

Comments on the proposals of regulations of the European Commission
for the programming period 2014 – 2020
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2014 – 2020

Together for a new impetus

Prospects in line
with the stakes of the rural territories



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2014 – 2020 : TOGETHER FOR A NEW IMPETUS

Our proposal : a European multipolar development

Rural areas: diversified reality and high potential

- In the EU, the predominantly rural and intermediate regions represent 90% of the territory and 56% of the population. Rural areas generate 43% of the Gross Value Added and provide 55% of the employment of the EU. In predominantly rural areas, 82% of employment and 95% of value added come from the non-agricultural sectors.¹
- References to territory, entrepreneurial spirit and inter-generational cohesion are traditionally strong in the rural world. The sectors of crafts and small- and medium-sized enterprises are particularly developed.
- Rural areas are characterized by a very great diversity of situations, ranging from remote areas falling prey to depopulation, to areas on the periphery of towns facing growing pressure due to the expansion of urban centres.
- The diversity of cultures and much of the natural, architectural and historical heritage that makes up **European identity** are rooted here.
- Places of activity, of culture, of production of goods, energy and services, rural territories also contribute to the well-being of society as a whole by responding to its societal calls. They bring also their potential of innovation to the challenge of the 2020 Strategy.

A basic guideline

- the development of the EU depends on the dynamics of all territories, both urban and rural, with their own specific identities and strategies, but which are in positive interrelation.

An ambition

- to mobilize the rural territories into poles of development and innovation², in strong and balanced interrelation with the urban poles, to achieve the cohesion expected at both EU and regional levels.

Two prerequisites

to mobilizing rural actors and to establishing mutually beneficial exchanges between urban and rural poles :

- **the recognition of rural territories as poles of development²**, and not merely as areas of open countryside and farmland;
- the recognition that the rural territories, by their contributions and their potential in the different sectors of the sustainable development, are key partners for developing the EU and for meeting the objectives of the Europe 2020 Strategy.

¹ Rural development in the European Union – Statistical and economic information – DG Agri – December 2009

² Rural pole of development : see presentation on next page

Rural pole of development

a creating approach for added value to Europe 2020 Strategy

a support to innovation

Definition

« A rural pole of development is an inhabited territorial area, rural or predominantly rural, where social, economic and residential changes come about within the framework of an integrated and prospective development project. A rural pole is not an entity or an agglomeration, but the rural territory as a whole, and must be viewed as such. Its development is guided by a territorial plan.

The territorial development plan determines the objectives of results in short, medium and long terms. It specifies the guidelines for development, the human and material means to achieve the results targets. The civil society, public and private actors must be partner for its development and its assessment. (abstract of the Glossary of the Council of Europe Conference of Ministers Responsible for Spatial/Regional Planning – CEMAT – R.E.D.'s proposal)

Strategy

At the infra-regional scale, which is the one of the pole of development, the coherence of the measures funded the EU should be guarantee through their justification in relation to the objectives set out in a Development Pole Strategy (DPS).

Its implementation, with the different funds likely to support rural areas, must be inspired from the Common Strategic Framework whose the general guidelines should be the common reference to ensure consistency between the various programs.

Governance

To facilitate the implementation and the coherence between European territorial aids on a territory, a new instrument is to be proposed by the Commission: the **European Grouping of Territorial Development (EGTD)**.

Transcending the experiences and procedures of the Leader Local Action Groups (LAGs) and the ETCG, the role of the European Grouping of Territorial Development is, for a given territory, to facilitate and to accompany actions contributing to strengthening social, economic and territorial cohesion.

That innovation would facilitate, with a single concept, the coexistence of the Leader LAGs and the Community Led local Groups mentioned in the proposals of Commission's regulations, for the benefit of the integrated development of all territories.

This instrument of coherence would be mandated, more particularly, to implement the territorialised programmes and projects co-financed by the European Union, be it via the EAFRD, ERDF, or others. This Group would be also the interface for the rural – urban dialog.



2014 – 2020 : together for a new impetus

Comments on the proposals of regulations of the European Commission for the programming period 2014 - 2020

That paper presents the comments of the international association Rurality-Environment-Development on the different proposals of the Commission for the programming period 2014-2020 for the EAFRD, the ERDF and the common provisions : Com(2011) 627/2, 614 and 615, , SWD(2012) 106 final and the project papers SWD(2012)61 and 106.

In general terms, the international association Rurality-Environment-Development (R.E.D.) notes that the Commission proposals for the future of its policies for rural areas are in line with the requests made by R.E.D. through its political position, summarized above, "Proposals for a European policy for rural territories after 2013".

However, the proposals of the Commission give rise to the following remarks and requests.

1. Common Strategic Framework (CSF)

The existence of the Common Strategic Framework is a central element of the integrated approach of the EU policies, but also will be determining how Member States have to understand their implementation

The capacity of the Member States to meet, in an effective and balanced manner, the obligations and objectives of the Partnership Contract (integration of specific needs, cross-sector approach) may ask question.

Our requests :

- the balanced development of rural territories must be included among the priority objectives of the CSF ;
- the recognition of rural territories as development poles, whose potential must be mobilized to support the objectives of Strategy 2020, must be explicitly expressed among the major issues ;
- It should be more clear how the Member States should organize the necessary cooperation to realize the spirit of consistency of the CSF at different scales, with the the participation of the Regions in that process. A coherent framework for multilevel governance, implied by the CSF, should be presented;
- the CSF should also organize a structural link between the objectives of the 2020 Strategy and the objective of territorial cohesion. On this issue, it must integrate the elements and proposals from the experimentation RURBAN currently carried out by the DG Regio at the request of the European Parliament, to be expressed in a common strategy;
- the discussions on the second pillar of the CAP (*Com (2011) 627 final / 2*) are to be addressed in a spirit including the global approach of the common regulations of the CSF Funds (*COM (2011) 615 final*);
- the Leader approach must be recognized as key action across all the objectives of the CSF. That approach meets indeed much wider objectives than the one of social inclusion, the related alone objective indicated in the proposal (*article 9.1. du doc project SWD(2012)61*).

2. Partnership contract

The partnership contract between the Commission and each Member State will set out the priorities of the Member State and the allocation of its resources. This is a milestone for the rural territories and for the allocation of funds to their actors. Within the framework of the Commission's proposals, the Member States and the Regions will have a central role in the choice of the priorities. It is a risk that the choice of the priorities for each Fund is made poorly coordinated. The negotiation when adopting these partnership contracts also raises questions.

Our requests :

- the importance of the CSF involves a broad partnership in the adoption process, involving regional stakeholders and rural and agricultural representatives : it must express an integrated approach built with the representatives of the Regions and of the sub-regions organized as project territory;
- the Commission must approve a process that clearly associates the representatives of rural areas in the negotiation stage. the current project of Partnership Guide (*SWD(2012) 106 final*) doesn't consider the rural representatives as stakeholders of the negotiation for the EFRD : a representation of the interests of the rural actors must be included along with the urban actors already mentioned;
- the correct application of the EU guidelines in the CSF, including balanced territorial development, and effective consideration of rural areas ;
- the choices to be made by Member States or Regions, through the Partnership Contract, in the priorities proposed for the Structural Funds (ERDF, ESF, ..) must be in relation to the expected integrated and territorialized approach, and thus also in relation to the needs of rural areas. That is essential in order to mobilize the different funds in favour of the global strategies of the rural territories. Hence also the importance of ex-ante evaluation taking into account both rural and urban realities.



3. The EAFRD and the 2nd pillar of the CAP

R.E.D. particularly welcomes the following advances in the proposals:

- the emphasis on integrated territorial approach and on local development,
- the strengthening of strategic approaches, at different territorial levels,
- the balanced territorial development of rural areas as one of the three objectives of the EAFRD;
- the possibility opened for multi-funds financing,
- the emphasis on the rural - urban interrelationships, with the possibility for Leader LAGs to cooperate with a local public-private partnership on an urban territory that is implementing a local development strategy;
- for Leader, the maintenance of a minimum threshold ;
- the support for animation, development of strategies and engineering in the territories.

These important components for the dynamics of rural territories are to be preserved in the final steps to the adoption of the regulations.

We must not overlook the fact that the Member States may, at this point, select only some of the six priorities outlined in the EAFRD regulation, provided they justify it based on identified needs.

Our requests :

- among the six priorities of the EAFRD, two of them should be mandatory in light of their direct impact with the objectives of the 2020 Strategy and the territorial cohesion and because of their leverage :
 - the first one, fostering knowledge transfer and innovation, while emphasizing on the fact that the concept of innovation includes not only technological, agricultural and non agricultural processes, but also social and cultural issues;
 - the last one, promoting social inclusion, poverty reduction and economic development in rural areas.

The first pillar of the CAP

R.E.D. does not wish to intervene on this point in the technical elements, but several positive trends are worth noting in connection with the dynamics of rural territories:

- some rebalancing of direct payments between Member States (MS), although the gap remains large ;
- the capping for direct payments, with the inclusion of the salaries among the criteria;
- the emphasis on supporting small farms and aid for young farmers;
- the greening of the first pillar of the CAP, for which a consideration of regional production conditions and environmental issues could be integrated into the selection of measures :
 - the diversity of agriculture and regional realities should tend to strengthen the territorialized implementation of these measures, by working on consistent agricultural areas. A contractual approach would optimize it;
 - small farms below a threshold of agriculture area, or farms having a certain percentage of permanent grassland, should not be subject to the obligations on the surfaces of biological interest.

4. Local development, Leader and European Network for Rural Development

R.E.D. welcomes the explicit recognition of the local development (*paragraph 4.3. of the doc. SWD(2012) 61*) as an approach that can complement and enhance the implementation of public policies for all funds of the CSF.

R.E.D. welcomes the proposals of the *Com (2011) 615* fostering multi-fund operations of local development, whose method is directly inspired from Leader. That opportunity, that is to be specially seized by the Leader LAG, will give more potential to the integrated rural development projects, thanks to a better allocation in financial and human means.

The Leader approach presupposes the mobilization, both operational and financial, of the civil society actors and the private sector. This is especially important in a crisis situation where local authorities are struggling to provide their co-financing. But the *article 65 § 2 (COM (2011) 611 final)* states that the contribution of the EAFRD, and thus for Leader, is calculated on the basis of the amounts of eligible public expenditure only.

The current European network consists of representatives of national networks, management authorities and organizations working at Community level. That composition is to be continued as it allows good exchanges and a large gathering of information.

Our requests :

- the minimum threshold allocated to Leader programmes should be increased to 7%, to better meet the objectives of the 2020 Strategy and to strengthen the integrated approach promoted by the Common Strategic Framework;
- a minimum threshold of 5% of the ERDF and the ESF should be set for supporting local development projects, to be included in the partnerships contracts;
- an impetus should be given, when setting up next Leader LAG, for the integrated and global projects using multi-fund approach. An increase of 5% of the European co-financing must be paid when the Leader approach is part of a multi-fund project;
- the European co-financing for the EAFRD, and specially for Leader, is to be calculated on a basis also including private expenditures and volunteer contributions;
- the current text of the proposal (*Article 52 § 1 Com (2011) 627 final / 2*) is to be clarified on maintaining the presence of Community level organizations in the European network for rural development;
- a clause on the representation of the territorial specificities must be introduced in the composition of the Community-led local Group (*article 30 of COM (2011) 615 final*) linked to a territory consisting of a large (or medium) city and peripheral rural areas. In that case, the composition of the Local Group becomes a particular challenge in view to ensure fair representation of the rural actors, public or private. If the EU proposal mentions the ratio between private and public (maximum 49%), it is nowhere referred to a territorial balance in the representation.

5. Regional development and EFRD

R.E.D. welcomes the introduction of the category of "Transition Regions" which clarifies the existing provisions.

Our requests :

- the 11 objectives set for the EFRD should be considered in the light of the both urban and rural territories ;
- the concentration of the ERDF funding on the objectives of energy efficiency, research / innovation and competitiveness of SMEs should also be reflected through specific policies to the rural assets ;
- rural-urban cooperation should be a main priority of the cooperation supported by the Structural Funds ;
- the actors of innovation in rural areas are to be associated both in the consultation phase of the partnership contract that during the operational phase of implementation of the programs.

6. Other financial issues

The Commission's proposals are thought in a relative continuity of the budget, but final decision on the EU budget remains decisive. The allocation planned for the second pillar of € 89.9 billion is already, in real terms, lower than the one of the current programming period. Added to this observation that new features are introduced in the second pillar - as the mutualized interventions for economic losses related to climate, animal and plant diseases...

In addition, the final budgetary decisions may influence particularly the means allocated to the second pillar and reduce the potential that the current proposals provide for rural areas.

Our requests :

- the financial resources currently available to the EAFRD must be maintained until the final adoption of the EU budget. Rural actors should be closely associated and recognized as stakeholders of the debates;
- the possibility given to some Member States for a modulation from the second pillar to the first one is counterproductive for rural dynamics and does not fall within the CAP evolution expected by the citizens;
- the minimum threshold allocated to Leader should be increased to 7% of the EAFRD. It should be noted that the integrated territorial development approaches are more effective and more efficient, because they require an ex-ante evaluation and an overall programming approach carried out by contractual agreements and targeted objectives for the local projects. So there is a positive and objective link between optimization of expenses and integrated territorial approach.

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