EUROPEAN COMMISSION

DIRECTORATE-GENERAL FOR AGRICULTURE AND RURAL DEVELOPMENT

Directorate A – Strategy & Policy analysis **The Director**

Brussels, AGRI.A/FC (2024) 5276666

MINUTES

TECHNICAL WORKSHOP ON SOLIDARITY AND RURAL COMMUNITIES

JOINT MEETING WITH THE MEMBERS OF THE CIVIL DIALOGUE GROUP ON CAP STRATEGIC PLANS AND HORIZONTAL MATTERS AND THE MEMBERS OF THE EXPERT GROUP ON THE IMPLEMENTATION OF THE CAP STRATEGIC PLANS REGULATION

Hybrid meeting from 14:00 on Thursday, 16 May to 13:00 & on Friday, 17 May 2024 in Brussels (CCAB) and online (Interactio)

Chair: Head of Unit, DG AGRI, Policy perspectives

1. Approval of the agenda and of the minutes of previous meeting

2. Nature of the meeting

The event was a non-public meeting among the members of the DG AGRI Civil Dialogue Group on CAP Strategic Plans and Horizontal Matters and the members of the Expert Group on the Implementation of the CAP Strategic Plans Regulation.

3. List of points discussed

Introduction

The Chair welcomed participants to the workshop and explained the objective of the event, i.e. to discuss the challenges faced by people living and working in rural areas, their specific needs, and the policies to address them. He underlined that the focus would be on policy solutions (both CAP and beyond) against the background of the various (socioeconomic) challenges that rural communities are facing in Europe.

Mr. Mario MILOUCHEV recalled that adoption by the College of the report on the Long-term vision for rural areas in the EU (¹) (LTVRA) on 27 March 2024, describing its key achievements and outlining possible ways forward. He presented some of the contributions and proposals received by all EU institutions and stakeholders following the adoption of the rural vision, including improving financial support for rural areas, earmarking funds for rural areas that are naturally constrained or in demographic difficulties, and allocating higher resources to local rural development. He drew special attention to the reflection questions in paragraph 3.3.2 of the Commission report. While decisions for after 2027 will only be taken by the new College of Commissioners, he insisted that the workshop would still contribute to shaping the discussions on the future of rural areas.

$Block\ 1$ - EU rural areas and communities: key challenges and policy responses adapted to their diverse needs

Prof. Maura FARELL presented some key challenges, opportunities, and trends for rural areas in transition. She outlined that rural areas across Europe were undergoing fundamental changes. These accentuate existing challenges that include insufficient public services and infrastructure, inadequate connectivity, outmigration and an aging population, economic decline and lack of job perspectives, and difficult access to finance. While some policy instruments already exist, she stressed that interventions should adopt a people-based approach. She also insisted on the need of ensuring an EU-wide policy framework for rural areas for homogenous policy implementation while considering regions and Member States' diversity.

Mr. Masayasu ASAI discussed the synergies and trade-offs between rural and agricultural policies. He underlined that these interactions between policies are highly relevant because agriculture and rural development share the territory they are placed in and have many shared goals. However, they are not always complementary because of different priorities and approaches. To harvest the synergies of the two, a stronger multi-stakeholder and polycentric approach is needed, which allows for more participatory co-development on the side of rural communities and is guided by a shared vision.

Prof. Janet DWYER presented a first set of selected findings of the study commissioned by DG AGRI with the aim to review the funding allocations to rural areas in the CAP 2014 – 2022 period, alongside that of other EU funds targeting rural areas in 2014-2020, primarily ERDF/CF, ESF and EMFF. As the study has not yet been published the presented results and interpretation do not represent the view of the Commission. Prof. Dwyer first showed the great variety of rural areas and their needs across Europe. She then showed that CAP funding had contributed to rural areas' development and that it was already targeted predominantly to those areas most in need. However, she underlined that social needs are not addressed much. She concluded that CAP funding has been very relevant for supporting rural development and the LTVRA, but that more diversified approaches are needed.

The following discussion among workshop participants touched on the importance of the agricultural sector for rural areas, while also acknowledging synergies and potential trade-offs between the two. Participants highlighted the need to shift the narrative from disadvantages and challenges to 'rural opportunities', the need to ensure coherence between rural policies and other policies affecting rural areas, the need for a greater focus

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⁽¹⁾ COM/2024/450 final - <u>EUR-Lex - 52024DC0450 - EN - EUR-Lex (europa.eu)</u>

on social issues (including mental health), the potential opportunities of business diversification (e.g. the bioeconomy) for both farming and rural economies, and the importance to build capacities and social capital in order to deliver local development strategies effectively.

Prof. David MILLER presented findings from several living labs research projects on the use of place-based policies to respond to the diverse needs of rural areas. Place-based approaches can have the advantage of involving more local actors, creating bottom-up change and ownership, and harvesting local innovation and knowledge. He also stressed the need to widen the focus when designing policies and look at the wellbeing of rural communities at large, rather than simply demographic and economic growth. He finally stressed the need to invest in human capital to safeguard the innovation potential of rural areas and tap on rural funding.

The Spanish Ministry for Ecological Transition and Demographic Challenge presented Spain's national action plan to address rural depopulation. The plan is based on a clustering of rural areas in terms of their different functionalities and municipal-level data (accessible via a public, interactive platform) that has been used to design targeted interventions. The Ministry underlined the importance of cross-cutting governance (vertically and horizontally) in implementing targeted policies and the key role of "rural proofing".

The following discussion among workshop participants touched on the importance of vibrant rural areas for democracy by addressing rural discontent, the role of the social economy in rural areas, the special needs and role of rural youth, the need to identify the right categories for targeting support, and opportunities to better support local and regional initiatives, including data collection and cartography.

Block 2 - Integrated planning mechanisms and governance need to deliver effective results at territorial level

Mr. Arndt MÜNCH presented further preliminary findings from the study commissioned by DG AGRI and analysing funding for rural areas in the CAP 2014 – 2022 period, alongside that of other EU funds targeting rural areas in 2014-2020 CAP. The study explores, among others, the coherence and integration of different funding programmes in MS approaches. For most MS, most of their EU funding for rural areas comes from EAFRD. MS have different approaches to rural funding that can be roughly classified as: i) holistic, ii) high political commitment and iii) sectoral or thematic. MS with more holistic approaches also had more synergies between funding instruments. More accurate definitions of rural areas and formalised governance structures to coordinate instruments were found to be helpful to better integrated funding and create synergies.

The Czech Ministry of Labour and Social Affairs presented the Czech multi-funding approach to rural development as a best practice example of holistic rural policy. The examples chosen showcased support for social inclusion. The main funds that are being used synergistically are EAFRD, ESF+, and ERDF. They underlined the important role of Local Action Groups in administering the funding, and the need to support capacity building for effective integrated planning. The Ministry concluded that more facilitated best practice sharing between MS would be useful in the future.

Mr. Stefano PISANI, Mayor of the Italian town of Pollica, explained the South Cilento Master Plan, a regional holistic rural development strategy based on territorial planning and a multifund approach. The Plan brings together 13 municipalities under a common regional development strategy that also invests heavily in environmental projects. One of the key challenges that the alliance was facing was the lack of trained staff in municipalities to effectively exploit the synergies of different funds. The intervention stressed the importance of vertical coordination (regional-local) in delivering rural development policies to ensure professional advice, right identification of priorities (strategic vision) and coherence in the implementation.

The ensuing discussions touched on the possibilities and challenges for holistic and multifund approaches in Europe. Several participants underlined that the integration of several funds is still underused in most MS and that this needs to be facilitated better. The role of local communities in raising their own funds through crowdfunding was also mentioned. It was underlined that skills and knowledge were another barrier to a multifund approach, especially in constrained and deprived rural areas.

Block 3 - Socio – economic sustainability challenges for farming and rural communities

Prof. Francois PURSEIGLE explored the implications of the structural changes in European agriculture on farm labour and employment. He underlined the increasing number of salaried farm workers and a growing trend of delegating agricultural work to service providers. Regarding generational renewal, he insisted that policies need to provide continuous support for new entrants and not just installation aid. Key is also to anticipate the mechanisms of successions. The presentation pointed to the need of improved statistics and analysis to understand current structural dynamics in the farming sector and main drivers behind them.

Ms Aine MACKEN-WALSH presented on the attractivity of the farming sector for new entrants. She underlined that family farming remains relatively resilient in the face of change because it is underpinned by strong identification models. However, more and more farmers are shifting to semi-subsistence farming models. She explained this by the increasing societal demands on farming, the reconfiguration of traditional family structures and the conflation of farming with land ownership, which makes it difficult for externals to enter the sector. She also highlighted that the most significant skills mismatch in agriculture in Europe were social skills and that strengthening societal prestige and bolstering flexibility of different farm models and ways of working could make agriculture more attractive.

EFFAT highlighted that the increasing 'flexibilisation' of agricultural employment forms bears risks for farm workers, especially migrant workers. He underlined that lifelong learning and upskilling are very low in agriculture because of a lacking enabling framework for the sector.

CEJA (filling in for Ms Marion PICOT) presented key obstacles for young farmers and new entrants. He underlined difficulties of accessing land and capital, the low profitability of farming as a business, the quality of life (e.g., social activities) in deprived rural areas and the lack of knowledge of agriculture in society.

The following discussions further explored the low attractiveness of farming as a profession. Several participants called for the need to consider people without farming backgrounds wanting to become farmers or agricultural workers. In this context, the opportunity to better targeting policy measures (e.g training) beyond farm holders should be considered. Others underlined the need for more social dialogue, stronger links between rural and urban areas and the mainstreaming of rural in other policies to ensure that the specific needs of rural and farming communities are considered.

4. Conclusions/recommendations/opinions

DG AGRI representatives provided a summary of the discussions and aimed to draw some preliminary conclusions of the workshop deliberations:

- The Common Agricultural Policy is highly relevant to support rural development, but CAP budget is not enough to address the wide spectrum of challenges faced by rural areas. Hence the need for integrated approaches where other policies (and funds) contribute in synergy. Rural proofing can be better used as leverage. Ring fencing of EU cohesion funds / national territorial funds for rural areas most in needs is also emphasised.
- There exist trade-offs and synergies between agricultural and rural policies that need to be duly considered. The increasing productivity in agriculture entails decreasing labour input and a professionalisation of the sector, while policies try to favour repopulation.
- Place-based approaches that reply to the specific needs of rural communities can help address rural challenges. There is a need to go back to values/functions/multifunctionality of both agriculture and rural areas and reward the positive values and models that produce most societal outcomes with key role of agriculture. At the same time, the policy support for place-based approaches is not only about listening to rural people, but also about recognising the value of local knowledge, ideas and resources ("decision are best taken on the ground") and acting on these views.
- There are **tools available to target most acute needs and areas**, policies will benefit from more effective targeting towards: i) specific areas (remote, constrained, depopulated, inner, mountains or different rural functionalities); ii) issues (deprivation/discontent, farming models that enable "cohabitation", social inclusion, social enterprise, areas of market failure broadband, mobility, public services, youth engagement, economic opportunities and diversification, on and off-farm); and/or groups (the silent voices, including young people, recent immigrants, disengaged and the most deprived families/households)
- **Data is key** to enable decision making based on evidence, with a level of detail / granularity that is appropriate to inform on local specificities and with a wider understanding of the territory / community (e.g., well-being)
- Mutual learning and inter-disciplinary approaches are needed to foster agri-rural policy synergies. This can be achieved via more cooperation (farm and non-farm, urban and rural, traditional, and new actors) and co-creation. Local communities have the right knowledge, ideas and resources and policies need to act on these. LEADER/CLLD is a good example of flexible policy tool that can combine strategic approach, targeting and responsive delivery mechanisms.

- Available policy instruments should allow flexibility to target needs while allowing a
 strategic approach and a responsive delivery mechanism (e.g., LEADER, village
 renewal in previous CAP). However, to ensure that rural areas are appropriately
 targeted, ring-fencing of EU cohesion funds and national territorial funds would
 be key.
- There are **three main governance levels that must align strategies** to being able to deliver integrated actions and ensure effective multi-actor governance mechanism. It is important to have holistic/strategic approaches at national since it leads to more integrated approaches between EU/national polices. The regional level is the intermediate layer, relevant to empower integrated local action (e.g., ITI) and to build capacities. However, the local level is key for policy implementation following a functional approach logic (e.g., to ensure service provision in functional areas).
- Some **policy needs** are widely recognised while new proposals were also highlighted:
 - **Funding:** simplification of funding is paramount via simplified cost options and flat rates, enhanced flexibility, harmonisation of rules at EU level, go back to N+3, change the structure of funding to enhance synergies between EU funds and ensure that more funding goes to the development of rural areas. The EU level needs to consider simplifying multi-funding as MS have voiced difficulties with implementation. However, there were different views on whether multi-funding had to be of compulsory character. Different funds can have different uses (one lead fund approach is an option, but not necessarily the only one), EARDF is suitable for small infrastructures while ERDF would address larger infrastructure, and national funds would be needed for action beyond EU competences.
 - Capacity building: there is a widespread need to support this via technical assistance, dedicated services (e.g.: from the region or the Member State) or by mobilising technical expertise at local level.
 - o **EU Networking for rural areas** should ideally cover the CAP together with other structural funds.
- Farming is not simply an economic activity but a socio-cultural practice to be considered in its wider context. Changing farming models (e.g., tertiarisation) and concurring challenges (e.g. digital, green transition) ask for rethinking what makes farming an attractive job and adapting learning paths and skills accordingly. Attractiveness of rural areas remains key for the attractiveness of the sector. Further, support to access to infrastructure and services are to be considered as being an issue of human rights and equity.
- A sustainable and just transition in agriculture means accounting for wider participation (youth, women, migrants) to address the challenge of an ageing sector, while ensuring good working conditions (protection of workers) and build stronger appreciation of the sector and social connectedness. Addressing farmers' mental health issues is paramount.
- Relevant CAP tools are available but further integration with national level policies (e.g., access to land and credit, succession planning) is necessary, alongside stronger social dialogue and an EU framework for up- and re-skilling (i.e., large-scale skills partnership for the agri-food ecosystem). The debate around social conditionality as policy tool elicit different views with calls for strengthening opposed to concerns of adding pressures on farmers as employers.

5. Next meeting

This workshop concluded the series of workshop launched in December 2023 on the future of the CAP.

6. List of participants

- All Member States were present, except BG, CY, MT.
- All CDG organisations were present (see the enclosed list), except: CEETTAR, CELCAA, CEPM, EAPF, EEB, EFNCP, EFOW, EMB, EPHA, EUCOFEL, EUFRAS, EUROMALT, FEFAC, Fertilizers Europe, FESASS, FoE, FoodDrinkEurope, Freshfel Europe, PFP, Rural Tour
- Ad hoc participants:
 - o In private capacity: David Miller, Maura Farrell
 - Representatives from COMUNE DI POLLICA, Council of European Municipalities and Regions, OECD, DIESIS Network, Organisation For Economic Co-Operation And Development, Rural Pact Coordination Group, Rural Pact Support Office, Teagasc, Österreiches Institut für Raumplanung, Sciences Po CEVIPOF, University of Gloucestershire, Rural Youth Europe
- European Economic and Social Committee

List of CDG organisations present – Minutes

Technical Workshop on Solidarity and Rural Communities

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Hybrid meeting

from 14:00 on Thursday, 16 May to 13:00 & on Friday, 17 May 2024 in Brussels (CCAB) and online (Interactio)

AEEU - Agroecology Europe
AREFLH - Assemblée des Régions Européennes Fruitières Légumières et Horticoles
AREPO - Association des régions européennes des produits d'origine
BeeLife - Bee Life - European Beekeeping Organisation
BirdLife Europe
CEJA - Conseil Européen des Jeunes Agriculteurs / European Council of Young Farmers
CEPF - Confederation of European Forest Owners
COGECA - European agri-cooperatives / General Confederation of Agricultural Cooperatives of the European Union
COPA - "European farmers / Committee of Professional Agricultural Organisations of the European Union
ECVC - European Coordination Via Campesina
EFA - Eurogroup for Animals
EFFAT - European Federation of Trade Unions in the Food, Agriculture and Tourism sectors
ELARD - European Leader Association for Rural Development
ELO - European Landowner's Organisation
ERCA - European Rural Community Alliance
EURAF - European Agroforestry Federation
EUROMONTANA
GEOPA-COPA

IBMA - International Biocontrol Manufacturers Association
IFOAM - International Federation of Organic Agriculture Movements European
Regional Group
IPIFF - International Platform of Insects for Food and Feed
ORIGINEU - Organisation pour un réseau international d'indications géographiques
Rurality, Environment, Development

WWF - World Wide Fund for Nature