**Follow-up to the European Parliament non-legislative resolution on a Long-term Vision for the EU's Rural Areas - Towards stronger, connected, resilient and prosperous rural areas by 2040**

1. **Rapporteur:** Isabel CARVALHAIS (S&D / PT)
2. **Reference number:** 2021/2254 (INI) / A9-0269/2022 / P9\_TA(2022)0436
3. **Date of adoption of the resolution:** 13 December 2022
4. **Competent Parliamentary Committee:** Committee on Agricultural and Rural Development (AGRI)
5. **Brief analysis/assessment of the resolution and requests made in it:**

The resolution is in response to the Commission’s Communication of 30 June 2021 on “A long-term Vision for the EU's Rural Areas - Towards stronger, connected, resilient and prosperous rural areas by 2040”[[1]](#footnote-1) and the launch of the Rural Pact on 15-16 June 2022.

Against the backdrop of the green and digital transition, as well as ongoing demographic change, this Communication responds to the need to harness opportunities and address challenges in rural areas by 2040. Since its adoption on 30 June 2021, the Commission has presented the Communication to EU institutions, national, regional, and local authorities, and stakeholders. The Commission welcomes the resolution and shares most of its analysis of the current situation in the rural areas in Europe. It will explore the concrete proposals for future improvements and solutions to boost development opportunities in rural areas and is available to continue cooperating with the Parliament in this area.

The Parliament welcomes the Commission’s Communication on the Long-term Vision for EU’s Rural Areas (herewith, vision) and supports the development of a Rural Pact. It stresses the importance of the inclusive involvement of local, regional, and national authorities and stakeholders in the implementation of the vision and the Rural Pact, for the success of the initiative. The Parliament calls on the forthcoming presidencies of the Council to fully pursue the ambition to keep rural areas high on the EU agenda and express in Council conclusions the need to act for rural territories. It calls for earmarking of funding for rural areas under Cohesion Policy, and a synergetic approach to support rural areas across all EU funding instruments, as well as at national, regional, and local levels. The Parliament calls on the Commission and the Member States to allocate resources and set-up concrete indicators and quantitative binding targets to monitor progress on the implementation of the vision, the rural action plan, and the Rural Pact. It recalls the need to ensure balanced coexistence between humans and animals in rural areas. It calls on the Commission and the Member States to take concrete action to ensuring their coexistence.

The Parliament calls on the Commission and the Member States to act in particular upon the following issues:

* To set quantitative binding targets to deliver the goals of the vision (**paragraph 13**)

The Commission stresses that existing European targets, which have been set in various policy domains (i.e., farm to fork, EU pillar of social rights, digital decade, renewable energy and energy efficiency, etc.), are valid also for rural areas. The Commission is open to consider how to apply them to rural areas. In view of the complexity of target-setting for very diverse rural areas in Europe, some period of observation of the existing indicators, including through the Rural Observatory, would be needed, before considering a possible introduction of specific targets for rural areas.

* The rural proofing mechanism should be mandatory (**paragraph 20**)

The Commission will assess the implementation of the rural proofing mechanism at EU level and adopt conclusions on the way forward in its report due in the first quarter of 2024. It takes good note of the call for rural proofing mechanisms at national and regional levels.

* The meaningful earmarking of assistance of community-led local development (CLLD) under all relevant funds at EU level would contribute to stronger, integrated strategies and more sustainable, resilient territorial development (**paragraph 68**)

On the proposal of the Parliament on earmarking of assistance of CLLD, the Commission considers that, in line with Articles 174 and 175 of the Treaty on the functioning of the European Union (TFEU), the Cohesion Policy, alongside the European Agricultural Fund for Rural Development (EAFRD), plays a central role in ensuring the prosperity and territorial development of rural areas and rural communities. In the context of the next Multiannual Financial Framework (MFF) preparatory discussions, the Commission will consider the proposal of the European Parliament on earmarking for CLLD under the relevant funds regarding the afferent costs and benefits. In particular, earmarking should be assessed in the light of the positive experience with earmarking in the EAFRD but also of the recent crisis, which demonstrated the need for higher flexibility and adaptability of the policies, together with complexity in the management of EU funds.

* **Explore alternative policy strategies and approaches for funding articulation in the next programming period,** including examining the option of **one national strategy**, in coordination with the regional and local authorities, and **one regulation for all shared management funds (paragraph 73)**

In the light of experience with the implementation of its Communication on the Long-term vision for EU’s rural areas, the Commission will explore various options for improvement of funding articulation in rural areas, including the option of one regulation for all shared management funds, which could trigger elaboration of national rural strategies.

* A strong rural dimension in future cohesion policy regulations, which should include dedicated funding to that end (**paragraph 74**)

The Commission takes note of the suggestions made and will consider it when proposing how territorial specificities, notably those of rural areas, will be addressed in the architecture of the next generation of funding instruments.

* The vision to be developed into a concrete and measurable true rural strategy at EU level (**paragraph 76**)

The Commission highlights that the existing EU rural action plan, including the rural proofing mechanism, the rural observatory, the Rural Pact, and funding available under the various funds already constitute the main building blocks of a strategy. Further consideration of the Parliament’s proposal will be given within the Rural Pact process. The Commission subscribes to the call on the Member States to develop integrated rural strategies at national and regional level.

The European Parliament asks the Commission to table the following legislative proposals:

* A legislative proposal in early 2023 extending the possibility of the ‘lead fund’ approach to interventions co-financed by more than one shared management fund, as well as to further simplifying it by specifying that the rules of the lead fund must apply in their entirety (**paragraph 61**)

The Commission agrees that synergies and coordination between EU funding instruments should be further improved. It considers that the need and the feasibility of an extension of the multi-fund approach and alternatives to it should be considered based on experiences in the implementation of shared management funds in the current programming period starting in 2023. Consideration will be given to all options aimed at improving the synergies, coordination and simplification possibilities, including via the “lead fund” approach, between EU funding instruments for rural areas in the context of the post 2027 MFF.

* In early 2023 […] a targeted legislative proposal for enabling the transfer of resources between all shared management funds when supporting rural territorial strategies and enhancing synergies between funds and programmes (**paragraph 62**).

The Commission takes note of the request from the Parliament. A transfer between the agricultural funds and the other shared management funds was not agreed for the current programming period. Based on the experience with the current programming period, the Commission will explore this option beyond the current MFF, in the context of rural territorial strategies.

1. **Response to requests and overview of action taken, or intended to be taken, by the Commission:**

The Commission shares most of the Parliament’s analysis of the current situation in the rural areas in Europe, aims to explore the concrete proposals for future improvements and solutions to boost development opportunities in rural areas and is available to continue cooperating with the Parliament in this area.

**Challenges and opportunities for stronger, resilient, and inclusive rural areas**

The Commission shares the analysis on the challenges and opportunities that rural areas face and the active role they play in supporting the green and digital transitions in Europe. The Commission adopted the Communication on “A Long-term Vision for EU’s Rural Areas” with the aim to make rural areas more prosperous, better connected and more dynamic and attractive places for people to live and work by 2040 **(paragraphs 1 – 10)**.

**A long-term vision for the EU’s rural areas**

The Commission supports the overall call on the forthcoming Presidencies of the Council to express in their conclusions the need to act for rural territories **(paragraph 12)**.

**On paragraph 13**, the Commission agrees on the need to achieve concrete results from the rural action plan and has established a baseline in the Staff Working Document (SWD) accompanying the Communication on the vision to monitor evolutions of the situation in rural areas.

More specifically, the SWD provides a list of indicators in twelve thematic areas. It highlights the various types of statistical typologies available to single out values for rural areas (e.g., the urban-rural regional typology at sub-regional level or the degree of urbanisation at local administrative unit level), which are relevant to describe and monitor the specific situation of rural areas across Europe. These include:

* Demographic indicators (Average annual population change; Average annual natural population change; Average annual net-migration rate; Median age in years; Change in median age in years; Population by type of population change; Degree of urbanisation).
* Economic indicators (Gross domestic product per capita; Gross value added per capita; Employment by sector).
* Social indicators (Gender balance; People with disabilities; Young and older people; Population with migrant background; Risk of poverty or social exclusion; Housing cost; Social inclusion).
* Environmental indicators (Impacts of climate change; Depletion of natural resources; Biodiversity decline; Water and air quality).

Regarding the call for quantitative binding targets, the Commission stresses that existing EU targets, which have been set in various policy domains, are valid also for rural areas. The Commission is open to consider how to apply them to rural areas. In view of the complexity of target-setting for very diverse rural areas in Europe, some period of observation of the existing indicators, including done through the Rural Observatory, would be needed before considering a possible introduction of specific targets for rural areas.

**On paragraphs 14 and 15**, the Commission recalls that developing a definition of functional rural areas is one of the cross-cutting actions of the Commission rural action plan. The Commission is already working on such a definition. More specifically, the Joint Research Centre made proposals for such definition that were presented at the Rural Pact Conference on 15-16 June 2022 and are being further elaborated. One of the analytical papers to be produced by the Rural Observatory in 2023 will focus on this definition.

In addition, the Commission is engaged in international dialogue with the Organisation for Economic Co-operation and Development (OECD) on the development of the definition of functional rural areas. This is portrayed in the [Cavan-OECD Roadmap on Strengthening Rural Resilience for Global Challenges](https://www.oecd.org/rural/rural-development-conference/Cavan-OECD-Roadmap.pdf), published in the context of the OECD Rural Development Conference on 28-30 September 2022.

**On paragraphs 16 and 17**, the Commission welcomes the support to the development of the Rural Pact, which was endorsed at the Rural Pact conference on 15-16 June 2022, and recalls its three objectives:

1. Amplifying rural voices and bring them higher on the political agenda
2. Structuring and enabling networking, collaboration & mutual learning
3. Encouraging and monitoring voluntary commitments to act for the vision.

The Rural Pact was developed in close collaboration with the European Rural Parliament and all the EU institutions, which were involved in participatory sessions to define objectives and delivery models. Furthermore, the Commission invited a dedicated community of over one thousand stakeholders to provide their contributions, react on the proposal and participate in the Rural Pact conference. The endorsed proposal predicts that all levels of governance as well as individual and business stakeholders should be involved in the Rural Pact.

In addition, the Commission recalls that setting-up a system to monitor the implementation of the commitments made to the Rural Pact is part of the tasks of the Rural Pact support office. The Rural Pact support office will start operating in the first quarter of 2023. In addition, the Commission is working towards setting-up a ‘Rural Pact coordination group’, which aims to ensure adequate governance of the Rural Pact and would include all levels of governance and representatives of all institutions, including the European Parliament.

**On paragraphs 18 and 19**, the Commission welcomes the support to the announcement of the [Rural Observatory](https://observatory.rural-vision.europa.eu/?lng=en&ctx=RUROBS), which was launched on 8 December 2022. The Rural Observatory supports knowledge production and aims at centralising, analysing and disseminating data related to EU rural areas. It offers relevant statistics, indicators and analyses based on data from multiple sources and at the most appropriate territorial granularity, covering the economic, social, and environmental dimensions. It will also prepare focused analytical papers which will serve the policy making process. The new proposal for regulation on European statistics on population, will improve population statistics by integrating census, demography, migration statistics and extending the data requirements towards their geographical detail to enhance the score of statistics relevant for rural areas. Eurostat published on 17 January 2023 the online publication on Rural Europe featuring subnational statistics with different territorial typologies by using intuitive data presentations and concise text covering several domains.

**On paragraph 20**, the Commission has updated its Better Regulation Guidelines to integrate elements on rural proofing and territorial impact assessments. The Guidelines require services to explore whether EU legislative initiatives are likely to have territorial, including rural impacts and to collect evidence from a diversity of territories.

The Commission put forward tools and methodologies to assess the necessity for and, if necessary, undertake a Territorial Impact Assessment (TIA). The Commission will assess the implementation of the rural proofing mechanism at EU level and take conclusions on the ways forward in its report due in in the first quarter of 2024. It welcomes the Parliament’s call for rural proofing mechanisms at national and regional levels.

The Commission supports the Parliament in urging Member States, regional and local authorities to implement effective mechanisms for rural proofing and already supports them through existing EU networking mechanisms. In particular, the European Network for Rural Development (ENRD) organised a [Thematic Group (TG) on rural proofing](file:///C%3A/Users/coelhhu/AppData/Local/Microsoft/Windows/INetCache/Content.Outlook/7RD01WBA/Rural%20Proofing%20%7C%20The%20European%20Network%20for%20Rural%20Development%20%28ENRD%29%20%28europa.eu%29) between January and May 2022. The TG was designed to share experience and develop recommendations that can guide the design and implementation of rural proofing mechanisms within Member States at different administrative levels (national, region and local).

**A path for the future of rural areas for 2040**

**On paragraph 26**, for the first time, the rights of workers to decent conditions are enshrined in the 2023-2027 Common Agricultural Policy (herewith, 2023-2027 CAP or CAP). This is ensured by a social conditionality mechanism, based on Directive 2019/1152 on transparent and predicable working conditions and on Directives 89/391/EEC and 2009/104/EC on occupational safety and health.

Directive (EU) 2014/36 on the conditions of entry and stay of third-country nationals for the purpose of employment as seasonal workers aims at ensuring decent working and living conditions for seasonal workers by defining their rights in this regard as well as by providing for enforcement mechanisms and safeguards against exploitation. Third-country seasonal workers are entitled to equal treatment with workers who are nationals of the host Member State. The Commission announced in the Skills and Talent Package of April 2022 that it will report in 2023 on the implementation of the Seasonal Workers Directive, as well as assess whether the current rules provide third-country seasonal workers with enough protection against labour exploitation and will also consider the need for future legislative amendments. It will consider the existing EU legal framework to fight against labour exploitation and trafficking in human beings.

The Commission will also look at the feasibility of including Regulation 492/2011 on freedom of movement for third-country seasonal workers within the EU, which would require equal treatment of EU migrant – often employed as seasonal workers – with national workers.

In addition, Article 9 of the CAP Strategic Plans Regulation ((EU) 2021/2115) demands that, in accordance with the Charter of Fundamental Rights of the European Union, Member States design all relevant interventions.

According to the social conditionality mechanism, farmers must provide their workers with a written description of the agreed working conditions and will have to ensure a safe and healthy working environment. Where farmers are found to be in breach of these rules, the CAP payments are reduced proportionally. For the sectors concerning fruit and vegetables, wine, hops and olives, there can be interventions related to improving workers’ conditions. Article 9 of the CAP SPR ((EU) 2021/2115) also sets out the opportunity to seek advice via the Farm Advisory System.

Considering Member States’ competence for social and labour law, the social conditionality systems will rely on systems already in place at Member States level and report to the national Agricultural Paying Agencies. Member States must ensure that the social conditionality mechanism is in place from 2025 at the latest, whilst having the flexibility to implement it earlier if the conditions are met.

Establishing the social conditionality mechanism in the CAP clearly signals that mistreatment of workers in the farm sector will no longer be tolerated.

**On paragraph 35**, the Commission agrees that the European Innovation Partnership on agricultural productivity and sustainability (EIP-AGRI) proved to be successful. Under the 2023-2027 CAP, EIP-AGRI can be used for all specific objectives of the CAP including promoting jobs and growth in rural areas (specific objective (h)). The Commission is committed to develop the EIP-AGRI as a key instrument in the future. The Commission recalls that research and innovation activities for sustainable agriculture have also been funded through Horizon Europe work programmes (2021-2022 and 2023-2024, while additional activities will be developed in the Work Programme for the remaining period 2025-2027), missions (e.g “A soil deal for Europe”) and partnerships (e.g., agro-ecology, sustainable food systems). The Commission has also been active in establishing an annual startup Village Forum (SVF) as part of the vision flagship on research and innovation for rural communities. The Forum intends to promote knowledge exchange and cooperation activities and to work as an open and inclusive space where stakeholders can meet, discuss and shape action for start-up-driven innovation in rural areas.

**On paragraph 36**, the Commission refers to its reply to the Parliament’s resolution on the ‘Protection of livestock and large carnivores in Europe’, adopted on 24 November 2022.

The EAFRD provides support for preventive actions and investments aimed at mitigating the risk of damages by large carnivores to livestock farming and to help resolving conflicts associated with the conservation of protected species. The LIFE programme has financed several conservation projects addressing the prevention, management, or resolution of conflicts between large carnivores and human activities, including various methods for the mitigation of damages.

Several Member States are already making use of this possibility and included targeted interventions in their CAP Strategic Plans. Depending on the Member States’ needs, this may cover preventive investments, for instance, investments into protective fences and costs for their maintenance, purchase of guard dogs and associated costs, training, technical assistance, and monitoring, as well as communication and information of the wider public. The latter can facilitate the dialogue among stakeholders about the need for reconciling the protection of biodiversity with human activities. These activities can be funded up to 100% of their costs. Furthermore, the Commission notes that Member States may grant state aid to compensate farmers from the damages caused by protected animals or investment measures on farms to protect them against attacks from protected animals (both under the State aid Agricultural Block Exemption Regulation (Regulation (EU) 2022/2472[[2]](#footnote-2) Articles 29 and 14 thereof), and therefore without prior notification, or under the Agricultural Sate aid Guideline[[3]](#footnote-3)). The Member States could also support farmers’ participation in risk management schemes that can compensate severe production losses (of at least 20%) under their Strategic Plans. This possibility is provided for under the State aid Agricultural Exemption Regulation (Regulation (EU) 2022/2472, Article 28 thereof), as well.

The EU CAP Network also supports exchanges of best practices among stakeholders in this regard. Within the scope of activities of the EIP-AGRI, a Focus Group (a temporary group of selected experts focusing on a specific subject, sharing knowledge and experience) met in May and October 2020 to discuss how to promote innovative and sustainable practices to prevent and control wild animal damage on farms while, at the same time, protecting wildlife. Some of the outputs where ideas for Operational Groups (local innovation projects funded by the EAFRD) and research needs from practice to be taken up by future research projects funded nationally or at EU level.

**On paragraph 37**, the Commission recalls that the diversification of and innovation in rural economy is and will be further supported by initiatives under the Horizon Europe Framework Research and Innovation Programme, in relation with the rural vision flagship “Rural research and innovation for rural communities”. The Horizon Europe Work Programme for 2023-2024 supports several calls for dedicated rural research and innovation projects under Cluster 6 on ‘Food, Bioeconomy, Natural Resources, Agriculture and Environment’ and other clusters, including some targeting the rural economy. The work programme Part 9 on cluster 6 supports start-up villages to contribute to thriving rural innovation ecosystems and to further mainstream the role of start-ups as key actors to be involved in research and innovation (R&I) actions on forestry, bioeconomy, circular economy as well as digital and data solutions for agriculture and food systems. These activities will be connected as well with the New European Innovation Agenda through the “Bioeconomy and Food systems Valleys” initiative under discussion.

**On paragraphs 40, 41 and 42**, the gender dimension has been strengthened in the 2023-2027 CAP. For the first time, a specific reference to women in farming and women in rural areas has been made under specific objective (h). In addition, the collection of gender disaggregated data under the 2023-2027 CAP monitoring system will be strengthened.

The European care strategy has been adopted on 7 September 2022. It includes specific references to challenges for rural women including those identified by the European Parliament and calls on the Member States to ensure that care systems address the needs of all Europeans including rural women.

The EU Gender Equality Strategy, adopted on 5 March 2020, presents policy objectives and actions to make significant progress by 2025 towards a gender-equal Europe. The key objectives are ending gender-based violence; challenging gender stereotypes; closing gender gaps in the labour market; achieving equal participation across different sectors of the economy; addressing the gender pay and pension gaps; closing the gender care gap and achieving gender balance in decision-making and in politics.

**On paragraph 43**, the 2023-2027 CAP includes a specific reference to strengthen the position of women in farming and enhance the social inclusion of women in rural areas under specific objective (h). This provides Member States with the opportunity to design and implement the interventions that will enhance the position of women in farming and accelerate the social inclusion of women in rural areas. In addition, the collection of gender disaggregated data will be strengthened to allow for the monitoring of progress in the field of gender equality.

**On paragraph 44**, as recognised in the European Green Deal and the Fit for 55 package, land has an important role to play in achieving climate neutrality. The Commission agrees that agriculture and forestry should contribute to support the decarbonisation of Europe’s economy by acting as carbon sinks and supplying sustainable biomass to develop further the sustainable and circular bioeconomy, as well as the use of bioenergy and bio-based fertilizers.

Under the 2023-2027 CAP, Member States may provide support through the EAFRD, and under state aid rules, for activities linked to the circular economy, production, and use of renewable energy and to strengthen local initiatives (e.g., [LEADER](https://agriculture.ec.europa.eu/common-agricultural-policy/rural-development_en#leader)).

Depending on the intervention strategies developed in the CAP Strategic Plans, Member States may include targeted support in their plans.

In the EU Forest Strategy, the Commission committed – in the context of the rural action plan - to promote the development of a network of forest-dominant rural areas and municipalities to give voice to forest rural areas and is currently working towards this. Member States may also provide State aid to promote the economic development of the forestry sector and therefore rural forestry areas.

Moreover, the Commission agrees on the importance of rural energy communities. It has launched in June 2022 the “Rural energy community advisory hub (RECAH)” to support and guide the creation of such communities. Already in 2022, the RECAH produced two best practice examples and provided guidance on the added value, set up process and financing of rural energy communities. In 2023, the RECAH will provide technical assistance to help rural energy communities develop sustainable energy projects, collect best further best practices, organise workshops, and produce further guidance documents on for example enabling and supporting frameworks, as an instruction manual for farmers for joining and setting up energy communities.

Finally, the Commission will monitor the implementation of the Council Recommendation on ensuring a fair transition towards climate neutrality, considering the specificities and challenges faced by rural and remote areas, including islands, notably regarding access to energy and transport.

**On paragraph 45**, following the unprovoked Russian invasion of Ukraine, the need for a rapid clean energy transition as well as to ensure food security have never been stronger and clearer. The bioeconomy has therefore, more than ever, a key role to play in ensuring both energy and food security in Europe.

Under the 2021-2027 Cohesion Policy, Member States, regions and local authorities may invest funds from the European Regional Development Fund for the development of projects promoting energy efficiency and reducing greenhouse gas emissions, promoting renewable energy in accordance with Directive 2018/2001 and developing energy systems and energy infrastructure. These funds are available for all territories, including rural areas.

The 2021-2027 Cohesion Policy also provides support to Member States, regions and local authorities through funds allocated to investments promoting the transition towards a circular local economy.

Under the 2023-2027 CAP, Member States may provide support through EAFRD for the production and use of renewable energy, including energy infrastructure, considering the sustainability criteria established under Directive 2018/2001 on the promotion of the use of energy from renewable sources (recast). Farmers can also receive aid for renewable energy under the Guidelines on State aid for climate, environmental protection, and energy 2022.[[4]](#footnote-4) If their renewable energy production does not exceed the average annual consumption of fuels or energy of the agricultural holding, aid may also be granted under the Agricultural State aid Guidelines.

The 2023-2027 CAP also provides support for the protection of high environmental value areas through targeted management commitments under eco-schemes, agri-environment climate commitments or under the dedicated Natura 2000 intervention. Moreover, investments for the restoration of these areas can be funded under the 2023-2027 CAP. State aid is also available for undertakings and groups of such undertakings active in the primary agricultural production which undertake, on a voluntary basis, to carry out operations consisting of one or more agri-environment-climate commitments.

**On paragraph 46**, the Commission recalls that Member States have the possibility to provide support for the production and use of renewable energy through their CAP Strategic Plans (herewith, CAP SPs). According to the recently approved CAP SPs, 21 Member States[[5]](#footnote-5) are planning to support investments for renewable energy production with an expected capacity of 1.560 MW (megawatts).

**On paragraphs 49, 50 and 53**, under the pillar for connected rural areas of the Commission rural action plan, connectivity, intermodal transportation, and digital inclusion have been considered in the following actions:

* Flagship **‘Develop sustainable multimodal mobility and digital mobility services’**, the Commission is supporting the SMARTA 3 project that aims to create a network of rural municipalities discussing and identifying mobility solutions. It follows successful projects: SMARTA 1 and SMARTA 2. Under the Flagship ‘Develop sustainable multimodal mobility and digital mobility services’, the Commission is implementing the EP pilot SMARTA 3 (2 years project, launched in December 2022 to promote sustainable and resilient mobility connections between rural areas, within remote areas such as islands, and between remote rural areas (including isolated regions) and urban areas. A very important aspect of the project will be capacity building at local level to implement the mobility action under the Long-term vision for the EU’s rural areas, i.e., support rural municipalities in identifying best practices building on the Commission’s experience with urban mobility networks. As of mid-2023 local rural authorities from 14 countries will be able to discuss and shape rural mobility in their territories, improving the sustainability of transport and the accessibility of rural areas. SMARTA 3 project will also analyse to which extent solutions for rural mobility could contribute to solving urban mobility problems. In the second quarter of 2023 the Commission will prepare a new initiative, planned for supporting the development of multimodal digital mobility services. These services will facilitate access to information, payment and booking of all mobility offers available on a territory. Moreover, by December 2023, pre-existing static data on timetables, fares, stations etc. should be integrated in common formats on the National (data) Access Points union-wide. This would allow better integration of services in rural regions in digital journey-planners.
* Flagship **‘Rural Digital Futures’** will foster the transformation of rural areas by (i) seeking to improve digital connectivity through the Connecting Europe Facility [call on 5G communities](https://digital-strategy.ec.europa.eu/en/activities/5g-smart-communities); (ii) supporting the development of digital technology through Horizon Europe and [Digital Europe Programme](https://digital-strategy.ec.europa.eu/en/activities/digital-programme) Funding; (iii) promoting the improvement of digital skills and entrepreneurship to benefit from the digital transition through the European Social Fund+, the European Agricultural Fund for Rural Development and other EU programmes; and (iv) providing [a Rural in Digital](https://digital-agenda-data.eu/charts/analyse-one-indicator-and-compare-countries#chart={%22indicator-group%22:%22rid%22,%22indicator%22:%22rid_score%22,%22breakdown%22:%22rid_score%22,%22unit-measure%22:%22egov_score%22,%22ref-area%22:[%22BE%22,%22BG%22,%22CZ%22,%22DK%22,%22DE%22,%22EE%22,%22IE%22,%22EL%22,%22ES%22,%22FR%22,%22HR%22,%22IT%22,%22CY%22,%22LV%22,%22LT%22,%22LU%22,%22HU%22,%22MT%22,%22NL%22,%22AT%22,%22PL%22,%22PT%22,%22RO%22,%22SI%22,%22SK%22,%22FI%22,%22SE%22,%22EU%22]}) index (first released in August 2022) to measure progress towards the targets of the digital decade and closing the gap between urban and rural areas.
* Action **‘Bridging urban and rural through the EU Urban Mobility Framework’**: the new [EU Urban Mobility Framework](https://digital-strategy.ec.europa.eu/en/policies/bco-network) was adopted on 14 December 2021. The framework includes specific actions to better integrate the urban, peri-urban, and rural linkages in upgraded Sustainable Urban Mobility Plans (SUMPs).
* Action **‘Rolling out of broadband in rural areas’**, a new and strengthened support facility was launched on 26 September 2022 to support the [network of broadband competency offices](https://digital-strategy.ec.europa.eu/en/policies/bco-network) setup at national and regional level.
* Action **‘Enhancing rural areas accessibility through the use of drones’**, the [Drone Strategy 2.0](https://transport.ec.europa.eu/news/drone-strategy-creating-large-scale-european-drone-market-2022-11-29_en) involves all parties concerned at local, regional and national levels to make sure that safe and secure drone operations are deployed, both in urban and rural areas.

**On paragraph 51**, on 12 December 2022 the Commission has updated the EU State aid Guidelines for broadband networks for rural areas not served by the market.

**On paragraph 54**, under the pillar for stronger rural areas of the rural action plan, Smart Villages have been considered in the following actions:

* Flagship **‘Revitalising rural areas most affected by population loss’**, a rural revitalisation platform will assemble, in one place, information and resources useful for rural communities facing population loss, ageing and demographic decline. The future platform will build, besides other initiatives, on the experience of the Preparatory Actions on Smart Rural Areas in the 21st Century (Smart Rural 21, Smart Rural 27).
* Action **‘Enhanced networking for LEADER and Smart villages’**. Since the launch of EU Action Plan for smart villages in 2017, several projects and preparatory actions ([ENRD Thematic Group on smart Villages](https://enrd.ec.europa.eu/enrd-thematic-work/smart-and-competitive-rural-areas/smart-villages_en), [the pilot project on Smart eco-social villages](https://agriculture.ec.europa.eu/common-agricultural-policy/cap-overview/cmef/rural-areas/smart-eco-social-villages-pilot-project_en), the two Preparatory Actions on Smart Rural Areas in the 21st Century: [Smart Rural 21](https://www.smartrural21.eu/) and [Smart Rural 27](https://www.smartrural27.eu/)) have helped to develop the concept, accompany villages, explore policy options to support smart villages and make it an integral part of the policy framework for the 2023-2027 period.

In the framework of the Preparatory Action Smart Rural 27, several actions are planned or are ongoing to facilitate the networking, the sharing of information and the exchange of knowledge experience on Smart Villages:

* The [Smart Inventory](https://www.smartrural27.eu/smart-inventory/), which gives access to a wide range of Smart Villages resources (relevant research and policy documents, articles, websites, videos, etc.).
* The [Policy analysis](https://www.smartrural27.eu/policies/) per Member State for supporting Smart villages at national level.
* The [Smart Rural 27 Geomapping Tool](https://www.smartrural27.eu/smart-communities/), which aims to present smart rural communities in the Member States of the European Union (ongoing).
* The setting up of Task forces as part of a European Smart Villages Pilot Observatory (ongoing).
* The Knowledge clusters, led by lighthouse smart villages, which will be formed around key thematic areas of interest, allowing knowledge exchange among local communities (planned).
* Member States factsheets on how CAP Strategic Plans support the emergence and development of Smart Villages in the 2023-2027 programming period (planned).

The regulatory framework of the CAP Strategic Plans 2023-2027 [Regulation (EU) 2021/2115] provides funding opportunities to support the preparation and implementation of smart village strategies.

Under Cohesion Policy Member States are encouraged under the European Regional Development Fund Regulation to support Smart Villages. Within the framework of their Partnership Agreement under Cohesion Policy, Member States and regions can notably consider using the European Regional Development Fund and the European Social Fund+ to channel funding that can support Smart Villages (broadband investments, support to small and medium sized enterprises (SMEs) outside the farming sector, IT training etc). Finally, the Smart Villages concept also concerns a wide range of EU and national policies and investments for sustainable mobility, renewable energy, the bio- and circular economy, social innovation and others.

The Commission has been encouraging the Member States to implement Smart Village concepts under LEADER/CLLD as one of the areas of high added value capitalising the LEADER approach.

Smart Village strategies and projects are introduced in the majority of approved CAP Strategic Plans either through LEADER local development strategies or in the context of stand-alone interventions for infrastructure investments, basic services, and cooperation projects.

**On paragraph 55**, the CAP 2023-2027 under specific objective (h) will provide Member States with the opportunity to invest into the provision of social support services that will accelerate the social inclusion of rural population.

The regulatory framework of the CAP funds 2023-2027 provides funding opportunities to support investments in basic services and infrastructure in rural areas, including broadband.

Built on their needs, Member States can design and develop rural development interventions or State aid measures that address challenges, opportunities, and specific local conditions of rural territories.

CAP funds allow for investments in the roll out of broadband infrastructure, including the last mile that connects households located in rural and remote areas. In this way, the CAP complements other EU, national, regional, and private funding to reach EU connectivity targets, thus enabling other essential services in rural areas, such as education, health, and remote working.

Regarding the call to Commission and Member States to set minimum welfare criteria, that should be ensured in relation to the populations of certain areas.

**First steps for defining a vision and strategy for rural areas**

**On paragraph 56**, whilst the Commission has been encouraging Member States to take up the multi-fund approach to community led local development, in the framework of the shared management, the Commission recalls that it is up to Member States to decide whether to follow such an approach.

**On paragraphs 57, 59 and 60**, the Commission supports the Parliament in its calls to the Member States to use the existing EU and national funding opportunities to address the identified rural challenges. The Commission will take stock on the programming of Common agricultural policy and Cohesion policy for rural areas, as well as on the implementation of the rural action plan mainstreaming rural issues across EU policies, by mid-2023. In addition, the Commission agrees that tax incentives for individuals and businesses have proven effective and could be used more widely.

**On paragraphs 61 and 62 (first sentence)**, in general, the Commission agrees that synergies and coordination between EU funding instruments should be further improved.

The Commission considers that the need and feasibility of an extension of the multi-fund approach and alternatives to it should be considered based on experiences in the implementation of shared management funds in the current programming period. Since there are changes in the regulatory framework for the funding in the present programming period compared to the previous one, it is important to analyse the first results of the implementation and the needs that arise before taking further legislative initiatives in this regard. Consideration will be given to all options aimed at improving the synergies, coordination and simplification, including through the “lead fund” approach, between EU funding instruments for rural areas in the context of the post 2027 MFF.

The Member States were required to indicate the national and other EU funding in the CAP Strategic Plans for the strategic objectives that cannot be entirely financed from the Plans. As required in Article 110 (v) of the Strategic Plan Regulation (EU) 2021/2116, the Plans also contain an overview of the coordination, demarcation, and complementarities between the EAFRD and other Union funds active in rural areas. The extent and content of these overviews varies according to the specificities of the Member States, but in general these overviews are quite detailed, especially as regards cohesion policy instruments. Other instruments, such as the Recovery Plans are also referred to, where relevant. Many plans also contain details on the synergies between funds in the description of operations and in other sections of the plan. The Operational Programmes and Partnership agreements of Common Provision Regulation Funds also contain a description on how these funds work together with the EAFRD.

The Commission committed to present in 2023 a Toolkit on EU Funding opportunities for rural areas that will provide information on access to, and optimal combination of EU funding opportunities for rural areas. It aims to be a guide to the different funding opportunities, centralising information in one document which will be accessible to local authorities, stakeholders, project holders and managing authorities. The toolkit will support integrated territorial and local development strategies, providing inspirational solutions and examples to rural areas to trigger revitalisation by making full use of the new opportunities offered by the new 2021-2027 budget.

**On** **paragraph 62 (second sentence)**, the Commission takes note of the request from the Parliament. In the past, the issue of transfers between shared management funds has been dealt with in the framework of the negotiations on the Common Provision Regulation and the CAP strategic Plan Regulation. The legislators agreed to allow the possibility to transfer up to 5% between the funds under the common provision regulation and to allow transfer between the two agricultural funds (the European agricultural guarantee fund and EAFRD). A transfer between the agricultural funds and the other shared management funds was not agreed for the current programming period.

The legislation provides some opportunities to streamline the contributions of all funds towards certain objectives, including rural strategies. It does not seem opportune in 2023 to propose a possibility to transfer funds between all shared management funds, notably because this may delay the implementation of the Cohesion programmes and the CAP Strategic Plans for the period 2023-2027.

Based on the experience with the current programming period, the Commission will explore how to further improve complementarities and synergies between shared management funds beyond the current MFF, including the possibility to enable the transfer of resources between shared management funds when supporting rural territorial strategies.

**On paragraphs 65 and 66**, the Commission subscribes to the importance of the implementation of Article 174 TFEU for all specific territories, including rural areas and commits to seek further improvements in the process of putting in practice the Commission’s Communication on the vision.

**On paragraph 68**, on earmarking of assistance of CLLD, the Commission considers that in line with Article 174 TFEU, Cohesion Policy, alongside the European Agricultural Fund for Rural Development, plays a central role in ensuring the prosperity and territorial development of rural areas and rural communities. In the context of the next MFF preparatory discussions, and drawing on the positive experience of such earmarking in the EAFRD, the Commission will consider the proposal on earmarking for CLLD under the relevant funds with regard to the afferent costs and benefits, also taking into account the lessons from the recent crisis, which demonstrated the need for higher flexibility and adaptability of the policies, together with complexity in the management of EU funds.

**Partnership principle, governance, and empowerment of rural areas**

**On paragraph 71**, the Commission agrees with the call for maintaining direct and structured dialogue with the different levels of governance and is already working in this direction at EU level, notably through the Rural Pact. Dialogue was established with the European Parliament, with national authorities (Council) and regional and local levels (CoR) in the context of the Rural Pact process, through which Member States are encouraged to better define responsibilities and coordinate.

**Shaping the future beyond 2027**

**On paragraph 72**, the mid-2023 stock-taking exercise on programming EU funded support schemes for rural areas through CAP and Cohesion Policy will be internal to the Commission, but the main results will be published. The Commission commits to inform and, to the extent possible, engage with stakeholders within the Rural Pact community when preparing the public report in 2024.

The Commission commits to explore all the possibilities for improvements in its policy directed to rural areas. The Commission highlights that the existing EU rural action plan, including the rural proofing mechanism, the rural observatory, the Rural Pact, and funding available under the various funds, already include the main building blocks of a strategy. Further consideration of the Parliament’s proposal will be given within the Rural Pact process. The Commission subscribes the call on the Member States to develop rural strategies at national and regional level.

**On paragraph 73**, the Commission will explore options for better integration of territorial development in rural areas, based on, among other factors, experiences gathered in the implementation of shared management funds in rural areas.

In the light of the experience with the implementation of its Communication on the Long-term vision for EU’s rural areas, the Commission will assess its approach on funding articulation as regards the rural areas and will explore various options for improvement, including the option of one regulation for all shared management funds, which could envisage elaboration of national rural strategies.

**On paragraph 74**, the Commission takes note of the suggestions made and will consider it when proposing how territorial specificities, including those of rural areas will be addressed in the architecture of the next generation of funding instruments.

**On paragraph 76**, the Commission refers to its replies to paragraphs 72 and 73 of the resolution and highlights that the existing EU rural action plan, including the rural proofing mechanism, the rural observatory, the Rural Pact, and funding available under the various funds constitute the main building blocks of a strategy. Further consideration of the Parliament’s proposal will be given within the Rural Pact process. The Commission subscribes the call on the Member States to develop integrated rural strategies at national and regional level.

**On paragraph 77**,the Commission will consider, as appropriate, the results of the coordination between EU funds as part of the assessment of the functioning of EU funds in rural areas in its 2024 report, also in view to progressing towards the objectives of the vision and will touch upon the impact of the EAFRD’s detachment from the Common Provision Regulation. It may give it further consideration when exploring the options beyond the current MFF.

**Rural areas beyond the EU**

**On paragraph 80**, the Commission agrees on the importance of harnessing and exchanging best practices from different rural areas. To this end, the Rural Pact was launched on 17 December 2021 as a common framework for the engagement and cooperation of a wide range of actors at the EU, national, regional, and local level. To date, more than 1,200 members have joined the Rural Pact community and around 80 have made practical commitments to act, following the endorsement of the Rural Pact proposal on 16 June 2022. As from the first quarter of 2023, a new Rural Pact support office will support the Commission in facilitating networking and knowledge exchange activities between Rural Pact community members.

The rural action plan also includes the flagship action **‘Revitalising rural areas most affected by population loss’**, which entails the creation of a rural revitalisation platform that assembles, in one place, information and resources useful for rural communities facing population loss, ageing and demographic decline.

1. COM(2021) 345 final of 30 June 2021 [↑](#footnote-ref-1)
2. Commission Regulation (EU) 2022/2472 of 14 December 2022 declaring certain categories of aid in the agricultural and forestry sectors and in rural areas compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union (ABER) (OJ L 327, 21.12.2022, p. 1–81) [↑](#footnote-ref-2)
3. Communication from the Commission Guidelines for State aid in the agricultural and forestry sectors and in rural areas (OJ C 485, 21.12.2022, p. 1) [↑](#footnote-ref-3)
4. Communication from the Commission – Guidelines on State aid for climate, environmental protection and energy 2022 (OJ C 80, 18.2.2022, p. 1). [↑](#footnote-ref-4)
5. Austria, Belgium, Bulgaria, Cyprus, Estonia, Greece, Spain, Finland, France, Hungary, Ireland, Italy, Latvia, Lithuania, the Netherlands, Poland, Portugal, Romania, Slovenia, and Slovakia. [↑](#footnote-ref-5)