (Ireland), or specific legal frameworks like Act 102 of 2023 on Spatial Development (Hungary).

VERTICAL VS. HORIZONTAL ALIGNMENT: Most regions report strong **vertical alignment** (EU → National → Regional), where strategic documents are legally required to be consistent with higher-level frameworks. However, **horizontal coordination** across different funds (e.g., ERDF vs. EAFRD) is frequently described as weak, leading to administrative silos and overlapping grant schemes.

COHERENCE GAPS: In many cases, strategic documents (like the RSES for Ireland's Northern and Western Region or Hungary's county plans) lack **designated funding streams** solely focused on their implementation, meaning they must compete for resources from broader national programmes. In **Bač**, local authorities rely heavily on external and provincial funds (over 75% in 2024) because the local budget is insufficient and national cohesion funds are inaccessible due to non-EU status.

5.1.2 Observed Gaps in Policy Responsiveness

A critical finding is that while current policies acknowledge rural challenges, they often fail to address the **structural drivers** of decline.

THE "ABSORPTION-DRIVEN" LOGIC: Policies often function as fund-absorption mechanisms rather than long-term development tools, where projects are adapted to rigid eligibility rules rather than place-based needs. For example, in **Latvia**, mechanical eligibility criteria frequently fail to reflect rural realities, applying uniform thresholds for energy efficiency or job creation that exclude small settlements.

CAPACITY / ADMINISTRATIVE BARRIERS: Small municipalities and rural stakeholders are systematically disadvantaged by complex application and reporting requirements. This is most evident in the "Administrative Bottleneck", where a shortage of technical staff prevents rural areas from accessing available funding.

LACK OF TARGETED MEASURES: Most instruments focus on general economic development or agriculture but lack specific "return windows" or retention packages for young families and highly skilled graduates. In **Ireland**, national schemes like the *Croí Cónaithe* (Vacant Property Refurbishment Grant) apply a universal maximum grant rate (€50,000-€70,000) that does not take into consideration the disproportionately higher renovation costs associated with older, severely degraded rural housing stock in the Northern and Western Region.

5.1.3 Common Characteristics of Development Policies

Synthesising the regional analyses identifies several systemic traits that currently hinder rural cohesion:

STRATEGIC COHERENCE VS. FUNCTIONAL FRAGMENTATION: Objectives are compatible on paper, but the reliance on different regulatory frameworks and calendars generates "coordination overload" for local actors. In **Lodzkie**, for instance, interventions are

rarely integrated across sectors (e.g., combining transport, social services, and economic activity), limiting the ability to address complex rural challenges.

TOP-DOWN HIERARCHIES: Frameworks are predominantly set at national levels, offering **limited flexibility** for local authorities to adapt rules to extreme morphological or demographic conditions.

THE INVESTMENT BIAS: Policies heavily privilege **capital expenditure** (infrastructure and building assets) while providing insufficient support for the **current expenditure** (staffing, maintenance, and service management) required to keep these assets operational in low-density areas. In **Alto Bellunese**, this bias prevents municipalities from hiring the administrative staff needed to manage incoming EU capital funds.

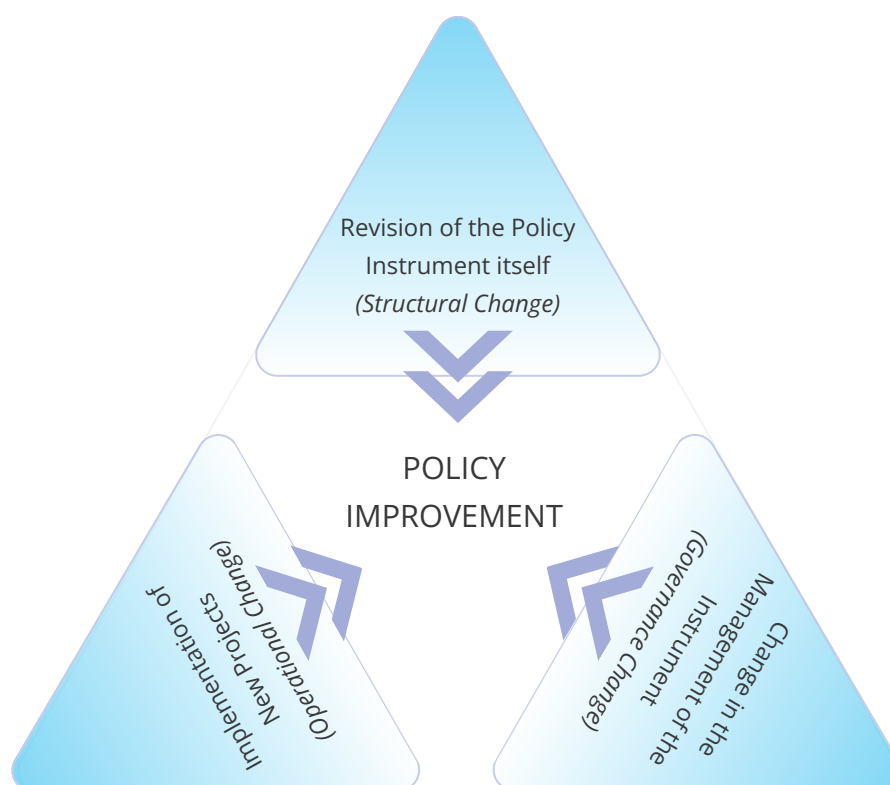
TERRITORIAL BLINDNESS AND URBAN-CENTRIC INDICATORS: Policies frequently apply "one-size-fits-all" efficiency indicators—such as minimum user thresholds or high investment volume requirements—that **systematically filter out small settlements** in favour of urban centres. In **South Transdanubia**, this "territorial blindness" is driven by sectoral dominance, where national ministries make decisions without considering the spatial realities of the rural settlements they affect. This often manifests in concrete policy tools such as uniform eligibility thresholds, sector-specific funding schemes, and evaluation criteria that do not account for low-density conditions, effectively excluding rural territories from access.

6 IMPLICATIONS FOR POLICY ENHANCEMENT WORK

This chapter acts as the bridge between the diagnostic evidence gathered in the Status Quo Analyses and the strategic action planned for the remainder of the RuralProof project. Logically building upon the development pathways mapped out in Section 4 and the structural policy barriers identified in Section 5, this section translates these findings into actionable next steps. Drawing directly from the finalised Case Studies, it outlines the specific policy instruments partners have selected for enhancement and their associated governance risks, the core needs these enhancements must address, the existing workable practices available within the partnership, and the specific gaps that will guide the Good Practice search in Stage 2.

6.1 Types of Policies Chosen for Enhancement by Partners

Partners have selected their **target policy instruments** based on their **regional competencies and the feasibility of achieving meaningful impact within the project's timeframe**. Based on the "Policy Improvement Objectives" defined in their Case Studies (and previously in the Application Form), the partners' approaches fall into **three distinct categories**:



Revision of the Policy Instrument itself (Structural Change)

The majority of partners seek to fundamentally revise the content, legal guidelines, or strategic priorities of their policy instruments to ensure they better reflect rural realities.

LATVIA (NATIONAL LEVEL): Regional Policy Guidelines 2021–2027. The Ministry seeks a structural enhancement to introduce stronger "rural proofing" principles, ensuring sectoral policies are systematically assessed for their territorial impact on low-density areas before adoption.

NORTHERN AND WESTERN REGION (IRELAND): Regional Spatial and Economic Strategy (RSES). The NWRA aims to draft a new Regional Policy Objective (RPO) within the upcoming RSES review targeting the regeneration of vacant and derelict properties, ensuring it aligns with the national focus on compact growth.

SOUTH TRANSDANUBIAN REGION (HUNGARY): Act 102 of 2023 on Regional Development. The goal is to revise the legislation and its implementing decree to mandate shared management systems and horizontal integration, ending the current "territorial blindness" of sectoral policies.

MUNICIPALITY OF BAČ (SERBIA): Development Plan of the Municipality of Bač 2022–2028. The municipality seeks to structurally revise the "Sustainable Economic Development" pillar to explicitly focus on enhancing agricultural production and value-added processing.

Change in the Management of the Instrument (Governance Change)

These partners focus on improving the governance models, evaluation methodologies, and selection criteria used to manage their existing strategies.

ALTO BELLUNESE (ITALY): Local Development Program 2023–2027 (TRACCE). As the funding calls under TRACCE are already launched, the LAG aims to change how the policy is managed. This includes introducing new performance evaluation methodologies (to measure real community impact) and revising the participatory governance model to ensure stronger alignment with local needs during implementation.



Implementation of New Projects (Operational Change)

These partners will use existing regional operational programmes to design and launch new, territorially targeted project calls.

LODZKIE REGION (POLAND): European Funds for Lodzkie 2021–2027 (FEŁ2027). The region will design new, integrated project calls that combine transport, social services, and economic activity to explicitly target rural municipalities rather than relying on fragmented, single-sector interventions.

REGION OF THESSALY (GREECE): Programme “Thessaly 2021–2027”. The region aims to operationalise Specific Objective 5.2 (Integrated Territorial Investments) by launching new, targeted calls for shrinking and disaster-prone areas that bundle infrastructure, climate resilience, and economic measures into cohesive territorial packages.



NOTE: AIPA (Albania), as a so-called Discovery Partner, is not obliged to accomplish policy enhancement in the framework of RuralProof. Despite of this fact, the partner has carried out both the Status Quo Analysis and the Case Study, both of which will serve as an important evidence and knowledge base for futural rural policies. AIPA also participates in the good practice collection and the knowledge exchange linked to this activity.



6.1.1 Risks, Obstacles, and Contingency Planning in the Enhancement Process

While partners have defined clear objectives for policy enhancement, translating these goals into practice requires navigating significant governance, financial, and temporal obstacles. Based on the Case Studies, the success of the policy enhancement process depends on managing the following structural risks:



Top-Down Rigidities and Decision-Making Conflicts

A primary obstacle to meaningful enhancement is the highly centralised, top-down nature of many targeted policies, which often conflict with bottom-up rural needs.

- In **Hungary (South Transdanubia)**, the policy-making process is hindered by the fact that the role of spatiality in government decisions is almost completely absent in the shadow of sectoral dominance, meaning that complex regional interests are frequently overridden by "territorial blindness".

- In **Ireland (NWRA)**, the highly centralised governance model—where around 90% of government expenditure is managed by central government—leaves regional authorities with limited autonomy to enact rural-specific changes without national approval.
- In **Latvia**, decision-making processes are often sector-driven, which can subordinate rural considerations to sectoral priorities and uniform funding logics.



The Funding and Capacity Mismatch

The chances of achieving a meaningful enhancement depend heavily on the alignment between the targeted policy instrument, its financial resources, and local administrative capabilities.

- **Strategic Frameworks without Dedicated Funds:** Instruments like the **NWRA's** Regional Spatial and Economic Strategy (RSES) in **Ireland** and **Latvia's** Regional Policy Guidelines are strategic frameworks that guide public investment but do not possess standalone financing schemes of their own. In Latvia, their enhancement relies on successfully influencing other national funding streams to align with their new regional objectives. For non-EU partners like the **Municipality of Bač (APA)**, a reliance on provincial or national transfers and a lack of access to large-scale EU cohesion funds creates significant financial barriers for implementing major infrastructure policies.
- **Operational Programmes with Capacity Bottlenecks:** Conversely, regions targeting operational programmes (such as **Thessaly** and **Lodzkie**) have substantial EU budgets behind their policies. However, their main obstacle is the limited administrative capacity and technical expertise of small rural municipalities, which prevents these available funds from being absorbed and utilised effectively.



Timing Constraints and Contingency Planning

The rigid timeframe of the 2021–2027 EU programming cycle poses a severe risk to structural policy changes, forcing some partners to adapt how they achieve their enhancements and to prepare backup plans.

- For **Alto Bellunese (Italy)**, influencing the TRACCE program through the funding of new projects is almost impossible, as the great part of the calls for projects have already been defined and launched before the end of 2025 or early 2026. To achieve a meaningful result, the LAG is shifting its enhancement focus to process-related and impact-related changes—such as revising project selection criteria and introducing new performance evaluation methodologies to ensure community benefits remain central.

- The **Lodzkie Region** also notes that introducing significant modifications to their European Funds instrument within the project duration may be limited by time constraints. If structural changes to the funding programme fail, they have identified alternative regional strategies—such as the Development Strategy of the Lodzkie Region 2030 and the Regional Transport Plan—as contingency instruments.
- Similarly, **Thessaly** has identified the Regional Development Programme (RDP/PPA) and the CAP Strategic Plan as backup entry points if limitations arise in influencing their main Operational Programme, and **Latvia** holds the National Regional Development Support Programme in reserve.

6.2 Key Needs Policies Should Address

The synthesis of Status Quo Analyses and Case Studies identifies **four prioritised "blockers"** driving the cycle of rural decline. While the policy enhancements implemented within the scope of the RuralProof project will naturally not be able to tackle all the complex blockers identified by the partners, these structural issues define the overarching needs that require a shift from generic regional aid to territorially sensitive, integrated interventions. Furthermore, the transferable practices detected throughout the Good Practice (GP) collection in Stage 2 will iterate and refine this process.



Tackling the Administrative Bottleneck

Small municipalities frequently lack the **"human infrastructure"** to manage complex EU reporting and procurement, leading to missed investment opportunities. In **Alto Bellunese, South Transdanubia, Lodzkie, Latvia, Thessaly, Albania**, and the Municipality of **Bač**, a core policy need is strengthening local and regional administrative capacity.

Policies must address this bottleneck by supporting shared technical units, simplifying procedures, and providing dedicated technical assistance to small municipalities to improve the absorption of development funds. Furthermore, partners like South Transdanubia emphasize the critical need to establish **"shared management systems"** and multi-level governance to overcome the territorial blindness of fragmented, sector-led decision-making.



Resolving the Housing Paradox

Rural development must move beyond job creation to address the **qualitative mismatch** between a quantitative surplus of buildings and a lack of modern, habitable units. For the **NWRA (Ireland)**, policies must directly address the region's exceptionally high residential and commercial vacancy and dereliction rates to enforce compact growth

and make rural town centres active and economically viable. Similarly, in **Alto Bellunese** and **Latvia**, an outdated or unsuitable housing stock acts as a severe structural bottleneck preventing the attraction of new specialists and workers. Policies here must facilitate the renovation and repurposing of existing buildings, moving beyond traditional market mechanisms to develop targeted rural rental and housing solutions that solve chronic labour shortages.



Stabilising Demographic Decline

The retention of tertiary-educated youth and graduates is a cross-cutting need to prevent "**intellectual disinvestment**" in rural territories. In regions heavily dependent on traditional agriculture, such as **Bač** and **Albania**, the core policy need is to diversify the rural economy and generate higher local incomes to prevent youth outmigration. Policies must incentivise cooperative models, small business entrepreneurship, and value-added processing capacities. In **Thessaly** and **Lodzkie**, policies need to foster integrated initiatives that enhance the overall quality of life, local employment, and social inclusion to create attractive conditions that retain young residents and reverse the continuous outflow of human capital.



Ensuring Functional Reachability

As physical service points contract due to efficiency-driven centralisation, policies must focus on **smart service models** that maintain access for non-mobile groups. In **Latvia**, **Thessaly**, **Lodzkie**, and **Albania**, the primary need is to shift from fragmented, sector-driven funding to integrated territorial packages. Policies must address severe transport exclusion and service gaps by allowing rural municipalities to bundle public mobility, digital connectivity, and basic service provision (such as healthcare and education) into cohesive, place-based interventions, ensuring that residents in sparsely populated areas remain connected to essential hubs.

6.3 Workable Practices and Transferable Elements identified in partner regions

The RuralProof consortium does not start from zero. While the formal collection of good practices occurs in Stage 2, the Status Quo Analyses (SQA) and Case Studies have already identified a robust set of existing tools, governance models, and service delivery methods within the partnership that function as "breakout points". To directly bridge the gap between diagnosis and solution, these workable practices are clustered below according to the four key needs identified in [Section 6.2](#), demonstrating their strong potential for interregional transfer.

Practices Addressing the Administrative Bottleneck

These practices demonstrate how rural regions and small municipalities can overcome staffing shortages and complex bureaucracy by pooling administrative capacities and fostering local governance coordination to successfully absorb and manage development funds.

- **Inter-Municipal Cooperation and IPARD Capacity Building (Albania):** Proven practices in fostering local governance coordination mechanisms and capacity-building initiatives designed to help small rural actors access complex EU (IPARD) and national development funds.
- **Smart Villages and ManaBalss.lv (Latvia):** A highly developed civic participation platform and a network of over 120 Smart Villages and 300 Inhabitant Councils driving bottom-up legislative and local initiatives, empowering local capacity.

Good practices beyond the partnership: Innovative local governance structures

Multi-tiered support for technical engineering work in rural areas (FRA)

The French Agence Technique Départementale (ATD) represents a sophisticated vertical support model where the Departmental Council (the middle tier of government) establishes a specialized public administrative body to serve the needs of rural communes. The organization aims to provide technical, legal or financial assistance to local authorities and inter-municipal organizations. A critical feature of the ATD is its status as an "in-house" provider for its members. This fosters a long-term partnership rather than a transactional client-vendor relationship.

Funding is based on a mix of annual membership fees from communes and inter-communal bodies, project-specific service fees, and the direct subsidies of the Departmental Council (one-third of the revenue).



ATD's Service Portfolio: Feasibility studies for renovation and construction of public buildings; Monitoring sewage treatment plants, leak detection in potable water networks, and infrastructure sizing; Civil Engineering of roads, bridges, and retaining walls, including structural surveillance and maintenance; Guidance on public procurement, administrative law, and securing diverse funding sources for local projects; Support for managing territorial planning procedures.

Practices Resolving the Housing Paradox

These practices showcase innovative financial grants and service-oriented hubs designed to overcome the "low-value trap" by financing the renovation of degraded buildings and actively connecting incoming workers with modern, habitable homes.

- **SportHello One-Stop Office** (Alto Bellunese, IT): An innovative mountain service hub connecting potential new residents and entrepreneurs with housing availability, workspace, and local relationship networks.
- **Croí Cónaithe / Vacant Property Refurbishment Grant** (NWRA, IE): A national grant framework providing up to €70,000 for the conversion of vacant or derelict buildings into permanent homes.

Practices Stabilizing Demographic Decline

These practices illustrate how regions can counteract youth outmigration and population decline by leveraging cooperative economic models, community energy schemes, and participatory co-design to raise local incomes and enhance rural liveability.

- **Agricultural Cooperative Bačka Jagoda & Centre for Organic Production Selenča** (Bač, RS): Successful cooperative models that consolidate small rural producers, introduce modern technologies, and secure access to international export markets.
- **Community Energy Schemes** (Thessaly, EL): Emerging models of renewable energy cooperatives (solar and small hydro) involving municipalities and farmers to lower rural energy costs.
- **TRACCE "Community Projects"** (Alto Bellunese, IT): A co-design methodology where Mountain Unions define integrated public-private initiatives specifically to launch new services and attract families.

Practices Ensuring Functional Reachability

- **KKA ŁKA Integrated Railway Bus System** (Lodzkie, PL): A regional mobility solution utilizing low-floor, highly accessible buses synchronized with regional rail to combat transport exclusion.

- **Multifunctional Library Hubs (Latvia):** A successful repurposing of public libraries into State and Municipal Customer Service Centres (SMCSC), providing 253 rural access points for e-administration and basic services.
- **General Practitioner Pilot Project in the Heves District (HU):** An innovative healthcare pilot designed to reorganize and maintain essential general practitioner services in rural and shrinking districts.
- **Hybrid Local Service Models (Albania):** Emerging practices in rural areas that combine physical service delivery with digital access, particularly focusing on the potential of e-services and telemedicine for remote mountain settlements.

Good practices beyond the partnership: Demand-Responsive Transport

Sprinti, the largest on-demand public transport system in Germany

The 'sprinti' service in the Hannover region operates 120 pieces of 5/6/18-seater minibuses across 12 municipalities with 360,000 inhabitants and serves 47,000 trips per month (an average of 1,500 passengers per day). The service is ordered and coordinated by the Hannover Region (the regional authority for 21 municipalities). The project was launched as a

pilot funded by the German Federal Ministry of Digital Affairs and Transport in 2021. The service is now funded directly from the Hannover Region's own budget, with approximately 24 million euros allocated annually. However, by implementing 'sprinti', the region has been able to replace underused fixed-route city buses and other older demand-services, saving approximately 5.5 million euros per year.

It is fully integrated into the tariff system, meaning users with a regional ticket or with the national pass called 'Deutschlandticket' can use the service at no extra cost.

It has virtual and existing stops, and the passengers can book the buses spontaneously by application or phone. It offers urban-level service hours (often until 1:00 AM or 4:00 AM) even in rural areas. The system is programmed to only offer a ride if there is no comparably good scheduled bus or train connection available.



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6.4 Gaps Identified for Further Good Practice Search

To effectively execute the policy enhancements outlined in [Section 6.1](#), partners will use Stage 2 to identify Good Practices (GPs) within their own regions and countries. The workable practices highlighted in [Section 6.3](#) act as the forerunners of this process. The consortium will develop a transfer matrix to determine which partner can adopt another partner's GP and use it in their own policy enhancement. To supplement this internal knowledge exchange, BURST will additionally identify two GPs from outside the partnership.

The missing practice areas detailed below define the exact solutions partners need to adopt to fill the thematic gaps identified in their SQA SWOT analyses and Case Study policy objectives. These gaps are aligned with the three development pathways established in [Section 4](#).

Gaps aligned with Pathway 1

(Revitalising the Built Environment and Functional Reachability)

- **Financial and Spatial Models for Tackling Vacancy and Compact Growth:** The Northern and Western Region of Ireland (NWRA) requires proven models to finance and de-risk the renovation of severely degraded rural housing stock to combat its high vacancy rate. As the NWRA aims to draft a new Regional Policy Objective within its RSES to address vacancy, GPs are needed that demonstrate how to support regeneration in rural towns and villages.
- **Integrated Functional Area Mobility and Services:** The Lodzkie Region aims to redesign project calls under the European Funds for Lodzkie 2021–2027 to overcome transport exclusion. There is a critical gap for GPs demonstrating how to integrate public transport, demand-responsive transit (DRT), and social services into unified, cross-sectoral territorial projects rather than isolated, single-sector interventions.

Gaps aligned with Pathway 2

(Economic Diversification and Talent Anchoring)

- **Cooperative Value-Chain and Processing Models:** For the Municipality of Bač, where the Development Plan aims to enhance agricultural incomes, there is a gap in practices that successfully transition small farmers from primary production to higher-value processing. GPs are needed that showcase cooperative economic models, rural SME incubators, and the integration of local agricultural products into broader tourism and market supply chains.

- **Operational Models for "Workforce and Newcomer Readiness" Ecosystems:** To address severe labour shortages and youth brain drain, **Alto Bellunese, Latvia, and Albania** require GPs on "Returnee Readiness" strategies and integrated "workforce packages." Models are sought that bundle housing, childcare guarantees, remote-work hubs, and mobility solutions to attract and retain specialists.

Gaps aligned with Pathway 3

(Adaptive governance and Integrated Service Delivery)

- **Systematic "Rural Proofing" Governance Mechanisms:** Latvia specifically targets the enhancement of its Regional Policy Guidelines to stop policies from unintentionally reinforcing depopulation through "efficiency-driven" centralization. There is a profound need for GPs showcasing functional "rural proofing" frameworks that mandate the assessment of national and sectoral policies; ensuring indicators are proportionate to low-density areas before they are implemented.
- **Shared Technical Units to Overcome the Administrative Bottleneck:** A universally identified gap across Alto Bellunese, Albania, and Lodzkie is the limited capacity of small municipalities to absorb development funds. Partners urgently seek **GPs illustrating how to establish "Rural Project Support Facilities" or inter-municipal shared technical units that pool engineering, procurement, and reporting staff**, thereby reducing the administrative burden on micro-beneficiaries.
- **Conjoint Management and Multi-Level Regional Planning:** South Transdanubia requires GPs demonstrating effective "shared management systems" and regional planning frameworks where functional urban-rural areas are managed jointly, ensuring resources are not fragmented across uncoordinated local governments.
- **Targeted Delivery for Shrinking and Disaster-Prone Areas:** The Region of Thessaly plans to launch new calls specifically for highly vulnerable rural zones. There is a gap for GPs that bundle infrastructure, economic activities, and climate resilience (such as flood management) into cohesive, community-led project packages for remote mountain settlements.

7 CONCLUSION

The synthesis of the Status Quo Analyses (SQAs) and Case Studies across the eight diverse European territories provides the strategic evidence base for the RuralProof project. This final section moves beyond the individual regional profiles to outline the overarching **Main Messages** derived from the diagnostic phase. It explicitly defines how these findings will steer the consortium toward Stage 2 (**Good Practice collection and transfer**) and the ultimate goal of targeted policy enhancement.

7.1 Main Messages From Diagnosis to Structural Change

The diagnostic phase has moved beyond identifying symptoms to uncovering the structural "blockers" that currently undermine rural development efforts across the partnership:

THE PRIMACY OF "HUMAN INFRASTRUCTURE" (The Administrative Bottleneck): Across the partnership, the **lack of local administrative capacity** is a more decisive barrier than the absolute volume of funding. Small municipalities lack the technical staff to manage complex EU reporting and procurement. In Alto Bellunese, staff shortages limit the ability to efficiently manage available funding, leading to missed development opportunities. Similarly, Lodzkie, Albania, Thessaly, and South Transdanubia report that without shared technical units or simplified procedures, rural areas cannot absorb the funds meant to help

them. *Policy success in the next cycle requires a shift from purely capital expenditure to supporting the current expenditure (staff and management) needed for implementation.*

HOUSING AS A PREREQUISITE FOR INNOVATION (The Housing Paradox): The diagnostic evidence reveals that **job creation alone cannot reverse demographic decline if there is nowhere for workers to live.** In Alto Bellunese and Latvia, an outdated or unsuitable housing stock acts as a severe structural bottleneck, preventing the attraction of new specialists and exacerbating chronic labour shortages. In the Northern and Western Region of Ireland, exceptionally high residential and commercial vacancy rates (above the national average in 8 of 9 local authorities) drain the vitality of rural town centres and prevent agglomeration economies. *Tackling vacancy, dereliction, and the mismatch between old housing stock and modern family needs is a prerequisite for economic renewal.*

THE SHIFT TO FROM SECTORAL SILOS TO INTEGRATED REACHABILITY: Traditional service delivery models based on physical proximity are increasingly unviable in sparse settlements. However, addressing this through fragmented, sector-driven funding (e.g., funding a bus route without coordinating health or digital services) has failed. Regions like Latvia, Thessaly, Lodzkie, and Albania require a paradigm shift toward integrated territorial packages. *This means bundling demand-responsive transport (DRT), digital access, and essential services into cohesive, place-based interventions to ensure functional reachability.*

OVERCOMING TERRITORIAL BLINDNESS AND RESTRUCTURING RURAL ECONOMIES: Current national and regional policies often inadvertently punish low-density areas through **urban-biased efficiency indicators** to rural realities. In South Transdanubia, the fragmented allocation of resources highlights the urgent need for shared management systems and multi-level governance. Furthermore, regions heavily dependent on traditional agriculture, such as the Municipality of Bač and Thessaly, must break their reliance on low-profit primary production. *Stabilising demographic decline requires restructuring these economies toward cooperative models, value-added processing, and green energy to generate higher local incomes and retain youth.*

7.2 Informing Stage 2

Strategy and Implementation

The evidence-led findings of this report strategically steer the upcoming activities of Stage 2 (Semesters 2–4) in four concrete ways:



1. DEFINING SEARCH CRITERIA FOR GOOD PRACTICES (GPs): The missing practice areas ([Section 6.4](#)) and **key needs** ([Section 6.2](#)) now serve as the mandatory search criteria for the collection of GPs. Rather than conducting a generic search, the consortium will use a transfer matrix to match the internal workable practices identified in [Section 6.3](#) (such as Bač's cooperative models, Latvia's Customer Service Centres, or Ireland's Croí Cónaithe grant) to specific regional gaps. This will be supplemented by two external practices identified by BURST.

2. STRUCTURING THEMATIC WORKING GROUPS: The Development Pathways established in [Chapter 4](#) provide the analytical logic for **clustering partners for knowledge exchange**. This ensures that partners are grouped with regions pursuing similar strategic goals—such as regions under Pathway 1 focusing on revitalising the built environment and functional reachability, or regions under Pathway 3 focusing on adaptive governance and integrated service delivery.

3. THEMATIC SCOPING FOR MASTERCLASSES: The **structural blockers** identified in this **report**—specifically the Administrative Bottleneck, the Housing Paradox, and the need for Systematic Rural Proofing—will directly inform the subject matter of the **Masterclasses** planned for Stage 2. This ensures the **capacity-building efforts provide deep insights** into the exact mechanisms partners need to enact structural or governance changes.

4. BASELINE FOR POLICY ENHANCEMENT: The evidence-led findings on policy deficiencies and governance risks ([Section 6.1](#)) provide the necessary starting point for the **Phase 1 Roadmaps** each partner must elaborate by the end of Stage 2. These roadmaps will outline the concrete steps needed for the adoption of new solutions into their targeted policy instruments. Whether drafting a new Regional Policy Objective for vacancy in Ireland (RSES), operationalising Integrated Territorial Investments in Thessaly, or revising the regional development legislation in Hungary, the evidence gathered here dictates the required trajectory for Stage 3.





This report confirms that while the participating European territories face severe demographic, geographic, and administrative barriers, they also possess significant latent potential. The comprehensive Status Quo Analyses and Case Studies compiled will serve as a robust **evidence base for the formulation of partners' future rural policies**, extending their utility far beyond the immediate purposes of this project.

A fundamental principle of an **Interreg Europe** project is the recognition that it is vital to **learn from both the successes and the failures of other regions**. This active interregional knowledge exchange is at the heart of the next phase of RuralProof, allowing regions to avoid repeating past mistakes and to adapt proven solutions to their own unique contexts.

To ensure maximum transparency and ongoing utility, all the individual **Status Quo Analyses and Case Studies will be annexed or made fully available** to all partners and other interested readers. Together, these documents serve as a **rich repository of regional data and knowledge** that can inform stakeholders, researchers, and policymakers well into the future.

By transitioning from this diagnostic 'Status Quo' to the active sharing of innovative, place-based 'Good Practices,' the project enters its next phase fully equipped to unlock rural potential and ensure that no territory is left behind.

ANNEXES

This Summary Report, together with the Status Quo Analyses and the Case Studies elaborated by RuralProof partners can be accessed [here](#).