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COMMISSION STAFF WORKING DOCUMENT
EXECUTIVE SUMMARY OF THE EVALUATION

**of the impact of the Common Agricultural Policy on territorial development of rural
areas**

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Context

Rural areas are an integral part of the EU's social, economic and environmental fabric, accounting for over 80% of its overall land area. A large share of this is farmland, used to produce affordable food for EU consumers while maintaining jobs in rural areas.

While almost 30% of the EU's population live in these areas, rural populations are both shrinking and aging, and a higher share of people are at risk of poverty and social exclusion in rural areas, compared with cities.

This evaluation assessed how much the common agricultural policy (CAP) contributes to development in rural areas by reducing social and economic imbalances, including social exclusion within rural areas and between rural and surrounding areas.

1. Effectiveness

CAP instruments and measures are effective overall in contributing to balanced development in EU rural areas. Two EU rural development schemes – *LEADER* and support for *basic services and village renewal in rural areas* – are considered particularly effective in this respect as they target the wider rural population.

CAP funding represents almost 50% of farmers **income** in the most marginal and remote areas and underpins **farm viability and maintenance** in rural areas. Several CAP measures also contribute to **farm modernisation and productivity** growth. However, the **uneven distribution** of support is a limitation on CAP effectiveness in reducing economic disparities between farmers and different areas.

CAP support has a significant **spillover effect into the wider rural economy**, especially in less developed regions. CAP funding also generates gross-value added and employment in rural areas across the EU.

CAP support contributes to **generational renewal** – depopulation and land abandonment would be worse without the CAP. However, the **attractiveness of rural areas**, especially for young farmers, also depends a lot on transport and communications infrastructure and services, especially in remote areas. The CAP is not the only policy playing a role. There is room for improvement regarding synergies with other EU funds, as well as national and regional policies. Although rural development aid has more potential to support social inclusion for the **most vulnerable groups**, the overall effectiveness of the CAP in this respect could be improved with better targeting.

2. Efficiency

The **excessive administration** associated with applying the CAP support schemes – for both beneficiaries and the authorities – is considered to be the main hindrance to greater efficiency. This relates mainly to rural development measures.

Overall, **direct payments are delivered quite efficiently**, with a relatively **low administrative burden** and swift application and payment processes. However, these payments are **not**

particularly targeted towards the social aspects of territorial development or the needs of vulnerable or socially-excluded rural groups.

3. Coherence

The way CAP measures address balanced development is internally coherent and complementary. Overall, they are consistent with other EU policies, especially with European Regional Development Fund. However, **consistency with national, regional and other EU policies** could be improved, through more coordination between national, regional and local groups.

4. Relevance

The wide range of rural development measures make them particularly relevant, as they can be **targeted at different local situations**. The CAP addresses rural needs related to economic growth and development well, but **social needs less so**.

CAP support is more relevant for farmers, young people and people living in the most remote areas, but poorly targeted at the needs of non-EU nationals, other EU nationals, ethnic groups, and the disabled.

5. EU added value

This evaluation and a series of studies concluded that **greater poverty, land abandonment and rural decline would happen in the absence of the CAP**, clearly highlighting the added value of having an EU-level policy in this field.