



**European Committee  
of the Regions**

**NAT-VII/006**

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## **OPINION**

### **EU strategy for Rural Revival**

#### THE EUROPEAN COMMITTEE OF THE REGIONS

- Underlines that the new long-term vision for rural areas should be transformed into a concrete policy framework – the Rural Agenda;
- 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 for example promoting the smart villages initiative, the bioeconomy and social innovation and closing the digital divide;
- Calls for increases to the European budget dedicated to rural development. 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;
- Requests that financial instruments be developed further and adapted to small-scale projects;
- Encourages a simplification and a harmonisation of the Structural and Investment Funds;
- 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 rural development policies at local level.

Rapporteur:

Cllr Enda Stenson (IE/EA), Member of Leitrim County Council

## 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. Also notes that rural areas are not homogeneous, but that some of them are affected by major demographic challenges (depopulation, ageing problems, etc.) which hinder their economic and social development. 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, active management of natural resources, 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. The involvement of local action groups in deploying this type of governance must be increased, due to their capacity to represent local areas and implement development policies tailored to the requirements and needs of areas that are depopulated or at demographic risk by an engagement of rural stakeholders and citizens through bottom-up initiatives like LEADER/CLLD;
  - combat depopulation and social exclusion by for example promoting the smart villages initiative, the bioeconomy 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, education, training, employment and job creation, foster urban development that reflects the local demographic situation, improve digital, public service (health, education, justice, etc.) and infrastructure connectivity, ensure sustainable exploitation of resources, maximise the potential of rural tourism in a healthy and diverse natural landscape and embrace rural areas' creativity and cultural potential;
5. Highlights that cultural and biological diversity are strongly linked all over Europe and form together a unique identity for regions, and linking them stronger has a great potential for reaching sustainability goals of the European Union. A deeper understanding is needed, since traditional ecological knowledge is not included in rural development strategies and nature directives. It is needed to take forward the links between man and nature through the concept of biocultural diversity, as an essential identity element. The rich natural capital of European regions are key importance in the economy and significantly contributes to the EU's sustainable development and biodiversity goals. There are multiple links between local communities and their land, the rich traditional ecological knowledge and environmentally friendly technologies. These elements are present all over Europe even nowadays, however they need more linkage and recognition on all levels of society;
6. 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;
7. 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 relocation of production chains could also open new opportunities in some rural areas;
8. Notes that the EU's rural regions have great potential to produce solutions to current and emerging challenges. Rural regions 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, and capture (sink effect), biotopes, and economic opportunities through sustainable food production and renewable energies, while acknowledging that it is in urban areas that greater emphasis needs to be put on reducing pollution by greenhouse gas emissions;;

9. 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:
- **Equivalent** living standards for 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*

10. 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;
11. 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, especially for the 2023-2027 period; at the same time calls for using new recovery and resilience funds and programmes in large scale for rural development as the rural areas belong to the most vulnerable ones;
12. Rejects the idea of increasing co-financing for the second pillar of the CAP, as this would most disadvantage the poorest farmers, less developed regions and rural areas;
13. 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;
14. 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;
15. Calls for the creation within the new MFF of a Rural Development Fund specifically dedicated to rural areas;
16. Requests that financial instruments be developed further 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;
17. Calls for greater harmonisation 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;

18. Encourages simplification of the Structural and Investment Funds and 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*

19. 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;
20. 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 rural development policies at local level;
21. 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*

22. 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;
23. Urges that criteria be set enabling sub-NUTS3 rural areas with depopulation problems to be defined, so that population decline in such areas can be addressed and existing imbalances reduced;
24. 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**;
25. 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**;
26. Encourages the use of teleworking and digitalisation, digital education and training. Believes that mobile and remote education and training, working during the current pandemic shows the potential of what could be achieved in rural areas if the services were available;
27. Believes that accepting the trend towards rural depopulation and abandonment of farms means that rural policies and strategies must be devised geared to boosting the resilience of abandoned areas to the effects of climate change such as erosion, floods and large-scale fires; reduction of

the carbon footprint must be stepped up and nature and landscape conservation promoted. For this reason, considers that promoting the forestry sector and supporting communities that own mountain areas offer great potential;

28. Points to the need to highlight the rural way of life and counter the cultural and social dominance of the urban way of life, in order to do away with stereotypes, thereby helping to enhance the image and reputation of the areas worst affected by demographic risks, generating a feeling of solidarity between areas, and 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 and training options, available in the region;
29. 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, skilling/reskilling and training options, delivered locally, to avoid the necessity of leaving for their studies (including through distance learning when needed), and introducing measures so they can return to their places of origin following education or training;
30. Calls for modernisation of the vocational training, skilling/reskilling 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;
31. 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 easily<sup>1</sup>, and by broadening the range of care services for children and dependent family members;

### ***Green growth***

32. Recognises that rural areas must seize opportunities to develop local energy and food ecosystems and stronger rural/urban integration;
33. Considers it essential to increase women's involvement and leadership in local action groups and rural development networks, recognising their role as crucial to the territorial, economic and social structure of rural areas;
34. 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;
35. Supports a CAP that is sustainable in its triple economic, social and environmental dimensions and that, by means of its environmental standards, acts as a further instrument to apply the Farm

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

2 Fork and Biodiversity strategies, and is capable of meeting the objectives of the European Green Deal;

36. Recommends that farmers, stock breeders and foresters be trained and financed to identify opportunities in sustainable management for the environment and marketing-options for their products, supplemented by production 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***

37. 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 education, 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;
38. 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;
39. 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;
40. 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;
  - measures to facilitate the provision of complete territorial coverage by internet service companies;

### ***Access to services***

41. Highlights that rural communities do have a right for a basic standard of 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;
42. 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, as well as in businesses based in rural areas. Hubs can be developed for multipurpose use such as remote

education, working, training, health and e-health centres, coffee shops, post offices, creative spaces, mobile fab labs and community centres;

43. Notes the need for sustainable/innovative transport systems to allow access to essential services, such transport systems being understood as the extension of basic public services from more-populated municipalities to less-populated ones in the countryside;

### *Quality of life*

44. Notes that economic growth and employment creation are important but need to be complemented by, *inter alia*, a sufficient supply of good-quality services, housing, education and training, life-long learning and health systems to ensure that rural areas are not only sustainable but also attractive places to live;
45. Welcomes the development of interoperable data infrastructure under the European Commission's strategy for data of 19 February 2020, which includes specific data spaces (e.g. mobility data space, environmental data space, agricultural data space, administrative data space, health data space and energy data space). This is based on the infrastructure for spatial information in Europe under the INSPIRE Directive (2007/2/EC) as a cross-cutting component, and thus can guarantee the sustainable and efficient provision of public and private services in rural areas;
46. Calls for an innovative action plan to address the lack of transport connectivity to rural, mountain, island and outermost 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);
47. Promotes inter-municipal cooperation, called "city-countryside reciprocity contracts", which acknowledge the diversity of rural areas and seek to foster urban-rural linkages;
48. 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 and also to close the gap between urban and rural communities in education and training areas;
49. Welcomes the outcomes of the SIMRA<sup>2</sup> (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;

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<sup>2</sup> <http://www.simra-h2020.eu/>.

50. 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***

51. 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, study and work, although this is not sufficient;
52. 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;
53. 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 entrepreneurs and rural business and industry 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 the bioeconomy to be boosted and best use to be made of the local area; this entails, alongside supporting business start-ups, the possibility of supporting development of non-agricultural businesses, which should be included in Article 69 of the CAP Strategic Plan Regulation;
54. 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;
55. Highlights the positive role of future LEADER programme multi-fund Community-led local development (CLLD) and other bottom up initiatives;
56. Highlights that rural areas are about their people and their communities as well as the environment in which they live. The CoR believes that EU policies for the active management and conservation of rural areas and working across programmes and policy fields, more could be delivered to ensure rural areas are great places to live, engage in production, work and raise a family.

Brussels, 10 December 2020

The President  
of the European Committee of the Regions

Apostolos Tzitzikostas

The Secretary-General

of the European Committee of the Regions

Petr Bližkovský

## II. PROCEDURE

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

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