



Joint meeting of the Thematic Working Groups 1, 2 and 3

Minutes of the 1st meeting

23.03.2010, Brussels



Connecting Rural Europe

Chairing the meeting

Jose Manuel Sousa Uva, Director of Horizontal aspects of rural development, DG AGRI.

Loretta Dormal-Marino, Deputy Director General in charge of Rural Development, DG AGRI (morning only).

Agenda Item	Opening and Introduction Welcome from the Commission to the members and experts of the three Working Groups.
Agenda Item	Presentation of the outcomes to date of the thematic working groups (TWG)
	<u>Presentations delivered</u> <ul style="list-style-type: none">• TWG1: Targeting territorial specificities and needs in rural development programmes (Michael Dower, Contact Point);• TWG2: Agriculture and the wider rural economy (Adrian Neal, Contact Point);• TWG3: Public goods and public intervention (David Baldock, Contact Point);• TWG4: Delivery mechanisms of EU rural development policy. Brief verbal presentation; mandate and initial planned work (Josefine Loriz-Hoffmann, DG AGRI).
Agenda Item	Discussion: what joint analysis of links between agriculture and rural areas? <u>Introductory points</u> were offered by the Chairmen of the three Working Groups: TWG1, Rob Peters; TWG 2, Pierre Bascou; TWG3, Martin Scheele.
Discussion Points	<i>Definition of rural areas:</i> <ul style="list-style-type: none">• A definition of rural areas is important, in order to make plain the territory to which each RDP applies, and to define the geographic division between the EAFRD and ERDF and other EU funds as a basis for complementarity and demarcation. Each member state or region is free to choose its own basis for defining rural areas, using or not the OECD definition. The rural areas thus defined become the outer frame within which specific territories can be targeted for particular purposes.• The OECD definition is simple but cannot take account of the heterogeneity of the EU territory. There is a need for a definition that better captures rural-urban distinctions at it's basis.• The TWG1 work related to typology is focused on policy-related definitions, drawn mainly from the Group's analysis of Rural Development Programmes, with only a very limited review of others work on typologies. The typology would build on a basic definition of rural areas, distinguishing certain types of rural areas based on particular characteristics. <i>Peripherality:</i> <ul style="list-style-type: none">• More work is needed on the definition of types of rural area, e.g. 'deep' rural areas such as those which are more than 30 minutes travel [by road] from a town of more than 10,000 population. Their needs could be expected to be quite different from (for example) peri-urban areas.• It may be useful to identify a gradation of regions, from central to peripheral, with distinct needs identified for each type and corresponding differentiation of support: but care must be taken to

avoid stereotyping.

Public Goods:

- Environmental public goods related to soil, water, wildlife, landscape and carbon capture etc. are fairly well understood. Equal emphasis is needed on social public goods. These may include both tangible things, such as post offices, schools and other public services in rural areas, and intangible things such as social vitality and human and social capital (measured by proxies such as the presence of local networks or other facilitating capacities or education levels).
- Some public goods are clear issues addressed at the European level, others have a more local context, reflecting the diversity of assets, cultures and needs. But even the latter might be considered matters of common interest.
- The language of the European programmes may need to change, from a focus on 'disadvantages' (as in less favoured areas) to a focus on the 'assets' offered by rural areas and how they may be fostered as public goods.
- Similarly, the effort to sustain long-established farming systems in Romania and elsewhere could be expressed not as 'propping up inefficiencies' but rather as 'paying for public goods supplied to Europe'.
- It is not easy to define or measure social public goods. There are a lack of reliable methodologies and data, particularly at the more disaggregated (NUTS 3 and above) levels, for example related to capital stock or levels of education. There is a need to develop indicators of rural vitality and entrepreneurial capacity.
- Payment for public goods can help to stabilize the income of land managers. Public support for increasing the competitiveness of rural enterprises may, in certain cases, be in conflict with the objective of sustaining of public goods.
- A clearly-stated 'menu' of public goods could assist the development of policies and local development strategies which are much more likely to result in the achievement of public goods.

Linkages in the rural economy:

- Sub-regional food chains can be significant in adding value to farm products and creating links to other parts of local economies.
- TWG2's finding that the backward (upstream) links between farmers and other economic actors are weaker than the forward (downstream) links points to the fact that much upstream activity now lies in the national or European economy (e.g. major suppliers of machinery and other inputs) rather than the local economy (e.g. blacksmiths or millers). But the potential for downstream links within local economies may be stronger; and the growing interest in reducing food miles, adding value locally etc. suggests that TWG2 might focus on how the multiplicity of local economies in rural Europe can be strengthened alongside the single Common Market.

- There is also the potential for 'sideways' linkages as well as forward or backward ones, i.e. the diversification of the economy of farmers, whether on or off the farm, with the implication that this has for improving the application of farmers' resources of land, buildings, capital and labour.

Locally implemented policies – delivery mechanisms:

- Key mechanisms for local integration are the local development strategies produced by Local Action Groups and other partnerships, and the ability of these partnerships draw call down funds from many sources. The integrated package of measures in Andalusia is an example of this.
- The Leader approach continues to work well. The bottom up approach should continue to be encouraged, so that policies and measures can be applied to meeting specific local needs.
- Effective delivery will also critically depend upon sound and efficient governance at all levels.
- Delivery must be made as simple and user-friendly as possible.
- There is a risk that too much emphasis on the local level may lead to the non-recognition of EU level added value and priorities.
- There is need for simpler and more user-friendly rural policies that take into account and are more tailored to the real users of rural policies.
- Administration costs are significant, but should be recognised as legitimate in terms of securing effective targeting and also the necessary control of expenditure.

Integration – Complementarity:

- The role of Pillar 1 of the CAP should be recognised in sustaining farmers and their activities and in securing public goods, for example through cross-compliance.
- Complementarity between the EAFRD and other Funds – notably the Cohesion Funds and the Fisheries Fund – is also crucial to the well-being of rural areas, to the links between agriculture and other parts of the rural economy and to the delivery of public goods.
- The view was expressed that territorial approaches tend to encourage complementarity more than sectoral ones.
- For these reasons, there is need for effective coordination between Funds at national level and for integration at regional and local level.
- It is important to define and strengthen the integrated approach tailored to specific territories (complementarity), but at the same time to ensure an efficient 'division of labour' between different funds. There is need for a clear and integrated strategy, with precise objectives and related tools to achieve the stated objectives, not so much related to a specific fund (or funds), but to a given territory
- Strict demarcation, combined with an inadequate approach to

complementarity, can lead to 'gaps' in programming. For example, in Ireland, the RDP supports micro-enterprises, the Regional Development Programme supports SMEs which export goods or services, but SMEs which do not export are not supported even though they are crucial to rural employment.

- Achieving effective complementarity between Funds may also demand review at European level: for example, the EAFRD and ERDF currently have different management and control systems which may need to be more harmonised.

Implications for possible further work

- Case studies from each TWG can throw light on the work of other Groups. For example, TWG1 has case studies which include policy support to link agriculture to other parts of the rural economy, or to support production of public goods. Thus, there may be scope for thematic linkage in the next phase of the work of the Groups.
- The work of the TWGs can be used to assist both the use of the EAFRD during the present programming period, and the shaping of programmes for the period starting in 2013. This double purpose may be reflected in the following outputs:
 - Reports from each TWG, to be available on Website.
 - Case studies, to be published with the standards format which is being developed by the Contact Point.
 - Perhaps, cross-cutting cases studies, which draw on inputs by all the TWGs.
 - Analytical notes or similar documents, which offer support to Managing Authorities and NRN members on specific themes, such as the strengthening of links between agriculture and other parts of the rural economy (TWG2) or on the pursuit of public goods (TWG3).
 - Other analytical papers, for example on the meaning and assessment of public goods, and investigation on spill-over effects (TWG3).

Building blocks for a revised typology of rural areas (TWG1).

Agenda Item

Further consultations and preparation of the joint workshop with the Coordination committee

Discussion points

- The proposed dates for the main EN RD meetings up to 09/07/10 (end of the second operational year of the CP) were presented.
- A proposal was made not to limit the 'joint work' to primarily the compilation of case studies. Further consideration should be given to the identification of joint issues and the development of common perceptions. The Commission confirmed that approaches other than those based around relevant examples/ case studies would be considered and taken into account for the forthcoming joint CC/TWGs workshop in June.

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- The outputs of TWGs 1, 2 & 3 will also provide inputs and insights for the work of TWG4. It was suggested that this pattern of outputs be discussed at the Joint Workshop of the Coordination Committee and TWGs on 7 June.
 - Each national or regional RDP is subject to evaluation throughout the programming period including mid-term evaluation in 2010. All the activities described above can be complementary to ongoing evaluation. Both approaches will also assist the shaping of new programming for the period beyond 2013.
 - Relating to improving the effectiveness of the RDPs in the present programming period, the Commission is seeking – through the work of TWGs and in other ways – to gather examples of relevant practice which can be offered to Managing Authorities and others, in order to help them to judge how the RDPs can be used well in the second half of the period. This process will be assisted by the Coordination Committee and is one in which the TWGs should contribute.