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Rural development policy in the European Union today (2014-2020) and in 2021-2027



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European Commission, DG AGRI
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Why policy for agriculture and rural areas?

EU RURAL AREAS

44% of the EU **TERRITORY** is predominantly rural

13% of the EU **GROSS VALUE ADDED**



55% of the EU **POPULATION** lives in intermediate and rural areas.

17% of the EU **JOBS**



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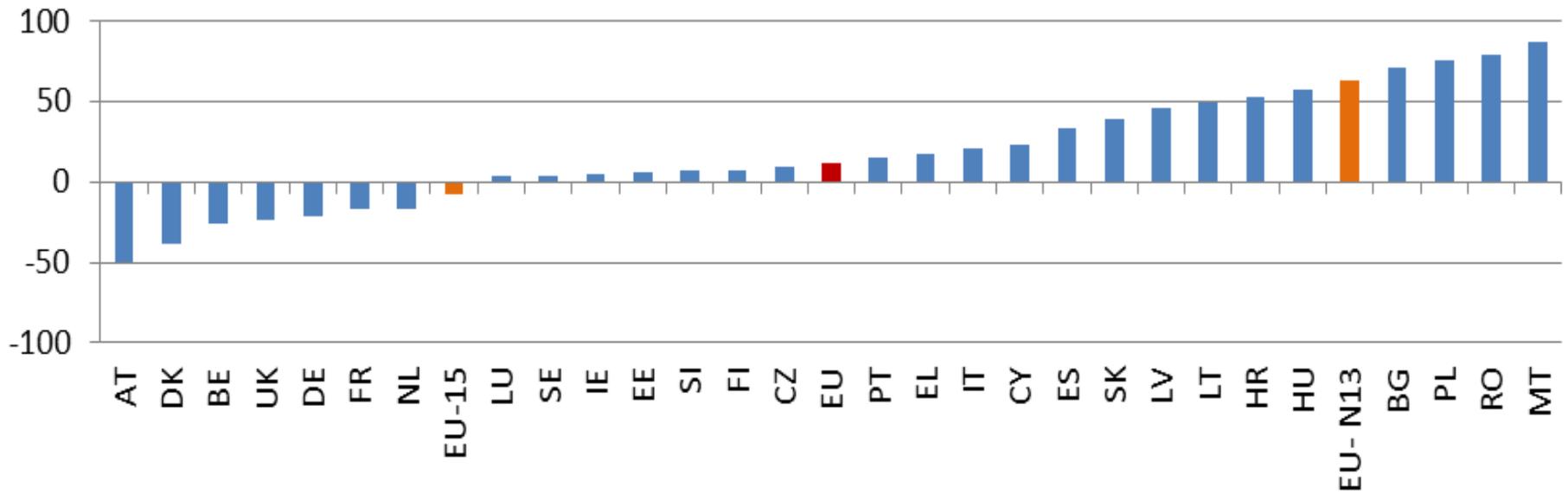


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Poverty risk in rural versus urban areas

Ppoints difference in poverty rate rural vs cities



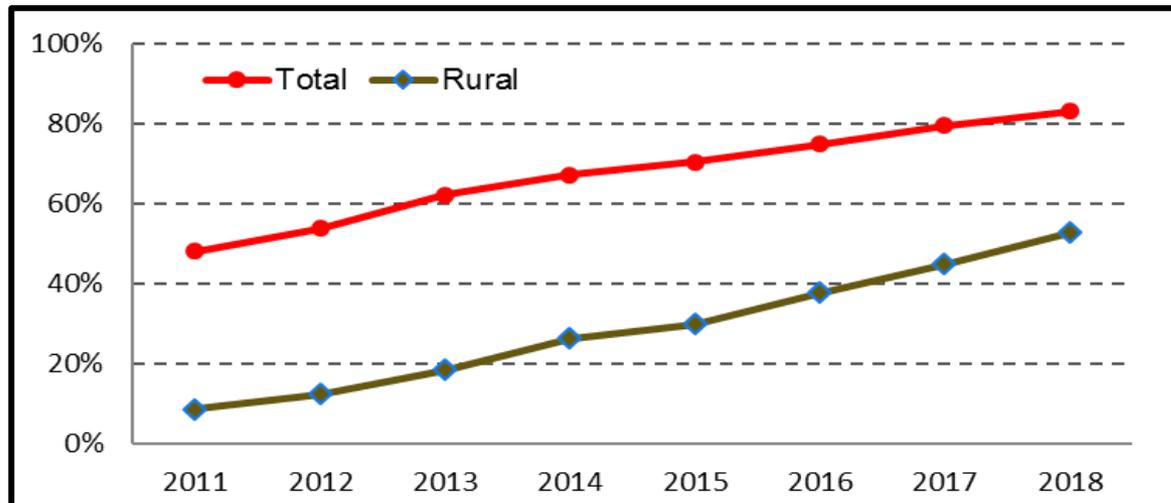


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Digital gap

Next Generation Access (NGA) broadband coverage in the EU (% of homes), 2011 – 2018



53% of rural areas have fast broadband versus 82% average

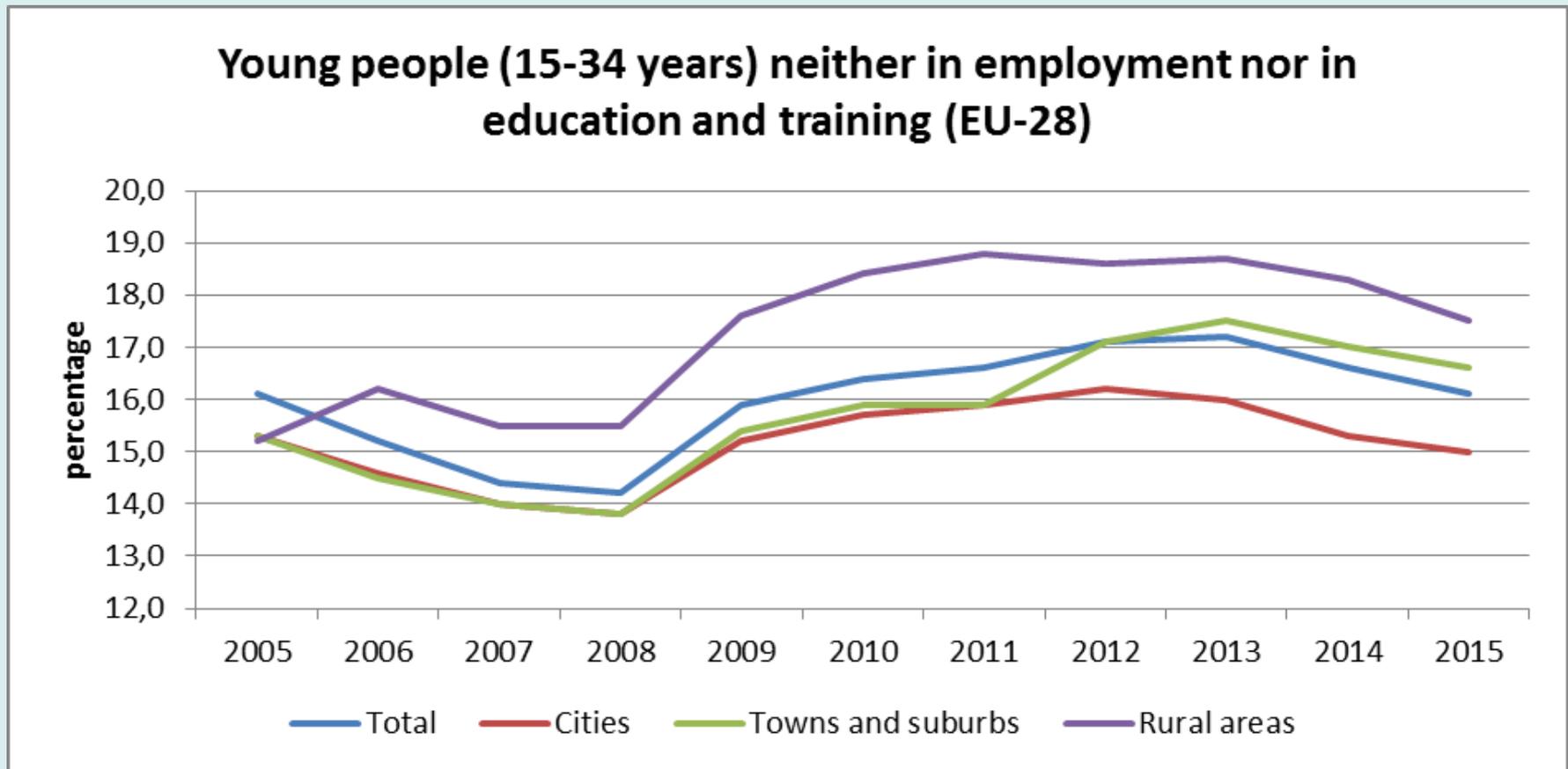
12% of rural areas have no fixed broadband connection



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Higher risk of youth unemployment in rural areas





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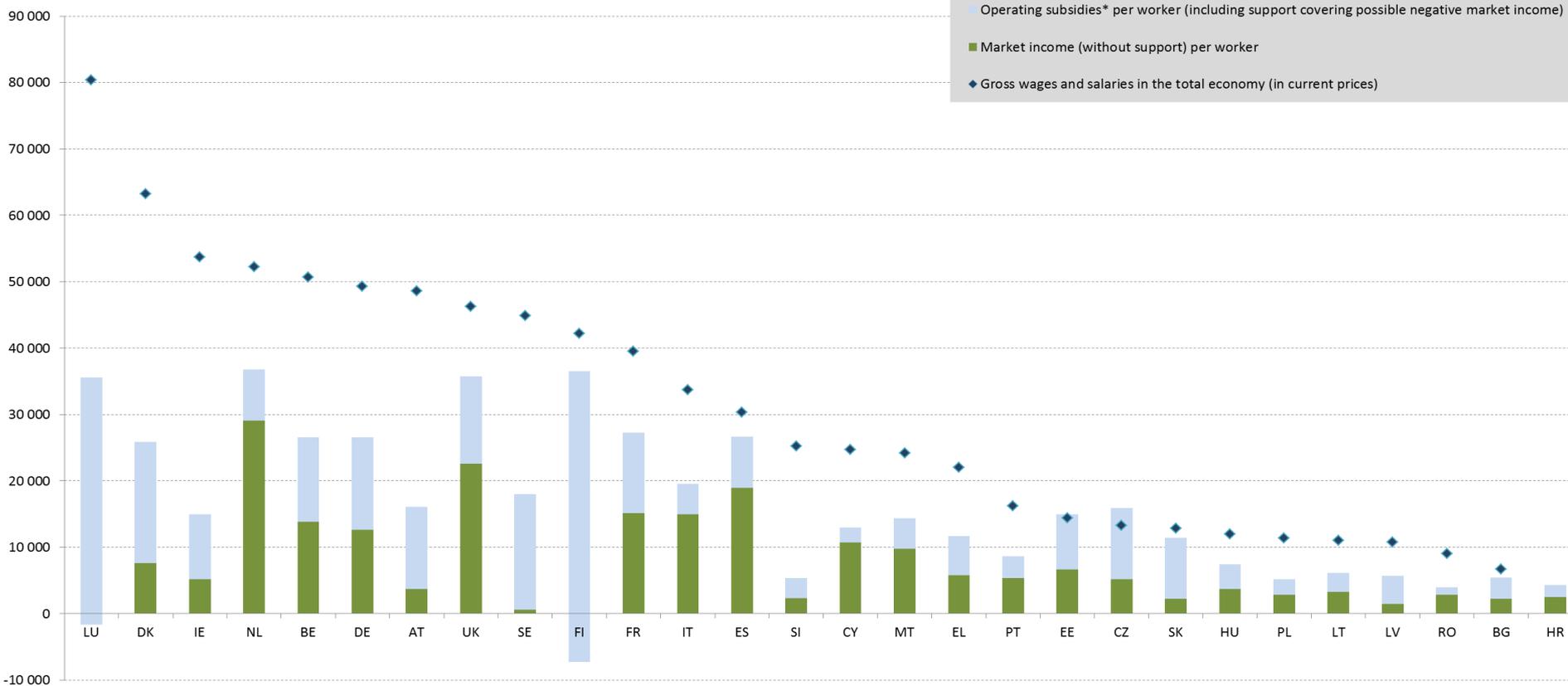


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Farmers income is less than in the rest of the economy (even with public subsidies) (-40% on average)

EUR/AWU





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Before going further

Some principles of EU rural development policy

TAILORED TO REGIONAL OR NATIONAL CONTEXT

Main « rules of the game » in the EU legislation but policy adjusted to the context

7 YEARS PROGRAMMES

Per region or Member State agreed with the European Commission

TRANSPARENT AND CLEAR RULES

Rules are clear for farmers, food processing, rural businesses, NGOs, municipality

FACT BASED POLICY MAKING - MONITORING

From analysis of problems, choice of intervention, to monitoring and evaluation

NATIONAL CO-FINANCING, NATIONAL or REGIONAL IMPLEMENTATION

Co-financed from the Member state

DIRECT PAYMENTS/MARKET MEASURES (CAP) IN PARALLEL



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EU Rural Development Policy 2014-2020 priorities

1. Knowledge transfer in agriculture & forestry
2. Competitiveness of agriculture, farm viability
3. Food chain organization, risk management in agriculture
4. Preserving & enhancing ecosystems dependent on agriculture & forestry
5. Resource efficiency & transition to low-carbon economy in agri-food and forestry sectors
6. Realising jobs potential & development of rural areas through:
 - facilitating diversification and job creation
 - promoting social inclusion and poverty reduction
 - fostering local development in rural areas.



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EU Rural Development Policy 2014-2020: measures (1)

- Knowledge transfer and information actions
- Advisory services, farm management and farm relief services
- Quality schemes for agricultural products, and foodstuffs
- Investments in physical assets (on farm, processing, infrastructure)
- Restoring agricultural production potential damaged by natural disasters and catastrophic events and introduction of appropriate prevention actions
- Farm and business development (incl. start up for young farmers, creation of non farm businesses etc.)
- Basic services and village renewal in rural areas
- Investments in forest area development and improvement of the viability of forests
- Afforestation and creation of woodland
- Establishment of agroforestry systems



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EU Rural Development Policy 2014-2020: measures (2)

- Prevention and restoration of damage to forests from forest fires and natural disasters and catastrophic events
- Investments improving the resilience and environmental value of forest ecosystems
- Investments in forestry technologies and in processing, in mobilising and in the marketing of forest products
- Setting -up of producer groups and organisations
- Agri-environment-climate
- Organic farming
- Natura 2000 and Water Framework Directive payments
- Payments to areas facing natural or other specific constraints
- Designation of areas facing natural and other specific constraints



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EU Rural Development Policy 2014-2020: measures (3)

- Animal welfare
- Forest-environmental and climate services and forest conservation
- Co-operation
- Risk management
- Crop, animal, and plant insurance
- Mutual funds for adverse climatic events, animal and plant diseases, pest infestations and environmental incidents
- Income stabilisation tool
- Financing of complementary national direct payments for Croatia
- LEADER local action groups
- Technical assistance (incl. national rural development networks)



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Attracting young people to rural areas

High youth unemployment in the EU – more than double the average (18.7% 2016)

55% farmers in the EU are above 55 years
Only 7% farmers are younger than 35 years

Many policies play a role eg. regional, social, educational, employment etc.

Instruments for young farmers in Common Agricultural Policy now:

- « **top up** » **payments** (per ha) for young farmers (<40 years) for 5 years;
- **Start-up aid for installation of young farmers** of maximum 70,000 EUR + **support to investments, advice, training – knowledge transfer, cooperation**
- Support to young people via **LEADER local development strategies, support to business start up** (up to 70,000 EUR) – and more broadly – **support to rural businesses and diversification, basic services, cooperation also for innovation**

European Network for Rural Development – ENRD – best practices exchange

www.enrd.ec.europa.eu



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Support to young farmers – scale of intervention

- 6% of all the EU farmers get young farmers top up payments (360,000 young farmers out of total 6.3 million farmers) (from 20 to 90 EUR per ha)
- 180,000 young farmers planned for support for start-up installation aid (2014-2020)

**AND NOW?
2021-2027**

The European Green Deal:



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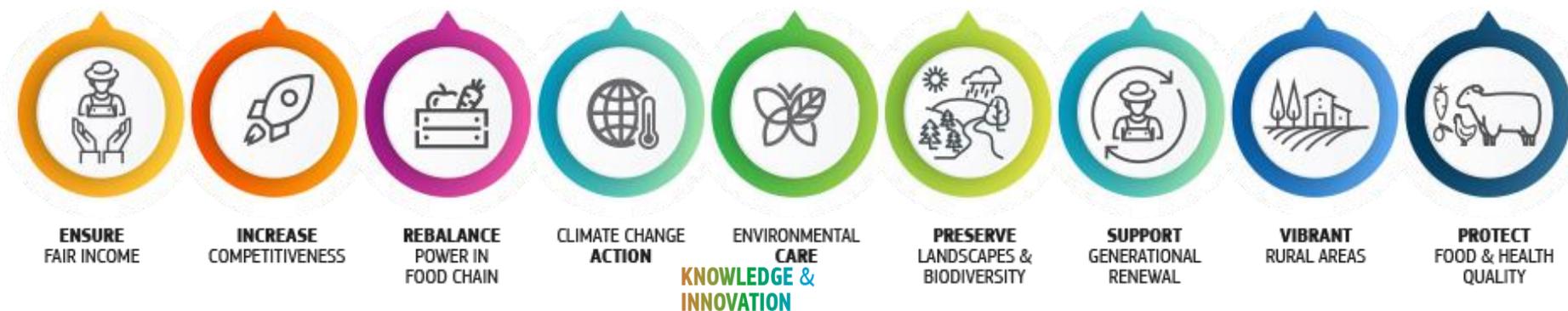
The EU as a global leader

A European Climate Pact



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The 9 CAP objectives and the main CAP reform policy principles



SIMPLIFICATION

Reduce administrative burden

PERFORMANCE BASED SYSTEM

Ensure policy results

BETTER TARGETING

Rules with better links to local realities

KEEP STRONG COMMON ELEMENTS

Keep a level playing field

Enhanced ambition





THE NEW ARCHITECTURE OF CAP OBJECTIVES

BROADER CAP OBJECTIVES

FOSTER A

**RESILIENT FARM SECTOR
FABRIC IN RURAL AREAS**

STRENGTHEN

ENVIRONMENT AND CLIMATE

BOLSTER

SPECIFIC CAP OBJECTIVES

Economic

Environment & Climate

Social

**Ensure fair income
Increase Competitiveness
Rebalance power in food chains**

**Climate change action
Environmental care
Landscapes and biodiversity**

**Generational renewal
Vibrant rural areas
Food and health quality**

CROSS-CUTTING CAP OBJECTIVES

Sustainability

Modernisation

Simplification



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Broad types of interventions for rural development – examples (2021-2027)

- Payments for environmental, climate and other management commitments
- Payments for farming in natural or other area-specific constraints
- Payments for area-specific disadvantages resulting from certain mandatory requirements
- Support to investments (on farms, in rural business, in agri-food industry, public infrastructure)
- Grants for installation of young farmers, rural business start-up
- Risk management tools
- Supporting cooperation in the food value chain
- Support to knowledge exchange and information (advisory, research, training, networking)



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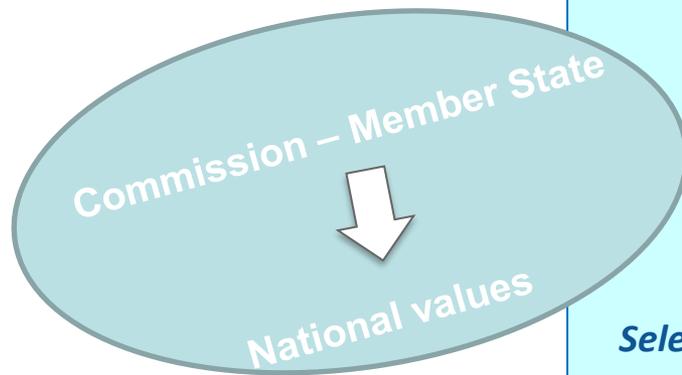


Examples of eligible investments under Rural Development (2021-2027)

- Tangible and intangible investments, which contribute to achieving the specific objectives (machinery, buildings, software, patents, etc.)
- Afforestation and non-productive investments linked to the specific environmental- and climate-related objectives
- Irrigation in areas with good status of water bodies
- Investments in basic services in rural areas (local roads, water pipes, sewage systems, broadband, kindergartens)
- Investments in the restoration of agricultural or forestry potential following natural disasters or catastrophic events.

**Green Deal
EU Targets**

CAP STRATEGIC PLANS



SWOT analysis

Target-setting

Intervention strategy

*Selection of
the interventions
and financial
allocations*

*Targets for result
indicators*



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In summary

- EU policy for rural areas is broad – many instruments: economic, social and environmental – based on facts – programmed, monitored and evaluated. It is common for all Member States but fitted to national/regional context;
- Rural development is much wider than agriculture
- More and more emphasis on environment, biodiversity, sustainability, climate change - green transformation;
- Increasing emphasis on knowledge, digitalisation, research, transfer of information, networking between research, business, advisors and farmers

EU: <https://enrd.ec.europa.eu/> EU Network for Rural Development;

<https://ec.europa.eu/eip/agriculture/en> AGRI Innovation Network

Turkey: Rural Development Network <http://www.uka.org.tr/>