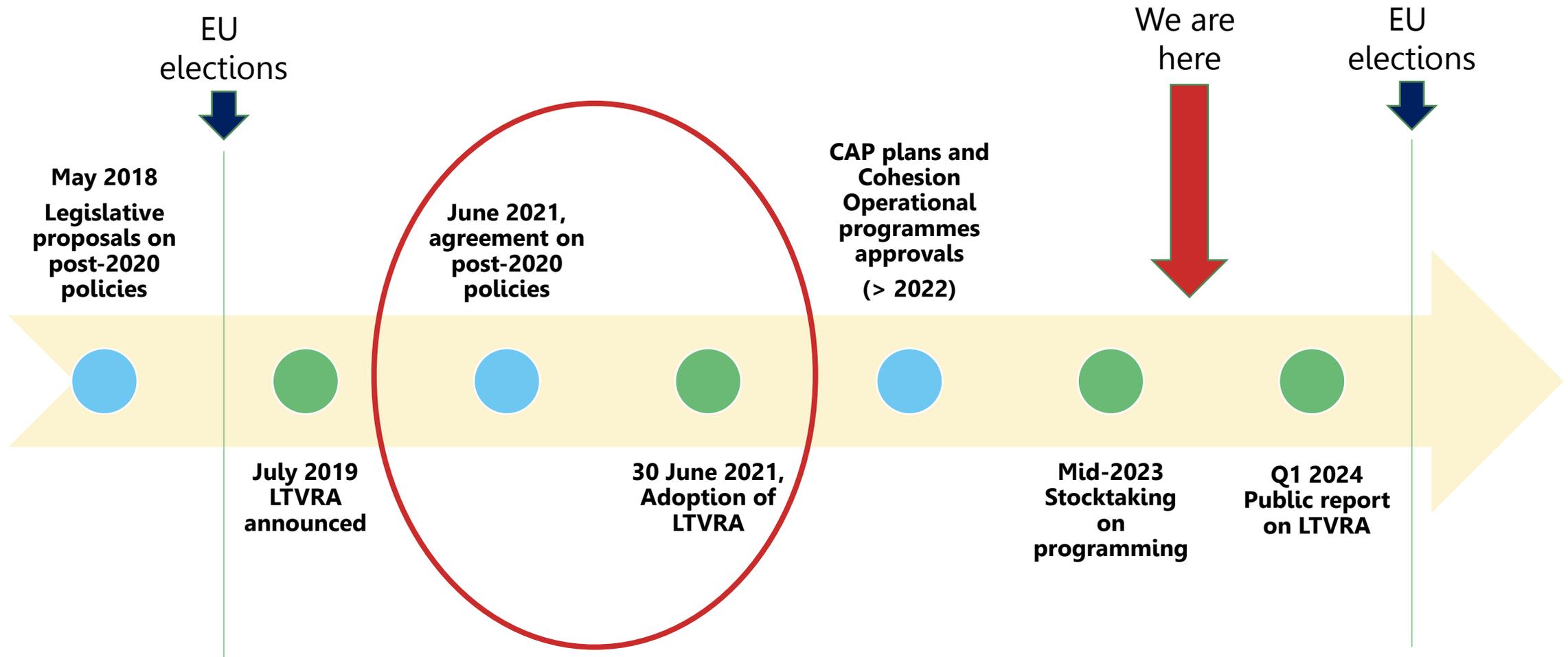


# Taking stock of how the Common Agricultural Policy and Cohesion Policy contribute to the Long-term vision for the EU's rural areas

**Mario Milouchev (European Commission DG AGRI) &  
Wallis Vandebrock-Goelen (European Commission DG REGIO)**  
High-level policy forum "Shaping the future of rural areas", Spain  
28/09/2023



# Policy and rural vision timelines



# How do CAP Strategic Plans (2023-2027) contribute to the objectives of the EU rural vision?

## Study outcomes

[Rural vision \(europa.eu\)](https://europa.eu) (as of 21 September 2023)



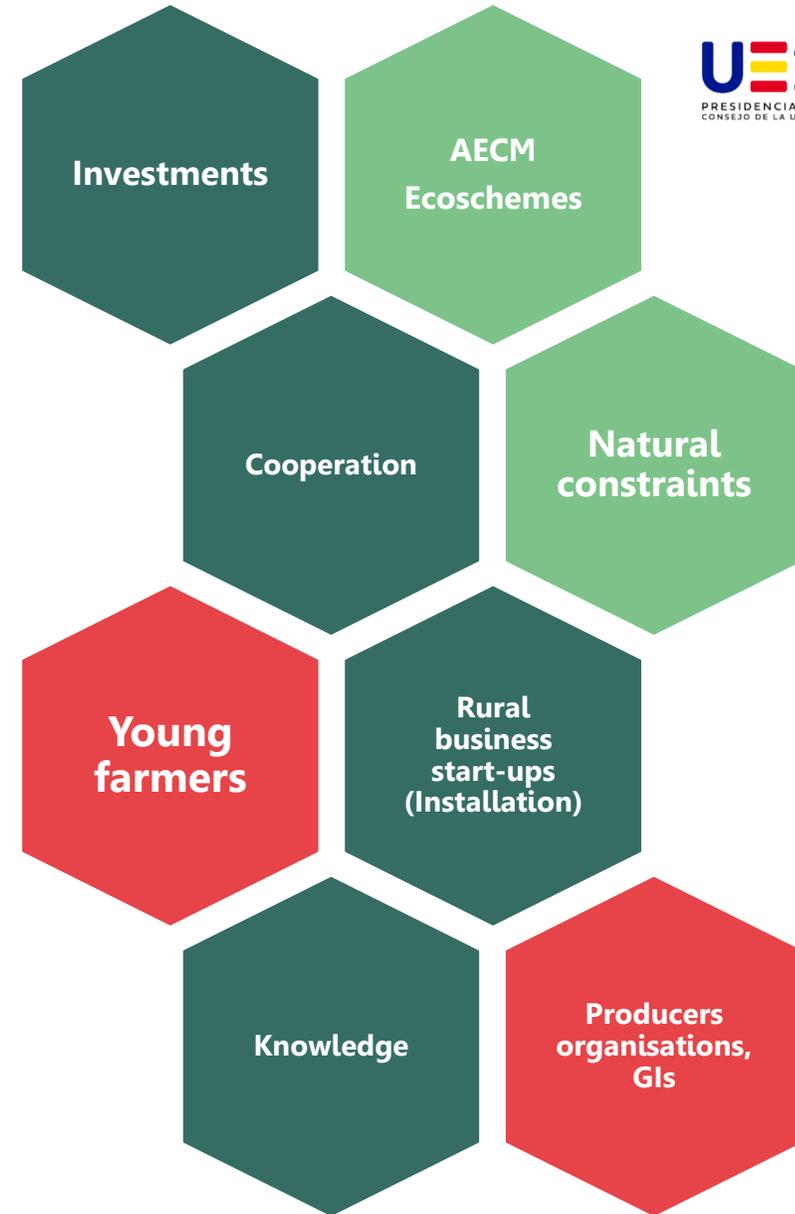
# CAP Contribution to the LTVRA

## Introduction

- ▶ Based on the **screening and mapping** of choices made by Member States as they appear in 28 CAP Strategic Plans
- ▶ Looks at what was **programmed** (execution only starting)
- ▶ The **whole CAP is relevant for rural areas**, because agriculture & forestry mostly happen in rural areas...
- ▶ ... yet study focused on **direct contribution to rural areas beyond farming**
- ▶ Approach to programming highly **variable > big picture**
- ▶ **LEADER**: selection of local development strategies will complete the picture

# Interventions

- ▶ **Four main types interventions supporting rural areas beyond farming**
  - ▶ Investments (off-farm + infrastructures)
  - ▶ Cooperation (inc. LEADER & Smart villages)
  - ▶ Rural business start-ups (part of installation)
  - ▶ Knowledge
- ▶ Interventions **supporting farmers only**
  - Only where consistent with the scope of the rural vision (**resilient**, **prosperous**)
  - Financial allocations not included in overall amount directly supporting rural areas



# Contribution to the rural vision blocks

## Stronger - Empowerment, services, innovation, youth

**LEADER** (all blocks)

**Smart villages** (including through LEADER)

Investments in **infrastructures and basic services**  
or in **cultural heritage**

*Supporting **knowledge and innovation***

## Connected - Physical and digital connectivity

**LEADER & Smart villages**

***Innovation and knowledge** support for digital  
solutions (mainly agriculture & forestry)*

Investments in **broadband**  
Few actions on **mobility**

## Prosperous - Economy

**LEADER**

**Generation renewal** in farming

**Business start-up**

**Diversification** of farmers activities

**Food and bioeconomy** value chains

**Tourism** (small-scale)

**Knowledge** for rural entrepreneurs

## Resilient - Environment and social

**Greening agriculture and forestry**

**Biodiversity & landscapes**

**Areas facing natural constraints**

Investments in **energy**

Inclusion: **LEADER**, actions targeting **older people**,  
**minorities, migrants and refugees**, people at risk of

**poverty**

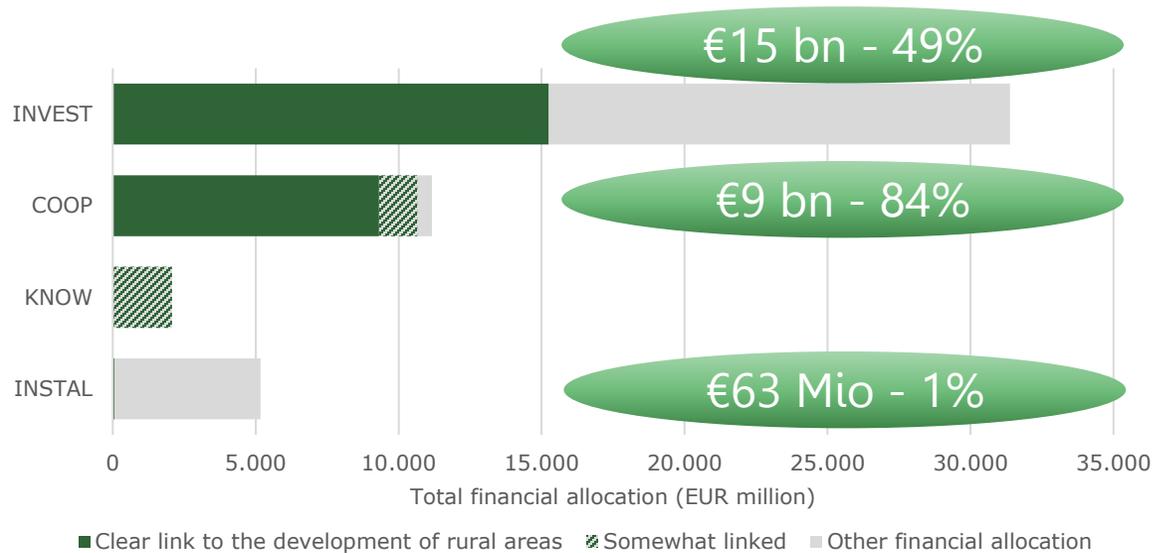
**Gender** in farming



# CAP Contribution to the LTVRA Results - Financial allocations

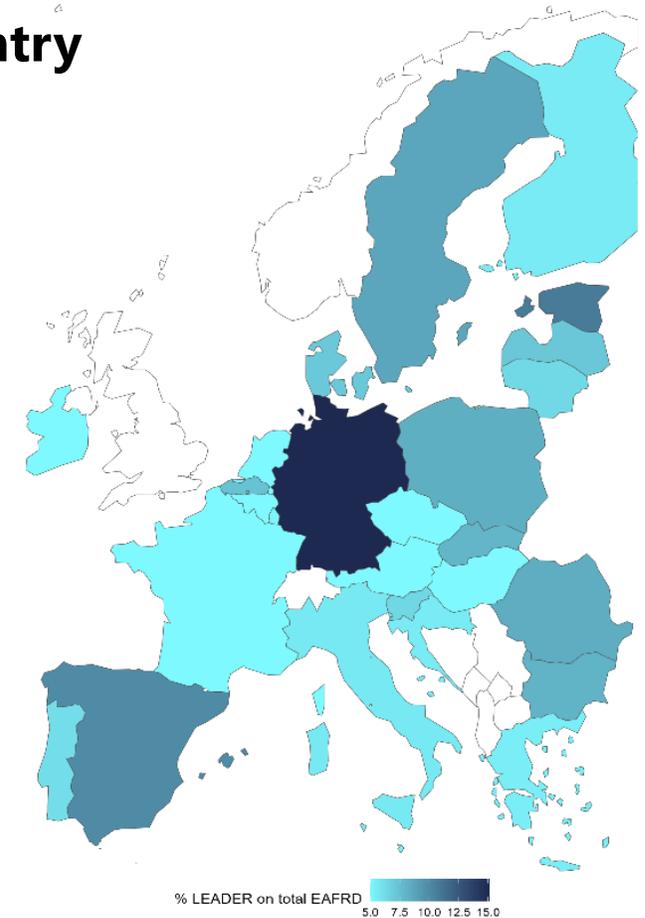
- ▶ **€24,6 billion - 8%** of total CAP financial allocation\* **contributes directly to rural areas** beyond farming

- ▶ **Large country variations**



\* Including national co-financing

**LEADER on total EAFRD**



# CAP Contribution to the LTVRA

## Room for improvement

- ▶ The needs are well reflected in the CAP Plans of the Member States, but **CAP resources alone are not sufficient** to address them all.
- ▶ **Complementarity with other funds (RRF, ERDF, ESF+)**. Yet...
- ▶ **Concerns, gaps or areas where contributions from other funds** are expected:
  - **LEADER** as the main overarching instrument but asked to do **more, with less**
  - **Social services and inclusion** covered only to a limited extent
  - Investments in **broadband** and **mobility** mostly rely on other funds, but no overall view
  - CAP support to **knowledge, innovation and business development** focused on agri-food & forestry > insufficient support for economic diversification

# CAP Contribution to the LTVRA

## Some conclusions

- ▶ Through its substantial **support to agriculture**, the CAP helps maintaining and boosting the **economic development of the rural areas**. But...
- ▶ The CAP regulatory framework provides **flexible ways to support a wide range of activities in rural areas**. Yet...
- ▶ CAP Strategic Plans contribute to **community empowerment** mainly through **LEADER & Smart villages**. Still...
- ▶ The Plans contribute to **infrastructural development, basic services and connectivity** mainly through **the investments**. However...
- ▶ The CAP Plans contribute to **environmental and climate resilience**. Nevertheless...

# How do Cohesion Policy programmes (2021-2027) contribute to the objectives of the EU rural vision?

## Results of internal stocktaking



# Cohesion Policy

- ▶ **Aim:** strengthening economic, social and territorial cohesion in the EU
- ▶ Main **Cohesion Policy Funds:**
  - European Regional Development Fund (ERDF)
  - Cohesion Fund (CF)
  - European Social Fund Plus (ESF+)
  - Just Transition Fund (JTF)
- ▶ NUTS-2 regions framework for eligibility

**€392 bn**

**~ 0.5 trillion**  
**incl. co-financing**

*€392 bn global resources in current prices: ERDF, CF, ESF+, JTF, Interreg, EU instruments and TA  
(Source: DG REGIO, CohesionData)*

# Cohesion Policy Contribution to the LTVRA

## Introduction



- ▶ Based on **planned interventions** for the current programming period (2021-2027); **approved before** the LTVRA was announced
- ▶ CP legislation for programme monitoring systems **does not require** reporting by **type of territory**
- ▶ Non-mandatory territorial labelling: **minority** of allocations
- ▶ Methodological constraints: **underestimation of direct support** to rural areas
- ▶ Non-territorially tagged and **indirect support** to rural areas **cannot be quantified**



# Cohesion Policy contribution to the LTVRA

## Support to rural areas under all policy objectives, funds and instruments

- ▶ **Territorial instruments:** thematic flexibility, fund combination
  - Integrated Territorial Investments (ITI)
  - Community-led Local Development (CLLD)
  - Other territorial tools designed by Member States
  
- ▶ **Policy Objective 5** (PO5) – Europe closer to citizens
  - Delivery of integrated bottom-up development strategies in local contexts (rural or urban)
  - **Specific Objective 5.2** focusing on “areas other than urban areas”

# Cohesion Policy contribution to the LTVRA

## Results – Contribution to the vision blocks

### Stronger - Empowerment, services, innovation, youth

- PO 1: A more competitive and smarter Europe
- PO 4: A more social and inclusive Europe

*e.g.: 150 out of 185 Smart Specialisation Strategies linked to agri-food and bioeconomy*

### Connected - Physical and digital connectivity

- PO 1: A more competitive and smarter Europe
- PO 3: A more connected Europe by enhancing mobility

*e.g.: ERDF financing of high-speed broadband to end with “white areas” in rural settings*

### Prosperous – Economy

- PO 1: A more competitive and smarter Europe

*e.g.: support to micro-, small- and medium-sized enterprises in rural areas*

### Resilient – Environment and social

- PO 2: A greener, low-carbon transition towards a net zero carbon economy
- PO 4: A more social and inclusive Europe

*e.g.: deployment of renewables, support to biodiversity conservation, water reuse, nature-based solutions*



# Cohesion Policy contribution to the LTVRA

## Results – Financial programming

### ▶ 2021-2027 programming period:

- **€12 bn explicitly and directly** allocated to rural areas
  - **16%** of total territorially-tagged Cohesion Policy funds\* (**18%** for **ERDF**)
  - **€17.7 bn** when adding mountain and island territories
  - BUT: 79% of CP funds are not territorially tagged
    - Leads to an **underestimation**

*\*CF, ERDF, ESF+, Interreg & JTF*

**16%** of CP  
funds  
that are territorially  
tagged were  
allocated **directly**  
**and explicitly**  
to rural areas

**...24%**  
when adding mountain  
and island territories

# Cohesion Policy contribution to the LTVRA

## Results – policy considerations

- ▶ Cohesion Policy targets transition and less developed regions
  - **More rural than average**
- ▶ **Non-territorially-tagged** support: renewable energies, information and communication technologies...
  - Small and medium-sized cities (polycentrism)
  - Functional Urban Areas and urban-rural linkages
- ▶ **CP also supports** healthcare infrastructure, educational facilities, transport networks...

**69% of predominantly rural regions** are **“less developed”** and **“transition”** regions



receive **72%** and **17%** of **ERDF & ESF+** resources respectively

# Cohesion Policy contribution to the LTVRA

## Conclusions

- ▶ Most rural areas are located in **Cohesion Policy priority regions**
- ▶ Cohesion Policy supports **directly and indirectly** rural areas
  - Current monitoring mechanisms **underestimate** direct support
- ▶ Early to draw conclusions on 2021-2027 programming period:
  - How have the territorial strategies set up to underpin PO5 addressed comprehensively the situation of rural territories?
  - How have territorial instruments been effective in enabling holistic support to rural territories?
  - How have the strategies developed for addressing demographic decline, referred to in most partnership agreements, been effectively implemented, with the support of CP funds and other instruments?

# THANK YOU

**Join the Rural Pact Community and online platform**

[https://ruralpact.rural-vision.europa.eu/become-member\\_en](https://ruralpact.rural-vision.europa.eu/become-member_en)



<https://ruralpact.rural-vision.europa.eu>

