



**TWG1 – Targeting territorial specificities and needs in Rural  
Development Programmes**

Minutes of the 2<sup>nd</sup> meeting

02/02/2010, Brussels



*Connecting Rural Europe*

**Agenda of the meeting:**

1. Introduction
2. Presentation of Step 2 report
3. Mountain LFAs
4. Discussion on the Step 2 Report
5. Approach to the work in Step 3 and completion of Phase 1
6. Timetable for future work
7. Cross-cutting issues and contact between Thematic Working Groups

**ANNEXES:**

List of Participants

Agenda Item	Introduction
Meeting objectives	<p>The purpose of the expert meeting was to discuss:</p> <ul style="list-style-type: none"><li>• The report on Step 2 of the Group's work</li><li>• The proposed approach to Step 3</li><li>• Cross-cutting issues and future joint activities between Thematic Working Groups.</li></ul>
Introduction by the Chairman	<p>The Chairman introduced the meeting with the following key points:</p> <ul style="list-style-type: none"><li>• The three Thematic Working Groups (TWGs) are reaching the end of Phase 1 of their work, and are due to report to the Coordination Committee before wider discussion of their findings within the Network.</li><li>• A joint meeting of the three TWGs is planned for 23 March. The purpose of this meeting is to present the TWGs' findings and discuss cross-cutting issues. This will be followed by a workshop on cross-cutting issues, linked to the next Coordination Committee in early June.</li><li>• A fourth TWG, on 'Delivery Mechanisms', will start work in late February.</li></ul> <p>The Chairman then described the agenda of the present meeting, with focus on the presentation of the draft Step 2 report by the Lead Experts, discussion on that report and preparation for the work on Step 3.</p> <p>It was noted that the Step 1 report is now on the ENRD Website.</p>

Agenda Item	Presentation of Step 2 report
Presentation	<p>Michael Dower presented the report, jointly prepared by himself and Tomas Ratinger in liaison with the Contact Point team in charge of TWG1. He acknowledged help from Elena Saraceno, and also the helpful comments from Desk Officers.</p> <p>The presentation covered <b>the following main points:</b></p> <ul style="list-style-type: none"><li>• <b>Reminder of the overall structure of Phase 1</b></li><li>• <b>Key findings in Step 1</b>, related to the definition of rural areas for the overall purpose of the RDPs.</li><li>• <b>Scope of Step 2:</b> analysis of approach to demarcation and complementarity within the RDPs studied in Step 1; plus a set of 17 case studies of the approach within each relevant RDP to targeting of specific territories, with focus on the definition of these territories, the assessment of their needs and the application of measures and resources (within and outside the RDPs) to address those needs.</li><li>• <b>Conceptual basis of Step 2</b>, focused on the relationship between different elements – overall definition of rural areas, definition of specific territories, needs of those territories, measures applied within the RDP, resources applied outside the RDP, and the processes of demarcation and complementarity.</li><li>• <b>Demarcation and complementarity:</b> definition of these terms; variation in emphasis between RDPs; possible links between this emphasis and the concepts of rurality used by member states; how governments manage demarcation and complementarity, with reference to national or regional coordination and to local integration.</li></ul>

- **Case studies - territories, needs and measures.** Five categories of territory were studied :
  - LFAs other than Mountain
  - Natura 2000 and environmentally valuable farmland
  - Specific development areas
  - Rural areas targeted for axis 3
  - LAG areaswith three case studies in each of the first four categories, and five case studies of LAG areas. For each case study, a brief summary was presented, followed by conclusions for each category. Reminder of the separate study on mountain farming done by the CP – see Section 3 below.

**Conclusions on the case studies:** overall coherence higher than fair; no possibility to judge efficiency and balance due to lack of information about the allocation of RDP and non-RDP resources to specific territories; devolution of RDP responsibilities appears to assist territorial targeting; a significant number of relevant practices were revealed, both in territorial targeting and in demarcation and complementarity.

#### Agenda Item

#### Mountain LFAs

##### Presentation

Tomas Ratinger presented a summary of points, relevant to the present work, from the report on Mountain Farming prepared by the Contact Point.

- Definition of Mountain LFAs (altitude, slope, combination of these, areas north of the 62<sup>nd</sup> parallel and some adjacent areas)
- Needs of mountain areas (as shown by the frequency of positive and negative references to mountain areas in NSPs)
- Strategies in respect to identified needs (table showing class of needs and the related policy to address them)
- Measures and resources applied to mountain areas: Measures 211, 214, 121, 112, 311, with relevant budgets.

Tomas said that the material summarised above could be useful for the Step 2 report: but the Mountain Farming report does not contain information neither on the link to the overall definition of rural areas, nor analysis of demarcation and complementarity, nor assessment of coherence, efficiency or balance in terms of territorial targeting. It was reminded by the Contact Point that there are supporting fiches to the Mountain Farming report, which the Step 2 report could use; but it was confirmed that it did not offer material fully equivalent to the Step 2 case studies.

The Chairman suggested, and it was agreed, that two or three case studies of Mountain LFAs should be rapidly undertaken. The results of these case studies, plus relevant findings from the Mountain Farming report, could then be brought into the Step 2 and Step 3 reports.

## Agenda Item

## Discussion on the Step 2 Report

### Discussion

### A. Conceptual view of urban-rural definitions

The Chairman initiated a discussion on the distinction, offered in both the Step 1 and Step 2 reports between **duality** and **continuum** as approaches to the broad definition of rural areas (see definition of these terms at page 9 of Step 2 report). He perceived that the focus of Axes 1 and 2 on land use inevitably led to definitions of areas that are not urban, so that every RDP has some duality in its concept; and that variations in population density and settlement size mean that there is bound to be continuum in a physical or functional sense. Thus it could be misleading to say that the definition of rural areas in one RDP was based on duality, and that in another RDP on continuum.

Group members and Contact Point experts made the following points:

- The focus of the Group's work is not on physical or functional relationships between urban and rural areas, but rather on the approach to assessing needs. The duality and continuum concepts are intended as ways to describe how member states or regions view the needs of territories: this view of needs has an impact in policy terms.
- The OECD definition - with its reference to predominantly or significantly rural regions etc – implies acceptance of the continuum idea.
- The mixture in the RDPs of mainly sectoral (Axes 1 and 2) and mainly territorial (Axes 3 and 4) measures may lead to different definitions of rural areas for each type of measure.
- Definitions of rural areas offered in the RDPs are often vague, and therefore difficult to classify in a scientific way.
- Estonia and Latvia, both shown in the draft Step 2 report as taking a 'continuum' approach, appear to the Desk Officer to be nearer 'duality', with definitions on a purely administrative basis.
- Those Spanish regions which used the OECD definition appear to be close to the duality approach.
- The duality and continuum concepts are useful, but need more thought: this could take into account the multi-variate approach to definition, as used by Finland, Denmark and others.
- Rather than use such concepts, it may be better to start with the measures, define territories by reference to them and then assess needs.

The Chairman concluded the discussion by urging caution related to the duality and continuum concepts: they may merit further thought, but should not be used as an organising concept for the case studies, because we do not have enough evidence basis.

### B. Demarcation and complementarity

The Chairman initiated a discussion on the concepts of demarcation and complementarity, focusing on the EU instruments. He pointed out that ERDF and CF apply to limited territories, so that there is no universal geographic overlap with RDPs. There is very little overlap between Axes 1 and 2 of RDPs and other funds, because of their sectoral nature. The issue of overlap relates more to Axes 3 and 4, notably vis-à-vis ERDF. DG REGIO estimates that about 70 billion euros of Structural funds go to rural areas, compared with c.12 billion euros in Axes 3 and 4 (from the total of c.90 billion euros in EAFRD). Regulations include a certain degree of demarcation by stipulating the sectors and kinds of activities that each Fund can support. This points towards a natural division of labour

between the funds, related mainly to the scale of region or of project at which each one operates. We should state clearly the geographic and sectoral scope for complementarity when introducing the subject.

The Chairman further pointed out that demarcation and complementarity are “two sides of the same coin”. Clear demarcation between Funds is required under the Regulations, so every state must use it. Complementarity is not the opposite of demarcation, but rather a factor of how states use different funds. Demarcation, which is compulsory, is designed to avoid overlaps and double funding: complementarity, which is discretionary, is designed to avoid gaps. Thus the distinction between countries might be phrased by reference to more or less complementarity, rather than to demarcation and complementarity as opposites.

Group members and Contact Point experts made the following points:

- complementarity between funds can apply also to Axes 1 and 2, for example Regional funds going into water supply or infrastructure which enables pollution control;
- some countries make no mention of complementarity in their RDPs;
- the focus of the study on the RDPs alone means that we cannot judge the true scale of funding from non-RDP sources that is applied to meeting territorial needs: we should look at the other Programmes, or leave the judgements on complementarity to the evaluation stage;
- strict demarcation, or inadequate approach to complementarity, can lead to gaps: for example, in Ireland, the RDP supports micro-enterprises, the Regional Fund supports SMEs which export goods or services, but SMEs which do not export are not supported even though they are crucial to rural employment.

The Chairman concluded the discussion saying that the report should make plain the geographic and sectoral scope of demarcation, and the roles of demarcation and of complementarity. Resources do not permit analysis of other Programmes, but we should extract all that we can from the case studies and by reference also to Strategy documents. An issue for future study may be how funds are integrated at sub-regional level, in the process of implementing territorial development.

### **C. Case studies of territories, needs and measures**

The Group reviewed the summary of findings, and the provisional conclusions, in relation to each of the five types of territory covered by the case studies, and offered the following comments:

#### **LFA's other than Mountain**

- The three cases cover two types of LFA (intermediate; and areas of specific handicap): the third type, mountain LFAs, will be covered by the new case studies mentioned earlier.
- The case studies suggest how those land-based measures can have socio-economic spin-off, and that farmers are needed as land managers, but care is needed in judging whether the planned benefits are actually achieved.

#### **Natura 2000 and environmentally valuable farm land**

- The link between ‘stick’ and ‘carrot’ – cross-compliance requirements, and agri-environment payments – was noted: in Natura 2000 areas, the obligatory land management plans may be supported by voluntary agreements.
- The ‘Integrated territorial intervention’ approach in Portugal was noted as an

interesting example of 'packaging' various measures to address the needs of specific territories.

### **Specific Development Areas**

- Sardegna's regional adaptation of national definitions of disadvantaged rural areas was noted.
- On the basis of an analysis of the Greek RDP, taken alone, no indication can be found of an explicit implementation of Axis 3 measures targeted towards these specific development areas. However, this does not mean that axis 3 measures are not applied within these particular territories, but that no specific 'treatment' is provided for the implementation of axis 3 of the RDP for them. This point may apply more generally to those specific territories which are not clearly picked out in the RDP as having special treatment and limited measures applied to them.
- Defining territories by reference to a mixture of measures may cause simply a 'bricolage', rather than being really helpful in territorial targeting.

### **Rural areas targeted for Axis 3**

- It was stressed that in the case of Hessen the measures apply to the whole rural area, no further differentiation between South and North as it was in the draft report.
- The Group noted the combination of economic and environmental purposes in the 'organised rural territories' of France (Pays and Natural Regional Parks); and also the fact that many Pays (with their Assemblies, administrative councils and local development strategies) are also LAGs, able to call down RDP funds into the rural parts of their territories while using other funds in both the rural and the urban areas. Further investigation is needed if the corresponding measures are targeted (exclusively or with a preference) to the organised territories or these are just one of the implementation/delivery mechanisms.
- Axes 3 measures may be delivered through LAGs or other local partnerships, or in a more top-down way by national or regional agencies.
- It is important to understand the 'internal complementarity' between axes 3 and 4 measures (within a LAG territory); and the division of labour between LAGs and other organisations in applying Axis 3 measures, particularly where LAGs only cover part of the national rural territory.
- Local development strategies are a key tool in creating the link between territories, needs and measures: their main significance may relate to the territorial measures in Axis 3, but the case studies show that they can also take account of the horizontal or sectoral measures.
- Does effective territorial targeting depend on building democracy, of example through the locally-motivated and long-standing Pays?

### **LAG areas**

- The background to the wide role of the LAGs in Ireland, which are local development companies delivering both RDP measures and other national and EU-funded programmes, was explained. When the Programmes for 2007-13 were in draft, the government decided that it would make sense to bring together the LAGs, the area partnerships for social inclusions, and the urban partnerships into combined local development companies, some of which run into the urban areas of Dublin, Cork, Limerick and Galway. These companies apply the Axis 3 measures

in the defined rural areas, while delivering other types of action in both rural and urban areas.

- The practice in Denmark, of LAGs which deliver both EAFRD and EFF measures, has parallels in Ireland, Latvia, Bulgaria and elsewhere: for example, in Ireland, the South Kerry LAG has applied RDP funds to building an enterprise centre, and EFF funds to training of new entrepreneurs in the centre.
- The practice in Andalucia, where the LAGs may deliver a total of 15 measures from Axes 1, 2 and 3 and call down funds from various regional programmes, was noted.

#### **D. Conclusions on the Step 2 work (section 5 of the draft report)**

The Group made the following comments:

- Studying only the RDPs, as approved in 2006-7, provides limited understanding, particularly of the effectiveness of the territorial targeting: moreover, some RDPs were ill written. For this reason, we should also refer to the updated RDPs and also annual reports: this could help us to get closer to reality, and might help MA officials to write better programmes. The Chairman responded that the Group's focus is on a basic understanding of territorial targeting: for this, we should focus only on the RDP, the rest is part of ex-post evaluation, beyond the scope of this work. However, we could check monitoring reports to see how much RDP money is going into specific territories.
- The section on Coherence needs further thought and careful phrasing.
- Assessment of efficiency and balance, which were part of the Group's brief, cannot be judged on the basis of the information we have secured. The Chairman accepted this point, and said that these issues should be analysed in the wider EU context together with the other TWGs and TWG 4 on delivery mechanisms;
- The influence of devolution upon decisions related to territorial targeting was noted as potentially beneficial, though our findings cannot prove its effectiveness. Some areas of policy, such as climate change, are expressed in EU or national norms which need to be uniformly observed.
- The examples of relevant practice were noted: but those related to demarcation and complementarity might best be expressed through the case studies.

Agenda Item	<b>Approach to the work in Step 3 and completion of Phase 1</b>
Presentation	The Contact Point presented a proposed outline of the Step 3 report, which aims at consolidating the Step 1 and 2 findings and providing building blocks for a reviewed typology of rural areas. It may also propose the approach to Phase 2 of the TWG's work.
Discussion	<p>In discussion, it was agreed that the work on typology should take account of work being done elsewhere, including:</p> <ul style="list-style-type: none"> <li>- the TERA-SIAP and EDORA projects, which Peter Weingarten briefly described;</li> <li>- work by DG AGRI and DG REGIO on how to distinguish urban and rural areas;</li> <li>- DG AGRI's own thinking, as described at the first meeting of the TWG;</li> <li>- thinking by OECD.</li> </ul>

<b>Agenda Item</b>	<b>Timetable for future work</b>										
Agreed timetable	<p>The following timetable was agreed:</p> <table border="1"><tbody><tr><td>by 12 February</td><td>TWG members to comment in writing on the draft Step 2 report</td></tr><tr><td>by 28 February</td><td>Finalising of the Step 2 report, including if possible the case studies of Mountain LFAs</td></tr><tr><td>mid February-March</td><td>Preparation of the Step 3 report</td></tr><tr><td>23 March</td><td>Joint meeting of the three Thematic Working Groups</td></tr><tr><td>by 31 March</td><td>Completion of draft Step 3 report, plus proposals for Phase 2 of the TWG's work.</td></tr></tbody></table>	by 12 February	TWG members to comment in writing on the draft Step 2 report	by 28 February	Finalising of the Step 2 report, including if possible the case studies of Mountain LFAs	mid February-March	Preparation of the Step 3 report	23 March	Joint meeting of the three Thematic Working Groups	by 31 March	Completion of draft Step 3 report, plus proposals for Phase 2 of the TWG's work.
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by 31 March	Completion of draft Step 3 report, plus proposals for Phase 2 of the TWG's work.										

<b>Agenda Item</b>	<b>Cross-cutting issues and contact between Thematic Working Groups</b>
Discussion	<p>A short discussion was launched on the joint meeting scheduled for 23 March in Brussels. This meeting will focus on finding links between the three areas of work, without a pre-defined structure. Each TWG will present a synthesis of its key findings to date. For TWG1, this may focus mainly on Steps 1 and 2, plus some key elements on the building blocks for a reviewed typology. More details will be provided by DG AGRI in the coming weeks.</p>

**ANNEX 1: List of participants**

<i>DG AGRI</i>	Rob PETERS (Chairman)  Gaëlle LHERMITTE  Peggy DIERYCKX-VISSCHERS  Jueri Rute
<i>TWG 1 Members</i>	Marien DELGADO  Caroline LARMAGNAC  Alessandra PESCE  Hikka VIHINEN  Maura WALSH  Peter WEINGARTEN
<i>Excused TWG 1 Members</i>	Marija MARKES  David HOWELL  Magdalena NOWICKA  Garri RAGMAR
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