

## **Follow-up to the European Parliament non-legislative resolution on Strengthening rural areas in the EU through cohesion policy**

- 1. Rapporteur:** Denis NESCI (ECR / IT)
- 2. References:** 2024/2105(INI) / A10-0092/2025 / P10\_TA-(2025)0122
- 3. Date of adoption of the resolution:** 17 June 2025
- 4. Competent Parliamentary Committee:** Committee on Regional Development (REGI)
- 5. Brief analysis/ assessment of the resolution and requests made in it:**

The resolution underlines the role of rural areas in enabling Europe to manage the twin transition and preserve its cultural heritage. It also highlights the crucial role of cohesion policy for their development and in closing the development gap among different types of territories, in particular those facing challenges such as industrial transition, demographic challenges and depopulation. The resolution supports a continuation of the established model of cohesion policy and its key principles such as the place-based approach, partnership, multi-level governance, with an emphasis on the "revitalisation of rural areas" in a broad manner (support to entrepreneurship and SMEs, climate risks, digital connectivity, mobility, energy, health, tourism, culture, etc) targeting in particular young people and women in order to ensure effective incentives to stay. The resolution calls for better synergies and complementarities between policies, in particular between cohesion policy, the common agriculture policy and Horizon Europe (§12, 18), as well as between rural and urban areas (§5, 28).

The resolution also calls on the Commission to devise a rural strategy for the post-2027 programming period and urges the Commission and the Member States to ensure the incorporation of a rural dimension in relevant policies (§11). It calls on the Commission to present, by 2027, a report on the application of the rural proofing mechanism to policies and interventions at EU level (§13).

Highlighting that promoting agriculture is a necessary component of any strategy for rural development, the resolution calls on the Commission to mitigate the decline in the number of farms (§56), protect the family farming model (§53) support the generation renewal of farmers (§14), simplification measures (§54) and urges the Commission and Member States to ensure a level playing field for farmers. (+§55)

- 6. Response to requests and overview of actions taken, or intended to be taken, by the Commission:**

*Paragraph 10 - Implementing Articles 174, 175 and 349 TFEU*

The Commission is committed to implementing Article 174 of the Treaty on the Functioning of the European Union (TFEU) and recalls that cohesion policy contributes to the development of all types of territories. The legal framework for cohesion policy has been designed to offer multiple, tailor-made possibilities to address the specific needs of different types of EU territories. Article 10 of the European Regional Development Fund (ERDF) and the Cohesion Fund Regulation (EU)

2021/1058 pays specific attention to the challenges of disadvantaged regions, in particular rural areas and areas suffering from severe and permanent natural or demographic handicaps. Such targeting can be done in the programmes across all policy objectives. In addition, the cross-cutting policy objective 5 (PO5) 'A Europe closer to citizens', provides a flexible and adaptable framework to tackle territorial and local challenges in an integrated and place-based manner. A specific targeting for various types of territories, including rural, mountainous, islands and coastal, and sparsely populated areas based on actual needs can be done by programme authorities across all policy objectives.

The Commission is committed to supporting the outermost regions' socio-economic development and to ensuring special conditions for these regions in the application of EU law in line with Article 349 TFEU. In the funding period 2021-2027, cohesion policy strongly supports the outermost regions with tailor-made conditions including a specific allocation to help them cope with the additional challenges they face due to their remoteness, a new interregional co-operation strand under Interreg to support them in their cooperation with their neighbours, and a higher allocation for technical assistance. Outermost regions are considered less developed regions – independently of their GDP – for the determination of the co-financing rate and for ERDF thematic concentration.

In line with the Communication "A modernised cohesion policy: The mid-term review" (COM (2025) 163 final), the Commission will launch a consultation on the development of a Strategy for Islands and on an updated Strategy for Outermost Regions. The aim of the Strategy for Islands will be to improve the implementation of EU policies in these territories by enhancing coordination, better targeting of support, and applying relevant technical assistance to help local authorities.

*Paragraphs 15, 18, 69 – Future cohesion policy and 12 – Synergies between policies*

Cohesion policy already delivers significant support in rural areas, investing in a broad range of sectors such as broadband, transport, clean energy, small and medium enterprises and innovation, climate mitigation and adaptation, housing, health, education and training, local infrastructure and social services.

The Commission acknowledges the need for further funding for rural areas in view of the challenges. The Commission proposal for a mid-term review of 2021-2027 cohesion policy programmes (COM (2025)123 final of 1.4.2025) puts focus on several areas of key concern for rural areas, providing incentives and flexibilities for goals such as water resilience, affordable and sustainable housing, energy transition and greater competitiveness. Subject to formal finalisation (the Parliament approved the final compromise text on 10 September 2025), co-legislators reached political agreement on the proposal on 15 July, preserving the aforementioned goals. The mid-term review aims to develop a more responsive cohesion policy to address better the current and future challenges, by encouraging Member States and regions to invest in European strategic priorities, while maintaining the focus of cohesion policy on reducing economic, social and territorial disparities. The mid-

term review is also an opportunity for Member States to adjust funding to the needs of territories, including rural areas in line with their specificities.

The Political Guidelines for the Commission 2024-2029 and its proposal for the post 2027 multi-annual financial framework call for a more focused, impactful and simplified budget. The EU needs a strengthened cohesion and growth policy where regions play a central role, and which is developed in multilevel partnership. Future cohesion policy will continue to provide critical support to rural areas.

National and Regional Partnership Plans aimed at promoting economic, social and territorial cohesion associating key reforms and investments, will facilitate synergies and complementarities between policies and help national, regional and local authorities develop integrated strategies for rural areas.

To achieve greater impact from the EU-funded research and innovation (R&I) in the area of agriculture, forestry and rural development, it is crucial to strengthen synergies between the CAP and EU R&I framework programmes (current Horizon Europe). Therefore, Recital 6 of the Regulation (EU) 2021/2115 highlights the importance of fostering synergies between the CAP and the Horizon programme, as detailed in Article 7(7) of the Horizon Europe Regulation (EU) 2021/695 (Annex IV). The text of Annex IV (1) of the Horizon Europe regulation is the first time that the Commission and co-legislators have explicitly set out the synergies that they expect to see between CAP and the Horizon programme. More specifically, the CAP and the Horizon programme work in synergy under the common framework of the European Innovation Partnership for agricultural productivity and sustainability (EIP-AGRI). The EIP-AGRI promotes the interactive innovation model under both funding streams, bringing together complementary actors to co-create innovative solutions responding to the needs from practice. Under the CAP, this model is supported in EIP-AGRI Operational Group (OG) projects, with currently more than 4 500 projects implemented across 25 Member States. Under the CAP 2023-2027, the scope for EIP-AGRI OGs was enlarged to more clearly cover also rural development.

Under Horizon, the interactive innovation model is promoted through the implementation of a multi-actor approach (MAA) to research and innovation, which fosters collaboration among diverse stakeholders to address the real needs and challenges faced by farmers and rural communities. Notably, specialized MAA projects, such as thematic networks and advisory networks, play a crucial role in supporting the prosperity of rural areas and a strong agricultural sector, by facilitating the dissemination of best practices to end-users and contributing to effective advisory services. To date, over 450 multi-actor projects have been funded under Horizon 2020 (H2020) and Horizon Europe (HE), including 64 thematic networks and 11 advisory networks.

Furthermore, both H2020 Societal Challenge 2 and HE Cluster 6 have allocated significant funding to 36 projects focused on rural areas and communities. In particular, the 'Resilient, inclusive, healthy and green rural, coastal and urban communities' destination under Cluster 6 aims to make a key contribution to the action plan flagship initiative "R&I for

rural communities" and to the four areas of work of the long-term vision for EU's rural areas (LTVRA) to build stronger, connected, resilient, and prosperous rural communities.

*Paragraph 18 - Capacity building for territorial authorities*

The Commission agrees that strong administrative capacity building is crucial for territorial authorities to fully use the potential of EU funding available for rural areas. The empowerment of subnational actors, induced by PO5 and territorial programming tools ensured a stronger involvement of sub-national levels in the implementation of cohesion policy funds thus strengthening the multi-level governance framework and enhancing access to cohesion policy funding for territorial authorities and bodies. Cohesion policy funds allocated in programmes allow for targeted capacity building actions linked to programme implementation.

Additionally, the Commission provides multiple capacity building instruments and tools to help the Member States make the best possible use of cohesion policy funding. [Capacity building for cohesion policy](#) is supported, among others, by the tools for development of Administrative Capacity Building roadmaps, Peer2Peer+, trainings, studies, Integrity Pacts and other tools available to managing authorities and territorial bodies. A [Handbook of Territorial and Local Development Strategies](#), accompanied by a self-assessment tool (SAT4TER) focuses specifically on non-urban territories.

The Commission is also supporting territorial authorities by the organisation of capacity building events, peer-reviews of territorial strategies, and knowledge sharing via the activities of the [European Urban Initiative](#) (EUI) and the JRC. Such initiatives aim to streamline the implementation of integrated approaches and cohesion policy funding in all types of territories, including functional areas and non-urban areas, including by improving access to cohesion policy funding for territorial bodies and authorities. The [Rural Toolkit](#) guides stakeholders to identify EU funding opportunities to foster development in rural areas.

*Paragraph 5, 28 - Role of small and medium towns for rural areas, improving cohesion between urban and rural areas,*

Cohesion policy 2021-27 ensures a reinforced focus on place-based integrated territorial development in all types of territories with PO5 "Europe closer to citizens" and via territorial tools such as Integrated Territorial Investments, Community-Led Local Development or other territorial tools designed by Member States. Specific Objective 5.2 focuses in particular on support to non-urban areas, including rural areas. In addition, cohesion policy invests in non-urban areas also in all other policy objectives - smart, green, connected and social Europe, including under the Just Transition Fund aiding territories expected to be the most negatively impacted by the transition towards climate-neutrality. In the 2021-27 programming period EUR 13 billion is allocated to the development of non-urban territories. Integrated approaches are used to build urban-rural linkages, address specific needs of non-urban territories, empower local actors, build administrative capacity and to ensure resources for multi-sectoral interventions for territorial development adapted to local needs and potentials, focusing on non-urban territories.

The Commission agrees that small and medium towns play an important role as development centres in rural regions, in finding optimal solutions to combat demographic change, adapting to the green and digital transitions, promoting industrial modernisation, and addressing social inequalities. They also play a role in ensuring affordable housing and high-quality health services. To this end, the EU's 2021-2027 cohesion policy promotes integrated planning at the functional area level and offers territorial tools to implement sustainable, place-based strategies. Cohesion policy instruments such as the European Urban Initiative (EUI), ESPON, URBACT and other Interreg programmes support the functional urban area (FUA) concept.

In the 2021-2027 programming period funding allocation to sustainable urban development in FUAs has doubled compared to that of the 2014-2020 period. The increased use of FUAs fosters stronger cooperation between territorial actors, including smaller urban areas and rural areas, and strengthens urban-rural linkages.

Additionally, the Commission directly supports urban areas within the EUI. With a budget of EUR 395 million, the EUI offers support to cities of all sizes in building institutional capacity, enhancing access to knowledge, and fostering innovation. 72% of urban authorities supported come from small and medium size towns. By offering targeted support and resources, the EUI helps authorities improve governance, strategic planning, and implementation of integrated urban strategies.

*Paragraph 9 - Support to sustainable and affordable housing in rural areas*

Cohesion policy already supports housing significantly in both urban and rural areas. Over the 2021-2027 period, about EUR 1 billion from the European Regional Development Fund (ERDF) is planned for investments in social housing for vulnerable groups, and about EUR 6.5 billion of the ERDF, Cohesion Fund and Just Transition Fund is envisaged for energy efficiency of housing stock. Furthermore, on 1 April 2025, the Commission put forward a mid-term review proposal to modernise cohesion policy, including flexibilities and incentives to encourage Member States and regions to increase their investments in affordable housing under cohesion policy. The co-legislators reached political agreement on the mid-term review proposal on 15 July 2025. The proposal and the agreement reached on it reflect a wide variety of needs in different types of territories, including in rural areas and target groups as needed.

Additionally, the Commission services issued a new financial instrument model for affordable housing to help Member States and regions to leverage cohesion policy funding with resources from the European Investment Bank and other financial institutions.

*Paragraph 41 - Ensuring the 'right to stay' through targeted measures*

"Ensuring all citizens have an effective right to stay in the place they call home" is a high priority for the Commission. It implies coordinated efforts across all levels of government and a mix of strategic, financial and policy measures aimed at retaining talent and improving local opportunities. The Commission provides tools, funding and coordination mechanisms to help regions at risk of demographic and economic decline. Depopulation is

particularly severe in remote and rural regions, which are also affected by deep social imbalances that have a territorial dimension. Cohesion policy, through the European Regional Development Fund (ERDF) and the European Social Fund Plus (ESF+) provides support for startups, local SMEs, investment in public services and transport in areas that struggle with lack of quality jobs and depopulation.

Cohesion policy supports the 'right to stay' by helping balanced territorial development of all regions regardless of their size and location. For example, it tackles territorial disparities by providing tailored solutions to regional challenges and supporting regions in adapting to demographic change, especially less developed ones, traditionally more exposed to emigration and underemployment.

In the 2021-2027 period, EUR 7.2 billion from the European Regional Development Fund is currently earmarked for improving healthcare and long-term care, EUR 5.6 billion in education and training, and EUR 7.5 billion in housing. EUR 40.5 billion will support connectivity and access to well-functioning transport systems. EUR 41 billion will be invested in territorial strategies fostering urban and rural linkages, new economic opportunities and access to services vital for people to work and live in all territories across the EU.

To further address the territorial aspects of demographic decline, a dedicated initiative, "Harnessing Talent in Europe's regions", was adopted in 2023. It aims to support all EU regions, with a specific focus on those in (or at risk of falling in) a talent development trap to train, retain and attract people, to develop skills and the competences needed to address the impact of demographic change. Its support mechanism - the Talent Booster Mechanism (TBM) - has supported 89 regions, of which 27 are rural regions, with direct technical assistance and access to knowledge. The initiative is supporting projects linked to innovation and structural reforms, notably in Eastern and Southern Europe, where brain drain challenges are pronounced. By focusing on these areas, the mechanism aids in developing local capacity and creating favourable conditions for talent retention and attraction, adjusting to demographic challenges.

Over the period 2023-2025, Member States have planned to invest, through the common agricultural policy, around EUR 25 billion in supporting a better quality of life in rural areas<sup>[11]</sup>. This includes EUR 15 billion of investments in infrastructure and services for rural areas (excluding on-farm investments), such as small-scale infrastructures, community spaces, social, health and education services, that improve rural people's living and working conditions, including where public services have withdrawn. It also includes EUR 9 billion invested in cooperation measures, including LEADER (EUR 7.7 billion) and other forms of cooperation that help rural communities design and implement community-based, local, innovative solutions to global and local challenges they are facing, while strengthening human capital and social cohesion. It finally supports rural prosperity by investing in the development of rural startups. In addition to support to rural areas beyond farming, the CAP supports rural prosperity by supporting the competitiveness and sustainability of the farming sector, including young farmers, small farmers and farmers operating in areas facing natural

constraints, that are often remote. The Study on funding for EU rural areas found the EAFRD to be the most relevant fund to support the broad array of needs identified in the Long-term vision for the EU's rural areas (COM (2021)345 final).

*Paragraph 20 - Integrated territorial development*

The Commission supports the need for a more integrated approach to territorial development in general and rural development in particular. At national and regional levels, evidence shows that policies are more coherently implemented in Member States who have put in place a more integrated approach to rural development, including common objectives applying across different policies, cross-departmental coordination mechanisms and provisions for integrated development approaches at local level<sup>[3]</sup>.

As part of the CAP, LEADER plays a central role in addressing the needs of rural communities in a place-based and community-led approach. 2 700 Local development Strategies under Leader have been selected, with a funding allocation of EUR 7.7 billion national co-financing included. Some countries invest the minimum ringfenced 5% of EAFRD in LEADER, while others such as Germany are investing 15% of EAFRD in LEADER, the average being at 7%. The LEADER network involves more than 120 000 members. LEADER is expected to contribute to: job and business creation; social inclusion projects, small scale services in rural areas; value chains for local food; smart villages strategies; and investments contributing to environment and climate change.

*Paragraphs 1,2 - The Long-Term Vision for Rural Areas*

The Commission welcomes the Parliament's support to the Long-term vision for the EU's rural areas (LTVRA), its ten shared goals, and the March 2024 Report on the LTVRA key achievements and way forward, including progress made on the implementation of the 30 actions, among which the rural revitalisation platform, the rural proofing mechanism and the facilitation of the rural pact.

*Paragraph 11- A rural strategy*

The Commission recognises that further efforts are needed to support rural areas. It takes note of the call to devise a rural strategy for the post-2027 period and ensure a rural dimension in relevant initiatives. The Vision for Agriculture and Food (COM (2025) 75 final of 19.2.2025) underlined that a closer coordination between policies and instruments could better contribute to the development of rural areas through integrated planning and implementation efforts. The Vision, taking forward the main lines of action of the LTVRA, commits to launch in 2025 an updated EU Rural Action Plan, to further develop the rural proofing principle, to advance on the definition of functional rural areas and to strengthen the Rural Pact, which provides a framework for dialogue and cooperation with all levels of governance and with stakeholders to amplify rural voices, foster networking and knowledge exchange and encourage governments and stakeholders to act for the shared goals of the EU rural vision.

The Commission put in place a rural proofing mechanism through the Communication on Better regulation in 2021. The Better regulation

guidelines, revised in November 2021, envisage, for legislative initiatives undergoing an impact assessment, the assessment of any significant impact on territorial and rural issues and the gathering of evidence from various types of territories, undertaking territorial impact assessments where relevant. The Commission took stock of the implementation of rural proofing in its March 2024 report on the LTVRA key achievements and ways forward, concluding that there is a need to *"raise awareness, improve data availability, better resource the process and improve coordination"*. The Commission is now working on how to further operationalise and sufficiently resource rural proofing, as committed in its Vision for Agriculture and Food. To work efficiently, rural proofing should not only be implemented at Commission level but also in other institutions and levels of governance. The policy lab organised on 12 June 2025 on *'Rural proofing: looking at policies through the rural lens'* provided useful insights in how to foster effective rural proofing at national and regional levels, complementing the *"Framework of rural proofing actions at national, regional and local level"* produced in 2022.

Rural proofing forming part of the EU Rural action plan, the Commission will consider the Parliament's demand for a report on the application of rural proofing in the context of the discussion on the updated EU Rural action plan to be launched in 2025.

#### *Paragraph 32 - Climate adaptation*

Through the EU Rural action plan, the Commission has supported since 2021, technical assistance to support the development of rural energy communities and of sustainable mobility solutions in rural areas that overly rely on cars. Over EUR 300 million are allocated in Horizon Europe projects to improve soil health through the Soil mission, and a new system of certification of carbon removals incentivising carbon farming.

#### *Paragraphs 35, 36 - Medical services, eHealth strategy*

The European Semester guides structural healthcare reforms with an emphasis on resilience, accessibility and efficiency of health systems, leveraging data on regional disparities to define priorities and address territorial imbalances. The use of health data, facilitated by initiatives such as the joint Commission and OECD State of Health in the EU knowledge building cycle, supports data-driven policymaking, promoting fairer and more effective healthcare systems across Europe. Investments in healthcare under the current programming period address the challenges highlighted in the parliamentary resolution. A number of Cohesion Policy funded programmes are supporting the integration of health and social services, improving human resources, and enhancing the social aspects of health services. These investments aim to reduce barriers to access and improve healthcare infrastructure, focusing on the needs of underserved areas and vulnerable populations.

Furthermore, the EU4Health programme supports several actions at EU level designed to foster collaboration across countries to address common challenges and enhance collective progress.

The Commission supports the call for improved medical services in rural areas.

#### *Paragraph 38 - Digital connectivity*

Under the EU Rural action plan flagship initiative “Rural digital futures”, the Commission provides for investments of EUR 23.5 billion in grants improving digital connectivity in areas where markets fail to deliver. It also runs a Broadband Competence Office network to facilitate the roll-out of broadband across the EU, with a focus on underserved areas.

*Paragraphs 44, 46, 47, 51, 71 – Support to entrepreneurship in rural areas*

In addition to supporting farm businesses, the CAP already supports entrepreneurship in rural areas by supporting the setting-up of rural start-ups as part of installation aid. EUR 63 million euro are planned over the period 2023-2027 to support rural business beyond farming. The first annual performance report of the CAP shows that around 2500 rural businesses have been supported in 2023-2024, in addition to 200 000 jobs created thanks to support for young farmers. Funding through the LEADER 2700 local development strategies also contributes to job and business creation throughout the 27 Member States of the EU.

Under the EU rural action plan flagship on “Entrepreneurship and the social economy”, the Commission promoted rural retail by co-creating a pathway for a more resilient, digital and green retail ecosystem, and supported social economy actors in rural areas by funding four dedicated projects.

*Paragraph 66 – Training, culture and tourism*

The Commission agrees on the importance of protecting and promoting linguistic minorities in rural areas across the EU, recognising them as an integral part of Europe’s cultural heritage and a catalyst for regional development. The EU’s Cohesion Policy provides support for projects benefiting those communities.

The Commission uses the Creative Europe and the Erasmus+ programmes to raise the visibility of regional and minority languages in Europe and preserve cultural diversity.

The EU Rural action plan focuses on the Youth Guarantee and European Education area as ways to enhance formal education, training and employment opportunities in rural areas. The bi-yearly review of the implementation of the Youth Guarantee highlighted progress in access to employment and social services for young people in rural areas but showed important remaining challenges. Following the adoption of two Council recommendations on blended learning approaches (2021) and pathways to school success (2022) of the thematic working groups with Member States contributing to the implementation of these recommendations, the working group on equality and values in education and training, addressed social and territorial inequalities in and through education, addressing the rural-urban divide.