



**Thematic Working Group 1: Targeting territorial  
specificities and needs in Rural Development Programmes  
Demarcation and Complementarity**

EN RD Contact Point  
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*Connecting Rural Europe*

## Context of Thematic Working Group 1

The EN RD has established Thematic Working Groups (TWGs) which carry out specific analysis on the basis of the current rural development programmes focusing on specific thematic priorities. The overall objective of **TWG1** is to contribute, through relevant analysis and the diffusion of results, to an efficient targeting of territorial specificities and needs in Rural Development Programmes (RDPs) and to a more balanced development of rural areas across Europe. Based on a predefined workplan the Group conducted its analytical work in 3 steps:

Step 1 analysed how EU Member States have defined or targeted rural areas in their RDPs for the 2007-2013 programming period, and what kind of indicators and definitions they have used for this purpose;

Step 2 addressed the issue of demarcation and complementarity between the different European Union and national funds in terms of meeting the development needs of rural areas and the targeting of specific territories for the application of measures and resources to meet identified areas;

Step 3 which is the final output of the analytical work, involves the production of an overall report bringing together the various elements (including significant commonalities and variations).

Many rural areas in the EU are known to benefit from the application of measures and resources not only from the EAFRD and its national equivalents but also other Community funds or national funds. By 'other Community funds' is meant mainly the European Regional Fund, Cohesion Fund, Social Fund and Fisheries Fund. When focusing on how the needs of specific territories are met, it is required to bring into perspective measures and resources that are applied from these or other EU or national funds.

For that reason, how Member States and regions have addressed the issue of demarcation and complementarity between the different EU and national funds was analysed, as they may be applied:

- generally, to meeting the developmental needs of rural areas in each state or region in the set of 35 RDPs that were analysed for that purpose;
- specifically, to meeting the needs of the territories covered by the case studies of specific territories.

In this analysis, three key words are used – demarcation, overlap and complementarity:

- by **demarcation**, is meant clear lines of separation between the EAFRD and other Funds, as they apply to territories, to types of project supported, or to types of beneficiary;
- by **overlap**, is meant the potential for two or more funds to be applied to the same area, the same type of project or the same type of beneficiary;
- by **complementarity**, is described the deliberate counterpoint or synergy between two or more funds, as applied to a particular territory of field of action, so that needs are more fully met than if only one fund applied.

Where the RDPs provide the necessary information, the mechanisms, by which demarcation and complementarity are realised in practice, were appraised at national, regional and local level.

## Community Funds

The starting-point, which applies to all Member States, is the broad division of European Union activity into major funds, each with its own broad thematic and geographic focus. The major EU funds which operate in rural areas are:

- the **European Agricultural Fund for Rural Development (EAFRD)** is focused on rural development and, in broad terms, relates mainly to areas defined in the RDPs as rural;
- the **European Social Fund (ESF)**, with its focus on development of human resources, applies to the whole EU territory, both urban and rural;
- the **European Regional Fund (ERDF)** and the **Cohesion Fund (CF)**, with their focus on regional development, infrastructure and economic convergence, can relate to both urban and rural areas, but only in the countries or regions to which they apply;
- the **European Fisheries Fund (EFF)** can apply to both urban and rural areas, but its main focus on the promotion of fisheries means that it is mainly applied to coastal and riparian areas with significant fishery interests;
- **LIFE+**, with its focus on environmental management, can apply to urban or rural territories which merit its attention.

These thematic and geographic distinctions between the different funds provide the broad basis for **demarcation** which Member States must observe in developing their own programmes for application of each fund. This demarcation ensures the avoidance of duplication between funds, and is supported by the strict EU requirement that double funding must be avoided: the effect of this is that no project may benefit from more than one EU fund.

However, the scope of the different funds allows for a degree of **overlap** between funds, in terms of the geographic area, the type of project, or the type of beneficiary to which they may apply. This implies that, in principle, rural territories, types of project or beneficiaries can benefit from measures and resources not only within the RDPs (using the EAFRD and national funds), but also – if Member States so choose – from the ESF, ERDF and CF (within relevant countries or regions), EFF (in relevant areas) and LIFE+.

This potential for overlap permits Member States and (in countries with federal or devolved administrations) regions to pursue - if they wish to do so – **complementarity** between funds in meeting the needs of rural territories. The social, economic and environmental well-being of rural areas may depend on support systems that are wider and deeper than can be addressed only by the measures within an RDP. That is why, for example, the government in Finland recognises the complementarity between what it calls 'narrow' rural development, i.e. what is included in the RDP, and 'broad' rural development, which includes policies and expenditures in such fields as transport and other infrastructure, education, social services etc.

Almost all RDPs of 35 examined expect support to rural areas from the European Regional Development Fund (34), the European Social Fund (31) and the European Fisheries Fund (32). Since the support from the Cohesion Fund is restricted only to regions lagging behind, there are only 11 RDPs which consider a possible overlap and complementarity with it.

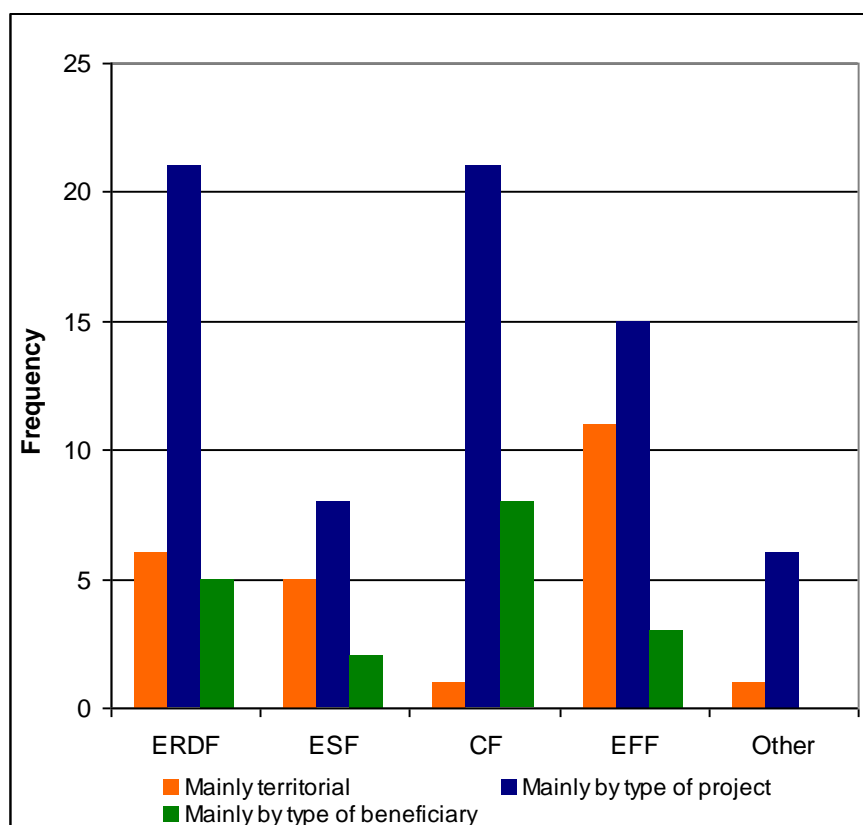
Complementarity between major funds, as applied to rural areas, does not mean that different funds can be used for exactly the same purposes. As explained earlier, that would breach the principle of avoiding duplication between or double funding by different EU funds. For this reason, a broad

statement of complementarity between funds must be accompanied by clarity on the practical demarcation that will be used to ensure that these principles are met.

## MS's approach to demarcation between funds

Ensuring demarcation between EU funds is an obligation of Member States. Funds may be demarcated, or may overlap, by reference to (a) their territorial coverage, (b) the type of project supported, or (c) the type of beneficiary. In Figure 1 below, there is a number of RDPs presented, within the set of 35, which show each type of demarcation between the RDP and each of the other major funds. This shows that most of the RDPs provide for a territorial overlap between the RDP and the other funds, and that the demarcation relates mainly to the types of project, or the types of beneficiary, that the different funds support. This emphasis is particularly strong for the ERDF and the CF. The ESF appears less often, and with proportionately more territorial emphasis. For the EFF, a third of the RDPs show a territorial demarcation.

**Figure 1: The nature of demarcation in respect to Structural Funds**



## Scope for Complementarity

Table 1 below, showing the number of RDPs which offer the potential for overlap in all three fields of focus, confirms that a strong majority provide for overlap in terms of territory and type of project, but that about a half have clear demarcation in relation to types of beneficiary. A typical example of this is that EAFRD funds may be accessible to small enterprises, while large enterprises may seek support from the ERDF.

**Table 1 Potential for overlap between funds (Number of RDPs)**

Demarcation by	Exclusive Demarcation	Overlap possible
Territory	5	24
Type of project	10	24
Type of beneficiary	11	11

Many states and regions make plain that the RDPs fit within a family of programmes, often within the unifying context of the National Strategic Reference Framework.

Several RDPs examined state other EU funds as providing complementary measures to those of the EAFRD. Indicatively, ERDF (the fund most quoted) is expected to provide funds on policy domains already targeted by EAFRD, such as accessibility, economic diversification, environmental improvement, quality of life and risk prevention. The Cohesion fund supports complementary action on environment and transportation, while action on training is provided by the ESF.

## Coordination between Funds

The demarcation, overlap and complementarity between major funds require effective coordination to ensure the optimum use of funds and the avoidance of double funding. All the RDPs in this set describe (some much more fully than others) the mechanisms by which such coordination is achieved. This may include mechanisms at national or regional level, such as inter-ministerial committees or cross-representation on Monitoring Committees; and also at local level, such as County Administrative Boards (as in Sweden) or even joint delivery mechanisms.

Table 2 below shows the geographical level (as expressed by the EU statistical units) at which the different states or regions in this set handle the coordination between different funds. Most of them, not surprisingly, handle the central control at either national level (normally NUTS0) or, in countries with devolved administration, at regional level. More interesting is the number of states or regions which delegate part of the control to authorities – or even Local Action Groups – at quite local levels. This may enable local decision-makers to ensure that the patterns of demarcation and complementarity suit the particular circumstances and needs in their territories.

**Table 2 Geographic level at which demarcation and complementarity are controlled**

Regional level	Not stated	NUTS0	NUTS1	NUTS2	NUTS3	LAU1	LAU2	LAG area
<b>CENTRAL</b>	<b>8</b> CZ, FI, FR, IE, IT, PT, SI, UKL	<b>8</b> AT, BG CY, DK EE, ES61 GR, RO	<b>10</b> BE2, DE2, DE4, LT MT NL PL SE SK UKN	<b>3</b> BE3 ES22 ES51	<b>1</b> LU			
<b>LOCAL</b>				<b>7</b> AT BE2 ES61 FR NL RO SE		<b>6</b> CY DK EE GR PL UKN	<b>3</b> BG DE2 DE4	

*Note: Member States and regions are shown according to standard EC nomenclature*

Coordination between funds is in some countries achieved by combined departmental responsibility. In other countries where different ministries are responsible for different funds, a more complex mechanism is needed at implementation level. Typically the relevant ministries set up a Coordination Committee for the implementation of the RDP and often establish a coordination system at the level of

the Monitoring Committees for the different programmes, e.g. in Bulgaria, the EARDF Monitoring Committee includes representatives of the ERDF and ESF Programmes, and vice-versa.

## Local integration

Central coordination alone may not achieve the effective tailoring of measures and resources of different funds to the needs of specific territories. To achieve this aim, coordination may be demanded also at a local level, and even integrated programming and delivery. Good examples of this can be found in the Netherlands, where the local development strategy of a LAG can go beyond RDP objectives and part of their ambitions could be realised through the structural funds; or in Denmark where a single common LAG for EAFRD and EFF programmes may be set up; or in Ireland where many of the Leader groups are well-established as local development companies, delivering not only measures within the RDP but also elements of other national programmes which can directly benefit rural people.

Even where such full integration is not possible, there may be close linkage between funds at project level, as illustrated by the RDP for the German *Land* of Hessen: Integrated local development strategies are supported in Leader regions via the RDP exclusively. However, individual projects may be supported using resources from the ERDF, EFF and ESF. Where this happens, the demarcation criteria specified in the RDP apply: in this way, double financing is avoided, and synergy potentials benefiting the regions are realised.

## Conclusion

The findings above show that, there is much awareness, among states and regions, of the potential for complementarity between (on the one hand) the EAFRD and related national funds and (on the other hand) other Community and national funds. Demarcation and complementarity between funds are managed through coordination at national or regional level, and also often by integrated programming and delivery at local level. This application of funds other than the EAFRD, may be a significant factor in meeting the needs of specific rural territories.