



**Thematic Working Group 1: Targeting territorial
specificities and needs in Rural Development Programmes**

TWG 1 - Summary Report

EN RD Contact Point

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Connecting Rural Europe

The Thematic Working Group 1

The EN RD has established Thematic Working Groups (TWGs) which carry out specific analysis on the basis of the current rural development programmes focusing on specific thematic priorities. Working on the basis of a specific mandate they provide in-depth analysis of the EU Rural Development policy implementation and contribute to the understanding and diffusion of 'know-how' and experiences and improvement of its effectiveness. As of October 2010, TWGs had been established on the following topics:

- TWG1: Targeting territorial specificities and needs in Rural Development Programmes
- TWG2: Agriculture and the wider rural economy
- TWG3: Public goods and public intervention
- TWG4: Delivery mechanisms of EU Rural Development Policy

The overall objective of **TWG1** is to contribute, through relevant analysis and the diffusion of results, to an efficient targeting of territorial specificities and needs in Rural Development Programmes (RDPs) and to a more balanced development of rural areas across Europe.

Based on a predefined workplan the Group conducted its analytical work in 3 steps:

Step 1 analysed how EU Member States have defined or targeted rural areas in their RDPs for the 2007-2013 programming period, and what kind of indicators and definitions they have used for this purpose.

Step 2 addressed the issue of demarcation and complementarity between the different European Union and national funds in terms of meeting the development needs of rural areas and the targeting of specific territories for the application of measures and resources to meet identified areas.

Step 3 which is the final output of the analytical work, involves the production of an overall report bringing together the various elements (including significant commonalities and variations) with respect to:

- national approaches to the definition of rural areas;
- the analysis of territorial specificities and needs;
- the targeting of measures in relation to these specificities and needs;
- strategies for demarcation and complementarity between RDPs and other Community and national instruments.

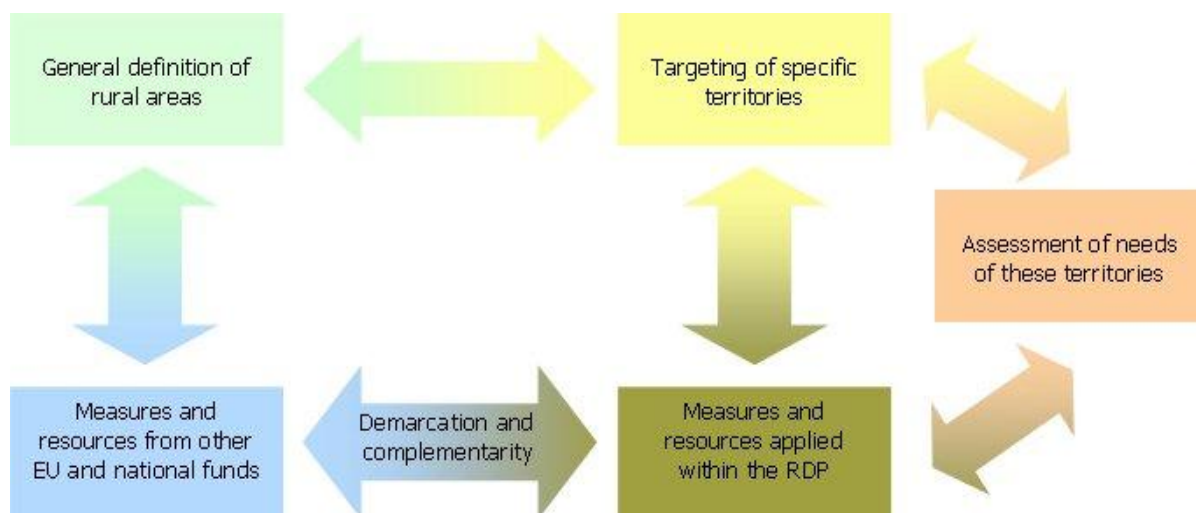
Informed by the above, the Step 3 Report concludes by providing draft building blocks for a revised typology of rural areas, and a revised set of baseline indicators.

From autumn 2010 onwards a number of "products" based on the analysis and outcomes of the analytical work are being developed for widespread dissemination and discussion among EN RD stakeholders.

1. Introduction

The conceptual approach utilized in this work focuses on the relationships, within each RDP reviewed, between five elements (Diagram 1), namely: the definition of rural areas for the purpose of the RDP; the specification of needs and targeting of specific territories; RDP measures and resources applied to meet those needs; measures and resources other EU/national funds applied to meeting rural development needs and the approach adopted on demarcation and complementarity between the RDP and these funds.

Diagram 1: Relationship between elements within each Rural Development Programme



Member States or regions are required to define rural areas in order to delineate the territory to which certain RDP measures may be applied. Further, in response to EU, national or local policy priorities, they may define “special” territories (e.g. Natura 2000; LFAs, LAG areas), assess their development needs and apply (exclusively in these territories or also to other rural areas) specific RDP-measures. Further, these special territories can either be the “recipient” of few or a wide variety of RDP measures. Finally, rural areas also benefit from policy intervention associated with other EU (e.g. ERDF, Cohesion Fund, ESF, EFF, Life+, etc.) or national funds. Hence, the assessment of the efficient targeting of territorial development needs should take these (“non-EAFRD”) measures and resources into consideration. Within this context, the issues of demarcation¹, overlap² and complementarity³ between interventions financed through different development tools, and their management are of significant importance, as they can largely determine policy efficacy.

This report presents a summary of this analysis. Section 2 presents findings on the variety of definitions that have been used to specify rural areas for the purpose of their RDPs. Section 3 reports on how demarcation and complementarity between measures and resources specific to EAFRD, other EU funds and national funds are approached, while section 4 refers to a series of case studies and presents specific territorial definitions, development needs and applications of measures for meeting these needs. Based on this analysis, section 6 presents main findings on the clarity and coherence of territorial definition, targeting of measures and complementarity, highlights elements of relevant practices and specifies conceptual implications. Finally, section 6 suggests building blocks for a revised typology of rural areas, as well as a revised set of baseline indicators.

¹ Clear lines of separation between EAFRD and other EU or national funds in terms of territorial application, types of project and beneficiary supported.

² Potential of application of more than one funds to the same type of area, project and beneficiary.

³ Synergy of development action specific to two or more funds as applied to a particular territory.

2. Definition of rural areas for the 2007-2013 RDPs

For the general purpose of the RDP, the European Commission offered to Member States the possibility of using two "horizontal" baseline indicators for defining rural areas:

- The OECD definition of three different categories of region (Predominantly Rural, Intermediate Rural, and Predominantly Urban) according to the proportion of the region's population that live in municipalities which have less than 150 inhabitants per square kilometre;
- The importance of rural areas (as defined by the OECD definition), as shown by four factors, namely the percentages of national territory, population, Gross Value Added, and employment located in those rural areas.

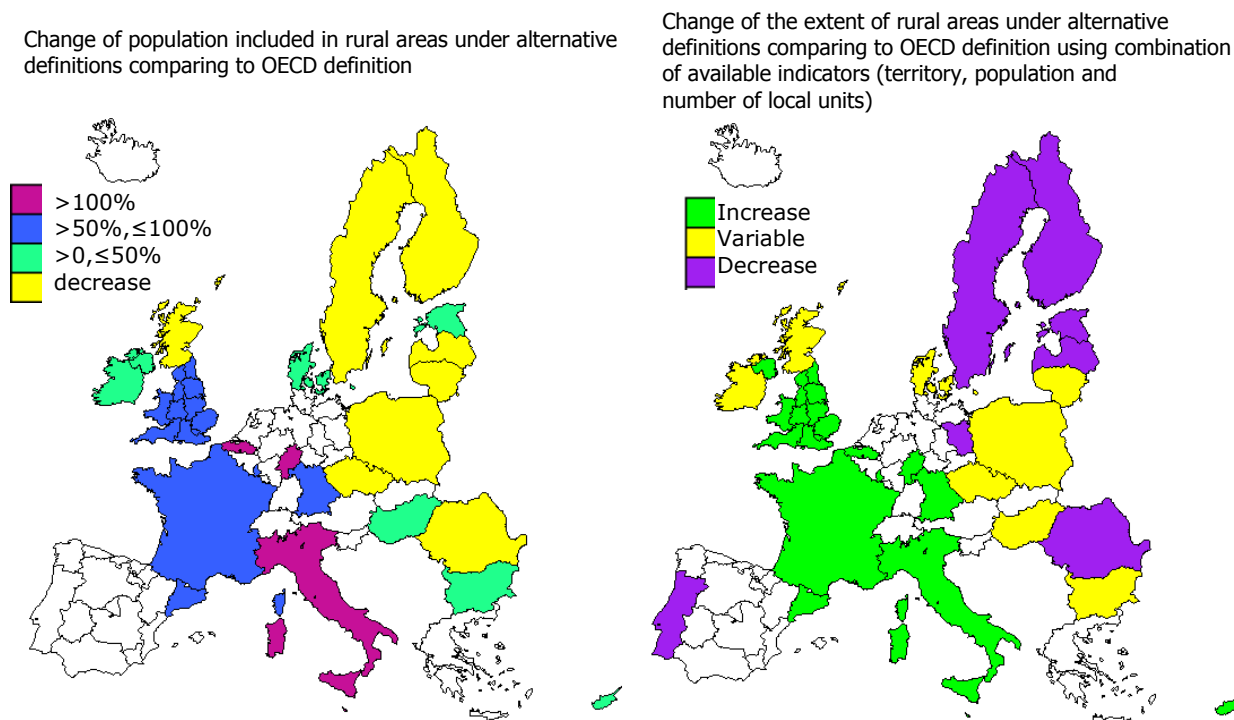
In parallel, Member States were allowed to adopt their own rural definition, modify the OECD typology or use an alternative definition basis, conditional to providing an explanation for such a choice. The investigation of a sample of 23 national and 12 regional RDPs (representing 27 EU Member States) led to findings that: i) the unmodified OECD definition was used in only 4 national and 2 regional RDPs; ii) a modified OECD definition was used in 5 national and 2 regional RDPs; iii) alternative definitions of rural areas were used in 20 national and 2 regional RDPs. Here, it is worth noting that the choice of the definition approach is not necessarily homogeneous within Member States (e.g. German *Länder*; Spain). Hence, this investigation has shown that in the vast majority of cases, the OECD definition was either modified or "abandoned". Reasons provided to justify such a choice include: the "limited" (in several cases) ability of the OECD definition to portray rural heterogeneity; the desire for a more relevant (nationally) distinction between rural and urban areas; a commitment to earlier national definitions, and; the desire to utilize a more coherent tool for the identification of area-specific development needs. Also, other less "explicit" reasons include the aim to extend the eligibility of farm and forest land to the full spectrum of rural development measures.

Main approaches to the modified OECD definition include criteria such as a threshold of population density, the size of administrative area to which the definition was applied, and adaptations to fit national policy priorities or criteria (e.g. exclusion of large cities or inclusion of small towns). Further, not all countries/regions using the OECD (modified or not) definition have drawn a distinction between the three types of areas specified by OECD.

Behind the reasons officially provided to justify the use of alternative definitions of rural areas, one cannot ignore the existing wide variation in the concepts of rurality amongst Member States. This variation can be attributed to "determinant" (indicator-based) factors such as population density, size of communes or municipalities (which considerably differ between countries or regions), remoteness and accessibility, rural and peri-urban areas, in countries where out-migration from cities is bringing people to live in places which they conceive to be still rural, structure of land use, etc. Other factors are more-policy-based, including areas which have specific development needs that can be served by the RDPs; or showing an intricate mosaic of areas, defined by reference to multiple factors.

Finally, several Member states or regions have used a combination of such factors to identify a gradation of areas. This process was driven by the aim to identify areas with distinct needs and policy priorities. Often, these gradations include urban areas, but also identify (in a way specific to each country/ region) different types of rural areas. Some of them are close to the three-part OECD distinction. The modification of the OECD definition and the use of alternative definitions have resulted into the notable increase of the proportion of national territory and population classified as rural. On average, these increases range between 8% and 10% of national territory and 9% and 20% of population, respectively; however, in some cases (e.g. Italy, Hessen, Flanders, Malta) increases are much higher.

Figure 1: Change of the extent of rural areas under alternative definitions



3. Demarcation and complementarity

Thematic and geographic distinctions between different EU funds provide the broad basis for demarcation, which Member States must observe in developing their own programmes. However, the scope of different funds can allow for a fair degree of overlap, in terms of geographical area, type of project or beneficiary to which they may apply. This potential for overlap permits Member States and/or regions, to pursue complementarity between funds, in meeting rural development needs.

This analysis has shown a wide variation in the extent to which different Member States/regions have used the potential for complementarity, both generally and in relation to specific defined rural territories. In fact, there seems to be a strong awareness of the potential for complementarity between the EAFRD and other major funds or programmes in meeting rural needs. Almost all 35 RDPs investigated state the expectation of (additional) support to rural areas from the ERDF, the ESF and the EFF, and (where relevant) the Cohesion Fund and (in a lesser extent) LIFE+ and other programmes. Also, there are examples of RDPs (e.g. Czech Republic, Greece, Romania) in which all the above-mentioned financing tools are stated to be expected to contribute to rural development.

Observing the principle of avoiding double funding means that a statement of complementarity between funds should be accompanied by another one on demarcation. Most of RDPs examined, provide for a territorial overlap between the RDP and the other funds, while demarcation relates mainly to the types of project or beneficiary. This emphasis is particularly strong for the ERDF and the CF. Consequently, a strong majority of RDPs provide potential for overlap especially in terms of territory (24 out of 35) and type of project (24) and less in terms of beneficiary (11).

Several RDPs examined state other EU funds as providing complementary measures to those of the EAFRD. Indicatively, ERDF (the fund most quoted) is expected to provide funds on policy domains already targeted by EAFRD, such as accessibility, economic diversification, environmental improvement, quality of life and risk prevention. The Cohesion fund supports complementary action on environment and transportation, while action on training is provided by the ESF.

The management of complementarity is attempted through national or regional coordination and/or integration in programming and delivery at the “more” local level. Coordination of funds is specified as a desired policy process in several strategic documents as well as Operational Programmes co-financed by ERDF, ESF, CF, etc. In more detail, RDPs examined here describe mechanisms by which such coordination is achieved. This may include specific Ministries, inter-ministerial committees or cross-representation on Monitoring Committees, and at local level, County Administrative Boards or joint delivery mechanisms. In most cases, coordination is controlled at the central level. However, in some cases States or regions delegate coordination (and sometimes, even integrated programming and delivery) to local authorities, or even LAGs. Such a choice is a rather clear “admission” that the effective tailoring of measures and resources of different funds to the needs of specific territories can be more efficiently achieved locally. Indicative examples of local integration include the Netherlands, where LAGs play an active coordination role which can include a further refinement of the RDP demarcation criteria; Denmark, where single LAGs can be established to manage EAFRD and EFF action; and Ireland where local Leader groups facilitate the integration of EAFRD measures and measures specific to national programmes. Finally, where “full” local integration is not possible, local management of demarcation is pursued in order to avoid double funding and realise synergy.

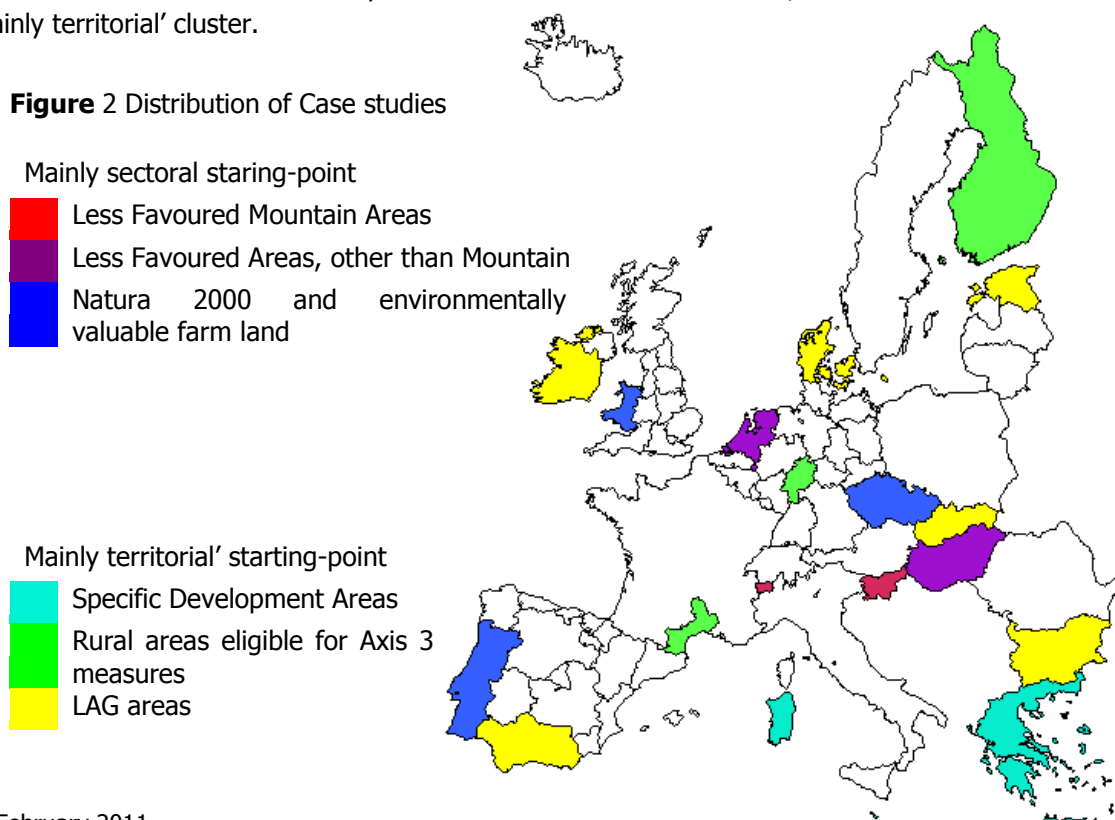
4 Territories, Needs and Measures

The above mentioned investigation of 35 RDPs showed that countries or regions use a wide variety of territorial definitions to target their measures. These definitions have been grouped into 15 categories, which fall mainly within two broad clusters:

- (a) Those with a mainly sectoral focus on farming, forestry or environmental conservation, and which are mainly targeted by Axes 1 and 2 of the EAFRD. This includes, for example, Less Favoured Areas, Natura 2000 protection areas, Protected Forests and Nitrate Vulnerable Zones;
- (b) Those which have a mainly territorial focus, and which may be targeted by Axes 3 and 4 of the EAFRD.

To understand better how member states and regions assess territorial needs and target measures 19 case studies are presented. These case studies are focused on six main types of territory, three of which are drawn from the ‘mainly sectoral’ cluster described above, and the other three from the ‘mainly territorial’ cluster.

Figure 2 Distribution of Case studies



Each case study investigated in great detail elements of table 1; starting from the general definition of rural areas and the definition of the territories and ending with the assessments of the coherence within the whole sequence of steps of territorial targeting.

Table 1: Definitions of specific territories and their relations to the overall rural definition

<i>the unit: number of cases</i>	Territorial issue	Mountain	LFA other than mountain	Natura 2000 and Envi. valuable land	Specific development areas	RA eligible for Axis 3 measures	LAG areas	Total
#	case studies	2	3	3	3	3	5	19
Delimitation/pr esentation method	textual description	2	3	1	3	2	4	15
	administrative or other boundaries		1	3	1	2	1	8
	maps	2	2	2	3	3	1	13
Clarity of delimitation	rather poor				1	1		2
	rough but convincing		2	1		1	2	6
	detailed and convincing	2	1	1	2	1	2	9
clarity of presentation	rather poor				1		1	2
	rough but convincing	1	1	3	1	1	1	8
	detailed and convincing	1	2		1	2	2	8
Link to the general definition of RA	No clear		2	3			2	7
	subordinated to RA def	2	1		3	3	1	10
	Exceeding beyond						2	2
Average level of coherence within whole sequence of steps of territorial targeting		2	2.5	2.4	2.1	2.3	2.4	2.3

Note: Average level of coherence - average score, the rest - number of cases

As shown in table 1 most of the territories in the case studies are delimited and presented with a fair or good level of clarity. Over two-thirds of territories were given priority in the respective RDPs. All of the 'Specific Development Areas' and the 'Areas Eligible for Axis 3 Measures', show that the specific territory is obviously subordinate to, or a subset of, the overall definition, while most of the others show no clear relationship between the two. In turn it means that those measures which have their own clearly defined target – such as LFAs or Natura 2000 areas – may be seen as 'free-standing' from the definitional scope of rural areas in the RDP. Those territories which command the attention of a wider range of measures tend to relate more closely to the general definition. An important phenomenon is that some of the definitions of LAG areas (namely for Ireland and for Andalusia) extend beyond the rural areas as defined in the overall definition. Case studies on LAG areas and organised territories (Rural areas eligible for Axis 3 measures, Languedoc-Roussillon (FR), Hessen (D)) proved that devolution of RDP powers to regions can permit the flexing of territorial definitions to reflect a sharper relationship between needs and measures.

Case studies embrace a wide range of RDP measures, sometimes going beyond the scope of the measures that are by the definition associated with a particular type of territory. It seems to be quite common that investment support measures of Axes 1 and 3 link to Axis 2 target territories as LFA or Natura 2000. From obvious reasons, specific development territories and LAG territories deploy a broad range of measures to address their territorial problems.

In 17 case studies the funds from outside the RDP are, in principle, available and considered to meet the needs that are specific to the relevant territories. Most often the complementarity and synergy is expected with ERDF (11 case studies) and ESF (14).

The case studies suggest that there is a fair level of coherence within the whole sequence of elements – the broad definition or concept of rural areas, the strategic goals of the RDP, the specific definition of the territories covered by this case study, the assessed needs in these territories relevant to the

measures being applied, the measures and resources to be applied or allocated within the RDP, and the complementarity or demarcation with other instruments or programmes. The average judgements of case study sets are usually above 2 of the three point scale (1- poor, 3 - excellent).

While there is clearly a fair measure of relevance in the application of measures to the objectives for specific territories, it has been found impossible to assess the efficiency or balance of the approaches to targeting territorial specificities and needs only on the basis of the rural development programming documents with no access to ex-post evaluation of the RDPs or information about money applied from funds other than the RDPs.

A total of twelve examples of relevant practice which appear to merit further study and possibly wide publicity have been identified. They are presented in the main report, here, only their main features are presented

- i) Territorial definitions refer to multiple objectives of rural development or sustainable land management. Concerning the former, the rural urban relationship can be considered as important and thus the territories might include urban parts for the benefit from a common strategy and planning.
- ii) Even the territories defined for the purpose of a particular objective (such as environmental protection) are not only a target of the respective particular measure, other measures supporting territorial sustainability are targeted to these territories too (for example supporting socio-economic stability as creating jobs or enhancing rural services)
- iii) LAGs or related territorial organisations built on private-public partnerships not only deliver the Rural Development Programme, but also use resources outside EAFRD either the other EU funds or national ones.

5 Building blocks for a revised typology of rural areas

To offer building blocks for a revised typology of rural areas and a revised set of baseline indicators, several rather strong assumptions are taken into account. First, any such revision will not come into play until the launch in 2014 of the new EU programming period; always there will be a distinct fund for rural development, with a scope similar to that of the present EAFRD. Second, that a rural definition and typology will also form the basis for the division of labour between the rural development fund and other EU funds. A broad definition of rural areas is appropriate, for this EU-level purpose, to be based on clear and measurable criteria, to reflect as far as is sensible the variety of circumstances in different MS, but not to bind MS to the use of a uniform definition when applying the rural development fund to the needs of their territories.

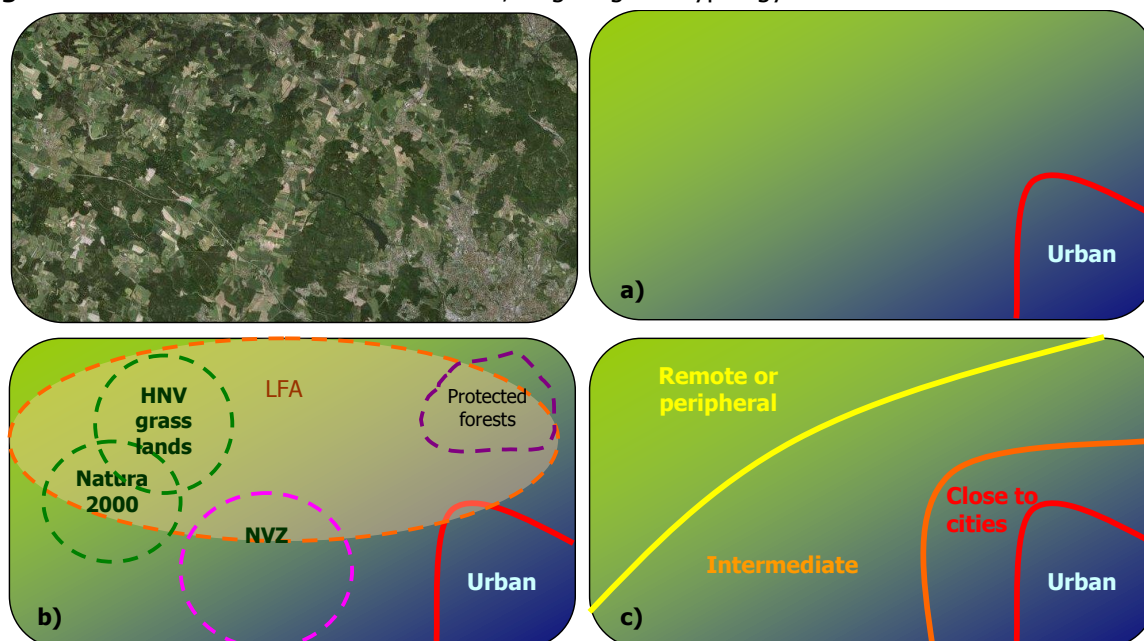
In the territorial scope of the rural development programming, three issues are perceived, which are linked but separate. These are:

- A. The definition, at EU level or in each MS or region, of the boundary between 'rural' and 'urban' areas;
- B. The targeting of particular territories for the application of specific measures;
- C. The typology of rural areas.

Clearly, the definition of areas as rural does not depend upon, or imply the need for, a typology of rural areas, rather, the defined rural area provides a frame within which a typology is developed, allowing further distinction between different types of areas. Further, territories may be targeted for the application of specific measures without the wider development of a formal typology of rural areas, and this targeting may cut across the urban-rural boundary, as in the example of Natura 2000 areas. Finally, within the context of rural development programmes at national or regional level, a

wider typology of rural areas may only be needed where the state or region wishes to apply significantly different measures or levels of funding to different types of territory.

Figure 3: The distinction between definition, targeting and typology



Legend:

Air photograph of a national territory, showing a city in the bottom right corner	a) definition of the boundary between urban and rural areas, without any subdivision or typology applied to the rural areas
b) targeting of particular territories for the application of specific measures, forming sectoral sub-divisions but not a full territorial typology	c) An example of territorial typology of rural areas

Thus, as a prerequisite the boundary between 'rural' and urban areas must be defined (Purpose A), as the basis for:

- i. at EU level, the division of labour between the rural development fund and mainly the regional development and cohesion funds;
- ii. at national or regional level, to set the geographic scope of the Rural Development Programme, also in relation to other intervening programmes

The 'building blocks' for a territorial typology of rural areas have been defined primarily for the other purposes noted above. Namely:

- B. To define the areas to which specific sectoral measures do or do not apply.
- C. To define the areas which most need development, in the sense of social, economic or other change, in order to address socio-economic weaknesses, achieve cohesion and (in the medium to long-term) reduce dependence upon public funds.

These purposes reflect the distinction between **definition**, **targeting** and **typology**. Thus:

- Definition of rural and urban areas for general purposes (Purpose **A**) may or may not require, or be part of, a typology which identifies differences within the rural area;
- Definition of areas for the application of specific measures (Purpose **B**) may offer sectoral building blocks for a typology, but not a complete territorial typology;
- definition of areas which most need development (Purpose **C**), and which may therefore be given priority in significant parts of the Rural Development Programme, requires a comparative analysis of all rural territories and is therefore likely to shape a territorial typology;

The development of building blocks as opposed to a revised typology is considered most appropriate for two main reasons: first, as described in this report MS vary greatly in the approach that they take to defining rural areas and areas for the application of specific measures and to the formulation of territorial typologies; and second, some of the factors which may figure in a revised typology are not yet fully articulated in the form for which indicators are agreed.

For these reasons, the report presets only a set of building blocks towards a revised typology on which further work will be needed accompanied with some ideas or factors which may figure in the analytical work that will need to be done by Member States or regions in preparing the next generation of Rural Development Programmes. The building blocks, could be considered by Member States, for use in the construction of individual MS typologies

A set of main factors, which may figure in the analysis to be undertaken in preparing each Rural Development Programme, are proposed as the elements of the building blocks. They are:

1. Population Density
2. Urban Areas
3. Land Use
4. Physical Handicap
5. Environmental Sensitivity
6. Demography
7. Socio-economic disadvantage
8. Economic structure
9. Access to urban services/economies

These factors can be grouped in three **building blocks** as follows:

1. Physical handicap
2. Environmental sensitivity
3. Socio-economic disadvantage

Table 2: Main factors among potential building blocks for a revised typology of rural areas with their relation to the purposes of typologies

Building Blocks	Factors	A	B	C
Rural Definition	1 Population Density	X		?
	2 Urban Areas	X		?
	3 Land Use	X	X	
Block 1 - Physical handicap	4 Physical Handicap		X	X
Block 2 - Environmental Sensitivity	5 Environmental Sensitivity		X	
Block 3 - Socio-economic disadvantage	6 Demography			X
	7 Socio-economic problems			X
	8 Economic structure			X
	9 Access to urban services/economies			X

Key to column headings

A Definition of rural and urban areas for general purposes

B Definition of areas for application of specific measures

C Definition of areas which most need development

X = definite links, ? = possible links

The table 2 shows how the factors are combined in building blocks and are seen to relate to the first three purposes for typologies stated above.

The fourth purpose of a typology, in the current context, could be considered to be related to the potential to address the CAP's 'new challenges and potential for specific actions such as renewable energy, carbon capture... These potentials are as legitimate a basis for distinction between areas as are the factors specified above. However, they do not lend themselves to being categorised in a common way, i.e. the factors to be used in defining areas for specific different common actions, and for addressing different aspect of the 'new challenges' will, in-the-main, be different according the individual 'new challenge' or specific action.

Below are listed the possible **indicators** that might be used in defining of each of the 9 main – common – factors, and also (non-exhaustively) factors relating to the 'new challenges' and 'potentials for specific action'.

1. Population Density. Key factor in defining the boundary between urban and rural areas for general purposes, and one potential element in a territorial typology. Not an adequate proxy for any other main factor.

Indicator: Density of inhabitants per geographic unit to be decided (Baseline indicator 17)

2. Urban Areas. Supporting factor in defining the boundary between urban and rural areas for general purposes; a potential element in a territorial typology; and linked to main factor 9 (access to urban services and economies).

Indicator: - Size of LAU2 or built-up areas

3. Land Use. Supporting factor in defining the boundary between urban and rural areas for general purposes; underlying factor for defining areas for application of specific measures; linked to main factor 8 (economic structure and strength).

Indicators: - Land cover (Baseline indicator 7)

- Land use – built-up areas, cultivated areas (farming, pastoralism, forestry) natural areas (Baseline Indicators 3,9)

4. Physical Handicap. Key factor in defining areas for application of specific measures, notably support to Less Favoured Areas.

Indicators: - Latitude, altitude, slope, soil quality (Baseline indicator 8)

- Climate - precipitation, temperatures (average and annual range)

- Water regime - aridity, salinity, drought, flood etc. (Baseline indicator 15)

5. Environmental Sensitivity. Key element of constraint on primary land use and on some other economic activity; key factor for defining areas (such as Natura 2000, Nitrate Vulnerable Zones, Protected Forests) for application of specific measures. At the same time it provides opportunities for farmers to produce environmental public goods instead of conventional agricultural products.

Indicators: - Natura 2000 area (Baseline indicator 10)

- Biodiversity: Protected Forests (Baseline indicator 11)

- Nitrate Vulnerable Zone (Baseline indicator 14)

- Protective Forests concerning primarily soil, water and other ecosystem functions (Baseline indicator 16)

- Cultural heritage (indicator to be developed)

- Landscape diversity and quality (indicator to be developed, drawing on the Council of Europe's European Landscape Convention, which has been ratified by 22 EU Member States)

6. Demography. A key element in defining areas which most need development, on grounds of weakness as shown by (for example) negative natural growth of population, net out-migration, loss of young people, unbalance between working age and dependent age groups.

- Indicators:* - *Gross population trends*
- *Balance of births and deaths*
- *Balance of in- and out-migration*
- *Age structure (Baseline indicator 18)*
- *Life expectancy*

7. Socio-economic problems. A key element in defining areas which most need development, on grounds of weakness as shown by (for example) low levels of educational attainment, unemployment, under-employment, low levels of economic activity, low levels of average income and purchasing power, lack of basic communal services.

- Indicators:* - *Levels of educational attainment (Baseline indicator 22)*
- *Levels of unemployment, under-employment, low levels of economic activity*
- *Long-term unemployment (Baseline indicator 21)*
- *Levels of average income and purchasing power*
- *Access to basic communal services and infrastructure – shops, post offices, clinics, day centers, schools,*
- *Standards of infrastructure – water supply, sewerage, roads, public transport, electricity, telephones*
- *Internet infrastructure (Baseline indicator 23)*

8. Economic structure and strength. A key element in defining areas which most need development, on grounds of weakness as shown by (for example) narrowly based economies, low levels of job vacancy, low levels of GDP and GVA.

- Indicators:* - *Structure of the Economy (Baseline indicator 19)*
- *Structure of employment (Baseline indicator 20)*
- *Structure of farming (Baseline indicator 4)*
- *Structure, productivity and health of forests (baseline indicator 5,6, 13)*
- *Multipliers and leakage in regional and sub-regional economies*
- *Levels of job vacancy*
- *GDP and GVA per capita*

9. Access to urban services and economies. A potentially significant element in assessing the relative strengths and weaknesses of rural regions.

- Indicators:* - *Presence of urban areas – see main factor 2 above*
- *Presence of basic services in these urban areas*
- *Presence of job vacancies in these urban areas*
- *Ease of access to these urban areas, in terms of personal or public transport*
- *Levels of commuting*

10. Potential to meet the new challenges. A potentially positive element, which may justify allocation of resources to defined areas because of their potential (for example) to capture and sequester carbon, to produce renewable energy etc.

- Indicators (which will require further elaboration):*
- *Areas where farming, pastoralism, forestry or nature conservation offer potential for capture and sequestration of carbon*
- *Areas with potential for generation of renewable energy through wind, water, biomass, biogas, solar energy etc.*

11. Potential for specific action. A potentially positive element, which may justify allocation of resources to defined areas because of their potential. For example, to attract inward investment by entrepreneurs or to develop new flows of tourism, by reason of their high environmental quality, cultural resources etc.; or to improve the landscape and ecosystems through afforestation. These areas may or may not coincide with areas of high environmental sensitivity (see main factor 5).

- Indicators:* - *Landscape quality*
- *Cultural resources*
- *Potential for recreational and touristic activity*
- *Potential for beneficial afforestation (Baseline indicator 13)*