EU rural development policy
Impact, challenges and outlook

SUMMARY
On 30 June 2021, the European Commission adopted a communication on its long-term vision for the EU’s rural areas. The communication identifies areas of action with a view to creating new momentum for the EU’s rural areas, while recognising their diversity. In recent decades, in many Member States rural areas have experienced depopulation. Such regions face a range of environmental and socio-economic challenges. These include, for example, lower income per capita, a higher percentage of the population at risk of poverty and social exclusion, a lack of access to basic infrastructure and services, and lower levels of access to fast broadband internet. The EU’s rural development policy has sought to help address these challenges.

Evaluation evidence is emerging on the impact of the common agricultural policy (CAP) on the territorial development of the EU’s rural areas. Measures relating to village renewal and LEADER (Liaison entre Actions de Développement de l’Économie rurale) measures are considered to be well-targeted and relevant to local needs, although they represent a small proportion of CAP financing. Administrative burdens have been raised as an issue that can impact on the developmental process. Recommendations from this evaluation evidence point to the need for better integration of funding streams, the need to maintain a dialogue across the European structural funds, and all the implications this may have for the new CAP strategic plans. The Commission’s recommendations to Member States on their CAP strategic plans highlight a number of recurring themes relating to the employment, education and training needs of rural areas, including the need to address rural depopulation, promote generational renewal, improve connectivity, and address the role played by action taken at local level. The Commission’s communication on a long-term vision for rural areas includes provision for a ‘rural pact’ to engage actors at EU, national, rural and local levels and an EU rural action plan, setting out a range of initiatives and actionable projects. The vision and its supporting analyses will provide a framework for addressing the future of the EU’s rural areas.

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Overview of rural Europe

From Finland to Cyprus, and Ireland to Bulgaria, rural areas present a great variety of landscapes, climates, types of agriculture, traditions and cultures. They can also vary greatly in economic and demographic terms: those close to urban areas are often dynamic local economies while more remote, sparsely populated areas generally experience weaker economic growth and a higher risk of poverty for the population. The latter tend to see their populations shrink as young people leave to seek better opportunities, whereas well-connected rural areas, closer to urban centres, tend to attract population and serve as residential areas. The challenges and opportunities present indifferent types of rural areas are extremely diverse.

The European Commission indicated in its communication of 30 June 2021 that the EU’s rural areas are home to 137 million people, accounting for almost 30 % of its population. Predominantly rural areas cover 44.6 % of the total EU territory (EU-27) representing 1.9 million km². The proportion of the population living in rural areas varies from a share below 20 % in the case of the Netherlands, Cyprus, Belgium and Sweden to 53 % in the case of Lithuania. It is estimated that predominantly rural regions represent around 80 % or more of the territory in Ireland, Finland, Estonia, Portugal and Austria.

By definition, rural areas are where food is produced for the European population, involving some 10.3 million farms in the EU-27 utilising 157 million hectares of land for agricultural production. Agriculture is of vital importance to keep rural areas alive, as many other economic activities depend on it. The sector itself employs 22 million people and the wider food sector (farming, food processing and related retail and services together) provides around 44 million jobs. In Germany, Sweden, Austria and Denmark, more than a third of farms have at least one other source of income. Farmers are stewards of the natural environment, caring for the natural resources of soil, water, air and biodiversity on 48 % of the EU’s land. Farming provides essential carbon sinks and the supply of renewable resources for industry and energy.

While some agricultural practices put pressure on the rural environment, agriculture and forestry generate public goods, notably environmental services: agricultural landscapes, farmland biodiversity, water quality and regulation, soil functionality, climate stability, air quality, resilience to flooding and fire. Social public goods include food security, rural vitality, recreational activities, and also cultural heritage. Rural areas are meanwhile important centres of renewable energy production. They are appreciated for a number of real or perceived advantages: lower living and housing costs, less pollution, more space, a better social fabric, the natural environment. The experience of the coronavirus pandemic has highlighted their value as places where teleworking is possible while enjoying a better quality of life. The Commission’s communication on a long-term vision for the EU’s rural areas analyses the opportunities that rural areas offer.

Issues and challenges

Although rural areas can offer many opportunities, they are characterised by both structural weaknesses and unexplored potential. They face recurring challenges, including demographic changes (depopulation and an ageing population), lower income per capita, an unfavourable employment situation, a higher percentage of population at risk of poverty and social exclusion, and a lack of access to basic infrastructure and services covering health, transport, education and broadband internet. Figure 1 compares these aspects of rural living with life in urban areas. Further examples of challenges include the average road distance to essential services, which is much longer in rural areas. In a city, the average road distance to the nearest doctor is 3.5 km, while for remote rural areas, the average distance is almost 21.5 km.
Another example is digital connectivity: only 60% of households in rural areas have access to fast broadband (>30 Mbps), compared with 86% of the EU population as a whole. The share of people accessing the internet on a daily basis is only 70% in rural areas, compared with 81% in cities. There are more early leavers from education and training in rural areas (11.1% against 9.6% in cities). As regards the share of population aged 25 to 64 in rural areas with a tertiary education, the gap between rural areas and cities was 19 percentage points in 2019. In 2018, average gross domestic product per capita in rural regions was only three quarters of the EU average. Figure 2 summarises the range of socio-economic issues facing EU rural areas.

Figure 1 – Digital skills, education, poverty, employment and health by rural / urban typology (as a %, 2018).

Source: Eurostat.

Figure 2 – Social inclusion and socio-economic issues in EU rural areas

Source: Adapted from the European Commission evaluation support study on the impact of the CAP on territorial development of rural areas: socio-economic aspects, October 2020.
In EU rural regions, the population dropped by 0.8 million between 2014 and 2019, while urban regions gained 3.8 million inhabitants. However, in some Member States rural regions grew by more than 0.2 % a year while in others they decreased by the same amount. In eight Member States rural regions have been losing population since 1991: Latvia, Estonia and Lithuania, Bulgaria, Croatia, Hungary, Portugal and Romania. According to Eurostat data, the population of predominantly rural regions is projected to fall by 7.9 million by 2050, while that of EU urban regions will increase by 24.1 million, and they will be home to almost half of the EU population.

Recent work by the Organisation for Economic Co-operation and Development (OECD) shows that regions close to cities tend to grow, while more remote regions tend to lose population. The latter often experience the effects of depopulation and an ageing population. Depopulation is a long-term trend resulting mainly from the restructuring of agriculture, (becoming less labour-intensive, with fewer and larger farms) and a shift from the primary and secondary sectors to the tertiary sector. This trend is underpinned by low birth rates (JRC, 2018), out-migration of younger qualified people and increasing life expectancy, leading to an ageing of the rural population. Rural areas suffer from fewer job opportunities, and underutilised and unviable public services including transport and health services. These factors, when combined, impact on local living conditions, undermining the attractiveness of rural areas and leading to a 'downward spiral of demographic decline through falling fertility rates and enforced ageing of the remaining population' (ESPON, 2017). In 2015, the majority of European regions with high shares of older people and a corresponding high old-age dependency ratio were rural regions. The demographic challenge affecting rural communities is particularly acute in the EU's farming population. Generational renewal is no longer assured, the farmer population is ageing, with only one in 10 under the age of 40. The share of young female farmers is especially low.

EU rural development policy 2014-2020

The EU’s rural development policy is designed to help rural areas rise to the wide range of economic, environmental and social challenges they face and to take advantage of their opportunities. Rural development gained political prominence with the Union's Agenda 2000 project, agreed in 1999, one of the main aspects of which was CAP reform. It acknowledged the importance of rural development by making it the 'second pillar' of the CAP, a policy designed to secure the future of rural areas at a time when the agricultural sector was losing many jobs. It is co-financed from the European Agricultural Fund for Rural Development (EAFRD) and by national authorities. In contrast, the 'first pillar' of the CAP is made up of payments to support farmers' incomes and for market support measures. It is entirely financed by the European Agricultural Guarantee Fund (EAGF). The growing importance of rural development has been reflected in its expanding share of CAP funding. In 2000-2006, it accounted for about 10 % of the overall CAP budget. In the following periods, it increased to nearly 25 % of total CAP funding. The EAFRD is the main funding source for rural development, but other European structural and investment funds (ESIFs), in particular the European Fund for Regional Development (ERDF) and the European Social Fund (ESF), are also used.

For the 2014-2020 period, rural development is governed by Regulation No 1305/2013 setting three overarching objectives for the policy covering the competitiveness of agriculture, ensuring sustainable management of natural resources and climate action and achieving balanced territorial development of rural economies and communities.

Policy implementation and impact

Within this framework, rural development policy is implemented through a total of 118 national and regional rural development programmes (RDPs) funded through the EAFRD and national contributions. Involving approximately €100 billion through the EAFRD and €61 billion of public funding in the Member States, the programmes set out the measures – chosen from a 'menu' of 20 broad policy measures in the EAFRD Regulation – to be applied to achieve their targets using the funding allocated to each measure (see Figure 3). Progress on targets is monitored through the common monitoring and evaluation framework (CMEF).
Evidence on the impact of the CAP on the territorial development of rural areas can be derived from the evaluation findings published by the European Commission in February 2021. Based on a combination of both quantitative and qualitative analyses (the latter involving regional case studies and interviews with rural development experts and public authorities), the evaluation is summarised in Box 1.

Box 1 – Key findings on the impact of the CAP on territorial development of rural areas

<table>
<thead>
<tr>
<th>Evaluation criteria</th>
<th>Summary points</th>
</tr>
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<tbody>
<tr>
<td>Effectiveness</td>
<td>CAP funding enables more remote and agriculturally dependent areas to develop. Pillar I basic payments play an essential role in supporting farm viability and income stability. Pillar II measures contribute to economic development of rural areas. Village measures and LEADER measures are effective in alleviating social deficits and strengthening social cohesion.</td>
</tr>
<tr>
<td>Efficiency</td>
<td>Rural development measures offer a wide range of support that can be geared towards different local situations. The administrative procedures for Pillar II measures are seen as lengthy and complicated, making it difficult for economically disadvantaged groups to access. There is evidence of innovative solutions to improve the cost-effectiveness of measures in some Member States.</td>
</tr>
<tr>
<td>Coherence</td>
<td>Pillar I and Pillar II instruments are usually planned separately. There can be strong complementarity involving the same territorial focus by different funds in specific rural areas involving access to services and infrastructure supported by the ERDF and with regard to agricultural competitiveness (EAFRD) in peripheral rural areas. LEADER is seen as highly relevant and well targeted but under-funding limits its ability to address social needs.</td>
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<tr>
<td>Relevance</td>
<td>Measures concerning basic services and village renewal in rural areas and LEADER and local development were considered to be highly relevant to addressing social needs in rural areas. Their relatively small funding allocations in comparison with farm-focused measures within the CAP, limited their ability to address social needs.</td>
</tr>
<tr>
<td>European added value</td>
<td>Funding is seen as insufficient to resolve the long-term situation of decline in rural areas as it largely targets the farm sector while investment in infrastructure and services is much needed. In relation to rural areas close to urban areas, CAP funding helps to maintain more agricultural and environmental land than would likely have been funded without the CAP.</td>
</tr>
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</table>

Source: EPRS adaptation from the European Commission’s evaluation support study, October 2020.
Examining the cumulative effects of CAP spending over the 2014-2020 period, the evaluation study concluded that CAP direct payments are expected to have contributed to an equivalent of 5.2 million jobs either created or safeguarded. Approximately 4.2 million jobs are estimated to be in rural or intermediate regions. Counterfactual evidence obtained from case studies and interviews with public administration officials indicates that in the absence of CAP funding, rural areas would face higher rates of rural poverty and decline. It notes that the impact of the CAP tends to vary considerably according to the features of the rural regions where it is applied and the policy mix involved. Pillar I instruments have a positive impact on regional employment and re-investment. However, direct payments have been criticised as they are seen as ‘significantly funding larger farms’ and as a result are more concentrated in agricultural areas that are already well developed. In relation to Pillar II, measures relating to village renewal and LEADER are considered to be well-targeted and relevant to local needs. These measures only represent a small proportion of CAP funding but are seen as playing an important role in addressing the socio-economic needs of rural areas. The effectiveness of Pillar II support as summarised in Box 1, depends on a range of factors including the policy mix of measures, the volume of funds involved and their implementation.

The study also highlights how administrative procedures can affect the development process. This issue was raised with public authorities and rural development experts. Asked about the influence of EU regulations on rural development plans, although only 28 out of 51 interviewees were able to respond (see Figure 4), most respondents stated that without EU regulations, some innovations in national agricultural policies in relation to Pillar II would not have been possible, as in the case of LEADER in Austria. Most public officials judged the EU framework for Pillar II as negative, as it was considered too constraining on the design of national / regional implementation. In the case of Estonia and France, the rules were considered to be too rigid for the local action groups (LAGs) under LEADER. With respect to the latter, the costs of monitoring and controlling this measure were seen as ‘disproportionate with regard to small projects’. In the case of LEADER beneficiaries in Tyrol (Austria) and Saxony-Anhalt (Germany) a strong burden was noted arising from more demanding forms, requests for information and respect of procurement laws at state level. In Castilla-la-Mancha (Spain), public officials pointed to the lack of human resources to deal with the formalities. The study also noted how administrative requirements could cause delays in payment times for RDP measures. The time taken could range between 6 and 24 months in Bulgaria, 24 and 30 months in Czechia (with 24 months for LEADER projects), up to nine months in Saxony-Anhalt in the case of LEADER and larger projects; three to four months in Austria (in the context of the LEADER framework), and six to eight months for investment measures in Apulia (Italy).

Pillar I funds were seen as ‘complicated and frequently made difficult to deliver by rules on principles of public

![Figure 4 – Role of EU regulations according to public officials and rural experts interviewed](image)

Source: Adapted from the European Commission evaluation support study on the impact of the CAP on territorial development of rural areas: socio-economic aspects, October 2021.
funding that were not designed specifically for the CAP. The evaluation reports how experts, farmers and stakeholder organisations point to administrative processes as being 'lengthy and difficult' to follow.

A further administrative burden identified in the study arose from measures designed by public authorities at national or regional level where there was a perception of 'gold plating', i.e. the transposition of EU legislation in a way that goes beyond what is required by that legislation while staying within the law. It is seen as imposing costs that could have been avoided. In Bulgaria, the study noted that strong competition for funds among potential beneficiaries caused many appeals against the managing authority's decisions and delays in the completion of the RDP. In a French case study in the Auvergne, the administrative burden was considered so great as to represent barriers to entry for many new farmers, resulting in the managing authority prioritising 'easy to spend' measures.

The study makes a number of recommendations concerning the need to maintain a dialogue between those responsible for the EAFRD and the other European structural funds, as well as with rural areas and stakeholders. In the case of Pillar I, it recommends that basic payments should focus on regions where farmers' incomes and quality of life lag behind those of farmers in other regions. It also recommends that funding should be more targeted in respect of Pillar II measures concerning LEADER, farm and business development and village renewal, in order to achieve a more significant impact on the socio-economic needs of rural areas. The need for better integration of various funding streams is stressed.

When it comes to the future CAP strategic plans, the study recommends that:

- interventions should be focused on the poorest rural areas within the CAP strategic plan through a mix of measures;
- managing authorities should further promote multi-actor partnerships between public authorities and stakeholders;
- clear links with the current programming period should be maintained in the interventions of the next CAP programming period;
- CAP strategic plans should be scrutinised by stakeholders representing disadvantaged rural groups.

Given that the need to cut red tape was often put forward as a factor to be considered in the current reform, such findings have implications for the future CAP and its impact on rural development.

EU rural development policy post 2023

In 2018, the European Commission published its proposal for a reform package for the post-2020 CAP. The package consisted of three legislative files: a regulation on the CAP strategic plans, a regulation on the common organisation of the markets in agricultural products and other CAP measures, and a horizontal regulation on financing and managing the CAP. The CAP post 2020 retains its main structure with direct payments and market measures funded by the EAGF and rural development supported by the EAFRD with co-financing by Member States. The deal on the 2021-2027 multiannual financial framework (MFF) agreed by EU leaders in July 2020 and between Council and the European Parliament in November 2020 (Council Regulation 2020/2093) added an extra envelope of €7.5 billion to strengthen the EAFRD. These additional resources are part of
the ‘Next Generation EU’ recovery plan – the €750 billion temporary recovery instrument intended to help repair the immediate economic and social damage caused by the coronavirus pandemic in the EU and contribute to a greener, more digital, more resilient post-Covid EU. The rules for rural development spending during the 2021-2022 period are set out in the CAP transitional regulation, adopted on 23 December 2020. On the whole, the regulation extends the rules in place for the 2014-2020 period, with some additional elements to ensure a smooth transition to the future CAP legislation which will apply as of 2023. Outside the CAP budget, an additional €8.95 billion will be available through Cluster 6 of the EU’s Horizon Europe research programme to support specific research and innovation in food, bio-economy, natural resources, agriculture and the environment.

A new way of working

The legislative proposals on the CAP strategic plans put forward a new way of working covering direct payments to farmers, rural development support and sectoral support programmes. They introduce a new delivery model based on a single national strategic plan to be drafted by each Member State, explaining how interventions will contribute to reaching the CAP objectives as summarised in Figure 6. The single strategic plan is expected to facilitate synergies between the CAP’s financial interventions. According to the Commission, the new model proposed offers more leeway to Member States to design their strategic plans, deciding how to meet the CAP common objectives and targets while responding to the specific needs of their farmers and rural communities. Among the nine specific objectives mentioned in article 6 of the proposed regulation, a number are directly relevant to rural development, aiming to promote employment, growth, social inclusion and local development in rural areas, including bio-economy and sustainable forestry and attract young farmers and facilitate business development in rural areas. The new model also represents a shift in focus from rules and compliance to performance and results, as well as a shift from a one-size-fits-all to a tailor-made approach. The Member States will have at their disposal a list of interventions and a ‘toolkit’ of measures they can use to meet common objectives. They will be able to tailor the tools to their specific needs setting out how they plan to do so in a comprehensive strategic plan.

Since the publication of the Commission’s proposals for the new CAP, new policy developments have taken place that have significant implications for the CAP. They include the publication in December 2019 of the Commission’s Green Deal, the EU’s new growth strategy, setting out how to make Europe the first climate-neutral continent by 2050 and setting key policy objectives for the next five years. This was followed in 2020 by the publication of the farm to fork strategy, a new comprehensive approach to sustainable food systems in the EU, setting key targets for 2030, and the EU’s biodiversity strategy for 2030, a long-term plan to protect nature and reverse the degradation of ecosystems. In May 2020, in response to the European Parliament’s resolution of 15 January 2020 on the European Green Deal, which included a request (see point 58 of the resolution) for the Commission to analyse the contribution of the CAP reform proposals to the EU’s environmental, climate and biodiversity protection commitments, the Commission published a staff working document, in which it identified the steps needed to align the CAP with the Green Deal and its associated strategies. Recognising the role of the support for rural development in offering a wide range of tools beneficial for the environment and climate, the document stated that the capacity of
the future CAP to accommodate the Green Deal’s ambitions depends on various aspects, including ring-fenced spending for the environment and climate from the rural development budget for each CAP strategic plan, excluding payments for areas with natural constraints.2

European Commission's recommendations

In December 2020, the Commission published its recommendations to Member States as regards their CAP strategic plans in the form of a communication. This communication was accompanied by 27 Commission ’staff working documents’, based on an analysis of the situation of each Member State with regard to the nine specific objectives of the future CAP and its cross-cutting objective on knowledge, innovation and digitalisation. This analysis assesses their situation with regard to the EU Green Deal targets relating to: use of pesticides, sales of antimicrobials, nutrient losses (reducing excessive use of fertilisers), area under organic farming, high-diversity landscape features on agricultural land and access to fast broadband internet in rural areas. These recommendations provide insight into the Commission’s expectations for the content and design of the new CAP strategic plans. They can be examined for the range of observations that the Commission makes in relation to the socio-economic fabric of rural areas across the Member States. A number of recurring themes are raised. These include:

- employment issues: in the case of Italy, the Commission highlights how it has one of the lowest rural employment rates of all the EU Member States, and one of the highest gender gaps. In Bulgaria, the Commission notes the number of young people not in employment, education or training in rural areas is significantly higher than the national average: 26 % compared to 15 % in 2018. Insufficient job opportunities in rural areas especially for young people are identified for Portugal;
- rural depopulation: a major challenge for Spain will be to address rural depopulation, an issue also identified for rural Hungary and Romania. In Latvia, the continued trend of depopulation has major consequences for the long-term sustainability and quality of public services to the population in rural and sparsely populated areas. The issue of depopulation is also raised in the case of the Netherlands, where certain rural areas and small villages (such as in the province of Zeeland) are at risk of a shrinking population;
- ageing population and generational renewal: Finland’s old age dependency ratio is noted as one of the highest in the EU. A very strong old age dependency ratio is also noted in large parts of eastern Germany, with projected negative demographic trends for a large part of Germany until 2032. The need to keep farming attractive for young people is raised in the Commission’s analysis. In the case of France, the Commission notes that generational renewal in agriculture is key for the future of the sector as well as for maintaining the socio-economic fabric of rural areas. For Slovenia, the Commission notes that effective generational renewal is seen as going hand in hand with vibrant rural areas. This points to the need for relevant services such as child care, education, medical and transport services;
- broadband coverage and connectivity: references are included in the Commission’s analysis to the opportunities offered by digitalisation. It notes the need for digital skills in the case of Greece and that considerable efforts will be needed if Poland is to reach the objective of 100 % fast broadband coverage by 2025;
- LEADER: the contribution made by LEADER in terms of job creation and in contributing to a balanced territorial development of rural areas is noted, for instance in Denmark. Its role in prioritising a more inclusive society in Greece and as a source of community pride and well-being in the case of Ireland are noted. In France, the Commission highlights how the LEADER measure has enabled the emergence and support of territorial projects implementing actions based on targeted bottom-up local strategies, with positive effects on local development, financial engineering and coordination of rural areas. In Lithuania, the role of rural community organisations is seen as central, with more than 1 310 such
organisations resulting in the entire rural population being covered by local development strategies. In Estonia, LAGs cover almost the entire rural territory and rural population.

The above issues help to demonstrate the range of inter-related socio-economic issues impacting on the EU's rural areas, as outlined earlier in Figure 2. One implication for those working in the field noted in the Commission's recommendations, is the need for to pool resources from different sources of EU funding. In part this may reflect the view that rural development measures cannot do it all on their own. Authorities on the ground will need to tap into a mix of interventions to achieve synergies across the European structural and investment funds (ESIFs), such as the ERDF and the ESF, as well as developing territorial investments such as integrated territorial investments (ITI) and community-led local development (CLLD). Until recently, the allocation of LEADER programme resources for projects in rural areas only functioned with the support of EAFRD resources. Looking to the future, it is likely Member States will have to look at the adoption of a more fully integrated approach to funding mechanisms. In practical terms, LAGs in the EU's rural areas also have access to funds from both the CAP and other policy areas such as regional development and fisheries. The challenge, looking ahead will be the need to convince Member States on the utility of CLLD, including its value for accessing other funds as opposed to using LEADER with EAFRD only. The case of Slovenia illustrates the potential offered by the adoption of an integrated approach to funding mechanisms. The absence of an integrated approach can make it more difficult to achieve the synergies required for the rural development process to be successful.

Slovenia: LEADER/CLLD experience and lessons for the future

In Slovenia, LEADER is implemented as part of a joint CLLD approach involving a combination of different financial resources. Slovenia's Ministry for Agriculture, Forestry and Food coordinates LEADER / CLLD. Its experience offers an example of efforts to ensure the participation of the main EU funds, including the European Social Fund (ESF) during the 2021-2027 period, with the aim of distributing as much EU funding as possible under the LEADER/ CLLD principles. The country has involved multiple sectors in the implementation of CLLD, through non-governmental organisations in its rural areas and also rural youth organisations and it recognises the need to accelerate the process of preparing local development strategies.


The Commission's long-term vision for rural areas

The publication of the Commission's communication on a long-term vision for rural areas, represents a significant development in policy terms. A factual summary of the consultation that preceded it, published in March 2021, identified the most pressing needs for rural areas concerning infrastructure, including better public transport, access to key public services and availability of quality education and vocational training opportunities. Over two thirds of respondents indicated that 'quality job opportunities' were not sufficiently available for people living in rural areas.

The communication includes an annex detailing 30 flagship initiatives based on four strands, geared towards enabling rural communities to become stronger, connected, resilient and prosperous. In addition to a synopsis report, which outlines the outcome of the different strands of consultation undertaken, the communication includes a staff working document in three parts. Part 1 outlines the process of designing the long-term vision and provides a detailed analysis of EU rural areas. Part 2 provides an analysis covering, for example, issues relating to economic development, social inclusion, climate, environment, integrated territorial development and opportunities for women in rural areas. Part 3 provides a review of EU initiatives, policies and funding in rural areas, including the different sectoral policies and focusing on support for rural development outside farming under both the CAP and EU cohesion policy. The findings of a foresight exercise undertaken by the Joint Research Centre to develop scenarios together with the European Network for Rural Development (ENRD) thematic group on the long-term vision for rural areas are included.
Key elements of the proposed vision include a 'rural pact' (to mobilise public authorities and stakeholders to respond to the aspirations of rural communities) and an EU rural action plan, setting out a suite of potential projects. A rural proofing mechanism will also be established to assess the anticipated impact of major EU legislative initiatives on rural areas. Provision has also been included for a rural observatory to be established within the Commission to improve data collection and analysis on rural areas. The Commission will also develop a toolkit as a guide to the various funding opportunities available to rural areas.

Advisory committees

Both the European Committee of the Regions (CoR) and the European Economic and Social Committee (EESC) have reflected on the future of rural areas. On 27 November 2020, the CoR’s Commission for Natural Resources (NAT) co-hosted a webinar to examine the experience and lessons learned by rural areas during the coronavirus pandemic. The conclusions of this webinar pointed to the need to consider 'agriculture, cohesion, connectivity, green energy, mobility, educational services, digital platforms and health care as equally relevant' in reinvigorating rural Europe'. In an opinion adopted on 10 December 2020, the CoR underlined that the new long-term vision for rural areas should be transformed into a concrete policy framework – a rural agenda. This would increase the role of local and regional levels in the development and governance of rural policies, increasing the involvement of local action groups in this type of governance. It would ensure that mutually beneficial rural-urban linkages were built into all EU policies. The CoR also noted that the EU’s rural regions had great potential to find solutions to current and emerging challenges.

On 27 April 2021, the EESC adopted an information report on the impact of the instruments and measures of the CAP on the territorial development of rural areas, based on consultations with civil society organisations and public authorities in five selected EU countries. In its set of recommendations, it concluded that the CAP alone was not enough to meet the challenges faced by rural areas. It recommended the adoption of a holistic approach to rural development where the CAP is linked to other existing policies relating to working conditions, mobility, training, and social inclusion, including the funds and plans that form the European Green Deal. It also noted that the opportunities offered by the CAP needed to be made more accessible at local level.

Outlook

There are lessons that can be derived from the experience of CAP implementation over the 2014-2020 period. The evaluation study on the impact of the CAP on territorial development of rural areas highlights: the importance of continuity between programming periods (reflecting the view that policy impacts may be felt long after the funding of projects); the issue of targeting to ensure local socio-economic needs are met; the impact of administrative burdens arising from changes between one programming period and another, which can often involve the transposition and implementation of new rules arising from changes in regulations or the introduction of new measures, as well as the issue of coordination. These issues may have implications for the post-2023 period where the design and management of the new CAP strategic plans will require, as the Commission’s study suggests, 'more stringent coordination and joint implementation'. The publication of the Commission’s communication on a long-term vision for rural areas comes at a time when an informal political agreement on the CAP for the 2023 to 2027 period has just been reached. The long-term vision and its supporting analyses will provide a framework for continuous engagement and informed debate by all relevant actors on the future of rural areas, providing a basis for both short- and long-term action. By the end of 2021, the Commission intends to link up with the European Committee of the Regions to examine the path towards the goals of the vision.
MAIN REFERENCES


European Commission, Rural development: CAP support for rural development, Brussels.


ENDNOTES

1 Eurostat uses an urban-rural typology classifying the NUTS level 3 regions of the EU into three categories, on the basis of population density: a region is ‘predominantly rural’ if the share of the population living in rural areas is higher than 50, ‘intermediate’ if the share of the population living in rural areas is between 20 and 50, ‘predominantly urban’ if the share of the population living in rural areas is below 20.

2 On 25 June 2021, Parliament and Council reached an informal political agreement on the CAP for the 2023 to 2027 period. Parliament ensured that at least 35 % of the rural development budget would be allocated to environmental and climate-related measures and at least 25 % of direct payments to eco-schemes.

3 Further information is available on the ENRD’s ‘Long Term Rural Vision Portal’.

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