

*Proposed amendment to the Draft MFF Regulation on Smart Small Communities by the
Smart Village Network Services*

Article 7X

Support under Smart Small Communities ('Smart Villages')

1. Support under this Article shall promote the development and implementation of **smart small community ("smart village") strategies**, contributing to the sustainable, digital, social and environmental transformation of small (rural) communities.
2. For the purposes of this Regulation, *smart small communities ("smart villages")* are **communities (LAU or sub-municipal entities) of less than 5,000 inhabitants that implement local innovation concepts, plans or strategies and innovative solutions to improve their resilience, building on local strengths and opportunities.**
3. Support for smart small communities shall:
 - (a) be based on **integrated and place-based visions, concept, plans or strategies**, developed through partnerships between local authorities, community organisations, enterprises, and other local stakeholders;
 - (b) encourage **innovation and cooperation**, including inter-territorial and transnational networking with other smart communities and local development initiatives supported under Article 74;
 - (c) promote **inclusive participation**, ensuring the engagement of citizens, youth, and under-represented groups in local decision-making;
 - (d) build on and complement **community-led local development (CLLD)** and **LEADER** initiatives;
 - (e) foster **digital and social innovation**, the green transition, circular economy and improved provision of local services.
4. Smart small community concepts, plans or strategies shall define:
 - (a) the **LAU or sub-municipal entity covered**;
 - (b) an analysis of **local needs, strengths and innovation potential**;
 - (c) **key objectives, measurable targets and indicators**;
 - (d) the **arrangements for local governance and stakeholder participation**.
5. Support may cover:
 - (a) **preparatory, capacity-building and animation actions**, including the improvement of digital, entrepreneurial and organisational skills;
 - (b) **development, testing and implementation** of smart small community strategies and projects;
 - (c) **networking, cooperation and knowledge-exchange activities** at local, regional, national or Union level;
 - (d) **monitoring, evaluation and communication** of smart small community strategies and the Union contribution to their implementation.
6. Member States shall ensure that:

- (a) **transparent and objective selection procedures** are established for smart small community strategies;
 - (b) support is **coordinated across relevant Union funds and instruments**;
 - (c) Smart small community partnerships may act as **beneficiaries**, provided that the principle of separation of functions is respected;
 - (d) Smart small community initiatives contribute to one or more of the **specific objectives** set out in Article 3.
7. The use of simplified cost options shall be encouraged for operations under this Article. Support may be granted in the form of **multi-annual lump sums**, linked to the implementation period of the approved smart small community strategy. Lump-sum support may cover preparatory or pilot actions up to **EUR 50 000**, and the **implementation of strategies up to EUR 100 000 per year**, for a duration not exceeding **five years**, following objective and non-discriminatory criteria defined by Member States.