



**European Committee
of the Regions**

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DRAFT OPINION

EU strategy for Rural Revival

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Deadline for tabling amendments:

3 p.m. (Brussels time) on 23 November 2020 Amendments must be submitted using the online tool for tabling amendments (available through the Members' Portal at <https://memportal.cor.europa.eu/>).

Number of signatures required: 6

Draft opinion of the European Committee of the Regions – EU strategy for Rural Revival

I. POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

Introductory comments

1. Notes that rural and intermediate areas account for 88% of the EU's territory, are home to 55% of its population, generate 43% of its gross value added and host 56% of its jobs. Rural development is therefore extremely important to the Committee of the Regions, and a vital tool for achieving the territorial cohesion objective enshrined in the Lisbon Treaty;
2. Underlines that the new long-term vision for rural areas should be transformed into a concrete policy framework – the Rural Agenda. The Rural Agenda should propose a set of integrated policies that enable and empower rural communities to turn challenges into advantages; these challenges include decarbonisation, climate change, digitalisation, sustainable mobility and fair job and income opportunities, generational change, integration of new migrants and social innovation;
3. Highlights that the Rural Agenda should:
 - ensure that mutually beneficial rural-urban linkages are integrated into all EU policies in line with territorial cohesion objectives by making the most of the strong interdependencies between rural and urban areas;
 - diversify entry points and mainstream rural issues into all EU policies. The needs of rural areas go far beyond what rural development policy can achieve, but what EU funding currently offers is lacking in terms of both quantity and quality;
 - harmonise the different regulations and reintegrate the European Agricultural Fund for Rural Development in the common provision regulation in order to encourage and facilitate multi-funded projects in rural areas, not necessarily linked with agriculture;
 - monitor EU spending using a rural proofing approach;
 - rethink the urban-rural typology to improve the targeting of support;
 - increase the role of the local and regional levels in the development and governance of rural policies;
 - combat depopulation and social exclusion by promoting the smart villages initiative and social innovation and closing the digital divide;
4. Highlights the objective for formulating a true agenda for rural revival which must incorporate the following: support sustainable and vibrant rural communities, support enterprise, employment and job creation, improve digital and infrastructure connectivity, maximise the potential of rural tourism in a healthy and diverse natural and agricultural landscape and embrace rural areas' creativity and cultural potential;

5. Highlights that the current pandemic crisis has exposed and exacerbated the consequences of a number of long-standing threats faced by rural areas, and has added to the urgency for rural revival in regions across the European Union. Rural areas and rural towns and villages have been decimated by, *inter alia*, a reduction in demand for agricultural products due to the shutdown of the tourism and hospitality sectors, an inability to source supply of critical seasonal labour, pronounced social isolation and comparatively higher vulnerability to the pandemic due to the limited services present in small regional hospitals;
6. Notes that taking a longer perspective, the pandemic can change consumption and production patterns, remote working habits, the importance of quality of life and forms of mobility, which may open new opportunities for sustainable growth in rural regions, particularly the ones close and well connected to the metropolitan centres. Revaluating the globalisation of production chains could also open new opportunities in some rural areas;
7. Notes that the EU's rural regions have great potential to produce solutions to current and emerging challenges. Rural regions can make significant contributions to achieving the SDGs and the European Green Deal by responding to climate change, biodiversity loss and economic depression; by providing measures for greenhouse gas mitigation, biotopes, and economic opportunities through sustainable food production and renewable energies;
8. Recommends that, in the spirit of territorial cohesion and rural-urban equilibrium, it is important for all European policies and resources to ensure that the principles known as the three E's are complied with:
 - **Equilibrium** between the rural and the urban, which should be included as a basic principle in all European policies;
 - **Equal** rights for all, whether they live in cities or in rural areas (ref. Charter of Fundamental Rights);
 - **Equity** in means and practices across all players and territories, in particular making use of exchanges and shared competencies to compensate for the specific needs of rural territories;

Funding the rural development policy

9. Calls for rural areas to be better taken into account, in the next programming period by increasing the level of the EAFRD and by making sure that all the EU policies pay the relevant attention to rural development in a broad way, and not only focusing on agriculture related issues;
10. Calls for increases to the European budget dedicated to rural development, given the importance of rural areas in Europe. Worryingly, the new MFF allocation is significantly lower than in the current programming period and the CoR calls for this to be reversed and rural funding increased;
11. Rejects the idea of increasing co-financing for the second pillar of the CAP, as this would most disadvantage the poorest farmers and rural areas;
12. Proposes to transfer up to 15% of funds from CAP pillar 1 to pillar 2 without co-financing, along with an additional 15% for environmental and climate measures and 2% for young farmers;

13. Requests that entry points be diversified and rural issues mainstreamed into all EU policies. All structural policies should make rural development one of their priority objectives, in accordance with the territorial cohesion objective enshrined in the Lisbon Treaty;
14. Calls for a rebalancing of the Structural Funds budget, whose contribution to rural development has fallen substantially;
15. Requests that financial instruments be promoted more and adapted to small-scale projects, possibly through the creation of "rural development banks", which could act as intermediaries between lending institutions and loan recipients;
16. Calls for more coherence between the European Agricultural Fund for Rural Development (EAFRD) and other European funds, such as the European Regional Development Fund (ERDF) and Horizon Europe, to address sustainable development in rural areas. These synergies would enable rural actors to better tackle cross-cutting issues, improve cooperation and improve the quality of life in rural areas; is particularly concerned that the EAFRD is not included in the Commission's CPR proposal;
17. Encourages simplification of the Structural and Investment Funds and encourages managing authorities to systematically provide pre-financing of the project costs at the beginning of each project to avoid cash flow problems for smaller organisations. Also asks for simplification of reporting and monitoring of the programmes, particularly thanks to new technologies of information and communication;

Increase the role of the local and regional levels in the governance of rural policies

18. Notes that the legislative proposal on CAP strategic plans tends to marginalise or even jeopardise the role and autonomy of European regions in the management of the CAP, granting them merely the task of implementing measures established at national level;
19. Advocates a future CAP that maintains a direct relationship with rural territory areas through the active role of the EU's regions, which play a crucial role when it comes to defining and implementing agricultural and rural development policies at local level;
20. Calls for flexibility in state aid rules and the introduction of rural and village renewal schemes to allow for the development of rural areas. Furthermore, there needs to be stronger recognition of local and regional strategies on rural development and those strategies need to be integrated into national planning frameworks. Local and regional authorities can act as innovation brokers in local communities;

Depopulation

21. Notes the worrying trend of rural depopulation that, as farming evolves, concentrates job creation mainly around urban centres with resulting declines in rural service provision;

22. Suggests, however, that depopulation requires new ways of thinking about rural development which re-envision **shrinkage not as a burden, but as a potential positive opportunity**;
23. Believes that accepting shrinkage can help to reorient rural policies and investment decisions to re-grow on a greener and smaller basis, provide new openings to be innovative and modernise governance and public services through more **holistic, proactive and place-based strategies**;
24. Encourages the use of teleworking and digitalisation. Believes that mobile and remote working during the current pandemic shows the potential of what could be achieved in rural areas if the services were available;
25. Encourages territorial marketing: rural areas need to improve their image and to promote the better quality of life available to people when they choose to live there. This can be done by developing regional representation, welcoming policies and better communication on job offers, including remote working options, available in the region;
26. Thinks that a specific focus should be on the needs of young people to encourage them to stay in rural areas, providing them with desirable educational and training options, delivered locally, to avoid the necessity of leaving for their studies (including through distance learning when needed);
27. Calls for modernisation of the vocational training opportunities on offer in rural areas, and to tailor this to worldwide competition conditions and the needs of local businesses and to further developed ESF funding for vocational training in rural areas;
28. Reiterates its call on the European Commission and Member States to be more proactive in encouraging and facilitating the establishment of women in rural areas, by promoting activities that help them to achieve a work/life balance more easily¹;

Green growth

29. Recognises that rural areas must seize opportunities to develop local energy and food ecosystems and stronger rural/urban integration;
30. Welcomes the European Green Deal and Farm2Fork strategy and is of the view that they can create jobs and avoid economic leakage from rural areas. Investment is required to capitalise on sustainable projects that are community-led and directed towards circular economy models that make best use of production chains, creating jobs and reducing the carbon footprint;
31. Strongly support a deeper greening of the CAP which is the main policy and financial means in order to implement the European Green Deal, the Farm 2 Fork Strategy and the EU Biodiversity strategy in the years to come in rural areas;
32. Recommends that farmers be trained and financed to identify opportunities in sustainable management for land and marketing-options for food as well as alongside the production of food,

¹ [OJ C 225, 27.7.2012, p. 14](#) and [OJ C 207, 30.6.2017, p. 57](#).

particularly in the energy, tourism and carbon storage sectors and local ecosystems. The establishment of co-ops to bring small producers together in all sectors should receive greater support;

Digital Connectivity

33. Notes that much of this investment has focused on high-density areas, but rural investment must be prioritised to ensure rural areas have adequate digital connectivity infrastructure, for example Digital and innovation Hubs which facilitate remote working, entrepreneurial space and delivery of training to utilise new technologies which will help, for example, in the promotion and marketing of locally-based products;
34. Emphasises that high-speed telecommunications networks are critical for rural competitiveness and economic growth and efforts must be made to guarantee the same capacity for all regions, in accordance with the objectives set in the context of the 2020 Digital Agenda for Europe;
35. Requests that the Recovery and Resilience Facility with a budget of EUR 560 billion invest in more and better connectivity and focus on closing the digital divide between rural and urban areas;
36. Asks for:
 - recognition of internet access as a public right at EU level and of the need to accelerate the development of high-speed internet in rural areas;
 - support for access to funding for investment in broadband networks for small-scale projects;
 - recognition of the need to digitalise public services, roll out training to different population age brackets in the use of digital technologies and adapt teaching to target audiences;
 - steps to boost ICT training, awareness and development for SMEs;

Access to services

37. Highlights that rural communities need access to basic services, such as health services (GP services), the ability to access postal, banking and assurance services in rural areas, political participation and arts and culture;
38. Notes the overlap between the lack of availability of digital infrastructure and the lack of access to services and calls on Member States to assure harmonious accessibility for all. Hubs can be developed for multipurpose use such as remote working, training, health and e-health centres, coffee shops, post offices, creative spaces, mobile fab labs and community centres;
39. Notes the need for sustainable/innovative transport systems to allow access to essential services;

Quality of life

40. Notes that economic growth and employment creation are important but need to be complemented by, *inter alia*, a sufficient supply of services, housing, education, life-long learning and health systems to ensure that rural areas are not only sustainable but also attractive places to live;

41. Calls for an innovative action plan to address the lack of transport connectivity to rural, mountain and island regions; encourages sustainable mobility for all, by promoting the development of new, clean and alternative transport modes for people and goods (electric or hydrogen vehicles, car-sharing and car-pooling, and a combination of different types of services for cost reduction – transport on-demand);
42. Promotes inter-municipal cooperation, called "city-countryside reciprocity contracts", which acknowledge the diversity of rural areas and seek to foster urban-rural linkages;
43. Highlights that this kind of spatial planning approach requires broader strategies that recognise the importance of a polycentric urban network to the development of areas linked to these metropolitan areas, including small and medium-sized towns located nearby. The aim is to close the gap between urban and rural areas by promoting win-win partnerships in areas such as the environment and energy transition, economic development, quality of services and administrative organisation;
44. Welcomes the outcomes of the SIMRA² (Social Innovation in Marginalised Rural Areas) project, which has demonstrated that social innovation can be a vital ingredient in addressing rural challenges such as out-migration, diversification of rural businesses, climate change, changing lifestyles and restructuring of rural economies;
45. Welcomes the targeted Horizon 2020 calls depending on the development stage of social innovation and calls for this improvement to be implemented for all European Structural and Investment Funds (ESIFs);

Smart rural areas and villages

46. Welcomes the European Commission's initiative on EU Action for Smart Villages which is a first step towards recognition of the need for targeted actions to support the revival of rural areas as sustainable places in which to live and work, although this is not sufficient;
47. Notes that the CoR opinion on Smart Villages calls for this agenda to be integrated across policy and funding opportunities. It deals not only with providing broadband but also how to find smart ways to develop energy provision, services to communities, and a true new revolution as to how to integrate facilities into rural areas;
48. Welcomes the European Network for Rural Development (ENRD) toolkit of rural development measures that Member States can implement to support smart villages, and thus social innovation, including: cooperation (in particular LEADER), knowledge exchange, CAP networks, installation of young farmers and rural business start-ups, investments, etc. However, it has highlighted that there is also a need for more flexible support measures for innovation in non-agricultural activities that are integrated and contribute to the primary activity and that enable best use to be made of the local area;

²

<http://www.simra-h2020.eu/>

49. Calls for medium sized rural towns to also have access to urban funding; highlights that these towns are vital to rural areas and are often excluded from programmes due to their size;
50. Highlights the positive role of future LEADER programme and bottom up/Community-led local development (CLLD) initiatives;
51. Highlights that rural areas are about their people and their communities as well as the environment in which they live. The CoR believes that by rural-proofing EU policies and working across programmes, more could be delivered to ensure rural areas are great places to live, work and raise a family.

II. PROCEDURE

Title	EU strategy for Rural Revival
Reference(s)	
Legal basis	Own-initiative opinion
Procedural basis	Article 307(4) TFEU
Date of Council/EP referral/Date of Commission letter	
Date of Bureau/President's decision	3/12/2019
Commission responsible	Commission for Natural Resources (NAT)
Rapporteur	Enda STENSON (IE/EA), Leitrim County Council
Analysis	11/03/2020
Discussed in commission	18/09/2020
Date adopted by commission	18/09/2020
Result of the vote in commission (majority, unanimity)	Majority
Date adopted in plenary	Scheduled for 8-10/12/2020
Previous Committee opinions	
Date of subsidiarity monitoring consultation	n/a