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| From: | General Secretariat of the Council |
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| То: | Delegations |
| Subject: | A Long-Term Vision for the EU's Rural Areas (LTVRA): Shaping the future of EU's rural areas |
| | - Exchange of views |

With a view to the meeting of the <u>Council (Agriculture and Fisheries)</u> on 18 of September 2023, delegations will find in the Annex a Presidency background document on the above-mentioned subject including questions to frame the ministerial debate.

Background document

(04/09/2023)

EU Council debate on the Long-Term Vision for the EU's Rural Areas (LTVRA): *Shaping the future of EU's rural areas.*

Exchange of views

The European Union's rural areas are crucial for the well-being of its citizens and the functioning of society. Rural areas are home to 137 million people and cover 83% of the EU's territory. They are key to achieving EU's sustainability goals as they play a vital role in food production and sustainable management of natural resources on which all Europeans depend, alongside cultural heritage preservation. Altogether rural areas are key contributors to the overall well-being, resilience and economic strength of the EU.

Rural areas in the EU face unique challenges, including an aging population, population decline, gender gap, limited connectivity, underdeveloped infrastructure, a lack of diverse employment opportunities and gaps in the availability of and access to services. However, these areas are also active participants in the green and digital transitions, offering opportunities for improving rural people's living conditions and reinforcing the social and territorial cohesion.

In June 2021, the European Commission adopted the Communication "*A long-term vision for the EU's rural areas*" (*LTVRA*) aiming to create stronger, connected, resilient, and prosperous rural communities by 2040. The vision is based on extensive consultations, foresight and analysis exercises, addressing a broad range of themes of importance to rural regions. This communication sets out the challenges and concerns these areas are facing and highlights some of the most promising opportunities that are available to them. The Communication includes the proposal of a Rural Pact and the implementation, by the European Commission, of an EU Rural Action Plan to support the shared goals and aspirations of rural communities.

To tackle these challenges and capitalize on opportunities, this vision emphasizes the need for suitable policies that support sustainable rural areas. It proposes to empower rural communities, improve access to services and infrastructures, facilitate innovation, enhance connectivity (both in terms of transport and digital access), preserve natural resources and act for climate change, promote green farming practices, improve social resilience, and diversify economic activities, improving competitiveness of SMEs and building on the potential of the green and social economy.

One of these policies is the new CAP, which contributes to this vision by fostering a smart, resilient, and diversified agricultural sector, bolstering environmental care and climate action, and strengthening the socio-economic fabric of rural areas.

Due, however, to the diversity of rural areas, targeted, place-based and integrated development strategies and solutions are necessary, considering the specific needs and strengths of each region. Participatory governance in policy design and decision-making, involving Local actors and civil society organizations are key to promote and enhance social and territorial cohesion. Capacity building in remote areas is crucial for empowering rural communities, and, in this context, multilevel governance approaches and partnerships should be strongly encouraged. Amid this vision, the role of Local Action Groups and community-led local development strategies should be highlighted, as should be the importance of rural-urban inter-dependencies and linkages and the role played by small and medium-sized cities as "anchors" of local development.

In practice, the **Rural Pact** aims at mobilising actors at different levels, including EU, national, regional, and local, to act on the needs of rural areas fostering economic, social, and territorial cohesion. Additionally, the **EU Rural Action Plan** lists beneficial actions for rural areas taken by the European Commission under relevant policies, seeking sustainable and integrated rural development, with support from existing policies such as the Common Agricultural Policy (CAP), Cohesion Policy and the Recovery and Resilience Facility, but also other sectoral ones (energy, education, mobility etc.).

The vision also highlights the importance of monitoring and reviewing the implementation of this EU Rural Action Plan, ensuring its relevance, and identifying areas that require enhanced support. In this context, a rural observatory was established at the end of 2022 within the JRC, to centralise and analyse data, inform policy-making, and support the implementation of the Rural Action Plan.

Recognizing this, the LTVRA communication emphasizes the importance of a holistic approach towards rural development that combines EU-level, national, and regional policies and actions, including investments. This approach should address challenges, encourage equitable economic and social conditions for rural citizens, support sustainable farming while ensuring food security, foster economic diversification and innovation in rural economies, and leverage the opportunities offered by the digital and green transitions. Access to stable and high-speed broadband service, digital capacity building and skills, and an enabling environment for rural digital innovation are crucial for rural areas to benefit from digital opportunities. The European Green Deal presents major opportunities for rural areas, but it is essential to ensure a just and inclusive transition, considering the specific risks these areas face.

In this connection, the Rural Pact, with its objectives and commitments (including the rural proofing mechanism) is a key instrument for achieving the goals and objectives set out in this communication.

In this context, it is worth mentioning the launch of the Rural Pact community in December 2021, inviting all European institutions, national and local authorities, stakeholders' organizations and citizens from EU-27 Member States to further reflect on the development of the EU Rural Pact. In June 2022, a Rural Pact Conference was held in Brussels to discuss the Rural Pact content, with more than 450 participants wishing to play a role in achieving the shared goals of the long-term vision for rural areas. Recently, the European Commission has established the Rural Pact Coordination Group as the key governance body of the Rural Pact, which is made up of 30 representatives from the Rural Pact community. Its first meeting took place in Brussels on 21 June 2023. Furthermore, and as part of its Rural Action Plan, the European Commission has set up the **Rural Pact Community Platform**, which is an online tool gathering all the information related to the Rural Pact and resources useful for rural communities facing population loss, ageing and demographic decline (rural revitalization platform).

Over the last two years a number of political discussions took place, among others by the European Parliament, the European Committee of the Regions, and the European Economic and Social Committee, that have adopted their positions on this long-term vision for rural areas. The Council, also, discussed the content of the communication laying down this long-term vision for rural areas at the informal AGRIFISH Council held in Ljubljana in September 2021 under the Slovenian presidency, including a debate on strengthening the dialogue between urban and rural areas.

So after two years since the adoption of-the long-term vision for the EU's rural areas by the European Commission, and following the first year of application of the CAP and the other related Cohesions policies it is deemed appropriate to take stock of the current situation, having in mind the main challenges and opportunities that EU rural areas are facing, in view also of the additional challenges placed on rural areas by the COVID and Ukrainian war crises, and to assess the future perspectives for these territories.

In this regard, the Spanish Presidency proposes that the Council holds a targeted debate with a view to adopting relevant Conclusions before the end of its mandate, thus providing targeted strategic political guidance on the EU long-term vision for rural areas, assessing the way forward and outlining potential actions to be taken in the future, notably at Member States and institutional level.

The results of the Rural Pact Conference held in Uppsala (Sweden) last May, and the upcoming high-level rural policy Forum on *shaping the future of rural areas*, that will take place in Sigüenza (Spain) at the end of this month, organized by the Spanish Presidency and the European Commission, will also be very useful in this respect.

This would come in addition to the European Commission's mid-2023 review of the actions carried out and programed in support schemes for rural areas financed by the EU and Member States in the 2021-2027 programming period for the CAP and Cohesion Policy that would highlight gaps where necessary.

This assessment will feed into the future public report to be published by the Commission by the first quarter of 2024 presenting the implementation of the EU Rural Action Plan, contributing together with the Council Conclusions to setting up a useful roadmap for a targeted, effective and efficient implementation of the vision in the future.

In order to steer and guide the debate among ministers, the ES presidency puts forward the following questions to be discussed at the upcoming September AGRIFISH Council:

- 1. What actions and measures, including at European, national, and regional level, do you consider most appropriate, to achieve LTVRA shared goals and strategic objectives?
- 2. How could current public support schemes for rural areas be enhanced to ensure their coordination, complementarity, and appropriate impact?