## **European Parliament**

2019-2024



Committee on Agriculture and Rural Development

2021/2254(INI)

29.4.2022

## **DRAFT REPORT**

on a long-term Vision for the EU's Rural Areas - Towards stronger, connected, resilient and prosperous rural areas by 2040 (2021/2254(INI))

Committee on Agriculture and Rural Development

Rapporteur: Isabel Carvalhais

Rapporteur for the opinion (\*): Álvaro Amaro, Committee on Regional Development

(\*) Associated committee – Rule 57 of the Rules of Procedure

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#### MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on a long-term Vision for the EU's Rural Areas - Towards stronger, connected, resilient and prosperous rural areas by 2040 (2021/2254(INI))

The European Parliament,

- having regard to the 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),
- having regard to the United Nations 2030 Agenda for Sustainable Development and the Sustainable Development Goals,
- having regard to the Paris Agreement reached at the 21st Conference of the Parties to the UN Framework Convention on Climate Change,
- having regard to Articles 39 and 174 of the Treaty on the Functioning of the European Union (TFEU),
- having regard to Council Regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027<sup>1</sup>,
- having regard to Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law')<sup>2</sup>,
- having regard to Regulation (EU) 2021/2115 of the European Parliament and of the Council of 2 December 2021 establishing rules on support for strategic plans to be drawn up by Member States under the common agricultural policy (CAP Strategic Plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulations (EU) No 1305/2013 and (EU) No 1307/2013<sup>3</sup>,
- having regard to Regulation (EU) 2021/2116 of the European Parliament and of the Council of 2 December 2021 on the financing, management and monitoring of the common agricultural policy and repealing Regulation (EU) No 1306/2013<sup>4</sup>,
- having regard to Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and

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<sup>&</sup>lt;sup>1</sup> OJ L 433, 22.12.2020, p. 11.

<sup>&</sup>lt;sup>2</sup> OJ L 243, 9.7.2021, p. 1.

<sup>&</sup>lt;sup>3</sup> OJ L 435, 6.12.2021, p. 1.

<sup>&</sup>lt;sup>4</sup> OJ L 435, 6.12.2021, p. 187.

financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy<sup>5</sup>,

- having regard to Regulation (EU) 2021/694 of the European Parliament and of the Council of 29 April 2021 establishing the Digital Europe Programme<sup>6</sup>,
- having regard to its resolution of 27 October 2016 on how the CAP can improve job creation in rural areas<sup>7</sup>,
- having regard to its resolution of 4 April 2017 on women and their roles in rural areas<sup>8</sup>,
- having regard to its resolution of 30 May 2018 on the future of food and farming<sup>9</sup>
- having regard to its resolution of 3 October 2018 on addressing the specific needs of rural, mountainous and remote areas<sup>10</sup>,
- having regard to the Commission communication of 11 December 2019 on the European Green Deal (COM(2019)0640),
- having regard to the Commission communication of 4 February 2022 on the 8th Cohesion Report: cohesion in Europe towards 2050 (COM(2022)0034),
- having regard to the Commission report of 17 June 2020 on the impact of demographic change (COM(2020)0241),
- having regard to the Commission green paper of 27 January 2021 on 'Ageing: Fostering solidarity and responsibility between generations' (COM(2021)0050),
- having regard to the Cork 2.0 Declaration 'A Better Life in Rural Areas' adopted by the parties to the European Conference on Rural Development held in Cork in September 2016,
- having regard to Principle 20 of the European Pillar of Social Rights,
- having regard to the opinion of the European Committee of the Regions of 26 January 2022 on 'A long-term vision for the EU's rural areas' (CDR 3533/2021),
- having regard to the opinion of the European Economic and Social Committee of 23
  March 2022 on 'A long-term vision for the EU's rural areas' (NAT/839-EESC-2021),
- having regard to Rule 54 of its Rules of Procedure,
- having regard to the opinions of the Committee on Regional Development and the Committee on Women's Rights and Gender Equality,

<sup>&</sup>lt;sup>5</sup> OJ L 231, 30.6.2021, p. 159.

<sup>&</sup>lt;sup>6</sup> OJ L 166, 11.5.2021, p. 1.

<sup>&</sup>lt;sup>7</sup> OJ C 215, 19.6.2018, p. 228.

<sup>&</sup>lt;sup>8</sup> OJ C 298, 23.8.2018, p. 14.

<sup>&</sup>lt;sup>9</sup> OJ C 76, 9.3.2020, p. 62.

<sup>&</sup>lt;sup>10</sup> OJ C 11, 13.01.2020, p. 15.

- having regard to the report of the Committee on Agriculture and Rural Development (A9-0000/2022),
- A. whereas rural areas represent around 83 % of the total European territory and are home to around 137 million people (30 % of the European population); whereas rural areas, in particular remote and less developed rural regions, face specific unresolved challenges;

#### 1. Challenges and opportunities for stronger, resilient and inclusive rural areas

- 1. Highlights the diversity of rural areas across the EU; recalls that rural areas close to urban centres, in remote areas or mountainous zones, and in outermost regions face different challenges requiring targeted solutions;
- 2. Stresses that policies and actions at EU level combined with national and regional ones are key to securing the prosperity and well-being of rural European citizens, as well as tackling the challenges they face, namely population decline and ageing, fewer quality job opportunities, a lack of access to high-quality services of general interest, climate and environmental pressures, lower connectivity and limited access to innovation;
- 3. Highlights the central role rural areas can play in addressing societal challenges, by providing ecosystem services to mitigate climate change and environmental deterioration, ensuring sustainable food production, preserving rural heritage, and contributing to a just, green and digital transition;
- 4. Draws attention to the growing discontent among rural populations who feel their needs are insufficiently considered in political decision-making, which creates fertile ground for civic and political disengagement;
- 5. Stresses that rural areas are particularly vulnerable to the impacts of crisis, such as the COVID pandemic and the war in Ukraine but are also capable of offering new opportunities in response to such crisis;

#### 2. A long-term vision for the EU's rural areas

- 6. Welcomes the Commission's communication on a long-term vision for the EU's rural areas; agrees with its general aims and considers it a most valuable opportunity for reinforcing action on the present and future of rural areas;
- 7. Takes note of the proposal for a Rural Action Plan, which should evolve into a dynamic tool for future action; calls on the Commission and the Member States to give the highest priority to its implementation, setting clear targets for delivery so as to attain the goal of stronger, more connected, resilient and prosperous rural areas by 2040;
- 8. Agrees on the need for a common, EU-wide, functional definition of rural areas, and urges the Commission to quickly develop and operationalise such a definition;
- 9. Supports the development of a Rural Pact; considers that it needs concrete objectives, deliverables, governance and monitoring systems, and institutional responsibilities;
- 10. Welcomes the announcement of a Rural Observatory; considers it a valid instrument for informing, designing and monitoring better public policies;

11. Stresses the importance of implementing a rural proofing mechanism for EU initiatives so as to assess their potential impact on rural areas; urges the Member States to promote the development and implementation of effective mechanisms for rural proofing at national level and calls on the Commission to assist them;

#### 3. A path for the future of rural areas for 2040

- 12. Insists that rural citizens must benefit, like any other citizen, from equitable conditions for achieving their professional, social and personal goals, with a particular focus on more vulnerable groups, thereby effectively upholding the European Pillar of Social Rights; stresses that targeted interventions fostering effective generational renewal are essential;
- 13. Underlines that the European Green Deal can open up new opportunities in rural areas and a new dynamic for a more resilient future, while ensuring a just and inclusive transition;
- 14. Underlines the central role agriculture plays in rural areas; insists that sustainable agriculture, providing fair income to farmers, is crucial for the vitality of these territories;
- 15. Stresses that diversification of and innovation in the rural economy based on local potential are crucial to drawing opportunities from the digital and green transition; calls on the Member States to put in place measures to support the fair transition and diversification of the rural economy;
- 16. Regrets that the work of rural women is still not properly recognised; calls on the Commission and the Member States to take action to design and implement measures to fight gender gaps;
- 17. Highlights the central role of rural areas in the transition to a low-carbon economy; stresses that initiatives in rural areas, such as renewable energy infrastructure, must contribute effectively to the economic and social vitality of such areas;
- 18. Highlights that rural areas suffer higher risks of social exclusion and energy poverty owing to longer distances to be covered and mobility constraints; points out that new rural mobility solutions and investments are needed to achieve equitable growth, in harmony with a sustainable energy transition;
- 19. Stresses that the digital transition brings about new opportunities for rural areas, which are only accessible if there is adequate, stable and accessible broadband coverage; warns of the risks of the widening of the rural digital gap as a result of the lack of 5G coverage, and calls on Member States to mobilise all available instruments to prevent it;
- 20. Draws attention to the fact that the comparative lack of digital skills in rural areas can preclude rural communities from benefiting from the opportunities of digitalisation; calls for measures that ensure digital inclusion and support an enabling environment for rural digital innovation;

#### 4. First steps for defining a vision and strategy for rural areas

- 21. Regrets the late publication of the Commission's communication, which has precluded its full integration into the current programming framework; calls on the Commission to ensure that the rural territorial dimension is properly addressed by all Member States and to assess its implementation and impact in the common agricultural policy strategic plans, the cohesion policy programmes and the Recovery and Resilience Plans;
- 22. Urges Member States to address the specific challenges of rural areas during the implementation of the current multiannual financial framework programmes and to provide the investments needed for social inclusion and job creation, in order to foster competitiveness and enable a just digital and green transition;
- 23. Regrets the persistent obstacles to the multi-fund approach, which hamper the deployment of integrative approaches in rural areas; calls on the Commission to improve synergies and coordination between EU funding instruments, and with national instruments, and to pursue simplification, in particular for smaller projects, which are key for rural areas;
- 24. Stresses the role that all EU policies and funds, both shared and those under direct management, must play in supporting rural areas;
- 25. Highlights the Commission study's conclusions on LEADER's effectiveness in delivering solutions for sustainable rural development; calls on Member States to support LEADER/Community-Led Local Development (CLLD), thereby facilitating and promoting multi-fund approaches; considers that the meaningful earmarking of assistance for CLLD under all relevant funds at EU level, including the European Agricultural Fund for Rural Development (EAFRD), would contribute to stronger and more sustainable territorial development;

#### 5. Partnership principle, governance and empowerment of rural areas

- 26. Stresses that empowering rural communities, which requires capacity building, particularly in the most remote and less populated areas, will promote greater social cohesion and a stronger sense of belonging;
- 27. Calls for more community-based policy design, involving local actors, authorities and civil society, and insists therefore that they must play an active role from decision-making to policy implementation and evaluation;
- 28. Notes that while EU legislation envisages multilevel governance approaches and partnerships, there is resistance to their application in a meaningful way; calls on Member States to support these approaches by allocating responsibility at the appropriate local level and ensuring political ownership and strong coordination of policies and investments across all levels of governance;

#### 6. Shaping the future beyond 2027

29. Takes note of the Commission's intention to take stock by mid-2023 of the actions taken by the EU and Member States for rural areas and to produce a public report on that basis in early 2024; considers that this evaluation could pave the way to a fully integrated Rural Action Plan in the 2028-2034 programming period;

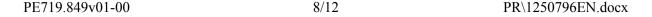
- 30. Recalls that the future of rural areas is of paramount importance for Europe's food security and food autonomy, as the recent COVID-19 pandemic and the war in Ukraine have clearly demonstrated;
- 31. Calls for the long-term vision to be developed into a true rural strategy at EU level to be fully integrated into future programming periods and calls on all Member States to develop rural strategies at national level;
- 32. Calls on the Commission to assess in a timely manner the potential impact of the EAFRD's detachment from Regulation (EU) 2021/1060 in the development of integrated territorial approaches in rural areas;

#### 7. Rural areas beyond the EU

- 33. Believes that the EU has a strong interest in building partnerships beyond its borders to promote more prosperous rural societies and economies with long-term mutual benefits;
- 34. Highlights the importance of the strategic links between Africa and Europe, building on the progress made in the Africa-Europe rural transformation action agenda, which sets out initiatives designed to sustainably strengthen Africa's agri-food sector and rural territories;

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35. Instructs its President to forward this resolution to the Council and the Commission.



#### **EXPLANATORY STATEMENT**

#### European Rural areas, challenges, opportunities and the path for the future.

The EU's rural areas are an essential aspect of the European way of life and vital to the economic, social and environmental functioning of our society. They are home to 137 million people, 30.6 % of the EU's population, but cover about 83 % of the total EU area.

Rural areas are key in ensuring our food production and autonomy, safeguarding our natural resources, landscapes and biodiversity, as well as our cultural heritage. The rapporteur is convinced that they can play a central role in addressing the major current societal challenges, by providing eco-system services, to mitigate climate change and environmental deterioration, promote sustainable food production and enabling a just green and digital transition.

Despite their strengths, rural areas, in particular remote and less developed ones, face significant challenges that have yet to be addressed, which has generated a growing discontent in the rural populations, who feel their needs are insufficiently considered in political decision-making, creating fertile ground to civic and political disengagement. Rural areas have been recently confronted with additional challenges triggered by the COVID pandemic and the war in Ukraine and linked especially to food security and autonomy.

The rapporteur stresses that a holistic approach of policies and actions at EU level combined with national and regional ones, are paramount to secure the well-being of European rural citizens. Furthermore are key in tackling the unresolved challenges, namely population decline and ageing, fewer quality job opportunities, lack of access to high quality services of general interest, climate and environmental pressures, lower connectivity and access to innovation.

The rapporteur insists that rural citizens must benefit, as any other citizen, from equitable conditions to achieve their professional, social and personal goals, with particular attention to the more vulnerable groups in society, and concretizing effectively the European Pillar of Social Rights. On this regard, focused investments and policy interventions fostering effective generational renewal and addressing the gender gap still persistent in several domains are imperative. It is indeed essential to reach out to all and ensure that no one is left behind.

Diversification and innovation of the rural economy based on local potential is considered crucial by the rapporteur in order to attain the full potential offered by the digital and green transition, while stressing the vital role that agricultural activity plays in rural areas. A sustainable agriculture, providing a fair income to farmers and quality products to consumers, while contributing to environment protection will be a catalyst for the, resilience, vitality and prosperity of these territories.

The European Green Deal can open new opportunities in rural areas, namely on the transition to a low-carbon economy. It is crucial that these opportunities ensure a just and inclusive transition, and contribute effectively to the economic and social vitality of the rural communities, who, on top of their endogenous unaddressed structural difficulties, also suffer higher risks of energy poverty and social exclusion.

Adequate coverage of stable and accessible broadband service, digital capacity building and enabling environment for rural digital innovation are key conditions for rural areas to be able to benefit from the new opportunities digital transition brings for them. It could provide limitless potential in the efforts to improve people's lives and mitigate the negative impact of reduced connectivity, insularity and remoteness, by enabling the application of new technological developments such as of tele-health technologies, e-government solutions and education services, by opening new learning paths, utilising the global knowledge and fostering life-long learning.

# <u>A long-term Vision for the EU's Rural Areas, the first steps and future action towards</u> stronger, connected, resilient and prosperous rural areas.

The rapporteur welcomes the European Commission's Communication on the Long-term vision for the EU's rural area and agrees with its general aims. Considers it a most valuable opportunity to give political visibility to the timely debate and reinforce the much needed urgent action on the present and future of rural areas.

This Communication is also an opportunity to bring into light the strengths and value of rural areas, focusing on positive and constructive messages, such as the innovative projects taking place that combine science, creativity, and ancestral knowledge, that attract and anchor young people and people from urban areas.

The Communication foresees a series of initiatives and policy tools to enable rural areas to make the most of their potential.

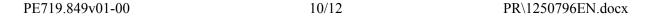
The Rural Action Plan, is supposed to create opportunities to promote territorial cohesion of rural areas. The rapporteur considers that this action plan should evolve into a perpetuate dynamic instrument, flexible and adjustable to the evolution on the ground, and calls on the Commission and Member States to give the highest priority to its implementation, setting clear targets for deliver as to attain the goals of stronger, more connected, resilient and prosperous rural areas by 2040.

The rapporteur fully supports the development of a Rural Pact, which needs to materialize in firm commitments and an effective action plan, with a clear definition of concrete objectives, deliveries, governance and monitoring system and institutional responsibilities, if it wants to deliver on its own aspirations as well as to the needs and expectations of rural areas.

A mechanism of "rural proofing to better identify and take into consideration the potential impact and implications of European policies during their inception, review and assessment, on rural areas is long overdue and needs to be effectively and promptly implemented. The rapporteur urges Member States also to promote the development and implementation of effective mechanisms of rural proofing at national level, benefiting from the experience and assistance of the Commission.

The rapporteur regrets the late launching of the Commission's communication, precluding its full integration in the current programming framework, policy planning and interventions to unlock its full potential.

The rapporteur strongly believes that concrete proposals for immediate, short-term action; rural areas cannot afford to wait. Calls therefore on the Commission to ensure that the rural territorial dimension is properly addressed and to assess annually its implementation and



impact in the CAP strategic plans, the Cohesion policy programs and the Recovery and Resilience plans. It recalls also that all European policies and funds, both shared and direct management ones, must play their role in supporting rural areas.

At the same time, Member States must also address the specific challenges of rural areas during the implementation of the current MFF and national programmes and to provide the needed investments for social inclusion and job creation, to foster competitiveness and enable a just digital and green transition;

The multi-fund approach could help significantly in addressing the rural needs in a more integrated way. However, persistent obstacles remain and the rapporteur calls on the Commission to improve synergies and coordination between the European funding instruments, and with the national ones, as well as to pursue simplification, in particular for smaller projects, which are key for rural areas.

The rapporteur points out that Europe's rural areas are very diverse. Rural areas close to urban centers, in remote areas or mountainous zones and in outermost regions face different challenges requiring therefore targeted development strategies and solutions.

A recent study promoted by the Commission confirms in its conclusions on LEADER's effectiveness in developing solutions to address economic, social and development challenges and opportunities at local level and in contributing to sustainable rural development across the EU. The rapporteur calls on Member States to support LEADER/CLLD initiatives, facilitating and promoting multi-fund approaches, while considering that a meaningful earmarking of CLLD at EU level of all relevant funds, including EAFRD, would contribute to stronger sustainable territorial development.

This heterogeneity calls for more community-based policy design and tailor-made solutions, involving local actors, authorities and civil society organisations and the rapporteur insists therefore that they must play an active role in all phases of policy development, from decision-making to policy implementation and evaluation. Their participation brings added value with the unique experience and knowledge of the diverse challenges on the ground. Furthermore giving, stakeholders a voice in decisions making plays an important role in enforcing the political legitimacy and ownership of the interventions. The rapporteur firmly believes that this will promote greater social cohesion and sense of belonging.

Capacity building, particularly in the most remote and less populated areas is key for empowering of rural communities to have a stronger voice in shaping decision-making processes.

However, although EU legislation foresees multilevel governance approaches and partnerships, a resistance is still observed in the application of these principles in a meaningful way. Member States must foster these approaches by allocating responsibility to the appropriate local level and ensuring political ownership and strong coordination of policies and investments across all levels of governance.

The rapporteur calls for the evolvement of the long-term vision into a true rural strategy at the European level to be fully integrated in the next programming periods and urges all Member States to develop rural strategies at national level. Further considers that the take stock exercise announced by the Commission's by mid-2023 should pave the way to fully integrate a Rural Action Plan on the 2028-2034 programming period.

The rapporteur considers very important that the Commission assesses the potential impact of the European Agricultural Fund for Rural Development (EAFRD) detachment from the Common Provisions Regulation in the development of integrated territorial approaches in rural areas, drawing to inform adequately the proposals for the next programming period.

The EU is a global player that contributes to international peace and development and has a has strong interest in building partnerships beyond its borders to promote more prosperous rural societies and economies with long term mutual benefits.

In conclusion, the rapporteur believes that European rural areas play a vital role in contributing to the economic, social and environmental functioning of our continent. Their importance cannot be overstated and this Long Term Vision offers a good starting point towards the future while bold effective action is required already now for the benefit of rural areas working with all actors and at all levels in order to make rural areas stronger, more connected, resilient and prosperous.

