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## REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS

The long-term vision for the EU's rural areas: key achievements and ways forward

{SWD(2024) 450 final} - {SWD(2024) 451 final}

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#### INTRODUCTION

In June 2021, the European Commission set out a long-term vision for the EU's rural areas up to 2040 (LTVRA <sup>1</sup>). President Ursula von der Leyen launched this initiative in 2019 recognising that **rural areas are a core part of Europe's identity and economic potential** and that we need to **preserve them and invest in their future** (<sup>2</sup>). She also voiced the ambition for a just transition leaving no one and no place behind. In 2020, 40% of rural respondents to the public consultation on the rural vision said they felt left behind, 60% for those in remote rural areas. The ambition of the Communication was to create **a new momentum for rural areas** by changing the way they are perceived and building new opportunities, with a **stronger voice** for rural communities, which are an integral part of the future of Europe.

The COVID-19 pandemic and the Russian war of aggression against Ukraine further highlighted the pivotal role of rural areas for Europe's **resilience**, as expressed by the Council in November 2023 and by the European Parliament in December 2022 (³). These crises increased concerns over **food security**, **strategic autonomy**, adaptation to climate change, and preservation of natural resources, mostly managed in rural areas, on which all Europeans depend. While these events enhanced **opportunities linked to the green and digital transitions**, they also exacerbated the weaknesses of the less attractive and connected rural communities and raised concerns from farmers, who protested early 2024 about the significant challenges they currently face. The Communication on "**Demographic change in Europe: a toolbox for action**" pointed to the challenges related to ageing, depopulation and skills and labour shortages faced by many rural areas (<sup>4</sup>). It highlighted that territorial disparities undermine social cohesion and trust in democratic institutions and processes in the EU, as also evidenced in the "geography of discontent"(<sup>5</sup>).

The long-term vision for the EU's rural areas (rural vision) identified **10 shared goals** and **4 areas of actions** towards **stronger**, **connected**, **resilient and prosperous** rural areas by 2040. To achieve these goals, the Commission committed to launching a **rural pact** to mobilise public authorities and stakeholders to act on the needs and aspirations of rural residents. It also introduced an **EU rural action plan**, with 30 actions to be implemented by the Commission across a range of EU policy areas.

This report answers the commitment made in the rural vision Communication to 'take stock of what actions have been carried out' and provide 'a set of reflections on possible orientations for enhanced support action and financing for rural areas, as well as on the ways forward, based on the implementation of the EU rural action plan'. The discussions on the report should inform the reflection on the preparation of the proposals for the post-2027 programming period. The report follows a stocktake of the common agricultural policy (CAP) and cohesion policy contributions to rural areas in the 2021-2027 programming period, which was completed in mid-2023. The first chapter provides an overview with new indicators describing rural areas. The second chapter looks back at 30 months of implementing the rural vision, including a synthesis of the above-mentioned stocktaking. The third chapter outlines possible ways forward for the EU rural action plan and the rural pact and lists ideas on support for rural areas raised by other EU institutions and stakeholders and questions for reflection. It concludes by outlining opportunities for debating these ideas after the European elections in June 2024.

<sup>(1)</sup> COM (2021) 345 final

<sup>(2)</sup> Commission, Political guidelines for the next European Commission 2019-2024 (July 2019)

<sup>(3)</sup> Council of the European Union, Conclusions on the Long-term vision for the EU's rural areas, 15631/23; European Parliament, Report on the long-term vision for the EU's rural areas, 2021/2254(INI)

<sup>(4)</sup> COM (2023) 577 final

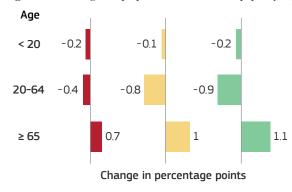
<sup>(5)</sup> Commission, Directorate-General for Regional and Urban Policy, Rodríguez-Pose, A. et al, *The geography of EU discontent and the regional development trap*, Publications Office of the European Union, 2023. https://doi.org/10.2776/164290

#### 1. NEW EVIDENCE UNDER THE FOUR ACTION AREAS

The staff working document (SWD) accompanying the LTVRA(<sup>6</sup>) included a comprehensive analysis of the situation and diversity of rural areas. Most of it remains up to date, but **new datasets bring further insights that shed new light on the four action areas of the rural vision**. Below are examples of EU-level indicators for rural areas and regions (<sup>7</sup>). According to latest data on the EU population from 2021, **29.6% of the EU population lives in rural grid cells** (1km<sup>2</sup>), against 30.3% in 2011, a slight drop of 2.6 million people (<sup>8</sup>).



Figure 1 Change in population share in p.p. by age group 2019-2022 by urban-rural typology

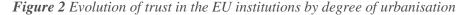


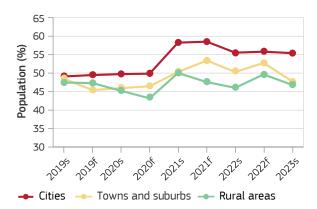
- Predominantly urban regions
- Intermediate regions
- Predominantly rural regions

#### Ageing rural regions

The population over 65 in rural regions has increased by 1.1 pp (0.84 million) while the younger and working age population cohorts decreased. The average EU population age is increasing, but **rural regions are ageing faster**, due to lower natural growth and net migration.

Source: Eurostat (online data table: urt\_pjangrp3), JRC calculations based on the provisional population census grid 2021





#### **Empowering communities**

Rural residents are more likely to trust local and regional authorities (61%) than their national government (31%) or the EU (47%).

Source: Rural observatory, trust in the EU institutions, national, regional and local authorities

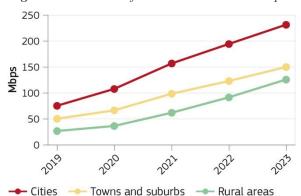
<sup>(6)</sup> SWD (2021) 166 final

<sup>(7) &</sup>lt;a href="https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Territorial typologies manual - degree of urbanisation">https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Territorial typologies manual - degree of urbanisation</a>

<sup>(8)</sup> The 2021 census has modified the classification of municipalities and regions leading to changes in the share of rural population at different levels, compared to the figures in the LTVRA Communication (2011 census). This figure is based on the provisional 2021 population census grid data. <a href="https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Population and housing census 2021 - population grids&stable=1">https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Population and housing census 2021 - population grids&stable=1</a>. The final validated population census grid data will be available in June 2024.

# Connected rural areas

Figure 3 Evolution of broadband download speed by degree of urbanisation

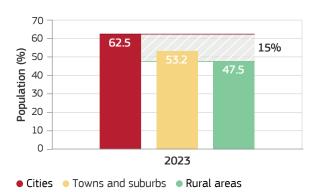


#### Improving digital connectivity

Broadband data shows that the **situation has substantially improved in rural areas**. However, the average downloading speed in rural areas is still far below urban areas.

Source: Rural observatory, broadband speed fixed networks

Figure 4 Individuals with basic or above overall digital skills in 2023 by degree of urbanisation



#### **Enhancing digital skills**

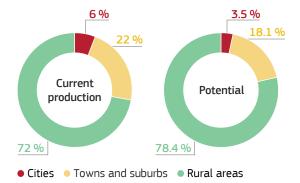
The number of people with basic digital skills in rural areas is improving, but the gap compared to cities remains the same as in 2021, 15 pp. below urban areas.

Source: Eurostat (online data table: isoc\_sk\_dskl\_i21)



#### Resilient rural areas

Figure 5 Renewable energy production and potential by degree of urbanisation



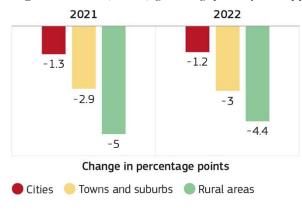
## Rural areas powering the energy transition

72% of the production of renewable energy takes place in rural areas, which will have a strong role in the energy transition. Rural areas could produce most of the renewable energy in the EU (78% of the untapped potential).

Source: Perpiña Castillo (et al.), Renewable

energy production and potential in EU Rural Areas, POEU, Luxembourg, 2024, JRC135 612

Figure 6 NEET (15-29) gender gap analysis in pp. by degree of urbanisation



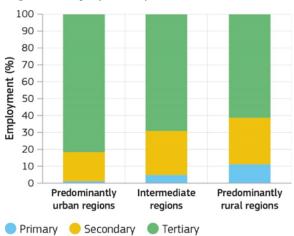
#### Closing the gender gap

Rural areas have the highest share (12.6%) of young people aged 15–29 neither in employment nor in education and training (NEET). Even if the situation has improved, the NEET rate for young women in rural areas in 2022 was 14.9% compared to 10.5% for males (4.4 pp. gender gap). The **NEET rate for young women in rural areas is the highest compared to the other territories** (2022).

Source: Eurostat (online data table: edat\_lfse\_29)



Figure 7 Employment by economic sector in 2021 by urban-rural typology

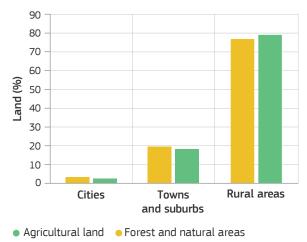


#### A diversified rural economy

The **primary sector in rural regions remains** important (11% of employment compared to 1% in urban and 5% in intermediate regions); however the **secondary and tertiary sectors play a dominant role**, with a slight decrease of the primary sector (-1% between 2018 and 2021).

Source: Eurostat (online data table: nama\_10r\_3empers).





### Rural areas are key for food security and natural resources

Rural areas host most land for agriculture (77% - 134 million ha) and forests and natural areas (79% - 148 million ha). 43% of land in rural areas is agricultural and 47% is forests and natural areas, forestry being key for many rural economies since most forest-dominant areas are affected by demographic challenges. The contribution of forests and the forest-based sector is crucial to achieving resilient and prosperous rural areas by 2040.

Source: Rural observatory, agricultural land and forest and natural areas

#### 2. LOOKING BACK AT 30 MONTHS OF IMPLEMENTATION

#### 2.1. How do EU policies contribute to rural areas?

#### 2.1.1. Common agricultural policy (CAP)

The 2023-2027 CAP provides Member States with a flexible legal framework to support rural areas through CAP strategic plans (CSPs) drawn up in line with the partnership principle (with regional and local authorities and economic and social partners actively involved). The Commission assessed the joint efforts of the 28 CSPs on, among others, employment, growth, and local development in rural areas, drawing on a mapping study of the CSPs for 2023-2027. The assessment includes a deliverable on CSPs' contribution to the objectives of the rural vision (9), focusing on interventions for rural areas beyond farming. Member States used mostly three interventions to **support rural areas beyond farming**: (i) **investments** (off-farm and infrastructure); (ii) **cooperation** (mainly LEADER); and (iii) creation **of rural businesses** as part of installation aid. The funding allocated to the relevant parts of these three instruments totals **EUR 24.6 bn**, or 8% of the total CAP financial allocation (national co-financing and top-ups included), that contributes directly to rural areas beyond farming, while indirectly the whole CAP contributes widely through support to farming.

These instruments are used to support **all action areas of the rural vision** (stronger, connected, resilient, prosperous). While some Member States chose to support social services, natural parks, rural mobility systems or business creation in other sectors than farming, most CAP plans limit themselves to a few interventions, in particular LEADER.

Essential to **empower rural communities**, LEADER local development strategies (LDS), are the main CSP tool used to respond to multiple rural needs in areas such as employment, social inclusion or services. Support for '**smart villages**' (<sup>10</sup>) within and outside LEADER is expected to contribute to unlock the potential of **digital**, **social and technological innovation** in rural areas. Several plans incentivise participation of young people and women in LEADER, contributing to address **generation renewal** and **gender equality** issues. However, the absolute amounts assigned to LEADER (EUR 7.7 bn total financial allocation for 2023-2027) did not increase compared to the previous period. With a rural population coverage increased from **61 to 65%** and decreased contributions from other interventions, LEADER is expected to do more with less.

Beyond LEADER, the assessment of the 28 CSP shows that some plans introduced or increased their efforts to address needs related to **the accessibility of rural areas, better basic services and infrastructure**, but the **level of ambition has fallen overall**, in particular for digital connectivity and transport. Planned actions for economic development include investing in **tourism**, **the bioeconomy and social services** on top of processing and marketing and creating businesses related to agriculture and forestry, with an overall contribution to job growth that remains to be assessed.

Interventions supporting farmers contribute to the **resilient and prosperous** action areas of the rural vision, which highlight the importance of sustainable food production and supporting generation renewal. Income support, including in areas facing natural constraints, helps to maintain agriculture, including in remote areas, **preserving jobs, slowing down land abandonment and depopulation**. Beyond farming, the study concludes that areas such as rural business and innovation, connectivity or social inclusion would deserve greater attention.

<sup>(9)</sup> COM (2023) 707 final; Ecorys, Metis, and Agrosynergy, Mapping and analysis of CAP strategic plans, Assessment of joint efforts for 2023-2027, 2023; Ecorys, Metis, and Agrosynergy, Taking stock of how CAP strategic plans contribute to the objectives of the long-term vision for the EU's rural areas, 2023.

<sup>(10) &</sup>lt;a href="https://agriculture.ec.europa.eu/common-agricultural-policy/rural-development/supporting-smart-village-strategies\_en">https://agriculture.ec.europa.eu/common-agricultural-policy/rural-development/supporting-smart-village-strategies\_en</a>

#### 2.1.2. Cohesion policy

In 2021-2027, cohesion policy provides support to rural areas through its mission to reduce disparities between the levels of development of regions. This support is wide-ranging, spans across all policy objectives (POs) and the areas of action of the rural vision and goes well beyond interventions physically based in rural areas. Support is channelled through integrated territorial development strategies designed and implemented by respective territorial authorities, strengthening the economic and social fabric of rural areas.

Cohesion policy interventions through all policy objectives provide support to rural areas. What is more, in 2021-2027, the European Regional and Development Fund (ERDF) has a specific investment objective for "integrated development in rural and coastal regions", under specific objective 5.2, for which 18 Member States have programmed allocations. Indeed, as cohesion policy operates under shared management, Member States are the ones devising place-based strategies and allocating funding accordingly.

Cohesion policy targets predominantly "less developed" and "transition" regions. These typically have a lower population density and host cities and towns of a smaller size. Moreover, most rural regions are located in these "less developed" and "transition" regions. Cohesion policy interventions have wide territorial impacts (i.e. they cannot be circumscribed to a small area within administrative boundaries) and it is therefore difficult to attribute its actions to one specific type of territory.

The key policy objective for ensuring targeted funding to develop rural areas is policy objective 5 (PO5) 'Europe closer to citizens'. Besides this new place-based, cross-cutting PO5, the other four thematic policy objectives also contribute to rural development, notably through territorial instruments-backed interventions. Following the fourfold structure of the rural action plan: (i) "Stronger rural areas" are targeted by POs 1 (Smarter Europe) and 4 (Social Europe), e.g. Smart specialisation Strategies including priorities linked to agri-food and bioeconomy; (ii) "Connected rural areas" are targeted by POs 3 (Connected Europe) and 1 (Smarter Europe), e.g. infrastructure to ensure connecting remote areas without access to very-high-capacity, high-speed broadband; (iii) "Resilient rural areas" by POs 4 and 2 (Greener Europe), e.g. support in renewable energies and biodiversity conservation; and (iv) "Prosperous rural areas" by PO1, e.g. support to SMEs in machinery, food processing and logistics.

Support to rural areas does not only come from investments based therein, but importantly as well from wide-ranging interventions, including those aimed at strengthening urban-rural interactions. Rural areas also benefit from support to **small urban areas**, which are numerous and geographically distributed. Small urban areas act as **anchor points and infrastructure and services hubs for rural areas**, through **economic and social interactions**, labour flows, connectivity and environmental linkages, all elements which can be strategically supported for cohesion PO5 and using integrated territorial instruments.

To name some examples: the "Integrated health and social care" project in Banská Bystrica (Slovakia) shows how cohesion policy funding (ERDF and the European Social Fund - ESF) contributes to rural development. Here, an Agency of Integrated Care for Elderly was established by an association of villages and small towns together with community-based care centres, in cocreation with local stakeholders (the project will continue in the current programming period in several microregions). In Italy, the "national strategy for inner areas" identified pilot areas (mostly rural), defined bottom-up their local strategy and funded interventions linked to energy efficiency, social infrastructure, sustainable mobility and digitalisation. The initiative also continues in the 2021-2027 programming period.

#### 2.1.3. Other policies

The CAP and cohesion policy complement a wide range of other EU funds and policies that contribute to the rural vision's objectives. The SWD linked to the LTVRA Communication described how EU policies contribute to e.g. social inclusion, gender equality, climate and environment, energy, fisheries and aquaculture, animal welfare, mobility, digitalisation, neighbourhood and enlargement, education, health, culture, industry or competition.

The **contribution of various programmes** such as Horizon Europe, Connecting Europe Facility, the Single Market programme and ERASMUS is also visible in the description of the actions of the EU rural action plan, which seeks to mainstream rural concerns across these EU policies. The Resilience and Recovery Facility and EURI Funds also play an important role (<sup>11</sup>). In addition, the Technical Support Instrument (TSI) can provide support for the design and implementation of reforms in rural development in the EU Member States and regions.

Currently there is **no comprehensive source indicating and quantifying the extent to which these funds contribute to rural areas**. The European Parliament and the Council suggested to work towards a clearer identification and monitoring of the contribution of EU instruments to rural areas in the future.

#### 2.2. Where are we with the implementation of the EU rural action plan?

The LTVRA introduced an **EU rural action plan** that includes 24 thematic actions, articulated around the four action areas of the vision, and six horizontal actions. The overview below is complemented by detailed information available in the attached staff working document (SWD).

#### 2.2.1. Thematic actions



Built on expert work (<sup>12</sup>), the <u>rural revitalisation platform</u> (<sup>13</sup>) launched in June 2023 provides a space to collaborate and access resources of specific interest to depopulating rural areas. The policy lab "Taking action to tackle rural depopulation" (<sup>14</sup>) with 100 participants, 20 good practices, and the field trips of the **High-level rural policy forum in Sigüenza** (Castilla-La Mancha, Spain) further supported the flagship action with knowledge and in-person exchanges.

Over EUR 250 million of investments in over 60 **research and innovation** (R&I) projects under Horizon Europe in 2021-2024 helped to enhance rural innovation. The '**Startup village forum**' raised the understanding of characteristics and drivers for rural innovation.

The SmartRural21 and SmartRural27 projects developed guidance to support the emergence of **smart villages approaches**, design and implement supportive policies and offered networking events and ideas for smart solutions. The EU CAP network organised **several events and reflections** for **LEADER**, including a subgroup on "LEADER and territorial development" and workshops that helped demonstrate the added value of LEADER, understand difficulties around multi-funded LEADER and increase the use of simplified cost options.

The ongoing "Study on competition for land use and sustainable farming" will, by the end of 2024, increase knowledge on the impacts that sectoral developments have on land use in EU's rural

<sup>(11)</sup> Estimated shares of RRF funds contributing to the development of rural and remote areas under the social and territorial cohesion pillar are available at: <a href="https://ec.europa.eu/economy-finance/recovery-and-resilience-scoreboard/social.html">https://ec.europa.eu/economy-finance/recovery-and-resilience-scoreboard/social.html</a>

<sup>(12)</sup> https://ec.europa.eu/enrd/rural-revitalisation\_en.html

<sup>(13)</sup> https://ruralpact.rural-vision.europa.eu/rural-revitalisation\_en

<sup>(14) &</sup>lt;a href="https://rural-vision.europa.eu/events/taking-action-tackle-rural-depopulation-2023-06-29">https://rural-vision.europa.eu/events/taking-action-tackle-rural-depopulation-2023-06-29</a> en

areas. Attention to **rural youth** progressed through inclusion measures available to Member States under Erasmus+ and the European Solidarity Corps. 13 000 activities to "move rural youth forward" took place during the European Year of Youth and the EU-Council of Europe Youth Partnership developed a rural work stream under which they conducted a study on policy responses to rural youth challenges.



Investments for a total of EUR 23.5 billion in grants and updated State aid rules are improving **digital connectivity** in areas where markets fail to deliver. Broadband coverage with gigabit compatible technologies increased by 8.1 p.p. between June 2021 and June 2022, reaching 45% of rural households mid-2022. The new **broadband competence offices network support facility**, setup in 2022, has developed capacities of administrations and stakeholders. Moreover, EUR 100 million were invested in R&I for **agricultural and rural digitalisation** under Horizon Europe in 2021-2024.

Physical connectivity also benefits from the **European rural mobility network** that connects rural municipalities working on mobility solutions created by the EU funded SMARTA-NET project, alongside tools and guidelines. Rural citizens in urban peripheries should benefit from increased attention on urban-rural linkages in accordance with the new urban mobility framework adopted in 2021 and **new sustainable urban mobility plans**.



Since June 2022, 27 rural energy communities benefitted from technical assistance via the **rural energy communities advisory hub** (**RECAH**), integrated in the newly founded energy communities facility. As part of the '**Mission Soil**', over EUR 300 million invested in projects helped to enhance soil health in Europe, including by activating participation of rural communities in living labs. A new system of certification of carbon removals incentivises **carbon farming**.

The implementation of the European care strategy supports social resilience of rural communities. The Commission also cast the spotlight on **gender equality** in a dedicated EU CAP network workshop and launched a new **study on the working conditions of agricultural workers** (results by mid-2025). The **European Child Guarantee** for which all Member States had submitted their action plans by 2023, aims to ensure that socially excluded rural children have access to at least one healthy meal at school. Besides, EU-funded research projects aim to enhance knowledge on **migrants' integration** in rural areas (<sup>15</sup>), and measures to ensure actual access to facilities to **people with disabilities** living in rural areas were put in place.



Rural entrepreneurship was supported by promoting rural retail and via the **Social Economy action plan** (SEAP). Under this plan, the Commission encouraged Member States to develop a social economy framework, published good practices on social economy in rural areas, supported capacity building for social economy in rural areas under the Single Market programme (four initiatives supported) and the social economy regions initiative, showcasing funding opportunities.

The Youth Guarantee and the European Education Area aim to support formal education, training and employment opportunities in rural areas. Since 2021, Member States kept implementing the reinforced Youth Guarantee at all levels. The European School Education platform and the online community for teacher eTwinning contains dedicated content on school education in rural and remote areas, including good practices, articles, and expert opinions.

<sup>(15)</sup> https://rural-vision.europa.eu/action-plan/resilient\_en#supporting-the-inclusion-of-migrants-in-rural-areas

Moreover, the development of **geographical indications** (171 adopted since June 2021) and the employment and economic development potential they represent in rural areas will be further supported through the adoption of a new Regulation on geographical indications for agricultural products which is foreseen in spring 2024. A dedicated EU CAP Network thematic group explored the need for **networking between forest-dominant municipalities**.

#### 2.2.2. Horizontal actions

#### 2.2.2.1.Improving and valorising rural data and statistics

The Commission increased **the number of datasets available for rural areas**, valorised in the **new publication** "**Rural Europe**". **The 2021 EU census programme**, to be published mid-2024, will provide for the first time data at 1 km<sup>2</sup> grid level, allowing to analyse population trends across flexible geographical boundaries. The proposal for a **new Regulation on European Statistics on population and housing** (<sup>16</sup>) addresses statistical gaps for rural areas with effective provisions to gather more data such as intra-regional migration. The Commission is also working on **pan-European geospatial datasets** that enable the production of statistics for rural areas on themes such as access to services.

The Commission has launched the EU **rural observatory** in 2022, a data platform (<sup>17</sup>) to facilitate understanding on how rural areas perform to inform policymaking. By displaying, producing and analysing data and indicators related to the economic, social and environmental dimensions, the observatory provides access to a range of indicators and visualisations regarding rural areas. It likewise provides thematic analyses via scientific publications on prominent rural topics, such as remote rural areas, functional rural areas and renewable energies in 2023.

The Commission has developed a methodology to delineate **functional rural areas** that aim to map spaces in which rural inhabitants live their daily lives. The added value of this methodology is to offer a scale of statistical and data analysis which enhances comparability by evening area sizes compared to municipalities and NUTS3 regions and to offer a relevant scale to analyse service provision. Published as one of the rural observatory analytical papers in November 2023, the cartography (<sup>18</sup>) and its parameters are open for debate with statistical offices and European stakeholders.

#### 2.2.2.Creating and implementing a rural proofing mechanism

The Commission integrated rural proofing in the Communication on **Better Regulation** adopted in April 2021 (<sup>19</sup>). It asks services to consider potential territorial (including rural) impacts when relevant when elaborating new legislative initiatives and collect evidence from various types of territories, including rural areas. The **Commission work programme for 2022** (<sup>20</sup>) also recalled the importance of territorial impact assessments (TIA) and rural proofing. Echoing the Territorial agenda 2030, the **Communication on the eighth cohesion report** (<sup>21</sup>) further called to integrate a territorial lens in EU policies. The Better Regulation Toolbox includes a **TIA necessity check** through which **the Commission** can verify the need to conduct a TIA, and a **set of tools and methodologies**. While the TIA tool can be powerful, it has proven to be resource-intensive (in time and skills) and had a lower uptake than initially expected. The Commission undertook a TIA in

<sup>(16)</sup> COM (2023) 31 final

<sup>(17)</sup> https://observatory.rural-vision.europa.eu/

 $<sup>\</sup>begin{array}{lll} \textbf{(}^{18}\textbf{)} & \underline{\text{https://observatory.rural-vision.europa.eu/thematic-analyses/functional-rural-areas?lng=en} \end{array}$ 

<sup>(19)</sup> COM (2021) 219 final

<sup>(20)</sup> COM (2021) 645 final

<sup>(21)</sup> COM (2022) 34 final

2022, and, in 2023, territorial impacts were explored for two initiatives, concluding to the likely absence of territorial impacts (22).

In addition to the possibility of identifying rural impacts in the context of TIA, according to the Commission's better regulation guidelines for legislative initiatives, the Commission explored the **rural implications of new non-legislative initiatives** and in numerous cases the aspects concerning the rural communities were successfully and positively taken into account.

#### 2.2.2.3. Creating a toolkit on rural funds

In December 2023, the Commission completed the design of the **rural toolkit on EU funding opportunities for rural areas**. It centralises **information in one dashboard** for local authorities, stakeholders, project holders and managing authorities. The toolkit also provides inspirational solutions and examples of territorial and local development strategies and projects to make full use of the 2021-2027 EU budget opportunities.

#### 2.3. The launch and development of the rural pact

The Commission launched the rural pact in December 2021, by inviting all stakeholders who support the **10 shared goals** of the rural vision to join the new "**rural pact community**". Participatory discussions with EU institutions and bodies (<sup>23</sup>) and networks steering the European Rural Parliament (ERP<sup>24</sup>), alongside consultations of the rural pact community led to the endorsement of the rural pact concept (<sup>25</sup>) at the first "Rural pact conference" in June 2022 in Brussels. The pact created as a result is a formal space and **framework to boost cooperation** between national, regional and local governments, civil society organisations, businesses, academics and citizens **to act towards the shared goals of the rural vision.** 



The Commission further put the rural pact into practice by:

- establishing in December 2022 the "**Rural Pact Support Office**" (RPSO) which provides networking and facilitation services for the community;
- creating the "Rural Pact Coordination Group" (RPCG), which acts as the governance body steering the development of the rural pact;
- launching the "**rural pact community platform**" (RPCP) (<sup>26</sup>) in June 2023, an online collaborative tool supporting community interaction.

In line with its three objectives, since 2022, the rural pact has **amplified rural voices** by offering, through **nine events** (<sup>27</sup>) a **new space** to discuss issues of importance for the future of rural areas across all policy domains and build specific ideas for **action** and recommendations for **policy improvement**. The **'High-level rural policy forum - Shaping the future of rural areas',** organised in September 2023 under the pact with the Spanish presidency of the Council has been instrumental in the adoption of Council conclusions on the rural vision in November 2023. Several national or regional governments have already adopted they own pacts or agendas inspired by the

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(27) https://ruralpact.rural-vision.europa.eu/events/all en

<sup>(22)</sup> Proposal for a revised waste framework Directive COM (2023) 420 final and proposal for a Directive on business in Europe: framework for income taxation (BEFIT) COM (2023) 532 final

<sup>(23)</sup> European Parliament (EP), Committee of the Regions (CoR), European Economic and Social Committee (EESC), and EU Council presidency (or trio of presidencies for the Rural Pact Coordination Group).

<sup>(24)</sup> European LEADER association for rural development (ELARD), European Rural Communities Alliance (ERCA) and Partnership for Rural Europe (PREPARE).

<sup>(25)</sup> https://agriculture.ec.europa.eu/system/files/2022-07/rural-pact-proposal\_en.pdf

<sup>(26)</sup> https://ruralpact.rural-vision.europa.eu

EU rural pact (e.g. Czechia, Catalonia). Furthermore, with its 30 members representing EU institutions and bodies (<sup>23</sup>), the organisations steering the ERP and civil society, business, and research and academia, the RPCG promotes a greater consideration of rural areas across thematic domains and governance levels.

The rural pact has also **structured collaboration and mutual learning** for a community which has grown from 1 300 to **2 350 members** in 2023, coming from all sectors and parts of society, many of them new to EU-level rural networking, reflecting the holistic approach of the pact. The new platform visited by around 1 500 people monthly, allows its 560 users to access a useful **resource database**, collaborate in **seven 'community groups'** and keep up to date with interesting developments. Moreover, the pact has linked and enhanced knowledge of rural actors across Europe through **40 good practices**, **four good practice webinars** and the establishment of **strategic links with 20 other EU networks**.

Finally, the pact has triggered **120 commitments to act for rural areas** coming from organisations (70%) or individuals (30%) and covering a broad range of themes (<sup>28</sup>). Activities in 2023 put a special focus on encouraging national and regional authorities to act, leading to a policy brief outlining seven ingredients for a successful rural pact implementation in Member States (see 3.2).

#### 3. LOOKING FORWARD

#### 3.1. Consolidating achievements in implementing the EU rural action plan

While all actions in the EU rural action plan are underway, some need extra efforts to be completed and others need continuity to achieve their objectives. The accompanying SWDs provide an overview of the state of play of each action and of next steps envisaged for those that are continuing (<sup>29</sup>), alongside a reviewed version of the action plan.

#### 3.1.1. Acting for stronger, connected, resilient and prosperous rural areas

As part of the actions for **stronger rural areas**, the Commission will further develop the rural revitalisation platform with new functionalities and update the resource section in 2024. It will keep investing in new research and innovation projects through Horizon Europe work programmes 2025-2027 and linking rural innovators across Europe with the next startup village forum in 2024. A study on rural youth participation in ERASMUS+ will produce recommendations on opportunities for learning for rural youth in 2024.

When it comes to actions for **connected rural areas**, the Commission will finalise the SMARTA-NET project with a final conference in autumn 2024. It will also keep improving the regulatory environment to incentivise investments in digital infrastructures in underserved (mainly rural) areas and continue supporting innovation in digital transformation for agriculture and other rural sectors.

To advance towards **resilient rural areas**, work on rural energy communities will continue under the rural energy community facility launched in 2024. The number of living labs working jointly to enhance soil health under the 'Mission Soil' will increase through calls for projects in 2025-2027. In addition, in 2024 the Commission will prioritise the development of methodologies for the rewetting of peatland.

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<sup>(28) &</sup>lt;u>https://ruralpact.rural-vision.europa.eu/commitments\_en</u>

<sup>(29)</sup> The elements in Sections 3.1 and 3.2 reflect the intention of the Commission at the time of adoption, which may have to be reconsidered in light of the resources available for implementation.

For **prosperous rural areas**, the Commission will continue the work on the social economy and formal education. The local social economy contact points will offer peer-to-peer support in rural regions and the review of the progress made by Member States in the Youth Guarantee and the European Education Area interim evaluation planned in 2025 will address barriers to equity, such as the rural-urban gap.

#### 3.1.2. Keep improving and valorising rural data and the rural observatory

The Commission will keep improving rural statistics. Following the publication of the 2021 census in 2024, the Commission will publish Statistics Explained articles with new research on rural areas. The Commission is also preparing the implementation of the new framework on European statistics on population and housing and continues the work with geospatial data, the datasets available for rural areas and the publication "Rural Europe".

The Commission is committed to continue its support for the **EU rural observatory** in the future, with the objective to keep providing research and data on rural areas. In 2024, the focus will be on interactions between economy and demography, housing and energy efficiency.

The Commission will continue developing the concept of **functional rural areas**, taking into account inputs from stakeholders and international organisations including the World Bank and the OECD, which are engaged in working on functional geographies for both urban and rural areas. It will assess the usefulness of this territorial typology for statistical purposes and for policy purposes in the longer term.

#### 3.1.3. Consolidate rural proofing

Piloting rural proofing for 2 years highlighted the need to raise awareness, improve data availability, better resource the process and improve coordination. The Commission will **keep using the rural proofing mechanism for its own regulatory process,** which will progressively result in improved skills on integrating rural issues in EU policymaking across departments. Rural proofing will benefit from improving rural statistics and data and from developing the EU rural observatory. The Commission will also keep up **dialogue with Member States** on developing rural proofing mechanisms at national and regional levels, building on the framework developed by the European Network for Rural Development thematic group on rural proofing at national, regional and local levels (<sup>30</sup>) and on Council conclusions calling to i) strengthen rural proofing at all levels (<sup>3</sup>) and ii) 'make wide use of TIA' in legislative proposals to address territorial impacts where relevant (<sup>31</sup>). The Commission will also keep interacting with international organisations, such as the OECD and the World Health Organisation on rural proofing.

#### 3.1.4. Track progress towards the rural vision goals

The Commission will explore the possibility of a **simple indicator system including relevant indicators** for the four action areas of the rural vision and its 10 shared goals, taking as baseline what has been established in the SWD accompanying the LTVRA communication. The indicator system will build on what already exists under various EU policies contributing to the vision, on the work conducted under the **EU rural observatory**, on rural statistics and on Horizon Europe projects working on improving rural data, such as RUSTIK and GRANULAR. The indicators used should be available for the whole of Europe and help to periodically measure progress towards the rural vision up to 2040.

<sup>(30) &</sup>lt;a href="https://ec.europa.eu/enrd/enrd-thematic-work/long-term-rural-vision/TG-rural-proofing\_en\_en.html">https://ec.europa.eu/enrd/enrd-thematic-work/long-term-rural-vision/TG-rural-proofing\_en\_en.html</a>

<sup>(31)</sup> Council of the European Union, Conclusions on the future of cohesion policy, 16230/23, November 2023.

#### 3.2. Consolidating the rural pact

The Commission will keep supporting the facilitation of the rural pact through the **Rural Pact Support Office (RPSO)** and developing the **rural pact community platform further** (<sup>29</sup>).

The Commission will improve the interactive features of the collaborative platform in 2024. A multiplier toolkit will help community members raise awareness of the pact and platform to non-community members.

In 2024, the priority of implementing the pact at **national and regional levels** will be complemented by focusing on building a **stronger ownership and participation of local actors in the rural pact**.

Efforts made to bring the **Member States on board** with the rural pact in 2023 will be sustained, building on the momentum brought by the November 2023 Council Conclusions on the rural vision which **encourage Member States to engage in the rural pact and design holistic strategies and action plans for rural areas**. The policy brief "*Making the rural pact happen in Member States*" (<sup>32</sup>) provides national and regional authorities with guidance on how they could enhance governance and support for rural areas through holistic approaches, fund coordination, greater participation and capacity building. The RPSO will develop a first set of "country pages" to show how the ingredients of successful rural pact implementation unfold in national contexts and inspire action from other Member States through the promotion of good practices. The Commission will also continue to cooperate with international organisations engaging with EU Member States on rural policy such as the OECD, the World Health Organisation and UN Habitat.

The **Rural Pact Coordination Group (RPCG)** will continue to play its role and, together with the RPSO and its national experts, will **raise awareness** of rural issues among national authorities and EU institutions. Based on the considerations agreed by the group, the RPCG members will undertake actions to further steer and develop the rural pact.

The RPSO will continue to engage in 2024 with **local-level actors** through a dedicated **policy lab** on how to translate the rural pact into action at local level, **good practices** and working closely with the community, in particular members who have **committed** to act. **Good practice webinars** will explore opportunities around specific themes of interest to the community, in partnership with relevant networks.

The next **rural pact conference at the beginning of 2025** will seek to assemble local actors to discuss achievements, developments in key thematic domains, ways forward for the rural pact and ideas on the post-2027 EU policies.

<sup>(32)</sup> https://ruralpact.rural-vision.europa.eu/publications/making-rural-pact-happen-member-states en

#### 3.3. Reflecting on how to enhance support for rural areas in the future

#### 3.3.1. Stakeholders and institutions contributions

The LTVRA Communication generated a rich and fruitful dialogue and suggestions on how support to rural areas could be enhanced in the future. Proposals come from:

- **inter-institutional dialogue** on the LTVRA: the Committee of the Regions (CoR) and the European Economic and Social Committee (EESC) issued opinions early 2022 (<sup>33</sup>), followed by the resolution of the European Parliament (EP) in December 2022 (<sup>34</sup>), the report of the EP Committee of Regional Development on the European Territorial agenda 2030 (<sup>35</sup>) and the conclusions from the Council of the European Union (Council) in November 2023 (<sup>36</sup>);
- outcomes from the main events of the rural pact: major rural pact conferences (<sup>37</sup>) including the High-level rural policy forum on Shaping the future of rural areas, the Rural Pact Coordination Group (<sup>38</sup>) and exchanges with the rural pact community (<sup>39</sup>), reflecting the bottom-up nature of the vision;
- **the European rural parliament**, listed in the LTVRA Communication as a forum for exchange on the implementation of the rural vision, in particular, the 'Rural people declaration of Kielce' (40) and manifesto (41).

A non-exhaustive overview is presented below, focusing on forward-looking ideas. **They do not represent the official position of the Commission**.

Many contributions indicated the need to turn the rural vision into an EU rural strategy (<sup>33,34,36,37</sup>); to develop integrated rural strategies at Member States level (<sup>33,34,36,37</sup>); improve the Commission coordination between different contributing Directorate Generals for the benefit of rural areas (<sup>37</sup>); integrate the indicators and targets relevant to rural areas in existing monitoring mechanisms (<sup>33,34,37</sup>); and improve financial support to rural areas by either creating a dedicated EU fund or by strengthening multi-fund approaches (<sup>33,34,37,39</sup>). Contributions also pushed for consolidating and streamlining financial assistance for single access points or 'one-stop-shops' for guidance and funding for rural areas (<sup>37</sup>); earmarking funds for rural areas and regions suffering from natural or demographic handicaps (<sup>35</sup>); and for allocating a higher share of financial resources to the instruments dedicated to local rural development, notably LEADER and community-led local development (CLLD) (<sup>34;37</sup>). Stakeholders consider it important to enhance the granularity of data

<sup>(33)</sup> Committee of the Regions, *Opinion on the long-term vision for the EU's rural areas*, NAT-VII/021, 2022; Committee of the Regions, *Targets and tools for Smart rural Europe*, NAT-VII/030; and Opinion of the European Economic and Social Committee: Long-term Vision for the EU's rural areas (OJ 2022/C 290/22)

<sup>(34)</sup> European Parliament, Report on the long-term vision for the EU's rural areas, 2021/2254(INI)

<sup>(35)</sup> Committee on Regional Development of the European Parliament, Report on the implementation of territorial development (CPR, Title III, Chapter II) and its application in the European Territorial agenda 2030, 2023/2048(INI)

<sup>(36)</sup> Council of the European Union, Conclusions on the long-term vision for the EU's rural areas, 15252/23, 2023

<sup>(37)</sup> Rural Pact Conference in Brussels (15-16 June 2022): <a href="https://rural-vision.europa.eu/events/rural-pact-conference-2022-06-15">https://rural-vision.europa.eu/events/rural-pact-conference-2022-06-15</a> en, Rural Pact Conference in Sweden (3-4 May 2023): <a href="https://rural-vision.europa.eu/events/rural-pact-conference-sweden-2023-05-03">https://rural-vision.europa.eu/events/shaping-future-rural-areas-2023-09-27</a> en

<sup>(38)</sup> https://ruralpact.rural-vision.europa.eu/RPCG\_en

<sup>(39)</sup> Policy lab on taking action to tackle rural depopulation (June 2023), <a href="https://rural-vision.europa.eu/events/taking-action-tackle-rural-depopulation-2023-06-29">https://rural-depopulation-2023-06-29</a> en and Policy lab on EU funds paving the way to the rural vision (December 2023), <a href="https://rural-vision.europa.eu/events/eu-funds-paving-way-rural-vision.europa.

<sup>(40)</sup> European rural parliament, Rural people's declaration of Kielce, 2022

<sup>(41)</sup> http://elard.eu/wp-content/uploads/2023/01/European-Rural Parliament-Manifesto-Final-2022-1.pdf

available at the local level (33,36,37); further develop the application of rural proofing to policy proposals at EU level (33,34,37) and encourage Member States to apply rural proofing (33,36,37); and improve access to and participation in the activities of the rural observatory (33,34).

At EU, national, regional, and local levels, contributions focus on: simplifying the procedures and requirements for beneficiaries with limited administrative capacity to access funds (34,36,39,40); and creating a programme for LEADER and CLLD under direct management, directly accessible to participants, e.g. local action groups (LAGs) (37,40). Many contributions suggest providing policy and financial support to build rural communities' capacity, including through strategy and project development, peer-to-peer mentoring, and exchange of good practices (33,34,36,37,41). Similarly, stakeholders propose to: use LAGs to also build local capacities and networking (37,41); create 'one-stop-shops' to provide assistance, services and innovation brokering (37); and set up mechanisms to share good practices with non-EU countries and regions (33,41).

Contributions consider it important to: support dedicated interventions for rural communities under the CAP beyond the farming and forestry sectors, such as for energy efficiency construction and renovation of housing and mobility (33,34); provide essential services and infrastructure, covering aspects such as access to land, education, health, digital infrastructure and connectivity (33,34,36,37); support rural youth and women, by facilitating their access to funding, providing diverse and flexible employment and training and educational opportunities, and involving them in policy design and in local decision-making processes (34,36,37,39).

#### 3.3.2. Ways forward

Taken together, the proposals and recommendations summarised above provide useful input for reflection on the future policies for rural areas and communities and will inform the reflections on the post 2027 multi annual financial framework (MFF). The Commission welcomes the opinions of the European Parliament, Council, the CoR and the EESC and takes note of the recommendations included. The Commission also takes note of the proposals raised by national authorities and stakeholders. This report cannot prejudge the decisions on the proposal for the next MFF, which the Commission will present in the course of 2025. The most prominent topics raised to date by the EU institutions and bodies and stakeholders call for the following **questions** to be considered:

- What are the key challenges arising from depopulation, ongoing transitions and structural changes for which EU interventions provide added value?
- What are the best ways to address them in a targeted way that considers the different needs of various rural communities?
- How to enhance financial support for rural areas and communities through EU, national and regional funds, including improving synergies and complementarities between them?
- What is needed to improve financing, quality of delivery and effectiveness through territorial tools such as CLLD/LEADER?
- How to improve the monitoring and assessment of the resources targeted to rural areas and communities from the different EU funds and programmes?
- What is needed to improve access to support for the final beneficiary through simpler rules, optimised procedures and improved administrative capacities?
- What can be done for wider and more efficient implementation of the rural proofing mechanism at EU, national and regional level?
- What are the best policy tools to ensure institutional, governance and integrated support for rural areas at all levels?
  - At EU level, would turning the rural vision into a strategy have added value in terms of meaningful actions on the ground?
  - O How can the EU further help Member States, regions and local communities develop national and regional rural strategies and action plans?
- How to improve the availability of policy-relevant rural statistics and data, without increasing the administrative burden?

#### 4. CONCLUSIONS AND NEXT STEPS

The 30 actions that the Commission has committed to taking in its Communication of 30 June 2021 are all underway. Nine are completed, out of which seven are being followed-up with new activities. In parallel, the rural pact has gained momentum, with a growing community, a governance body, a platform and support office in place to amplify rural voices, network actors and guide public authorities and stakeholders on how they can act on the needs and aspirations of rural residents. The rural pact needs to reach the local level by translating into meaningful actions on the ground. For this to happen, action at EU level may help to achieve the vision for rural areas in 2040 but is not enough: strong commitment and engagement at Member States, regional and local level is also critical.

The stocktaking exercise undertaken to identify what has been programmed for rural areas in both the **CAP and cohesion policy programmes** shows how EU policies contribute to the objectives of the rural vision for the period 2021-2027 (or 2023-2027 for the CAP) and what are the current limits in identifying support that goes to rural areas. The results will inform the discussions about the future of these policies.

Achieving the 10 shared goals of the rural vision by 2040 is a long term endeavour, which requires sustaining actions and policies across the programming periods at all levels of governance.

The Commission is committed to implementing and consolidating the actions put in place to implement the EU rural action plan and the rural pact under the current multi-annual financial framework. The Commission will consider proposals and reflections from EU institutions and bodies, stakeholder organisations and in general the rural community in the context of preparing the EU's post-2027 budget proposals which are expected to be adopted by mid-2025.

Under the rural pact, a **policy lab** in autumn 2024 and the **rural pact conference** early 2025 will provide platforms to discuss the strategic questions included in this report and engage rural pact community members and all rural stakeholders in having a say on the future. The Commission will keep the rural community informed of opportunities to contribute to **public consultations and engagement activities** in various policy domains. The RPCG will work hand in hand with the Commission and the RPSO in ensuring that community views are collected and fed into the policy development processes.

In addition to discussions in the rural pact context, specific activities will be organised under each of the supporting EU policies. The Commission will ensure rural stakeholders are well represented in these processes, in line with the Better Regulation guidelines updated in 2021, that imply the consultation of stakeholders from different types of territories. For the **CAP**, the outcomes of the strategic dialogue on the future of farming launched by Commission President von der Leyen will further inform the reflection. For **cohesion policy**, the ninth cohesion report sets out paths for reflection including for rural areas. The orientations and issues will be subject to a broad debate at the Cohesion Forum taking place on 11 and 12 April 2024. In other policy areas, the Commission will be invited to consider the implications for rural areas of future policies in line with the rural proofing mechanism created following the adoption of the rural vision.