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



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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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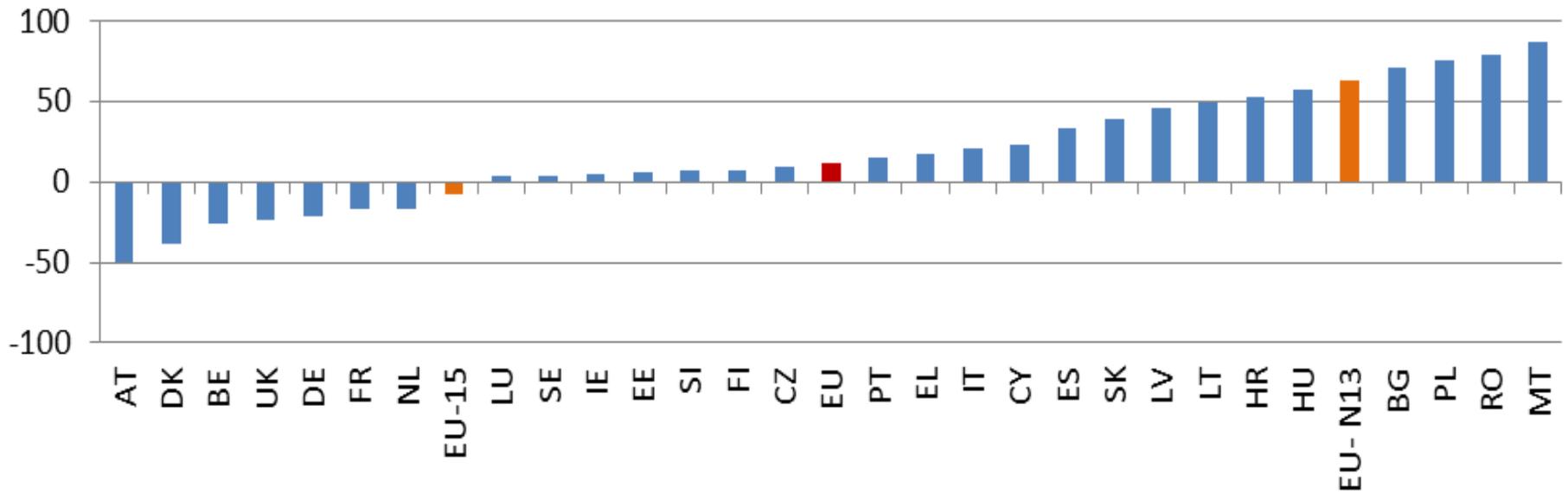


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# Poverty risk in rural versus urban areas

### Ppoints difference in poverty rate rural vs cities



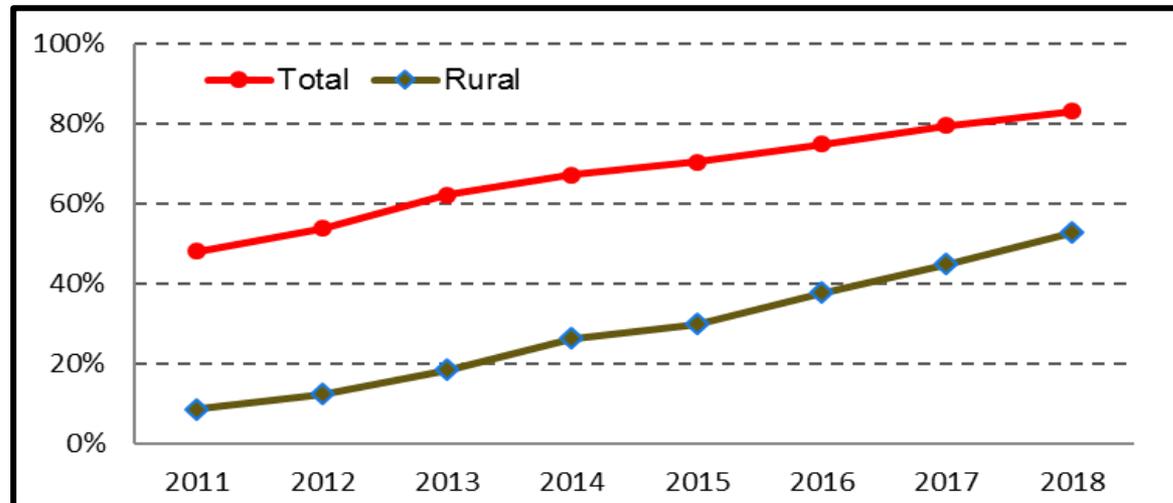


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## Digital gap

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



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

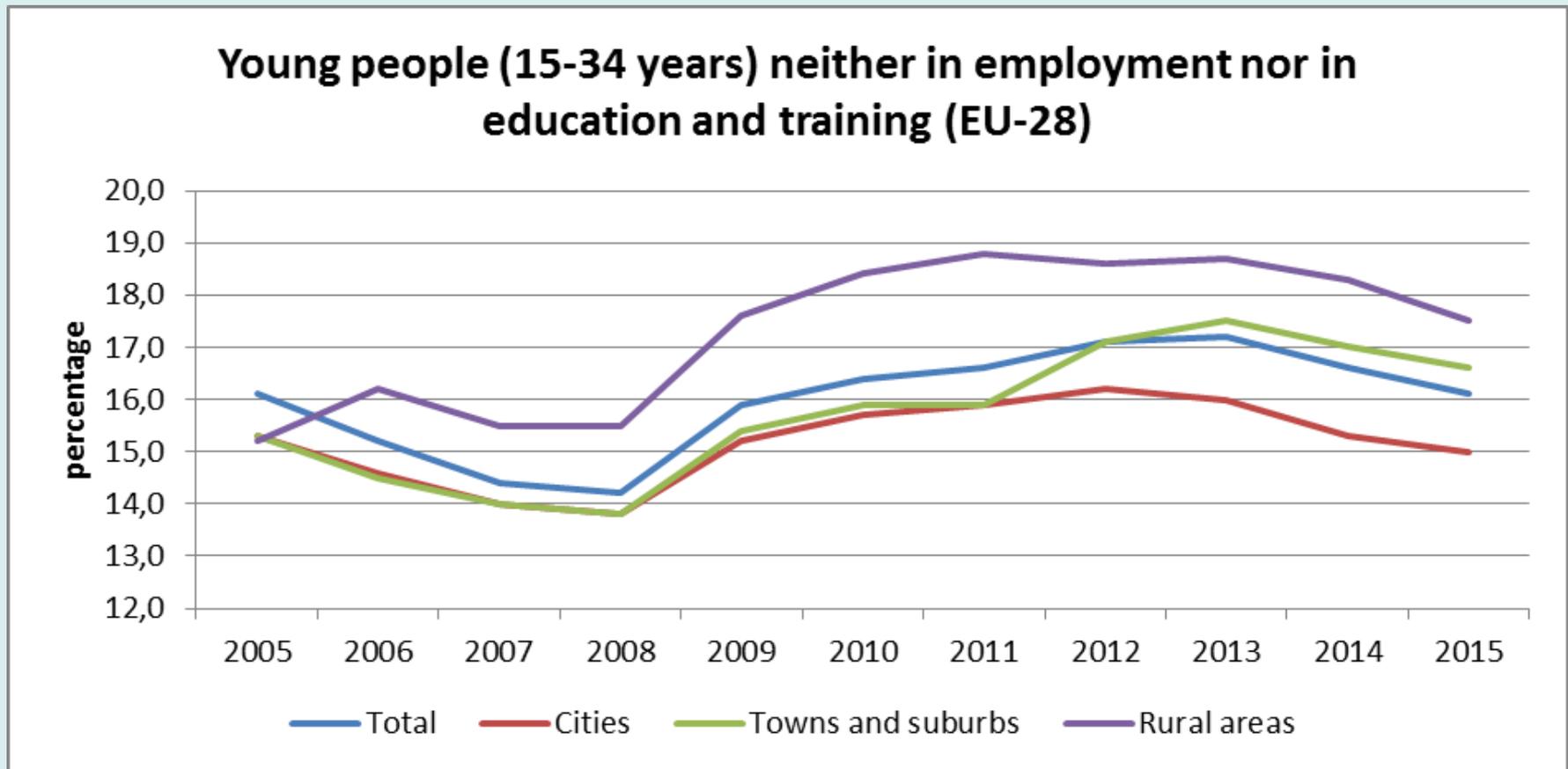
**12% of rural areas have no fixed broadband connection**



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# Higher risk of youth unemployment in rural areas





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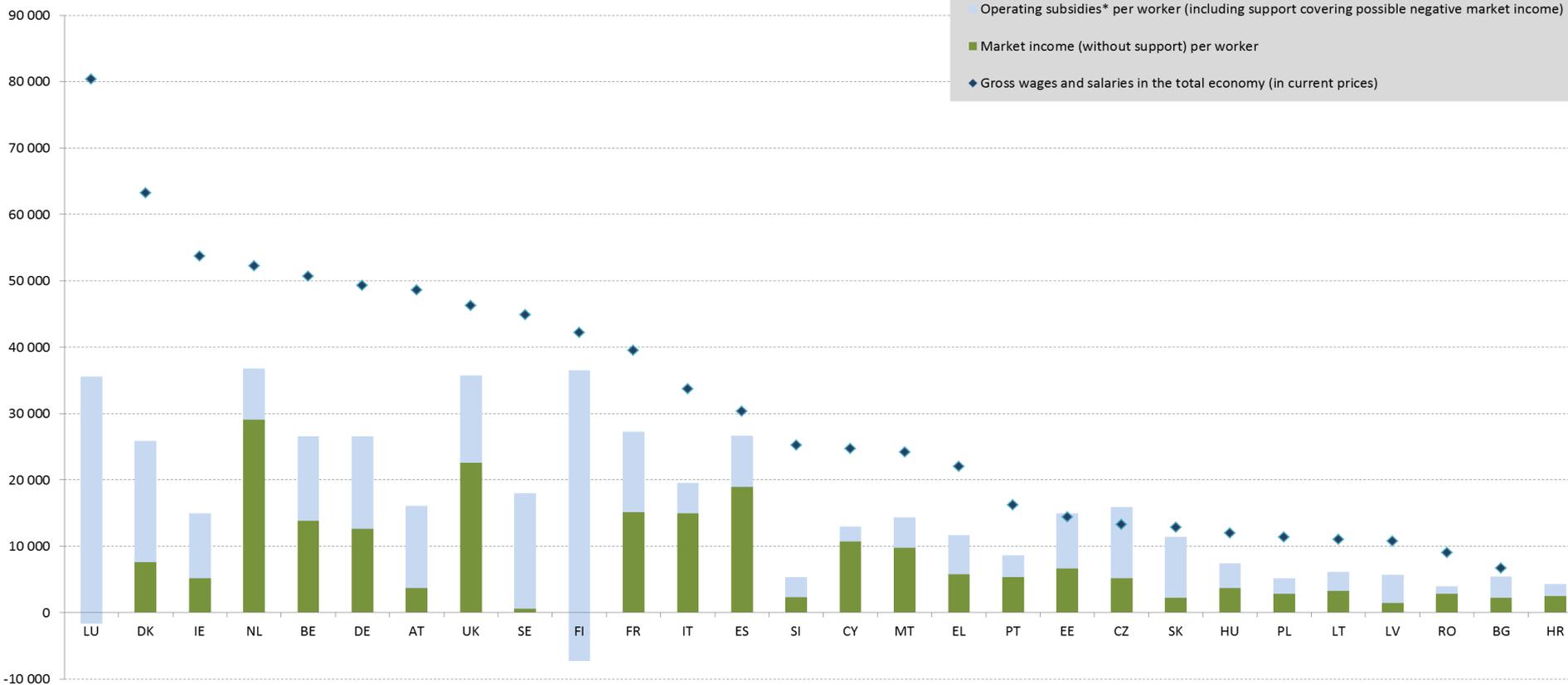


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# Farmers income is less than in the rest of the economy (even with public subsidies) (-40% on average)

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](http://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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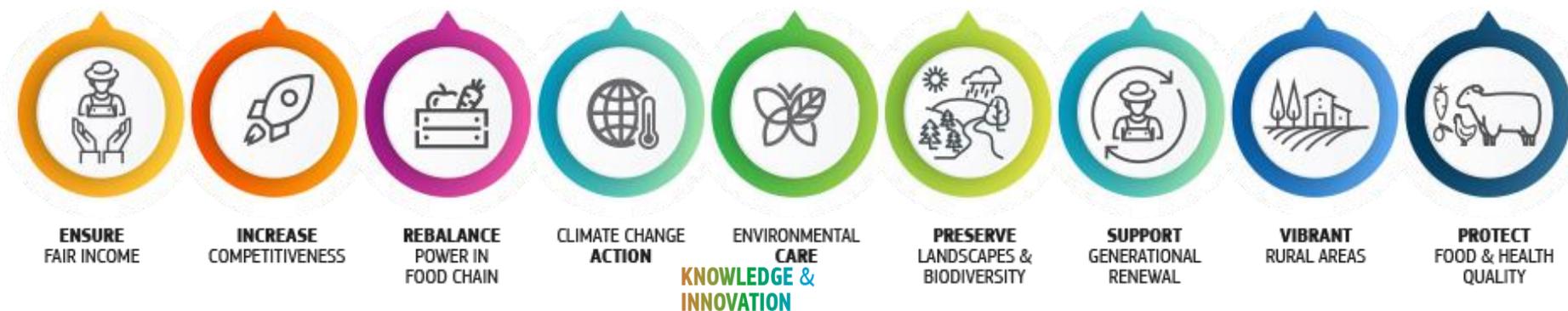
The EU as a global leader

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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Rural Development**



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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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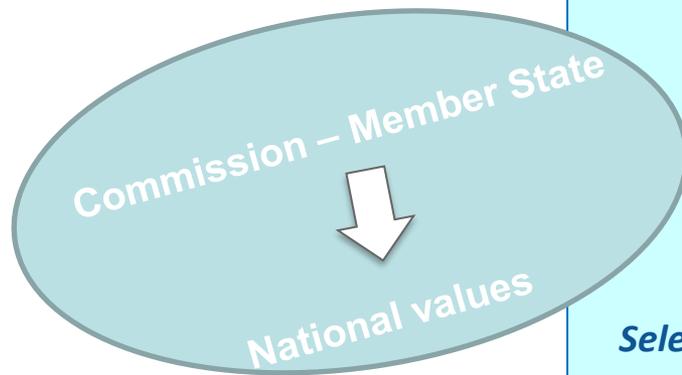


## Examples of eligible investments under Rural Development (2021-2027)

- 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/>