

Addressing rural regions' needs from the perspective of the Long-term vision for rural areas (LTVRA)

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Disclaimer: The presented findings and recommendations should be regarded as the views of the authors who prepared the study. They do not reflect the opinion of the Commission, nor do they commit the Commission in any way for future policy proposals.

Outline

- ▶ Context – the ‘EU funding for Rural Areas’ study
- ▶ Presenting needs as expressed via the LTVRA
- ▶ What is CAP offering? - measures, funding patterns, relevance



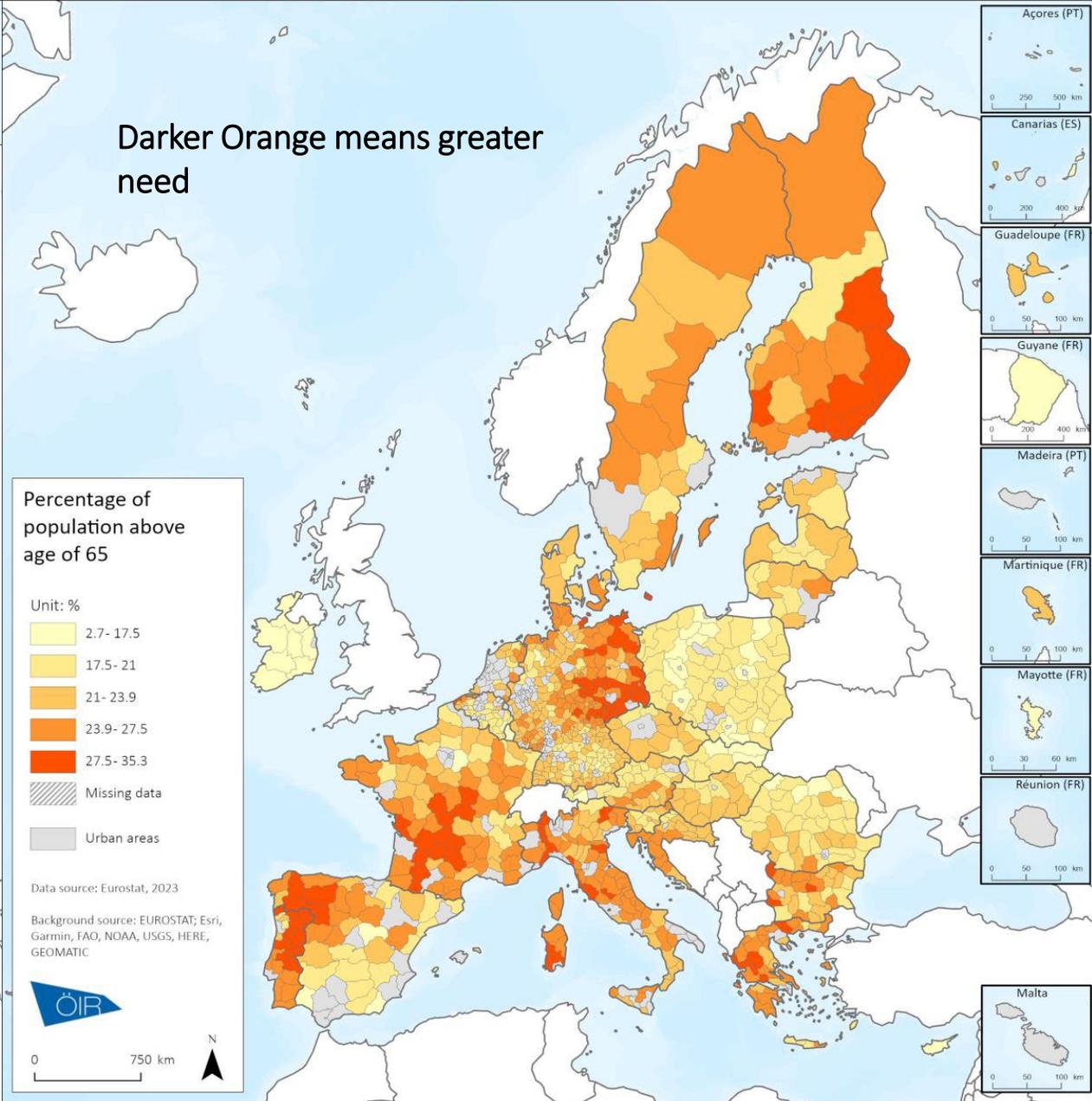
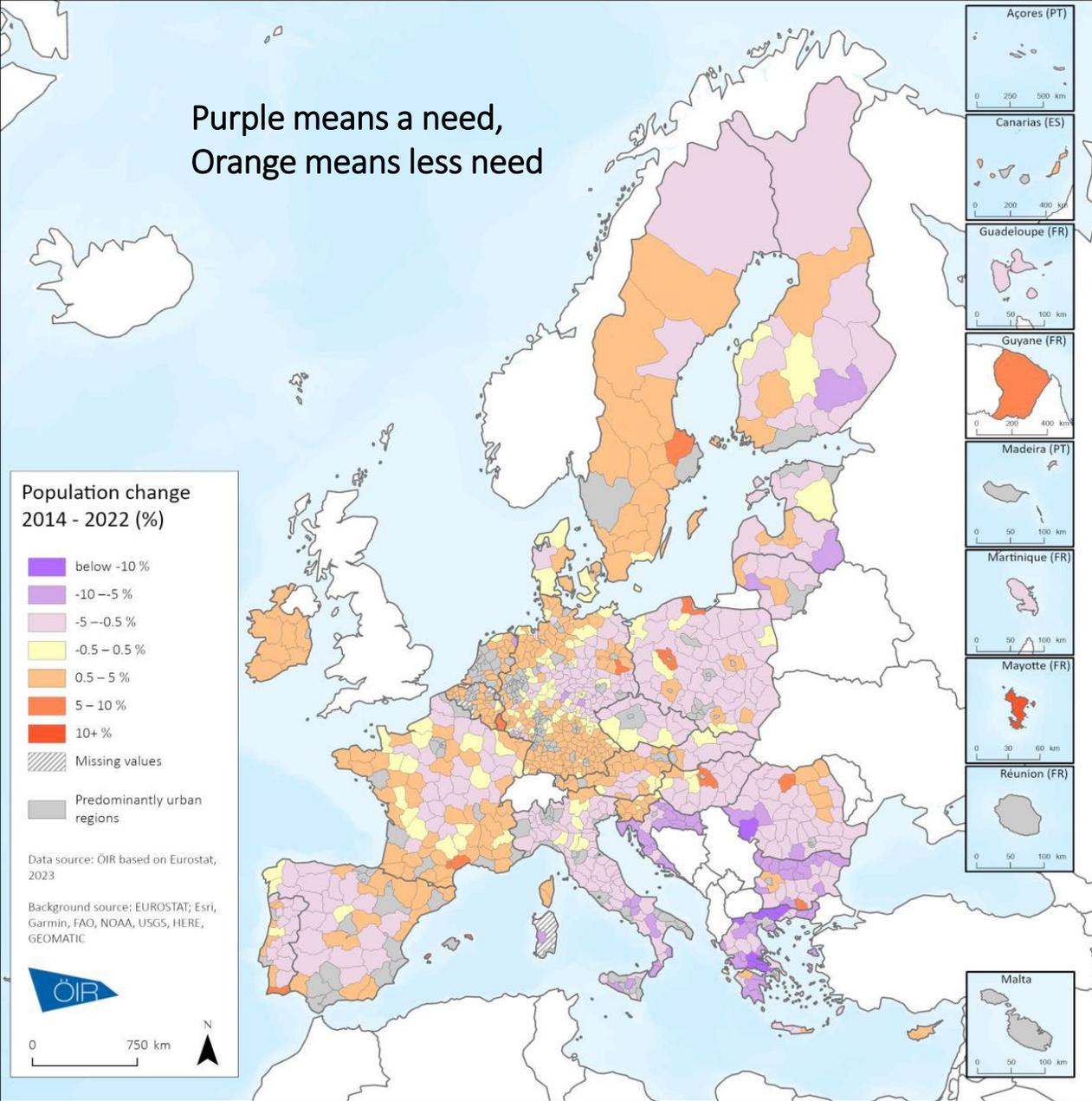
Context : the study 'EU Funding for Rural Areas'

- ▶ **Assessing the role of the CAP 2014-2022 in addressing needs and actions of the LTVRA**
 - Supporting rural areas and development beyond farming
 - Brief forward-looking assessment of CAP and other EU funds, 2023-2027
- ▶ **Approach:**
 - **NUTS3 territorial needs analyses, using available socio-economic indicators and data**
 - **Analysis of CAP funding data, mapping against needs**, considering alongside other funds and strategies
 - Literature and document review (legal texts, RDPs, CAP SPs, Structural fund OPs)
 - 12 case studies (IT, IE, FR, ES, AT, DE, CZ, FI HR, RO, BG, PT) to aid causal / systemic understanding
- ▶ **Study timeline: May-June 2023 to April 2024 (publication expected this summer)**

NB. *these findings and recommendations are not the opinion of the European Commission and do not commit the Commission in any way with respect to future proposals for the post-2027 CAP*

Purple means a need,
Orange means less need

Darker Orange means greater
need



Darker Orange means more need

Lighter Orange means more need

Average distance in metre to closest train station

Unit: Metres

- 1836 - 11286
- 11287 - 23310
- 23311 - 49288
- 49289 - 109479
- 109480 - 226705

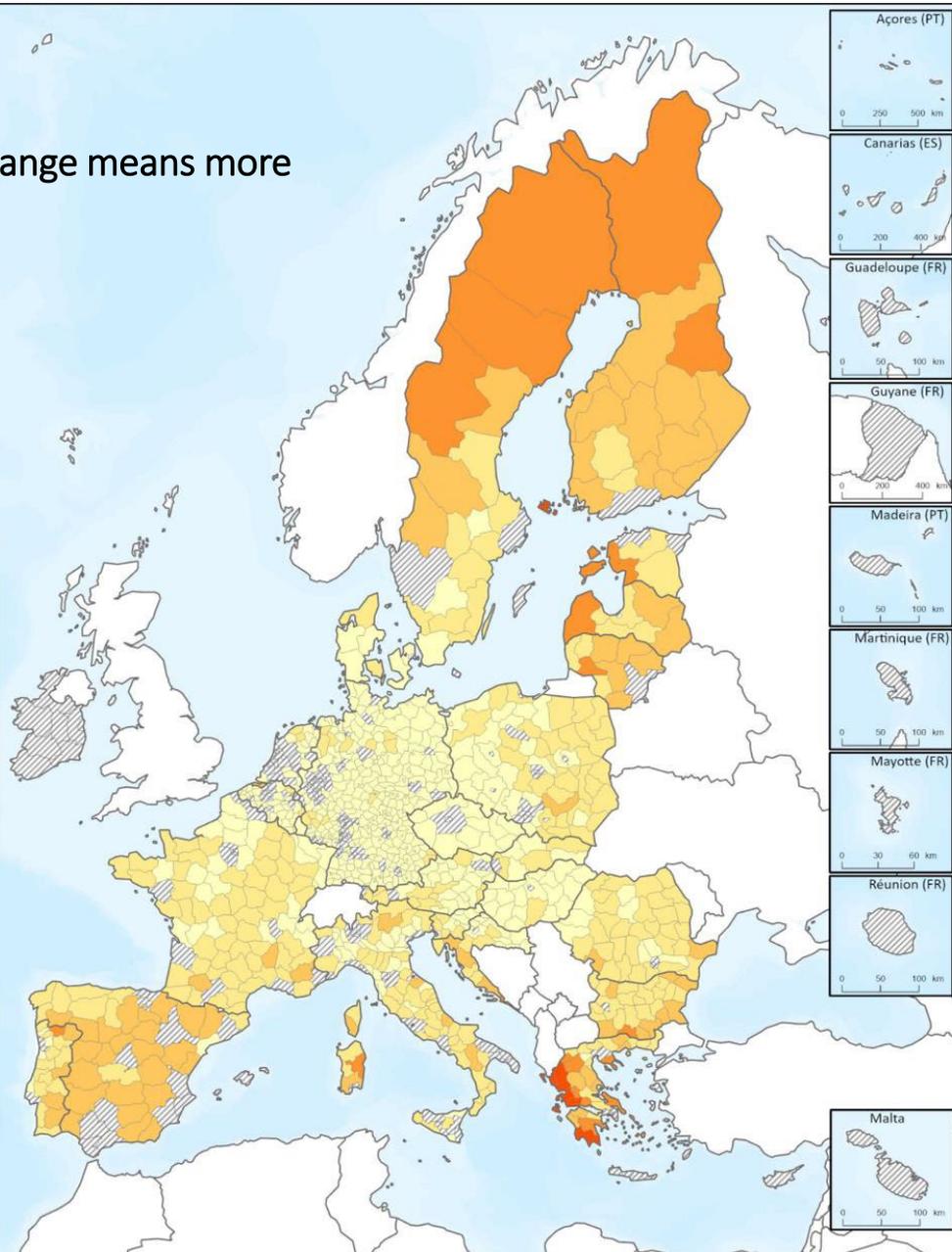
Missing data or urban areas

Data source: JRC Urban data Platform

Background source: EUROSTAT; Esri, Garmin, FAO, NOAA, USGS, HERE, GEOMATIC



0 750 km



Average speed of fixed Internet connection in Mbit per second

Unit: Mbit per second

- 16.7 - 53.8
- 53.9 - 85.7
- 85.8 - 118.3
- 118.4 - 161.2
- 161.3 - 258.3

Missing data

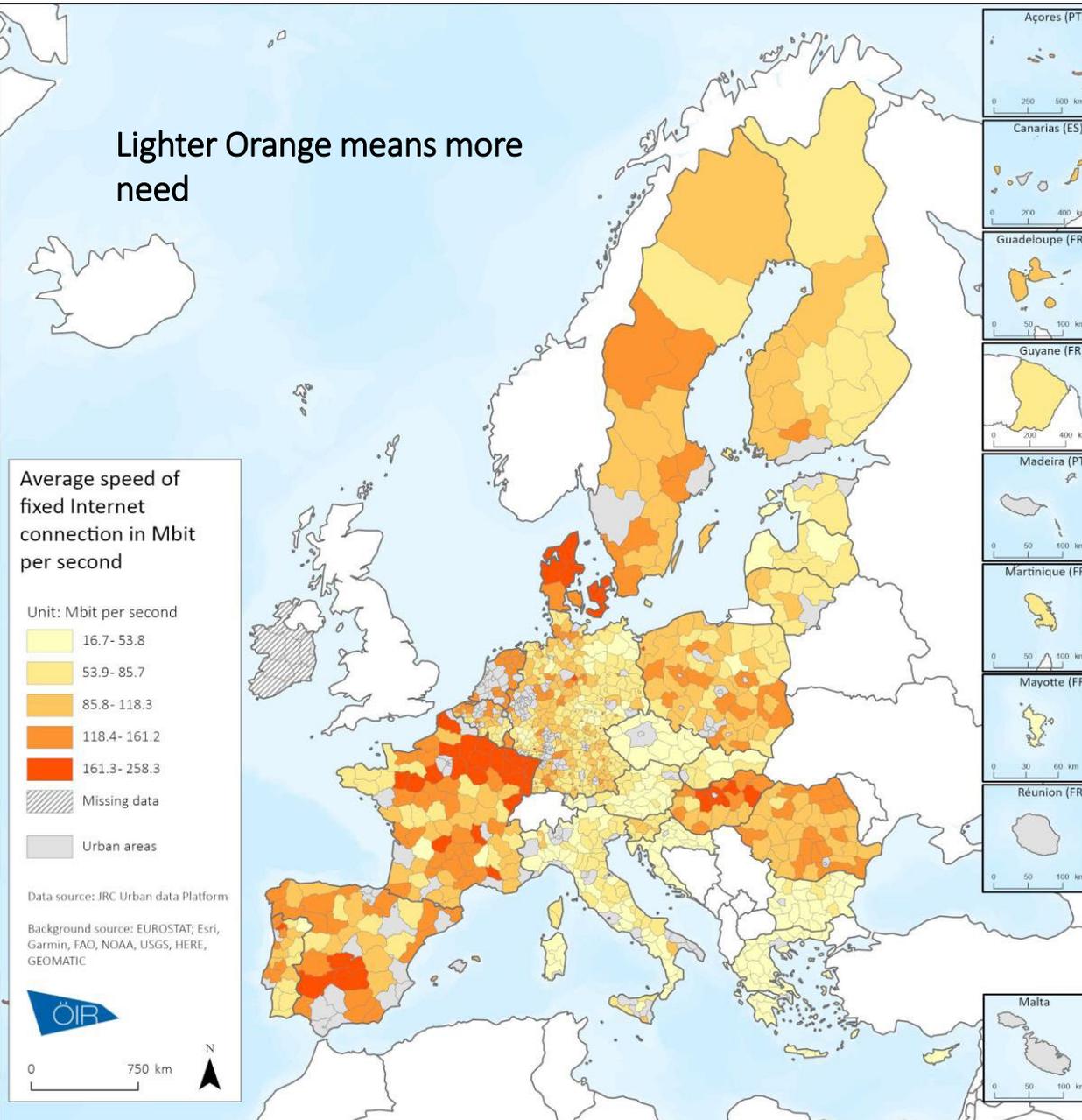
Urban areas

Data source: JRC Urban data Platform

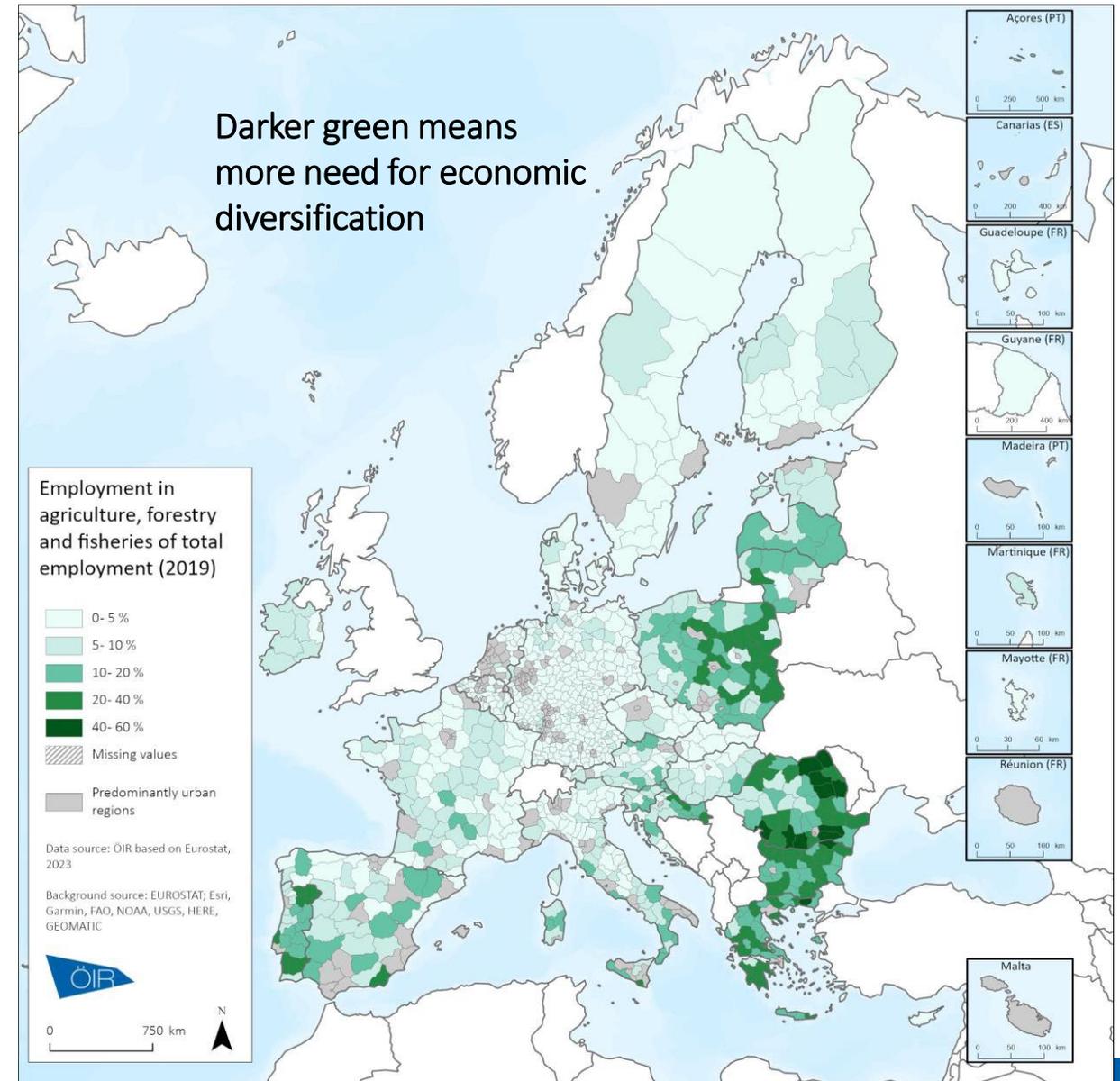
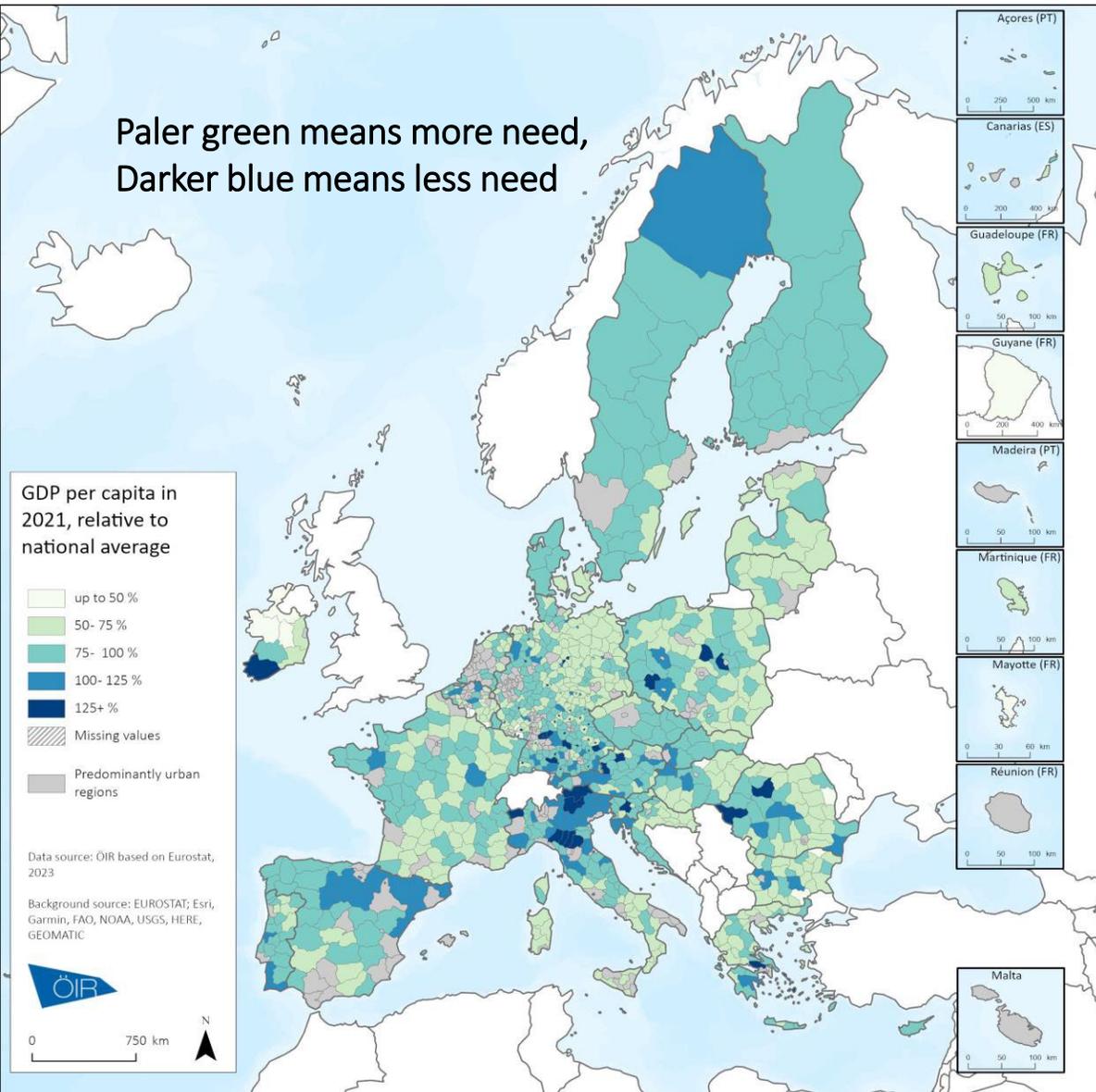
Background source: EUROSTAT; Esri, Garmin, FAO, NOAA, USGS, HERE, GEOMATIC



0 750 km



NEEDS: relative poverty, high dependence on primary sector jobs



Clustering NUTS 3 regions by the full mix of LTVRA needs

We defined 13 ‘most relevant’ indicators for the LTVRA, and used these to identify clusters of regions with a similar bundle of characteristics –

Cluster 1: Dynamic and economically **high performers**, Growing regions, relatively low ageing
Low carbon intensity and soil erosion, Very high GDP in comparison to national average, high employment, High accessibility (47 territories)

Cluster 2: Relatively good economic performers, Growing regions, moderate ageing, Low carbon intensity and soil erosion, Moderate GDP in comparison to national average, high employment, Moderate to high accessibility (390 territories)

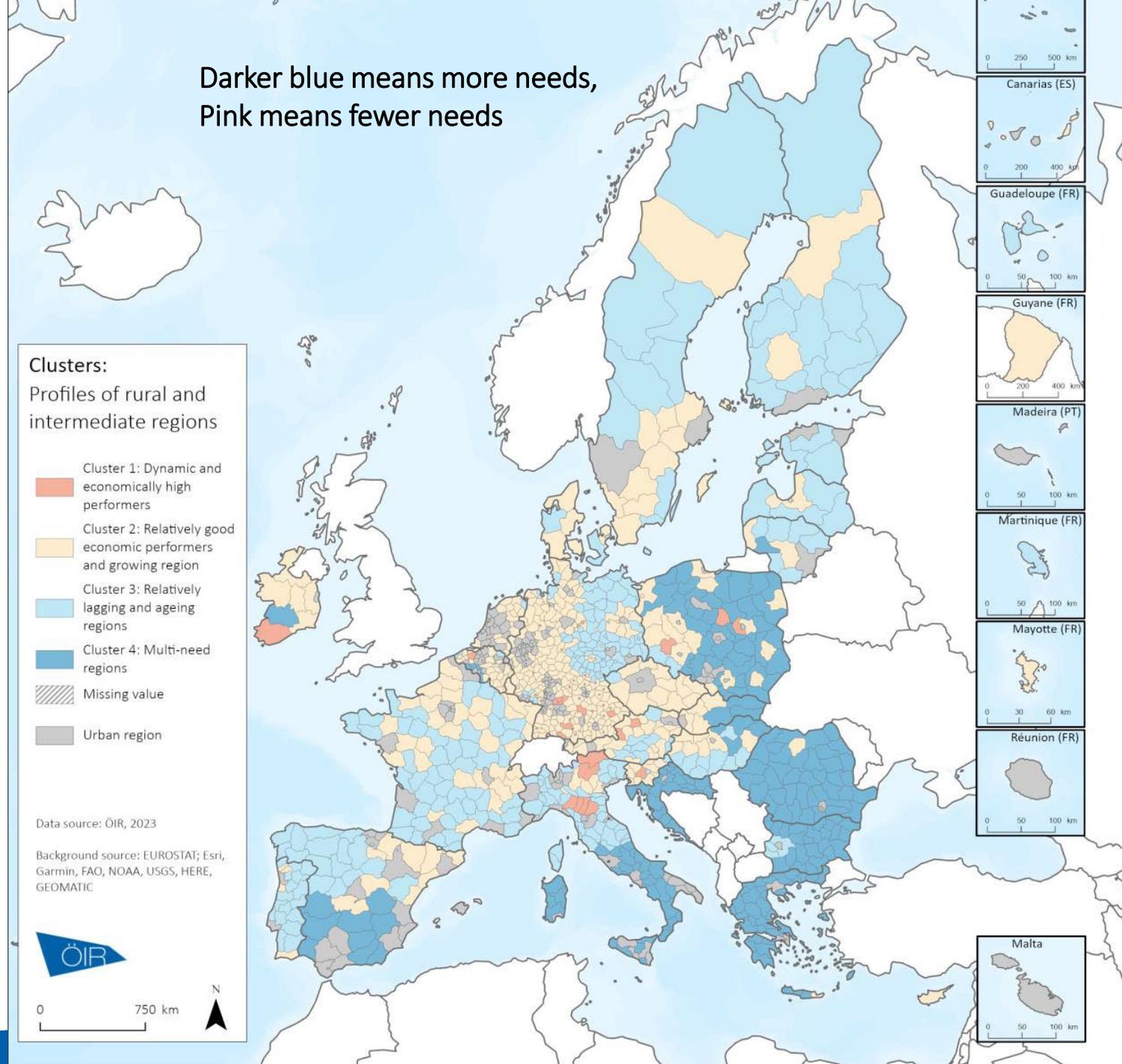
Cluster 3: Relatively lagging and ageing regions, Stagnating population, high ageing
Moderate carbon intensity, Moderate economic performance and employment, Moderate accessibility (270 territories)

Cluster 4: Multiple-needs regions, Shrinking population, moderate ageing, High carbon intensity, surface sealing and soil erosion, Low GDP in comparison to national average, low employment, poor accessibility (218 territories)

The 4 clusters, illustrated in the map

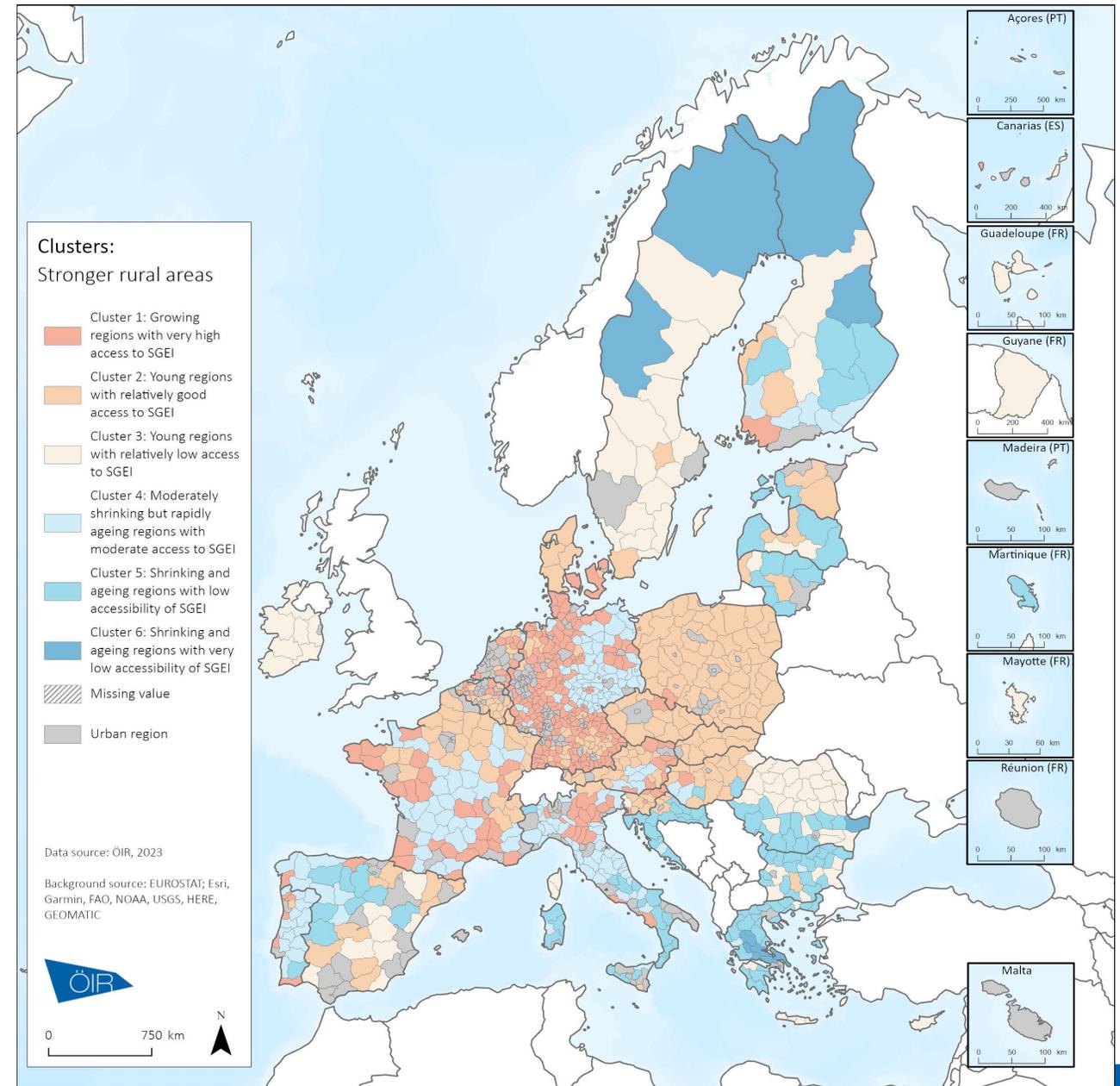
This gives a general picture of relative needs, but all arranged along a single 'composite' axis –

- It could be more useful for targeting and assessment, to consider the four LTVRA themes individually.....



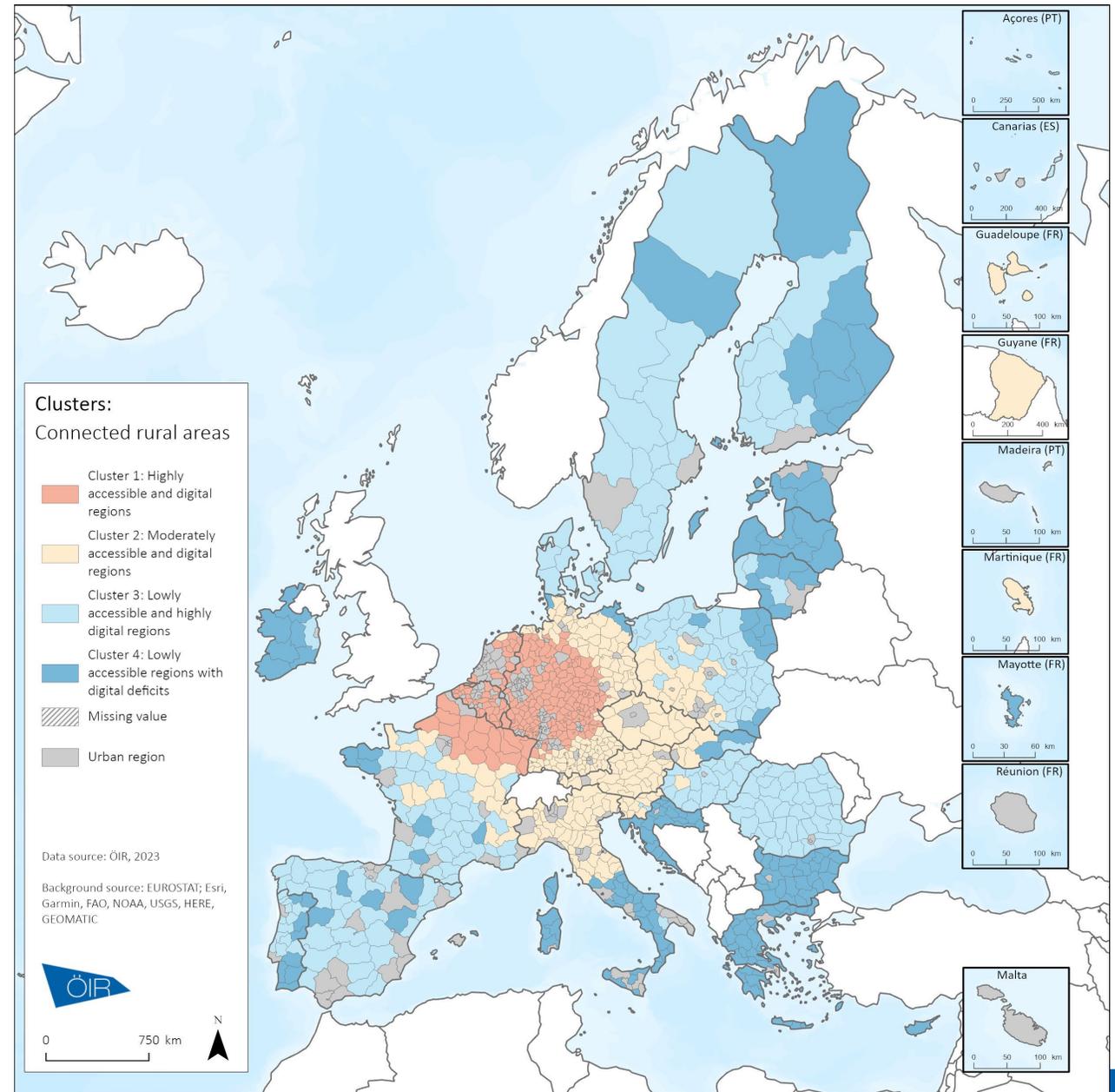
Clusters to identify LTVRA Needs in rural regions – stronger rural areas

- ▶ Input variables:
 - Demographic context (population change, elderly ratio, average age)
 - Access to Services of General Economic Interest (primary schools, health care etc.)



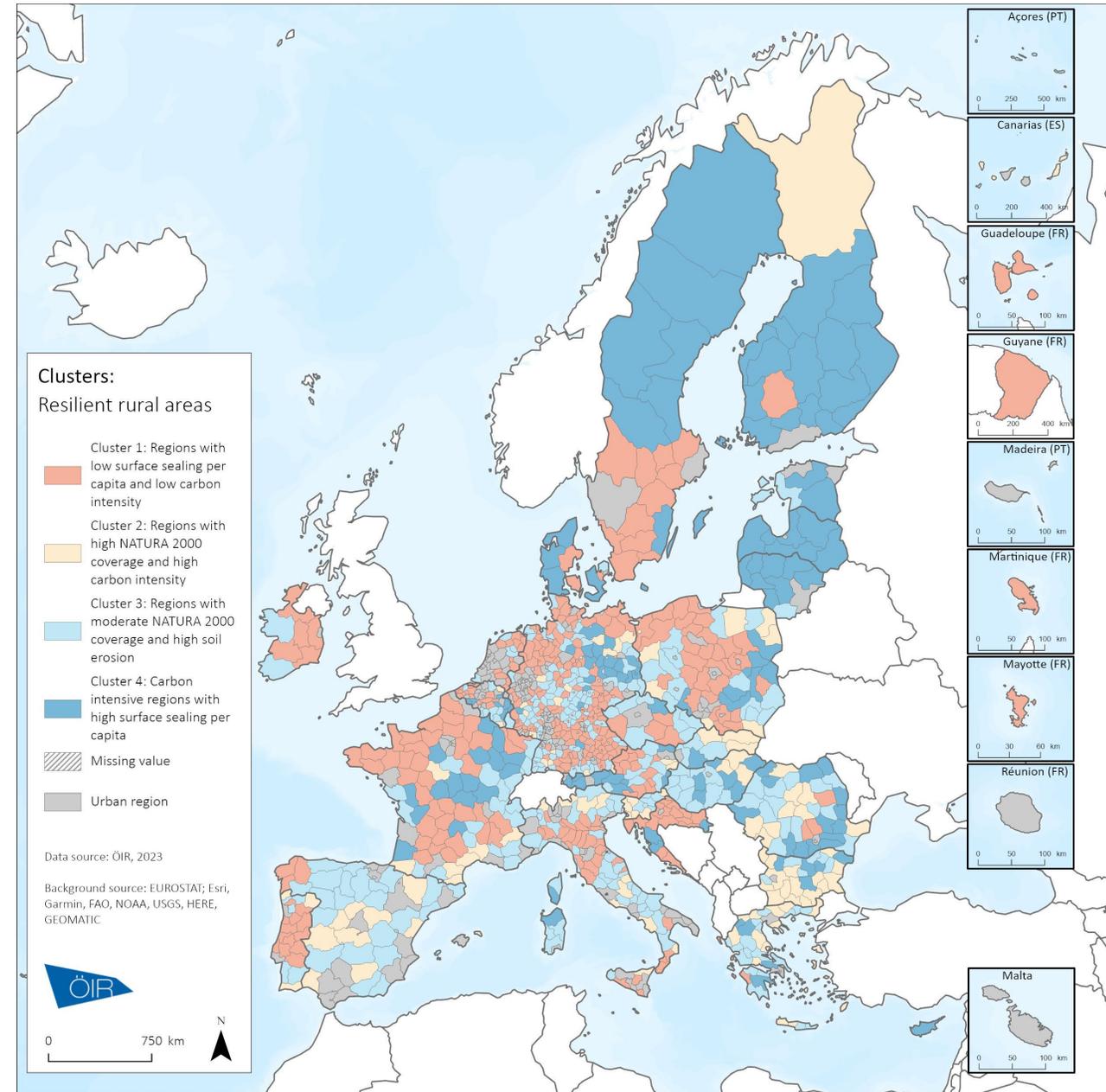
Clusters for LTVRA Needs in rural regions – connected rural areas

- ▶ Input variables:
 - Daily accessibility
 - Internet speed
 - Car ownership



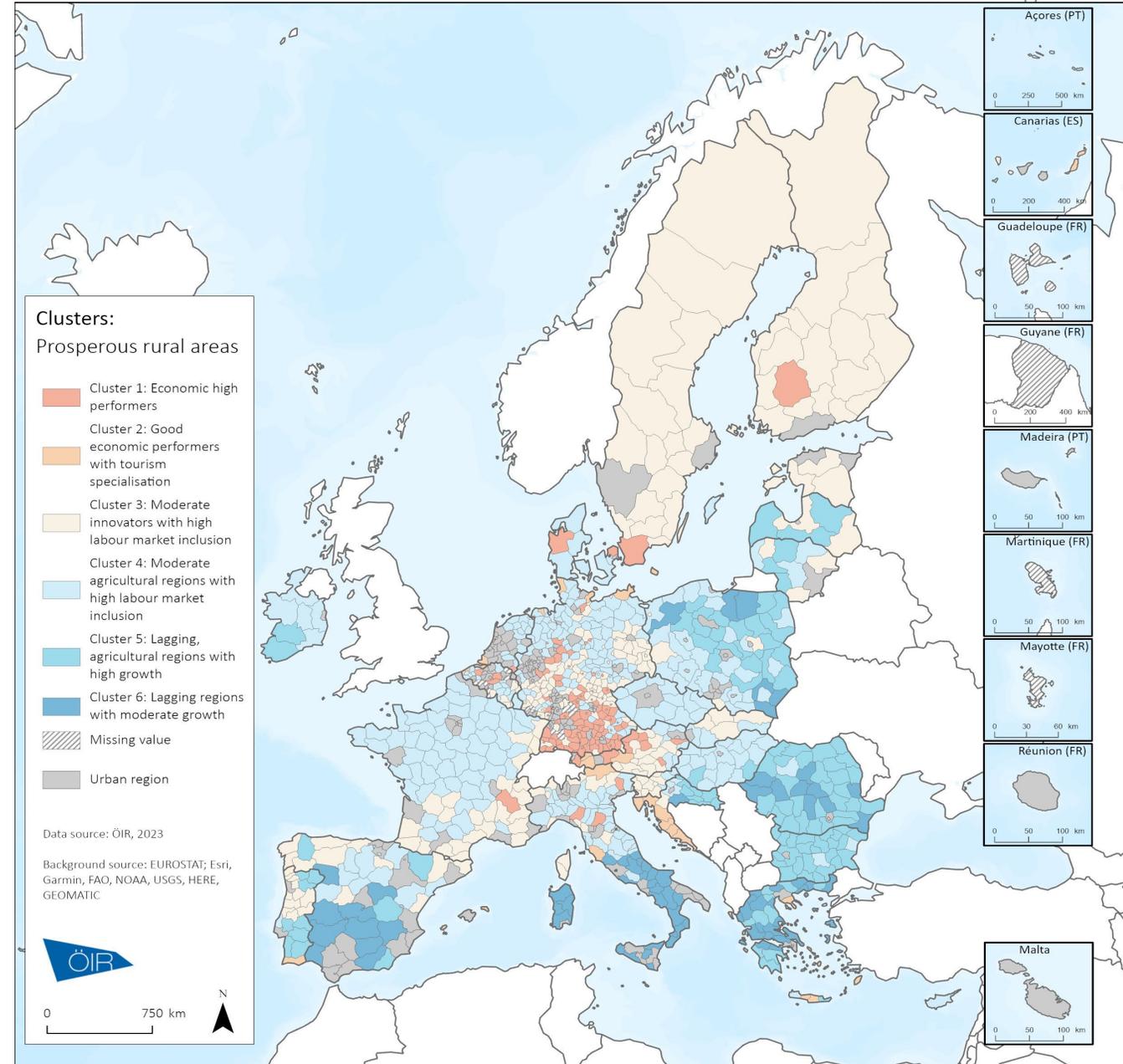
Clusters for LTVRA Needs in rural regions – resilient rural areas

- ▶ Input variables – *two distinct types cover environmental and social issues, but social issues are also picked up elsewhere, so focus here is **environment***:
 - Carbon intensity of GVA
 - Surface coverage (N2000, artificial surfaces)
 - Soil erosion
 - Energy requirements for heating and cooling



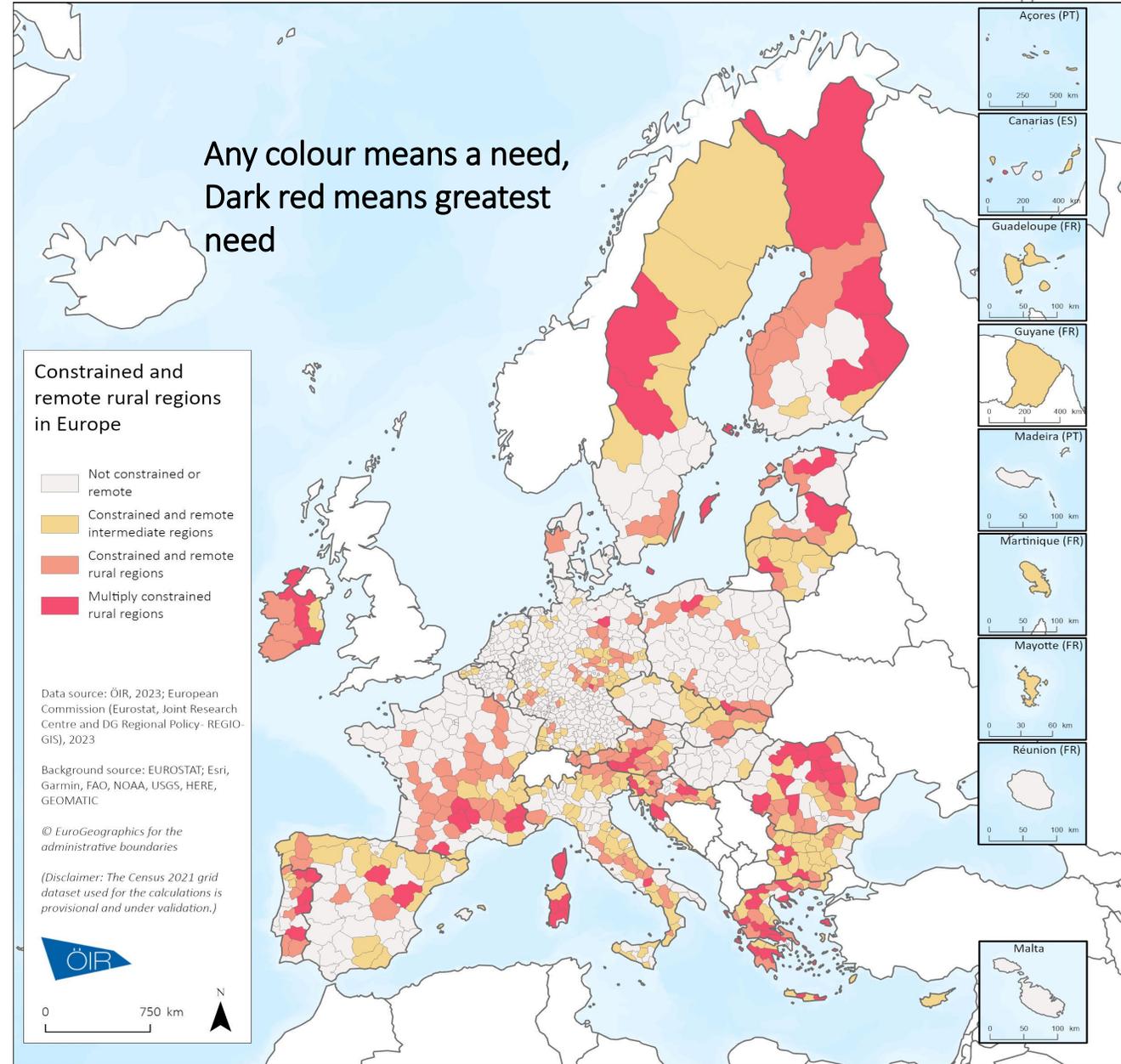
Clusters for LTVRA Needs in rural regions – prosperous rural areas

- ▶ Input variables:
 - Employment data (rate, representation of women)
 - Economic importance of farming (surface area, share of GVA)
 - Real GDP per capita growth
 - GDP per capita in relation to national average
 - Tourism intensity
 - Patent applications



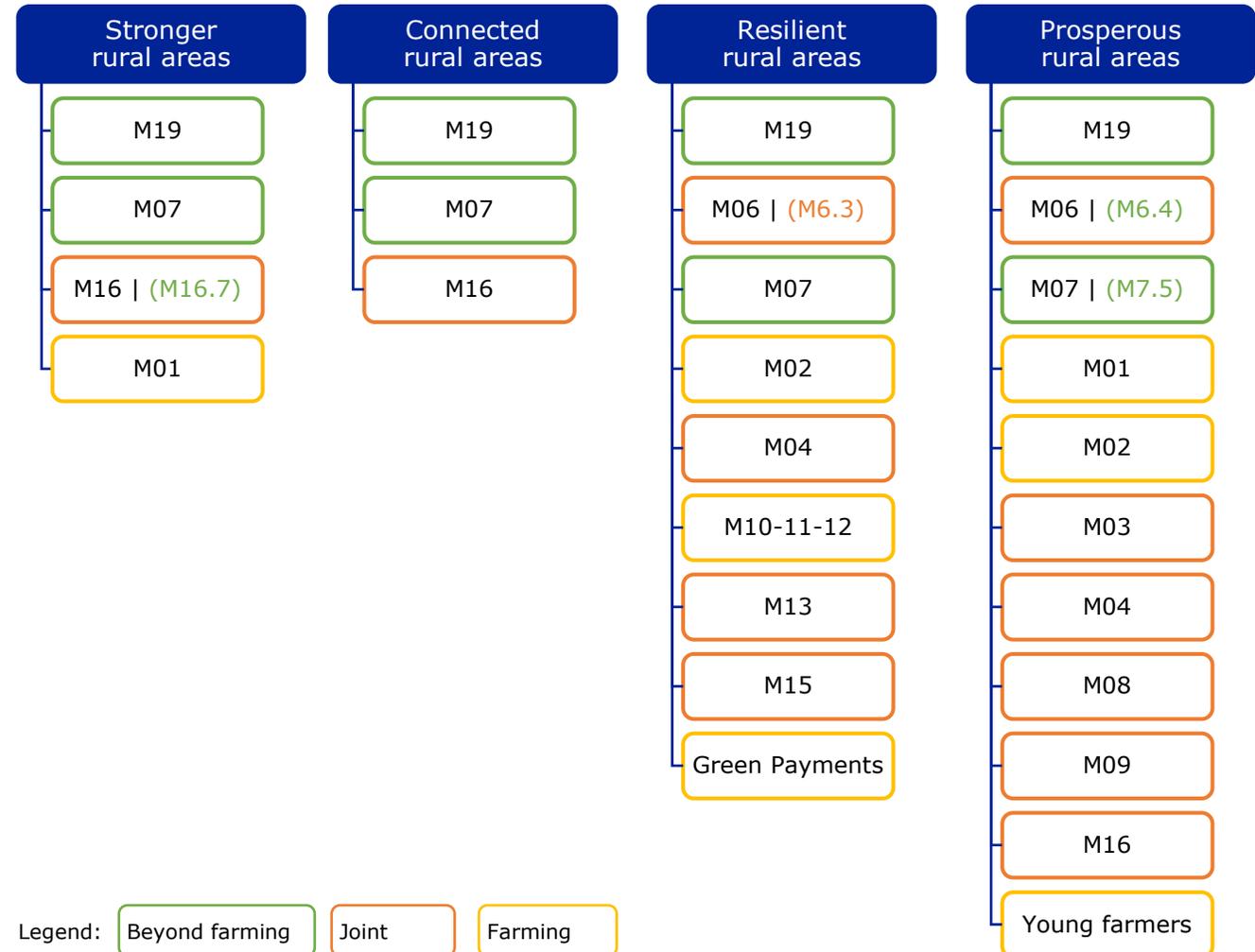
Remote and constrained rural regions

- Geographical constraints: mountainous, coastal, island, outermost regions
- Demographic constraints: very low population density (below 12.5 per km²) or average population decline of above 1% per year (between 2007 and 2017)
- Low accessibility: > 50% of the population lives more than 45 minutes driving time from the nearest city of more than 50, 000 inhabitants



How were CAP funds (2014-22) meeting LTVRA needs?

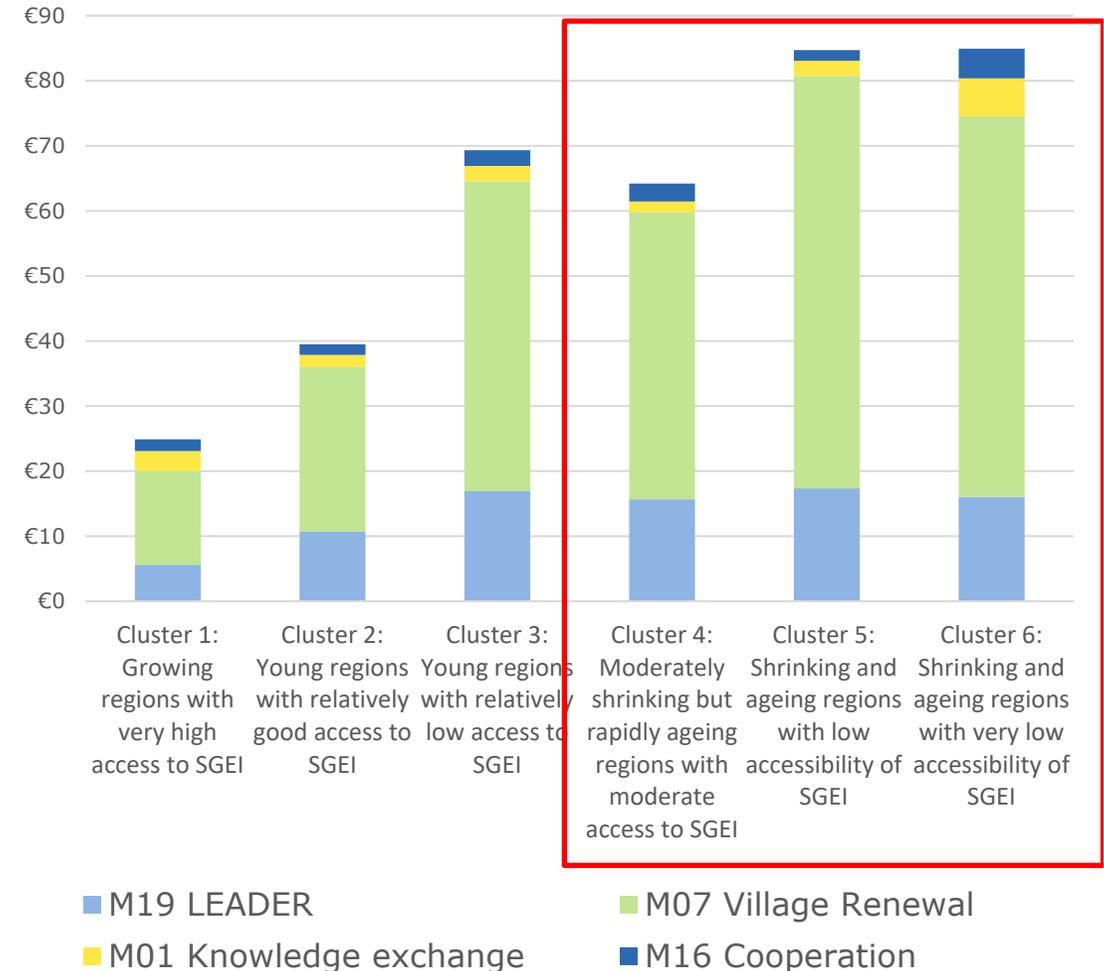
- ▶ **EAFRD and selected EAGF measures**, classed in relation to LTVRA action field (stronger, connected, resilient, prosperous) considering their intervention logics
- ▶ Categorisation into 3 types:
 - **Rural development beyond farming** – support targeting broader rural development
 - **Joint support** – measures / instruments able to target rural development and/or provide farm sector support
 - **Farming** – support targeted to the farm sector



Relevance of the CAP in relation to LTVRA

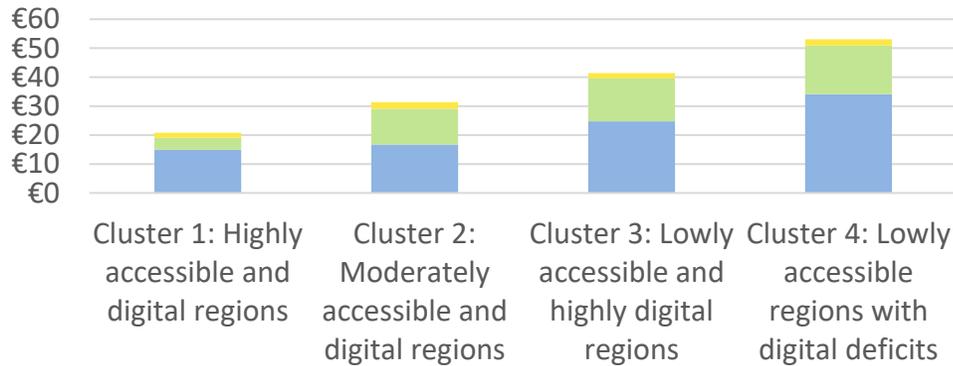
- ▶ EAFRD funding targets needs across all clusters, with **higher expenditure rates per capita in disadvantaged clusters**
- ▶ Evidence is strongest for longstanding EAFRD topics: economic diversification, provision of basic services / village renewal, rural enterprise development and strengthening rural connectivity -broadband, less for rural transport
- ▶ **Reported results highlight the importance of LEADER and village renewal measures**
- ▶ Social needs are strongly linked to LEADER actions and targeted activity. LEADER is often the only measure targeting specific needs of disadvantaged groups in rural territories, where LAGs have worked to address social cohesion and inclusion

EAFRD expenditure 2014-2022 per capita – stronger rural areas clusters



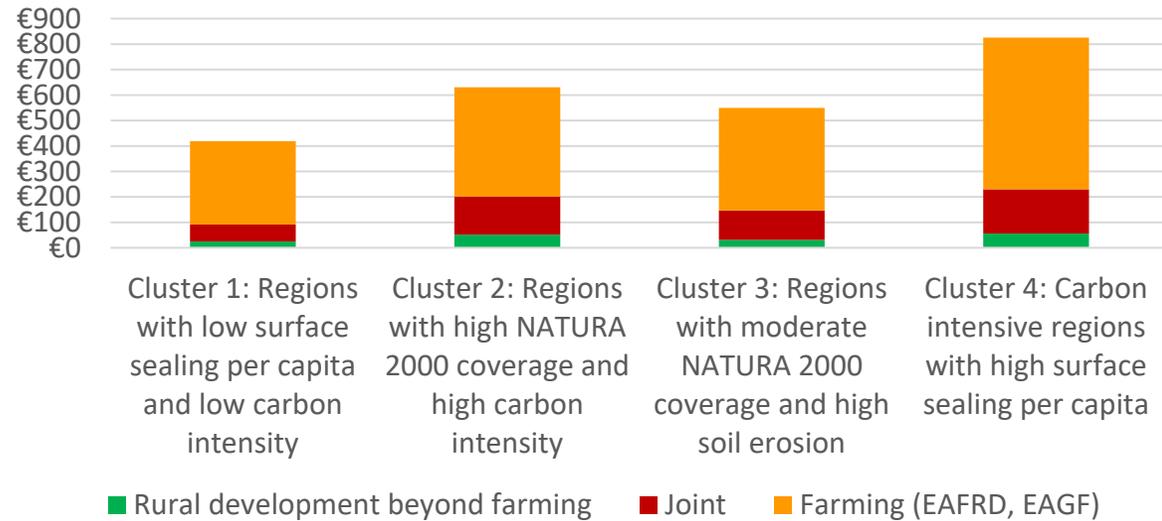
CAP 2014-2022 resourcing per capita by LTVRA-themed clusters of regions

Connected

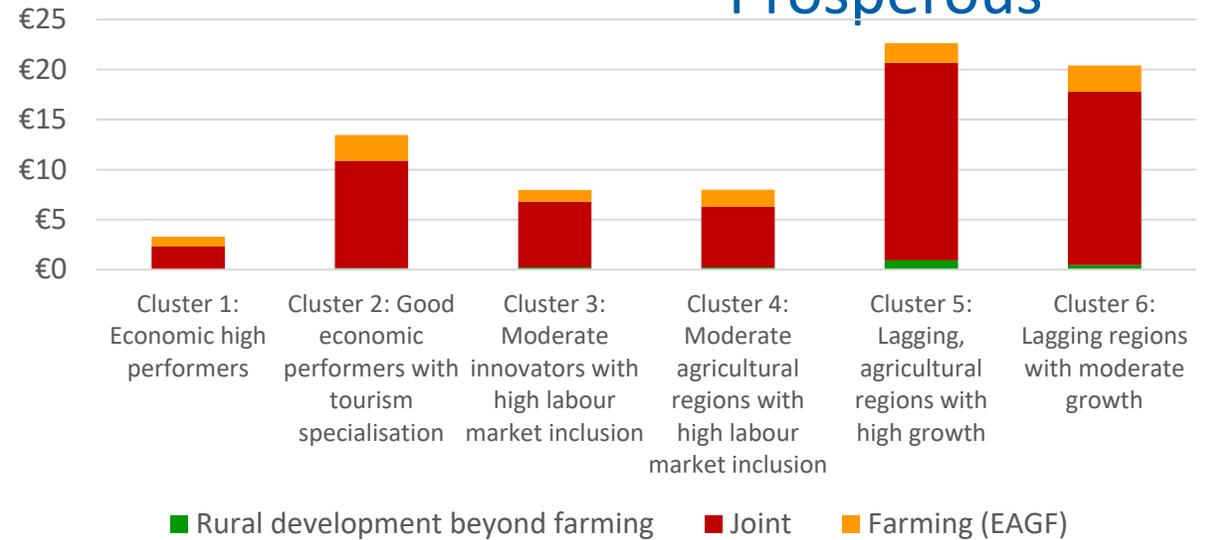


Note: when we consider LTVRA needs for resilient and prosperous areas, **Joint measures** and **Farming measures** are important

Resilient



Prosperous



Relevance of the CAP in relation to the LTVRA

- ▶ **CAP funding is very relevant for supporting LTVRA in most countries and territories**
- ▶ Differences relate specifically to territorial contexts, and established patterns of EU funds' use:
 - **Context** – MS with higher rural income and employment tend to target CAP RD funding towards their most remote/constrained areas, and to connectivity, business startups and innovation; MS/regions with significant rural poverty and unemployment tend to use EAFRD for basic services and infrastructure, although business development and diversification may also be a focus in these countries
 - **Funding balance** - Some MS with significant non-CAP funding for rural areas target CAP funds mainly into agriculture/ diversification/ agri-environment, while ESF picks up a greater role in rural social provision (e.g. Czechia CLLD, Ireland's Local Development Companies)
 - **LEADER** - its broad role is notable in most MS, although absolute funding levels are quite low. LAGs may use different EU funds to achieve their integrated strategies (but this is not made easy by funding rules and procedures)
 - In the **new CAP funding period** (2022-2027), *ex-ante* assessment (Ecorys, Metis and Agrosynergie, 2023) suggested the main target group is farmers, with only limited impact on social resilience or diversification of rural economies. NB the judgement was before any LEADER strategies were agreed.



Thank you!