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Committee on Agriculture and Rural Development

2023/2048(INI)

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OPINION

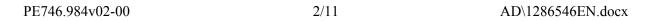
of the Committee on Agriculture and Rural Development

for the Committee on Regional Development

on the implementation of territorial development (CPR, Title III, Chapter II) and its application in the European Territorial agenda 2030 (2023/2048(INI))

Rapporteur for opinion: Asim Ademov

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SUGGESTIONS

The Committee on Agriculture and Rural Development calls on the Committee on Regional Development, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

- A. whereas Article 174 of the Treaty on the Functioning of the European Union states that the Union must aim at reducing disparities between the levels of development of the various regions, paying particular attention to rural areas, which face the urgent challenges of demographic decline and ageing, especially affecting EU farming populations, along with rural abandonment, lack of or poor access to public and private infrastructure and services, including in particular high-speed broadband connections, digital infrastructure, mobility, healthcare and social services, and education and training, as well as low incomes and fewer job opportunities and the rising costs of running a farm;
- B. whereas women play a crucial role in rural development and in the social fabric of rural areas, maintaining and improving rural livelihoods and strengthening rural communities, and must be regarded as drivers of sustainable development; whereas the significant contribution that women make to local and rural development is not sufficiently reflected in their participation in the corresponding decision-making processes, given that women in rural areas are often under-represented in decision-making bodies;
- C. whereas the effects of the COVID-19 pandemic, the energy crisis and Russia's military aggression against Ukraine have contributed to exacerbate important difficulties in the proper functioning of the entire agri-food chain, which is one of the main drivers of rural development; whereas rising energy prices and inflation across Europe are hitting rural areas particularly hard, especially regions with geographical specificities and the outermost regions, where it is most difficult to achieve cohesion policy objectives;
- D. whereas the digital and green transitions, if they are implemented fairly and do not leave anyone behind, offer opportunities for stronger, connected, resilient, innovative and prosperous rural areas in the long term; whereas an up-to-date digital infrastructure is a precondition for digital and smart farming solutions and hence the success of the green transition, as well as a key enabler of competitive small and medium-sized enterprises (SMEs) in rural areas; whereas SMEs play a particularly important role in rural areas as employers, as facilitators of the diversification of farm income and as sponsors of social and cultural life, and therefore help to make rural areas more attractive to young people; whereas, however, despite recent improvements in high-speed broadband connectivity, only 59 % of households in rural regions have access to broadband, compared to 87 % of the households in the EU;
- E. whereas the European Territorial Agenda 2030 calls for the territorial dimension of sectoral policies to be strengthened at all governance levels;
- F. whereas it appears that in regions and administrative units where LEADER is implemented, a mandatory Local Action Group (LAG) manager helps improve the

performance and absorption of regional funding and development; whereas cohesion policy gives preference to urban areas; whereas, furthermore, many investments in rural areas not directly related to agriculture, such as the construction of public roads, investments in sewage systems, setting up non-agricultural businesses, etc., are largely financed by the European Agricultural Fund for Rural Development (EAFRD) and not by the Cohesion Fund;

- G. whereas rural areas should be attractive places to do business and play a key role in ensuring EU food security; whereas the long-term Vision for the EU's Rural Areas¹ aims to improve rural quality of life, achieve balanced territorial development and stimulate economic growth in rural areas; whereas the role and importance of rural areas is often under-appreciated, insufficiently rewarded and funded;
- H. whereas the diversity of the EU's rural areas calls for locally designed responses and solutions corresponding to each territory's specific needs and possibilities, and strategies should address rural areas according to their individual characteristics and in relation to their environment, using, among other tools, the rural proofing mechanism;
- I. whereas rural communities are exposed to greater damage from climate change, more frequent adverse climate events such as storms, floods and droughts, and the consequences of biodiversity loss, and experience greater costs associated with climate transition;
- J. whereas sustainable farming and forestry management, which includes environmental, economic and social sustainability, provides decent work and livelihoods, protects ecological systems and biodiversity, and also enhances climate and risk resilience;
- 1. Recalls that small, medium-sized and family farms play a special role in the EU agricultural system and are essential to ensuring food security and ecosystem services for European citizens; stresses that small, medium-sized and family farms and SMEs have a positive impact on social cohesion in these areas, providing employment opportunities and helping to maintain local populations;
- 2. Stresses that a fair and dignified income and quality of life for citizens and their families in rural areas is essential to ensure social progress and successful territorial and local development; insists on the need to ensure decent working and living conditions and social protection, in particular for young farm workers and migrant workers in the EU regions;
- 3. Stresses the importance of improving policy coherence and implementing a rural proofing of future EU integrated territorial development and other relevant initiatives to assess the coherence and complementarity of EU policies and their potential impact on rural areas, thus effectively preventing rural depopulation and facilitating generational renewal, equal access to high-quality essential services and job creation in rural areas; stresses the importance of the rural proofing mechanism also when Member States assess the impacts of proposed legislation in rural areas; underlines the importance of involving local and regional authorities in the definition and implementation of rural

¹ Commission communication of 30 June 2021 entitled 'A long-term Vision for the EU's Rural Areas – Towards stronger, connected, resilient and prosperous rural areas by 2040' (COM(2021)0345).

proofing mechanisms, as well as in their governance at both European and national levels, to combat transport-related social exclusion and to improve the territorial accessibility of the areas concerned in order to improve cross-border and rural-urban cooperation, access to broadband internet and adequate services, particularly health and education, as well as the diversification of the rural economy and the revitalisation of rural areas, increasing the attractiveness of these areas, as well as ensuring a sustainable future for these communities;

- 4. Welcomes the European Economic and Social Committee's proposal to promote a Europe-wide Charter of rural/urban rights and responsibilities; is also convinced that more cooperation with urban areas is needed to ensure that no area or citizen is 'left behind' in the just transition to a climate-neutral, sustainable and prosperous European Union, striving for a rural and urban commitment to a fair approach and showing the added value of rural and urban organisations working together;
- 5. Welcomes the acceleration of the digital transformation in the agricultural sector and rural areas; draws attention to the exclusion of small farms and the outermost regions from these developments, and points to the need to take measures to ensure that the digital transformation also benefits all; notes in particular that a need exists to manage the risks of dependency and over-indebtedness for small farmers;
- 6. Emphasises that achieving the objectives of the cohesion policy in rural areas should always involve a compromise between environmental, economic and social objectives, which are vital for the well-being of current and future generations;
- 7. Reiterates the need for full integration of the long-term vision for the EU's rural areas in the current and future multiannual financial framework and common agricultural policy (CAP), ensuring adequate funding, without prejudice to other CAP budget headings, in order to ensure complementary and coherent support for rural areas at all levels of territorial development; underlines the need to ensure heightened cooperation between local, national and European authorities when developing and implementing agricultural policy in such a way as to take into account the diversity of Europe's rural areas, as well as the disparities between the levels of their development;
- 8. Calls for the inclusion of Territorial Agenda 2030 (TA2020) objectives in the legislative instruments and operational programmes of the cohesion policy funds; welcomes the TA2030 pilot actions that have been developed and calls on the Member States and the Commission to continue investing in these actions and to coordinate them with initiatives linked to cohesion policy and rural development;
- 9. Underlines the necessity to ensure a more balanced development of EU regions by ensuring better distribution of EU funds, including CAP support within and between Member States; emphasises that it is impossible to achieve sustainable and long-term territorial development if support is allocated to different regions based on historical data;
- 10. Highlights the role that agriculture plays in achieving the Union objectives of food security, sustainable growth, social inclusion and combating climate change, while helping to diversify agricultural production, preserve biodiversity and develop local economies;

- 11. Calls on the Commission to provide the TA2030 with direct implementation instruments;
- 12. Underlines the potential of the LEADER community-led local development method (CLLD)² to engage rural communities in local action groups for the preparation and implementation of targeted local development strategies, to keep and restore living and thriving local rural economies, and the need to keep a sufficient level of funding for LEADER; calls on the Member States to make full use of LEADER's capacities in terms of developing solutions to address economic, social and development challenges in rural areas across the EU; calls on the Member States to support CLLD, including LEADER, encouraging participation in LAGs and ensuring their effective autonomy in terms of composition and decision-making; considers that further development of the development method and CLLD funding tools would contribute to stronger integrated strategies and more sustainable, resilient territorial development; stresses, in this regard, the need for a meaningful earmarking of assistance for CLLD under all relevant funds at EU level, similar to that in the EAFRD;
- 13. Calls on the Commission to use the results of the 2024 evaluation report for the 2014-2020 programming period, as well as the results and experiences of implementing EAFRD LEADER to support programmes for the period 2021-2027; calls on the Commission, when preparing the new programming period, to consider the possibility of providing financing measures in the LEADER programme that would encourage the renewal of generations in rural areas;
- 14. Stresses nonetheless that the Commission should continuously evaluate the costs and benefits of LEADER in order to ensure that the risk associated with the potential misuse of distributed funds is reduced to a minimum, while ensuring that the programme effectively facilitates local engagement and that the administrative requirements must match the size and structure of the local community to ensure that they do not create avoidable obstacles for new initiatives;
- 15. Calls on the Commission to improve the close cooperation and integrated use between EU funding instruments such as the Cohesion Funds, the EAFRD, the CAP and the NextGenerationEU recovery instrument, as well as with national instruments, in order to deliver local development strategies and to maximise the impact and efficiency of investments in rural development; points to the importance of facilitating and promoting the use of multi-fund approaches to support the implementation of integrated projects for inclusive and sustainable rural development;
- 16. Calls on the Member States to make effective use of the various funding opportunities, also with a view to improving the prospects of SMEs, given their major role in generating employment in rural areas, and calls on the Commission to monitor and assess whether its support reaches rural areas and benefits their communities; calls for the development of partnerships in all economic activities in rural areas, between businesses of all sectors, local authorities, researchers and services based on innovation, knowledge sharing and cooperation;
- 17. Notes that the instability in the agricultural markets in the EU and across the world

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² https://ec.europa.eu/enrd/leader-clld/leader-toolkit/leaderclld-explained en.html.

- caused by Russia's aggression in Ukraine is a particular challenge for the cohesion policy and for European solidarity, as it is destabilising the farming sector and increasing the risk of widespread economic stagflation, which will further exacerbate the current wealth disparities between the various countries and regions of the EU;
- 18. Emphasises the role of e-services, mobile service solutions, private-public partnerships, social enterprises, the cultural and creative industries, the accessibility of education and healthcare; as well as cooperatives, to help provide the necessary services for rural areas and act as a key factor for rural socio-economic development;
- 19. Draws attention to the need to also factor into the equation the development of other economic sectors, such as agri-tourism and cultural tourism, in rural regions in Europe, in order to revitalise rural areas;
- 20. Calls for the improvement of affordable public transport services and infrastructure such as railways, roads and charging and refuelling stations in rural areas to support emobility solutions in order to fight the digital and transport divide between urban and rural areas; highlights, therefore, that it is essential to provide the necessary funding for the development and maintenance of transport links, as this could encourage the older generation to stay longer in agriculture and attract young people from regional centres to work in rural areas;
- 21. Draws attention to the continuing conflict of interest in some rural and suburban areas between the financing of cohesion policy and agricultural policy objectives, and calls on the Commission to make an appropriate distinction, in line with the Treaty, between funding for rural areas under the CAP and under the cohesion policy, taking into account the objectives of each of these policies as laid down in Articles 39 and 174 of the Treaty;
- 22. Calls for the improvement of the level of digital skills and the availability and affordability of adequate digital infrastructure, and the capacities to effectively deploy digital technologies, such as digital service platforms, in rural areas;
- 23. Stresses that women in rural areas can be agents of change in moving towards the objectives of the TA2030, contributing to a just and green Europe that offers future prospects, protects common livelihoods and shapes societal transition to sustainable agriculture; points out the importance of creating an enabling environment for women entrepreneurs in rural areas, including legal and policy aspects, to ensure better access to information, knowledge and skills, as well as to facilitate access to financial resources and thereby create more jobs in rural areas; calls on the Commission and the Member States to take action to develop and implement measures to combat gender inequality; recalls that in the 2021-2027 Cohesion Policy Framework, gender equality and a gender perspective must be included and promoted throughout all stages of the process to prepare, implement, monitor and evaluate cohesion programmes;
- 24. Is convinced that the continuing lack of internal and external alignment as regards direct CAP payments is undermining the cohesion policy's long-term objectives, especially in the poorest and least developed areas;
- 25. Reiterates the need to urgently strengthen EU policy regarding mitigation and

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- adaptation to climate change, also in the light of the growing trends of extreme weather events in the last few years and months in the EU; highlights, in this context, the need to step up the level of ambition and quantity of the present and future pilot projects within the objective 'Greener Europe' and its first priority 'Healthier environment';
- 26. Calls for greater effort in enabling rural residents to take part actively in policy and decision-making processes, involving a broad range of stakeholders at all levels of governance in order to develop tailor-made, place-based and integrated policy solutions and investments;
- 27. Notes that more and more people are choosing to live in cities and work in rural areas; calls on the Commission to design programmes which take all territories into account, including metropolitan, urban and functional areas; encourages the Commission to design LEADER in such way that it can be used by small cities;
- 28. Emphasises the essential economic role played by agriculture, forestry and fisheries; calls for the further development of the short supply chains, quality schemes, producer organisations and cooperatives which contribute to increasing the sustainability of European food production;
- 29. Emphasises that generational renewal is the key to the social, economic and environmental sustainability of rural areas and EU food autonomy and the future of agriculture, and must therefore remain a high priority in territorial development plans and strategies; stresses the need to account for the needs of small and medium-sized farm holdings, and to focus on attracting young farmers in particular, preventing land abandonment and facilitating land access and access to credit;
- 30. Stresses the significance of circular and bio-economy principles, as well as their application within the agricultural sector, in contributing to the realisation of the objectives set out in the European Green Deal; encourages the enhancement of the understanding and implementation of circular and bio-economy principles within the European agriculture and food system.

ANNEX: ENTITIES OR PERSONS FROM WHOM THE RAPPORTEUR FOR THE OPINION HAS RECEIVED INPUT

The rapporteur, Asim Ademov, in his capacity as rapporteur declares under his exclusive responsibility that he did not receive input from any entity or person to be mentioned in this Annex pursuant to Article 8 of Annex I to the Rules of Procedure.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	16.11.2023
Result of final vote	+: 35 -: 0 0: 0
Members present for the final vote	Mazaly Aguilar, Clara Aguilera, Atidzhe Alieva-Veli, Benoît Biteau, Franc Bogovič, Daniel Buda, Isabel Carvalhais, Asger Christensen, Dacian Cioloş, Paolo De Castro, Jérémy Decerle, Salvatore De Meo, Herbert Dorfmann, Luke Ming Flanagan, Dino Giarrusso, Martin Häusling, Martin Hlaváček, Krzysztof Jurgiel, Jarosław Kalinowski, Camilla Laureti, Gilles Lebreton, Norbert Lins, Marlene Mortler, Juozas Olekas, Bert-Jan Ruissen, Anne Sander, Petri Sarvamaa, Sarah Wiener
Substitutes present for the final vote	Asim Ademov, Ladislav Ilčić, Cristina Maestre Martín De Almagro, Dan-Ștefan Motreanu
Substitutes under Rule 209(7) present for the final vote	Adrian-Dragoş Benea, Lydie Massard, Ville Niinistö

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

35	+
ECR	Mazaly Aguilar, Ladislav Ilčić, Krzysztof Jurgiel, Bert-Jan Ruissen
ID	Gilles Lebreton
NI	Dino Giarrusso
PPE	Asim Ademov, Franc Bogovič, Daniel Buda, Salvatore De Meo, Herbert Dorfmann, Jarosław Kalinowski, Norbert Lins, Marlene Mortler, Dan-Ştefan Motreanu, Anne Sander, Petri Sarvamaa
Renew	Atidzhe Alieva-Veli, Asger Christensen, Dacian Cioloş, Jérémy Decerle, Martin Hlaváček
S&D	Clara Aguilera, Adrian-Dragoș Benea, Isabel Carvalhais, Paolo De Castro, Camilla Laureti, Cristina Maestre Martín De Almagro, Juozas Olekas
The Left	Luke Ming Flanagan
Verts/ALE	Benoît Biteau, Martin Häusling, Lydie Massard, Ville Niinistö, Sarah Wiener

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Key to symbols: + : in favour - : against 0 : abstention