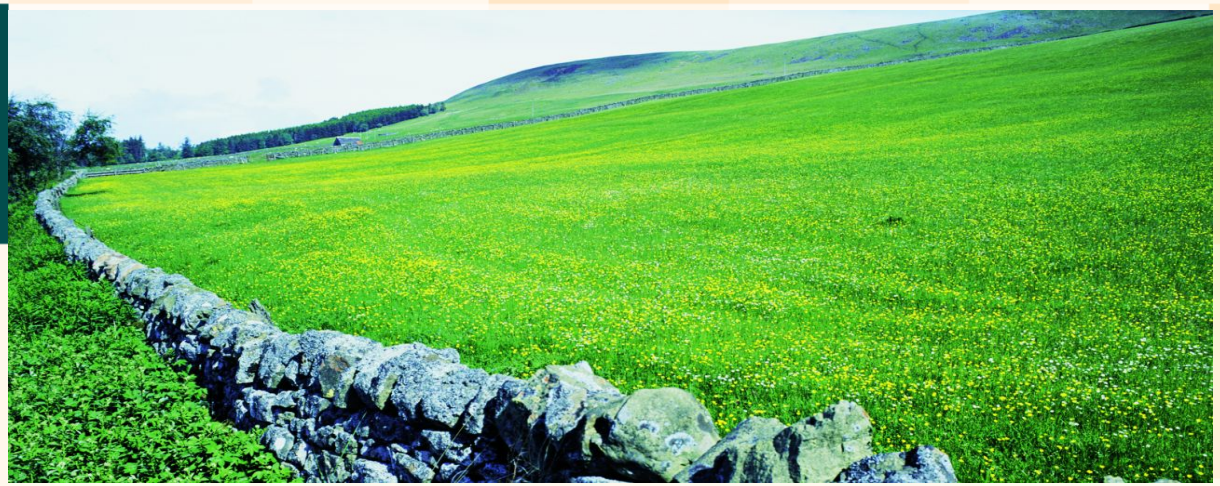

ICT priorities for rural development

Dr Nivelin Noev

EC/DG AGRI, unit G1 „Consistency of rural development“

EU Rural Development Network seminar 09/12/2009 Brussels

ICT policy for rural areas

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- "Broadband for all" objectives – Lisbon agenda & EERP
  - Riga Ministerial declaration: 90% broadband in rural areas by 2010
  - 2008 EU Recovery Plan – 100% coverage by 2010
  - 2009 MS agreement – 100% coverage by 2010-2013
- Strategic guidelines for rural development 2007-13
  - 3 specifically recognised areas for intervention: Agri-food chain, rural tourism and internet in rural areas
  - Internet: One of the major driving factors of economic growth
- Rural development programmes 2007-2013
  (ICT situation in rural areas)
  - Low to average levels of usage and coverage with broadband in rural areas [COM(2009) 103]

Current state of play

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- Lack of sufficient coverage in the majority of the “new” MS (EU-12) and some EU-15 Southern MS
- Broadband infrastructure that needs an upgrade with the latest technologies
- Low quality of the connections (e.g., unstable, low speeds)
- Low capacity ⇨ significant burden for users
  - Higher capacity ⇨ faster access ⇨ bigger savings
- Withdrawn public services in rural areas not yet replaced by on-line provision of such services
- Low penetration rates and sluggish growth compared to urban areas

Priorities for ICT development in rural areas 2007 - 2013

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- **Creation of new broadband infrastructure**
  - Re-enforced by the Recovery Package (up to EUR 1.02 billion)
- **Upgrade of existing infrastructure and enabling of access to broadband infrastructure**
  - Re-enforced by the Recovery Package (up to EUR 1.02 billion)
- **Development of e-services and relevant on-line content**
- **Demand stimulation measures**
  - Development and availability of public services such as e-government, e-health and e-learning is crucial along with e-skills and local applications
  - Business needs versus Population needs – delivery of “packages” such as connection & specific applications ⇔ training

Rural Development Policy (EAFRD) support for ICT development in rural areas

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Measures:

- More than 10 rural development measures across all axes accommodate ICT-related investments

In the programmes approved before the Recovery package:

- In more than half of the RDPs (47 RDPs by16 MS) direct actions on ICT (including broadband) targeting the creation of basic ICT infrastructure and basic public services are planned
- Only broadband infrastructure – 31 RDPs by 12 MS
  - ***To be re-enforced under the Recovery package***
- ICT services by farmers – 21 RDPs by 15 MS
- Non-farm ICT business related actions – 28 RDPs by 17 MS
- Vocational training and human capital upgrading (e.g., ICT and computer skills, etc.) – 56 RDPs by 20 MS
- ICT for an environmental use – 14 RDPs

Rural Development Policy (EAFRD) 2007-2013: Targeting ICT development

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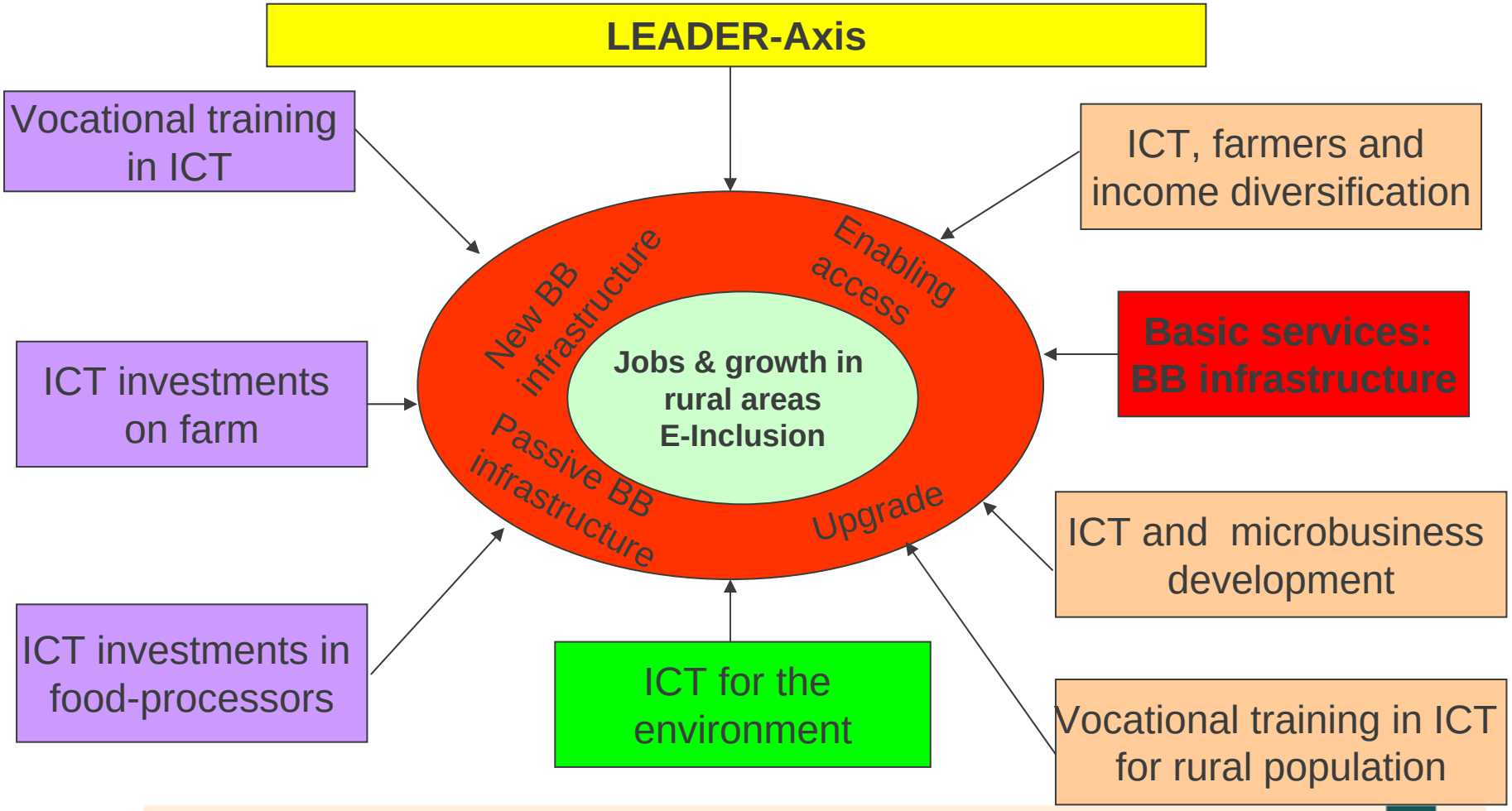

What do we support in practice?
(examples from RDPs)

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Human capital upgrade and e-skills

Vocational training in ICT for farmers, foresters & food processors

- ✓ **Professional training in ICT and computer skills**
- ✓ **E-learning**
- ✓ **Web-portals and web-tools**
- ✓ **Information activities using ICT**
- ✓ **Data processing**
- ✓ **Establishment and management of ICT resources in farms**
- ✓ **Networking through interactive use of ICT**
- ✓ **Life-long learning, etc.**

Vocational training in ICT for rural population

- ✓ **Training in ICT and computer skills**
- ✓ **E-learning**
- ✓ **Dissemination of information using ICT**
- ✓ **Distance learning**
- ✓ **Mobile training solutions, etc.**

What do we support in practice?
(examples from RDPs

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Basic services & infrastructure

Services

- ✓ **Centres for ICT based services** (medical care, business support, public services, etc.)
- ✓ **Mobile ICT centres**
- ✓ **E-services** (e-commerce, e-government, etc.)
- ✓ **Development of ICT tools and web-portals**
- ✓ **Business co-operation in rural areas using telematic connections**
- ✓ **IT equipment** (health-care, schools, etc.)
- ✓ **Security, transport by calls, tele-working**
- ✓ **Setting-up of electronic consultation systems**

Infrastructure

- ✓ **Creation of new broadband infrastructure**
- ✓ **Laying down passive broadband infrastructure**
- ✓ **Upgrade of existing broadband infrastructure**
- ✓ **Enabling access to broadband**

Re-enforced with the Recovery Package

What do we support in practice?
(examples from RDPs)

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Business creation & development

Farm diversification & rural tourism

- ✓ **New technologies for bringing the producer and consumer closer,** incl. e-booking, marketing, tourism services, etc.
- ✓ **Assistance in ICT initiatives**
- ✓ **Networking** (incl. of tourism actors)
- ✓ **Provision of various ICT services** (by farmers)
- ✓ **Tourist information centres**
- ✓ **Multimedia and IT services for promotion of rural tourism**

Creation of micro-enterprises & business development

- ✓ **ICT based services**
- ✓ **New technologies for bringing the producer and consumer closer, incl. web-portals**
- ✓ **Communication points**
- ✓ **Cooperation networking**
- ✓ **Local business ICT capacity**
- ✓ **Micro-businesses in ICT training**
- ✓ **Development of mobile solutions**
- ✓ **Services for connecting and providing internet**

Success factors for development of ICT in rural areas

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- **Success factors determined based on a set of 67 good practices [COM(2009) 103 and SEC(2009) 254]**
  - Community financial support
  - Support from national and regional authorities
  - Involvement and cooperation with local actors
  - Understanding and reacting to new business opportunities and needs

Rural development: Recovery package & broadband

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- **State of play before the Recovery package**
  - 31 RDPs by 12 MS do provide support for broadband infrastructure
- **The Recovery package**
  - EUR 1.02 billion to be committed in 2009
  - Budget available for 6 priorities (new challenges and/or broadband)
  - Lifting up the limits to small-scale infrastructure
  - All technological solutions supported
  - Three major broadband types of operation
- **Current approvals**
  - EUR 362.7 million programmed for broadband (36% of the Recovery package) of which EUR 149.6 million approved already in October and November
  - 17 Member States invest in broadband under the recovery package
  - 37 RDPs in total to cover broadband aspects
  - Majority of funds to be spent under specific state-aid schemes

Rural development – Health-Check & Recovery package: Oct & Nov approvals (EUR 1.63 bn)

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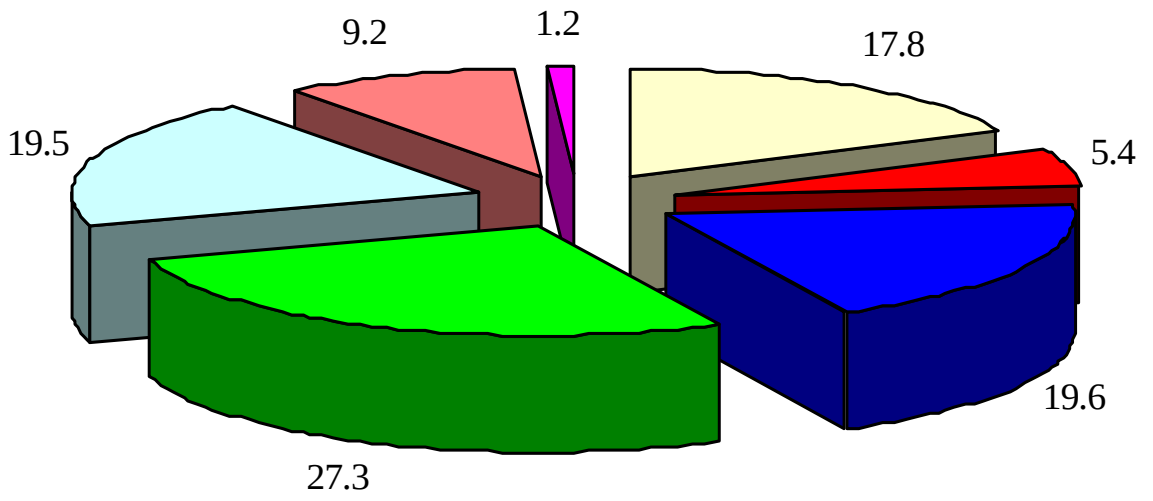
EU27 distribution of CAP Health-Check and EERP funding across priority areas, Oct & Nov 2009 approvals, source: DG AGRI



Rural development: Recovery funds for broadband

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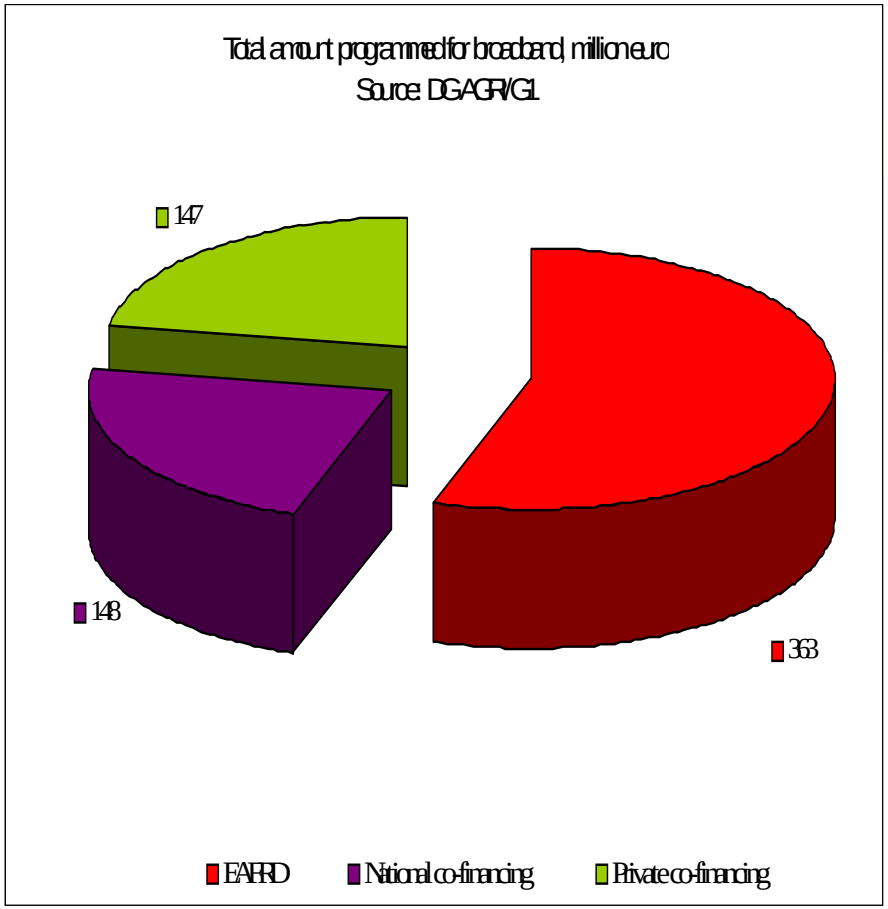

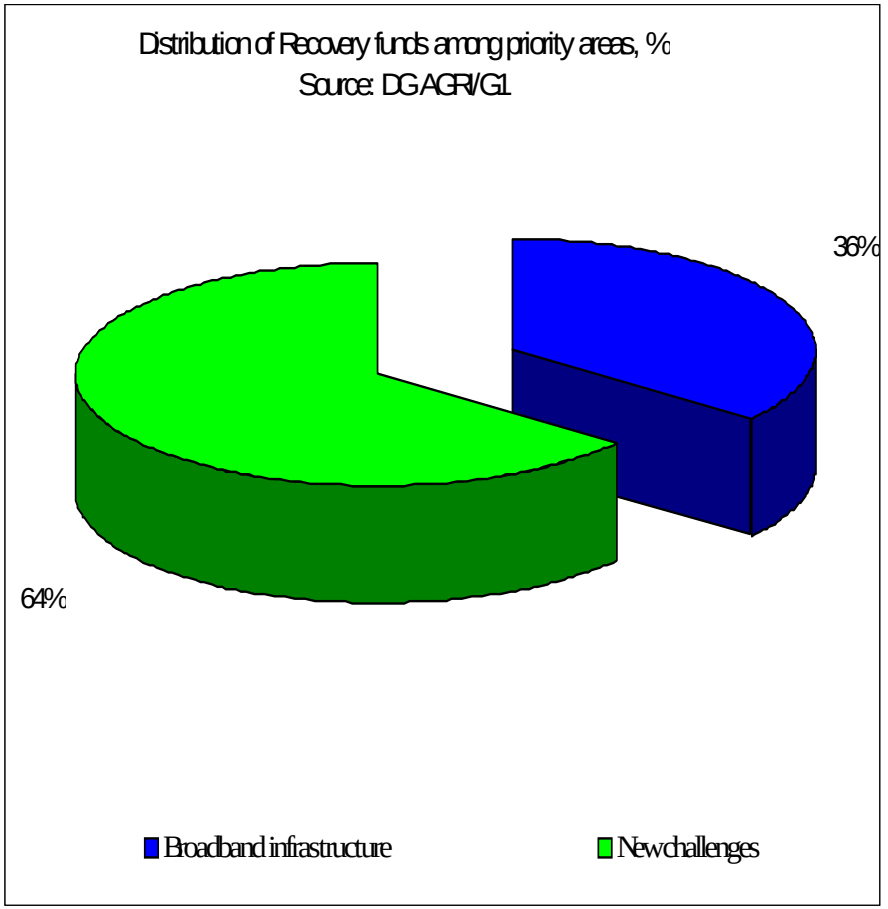

Rural development - Recovery package: Funds' allocation for broadband per MS, %

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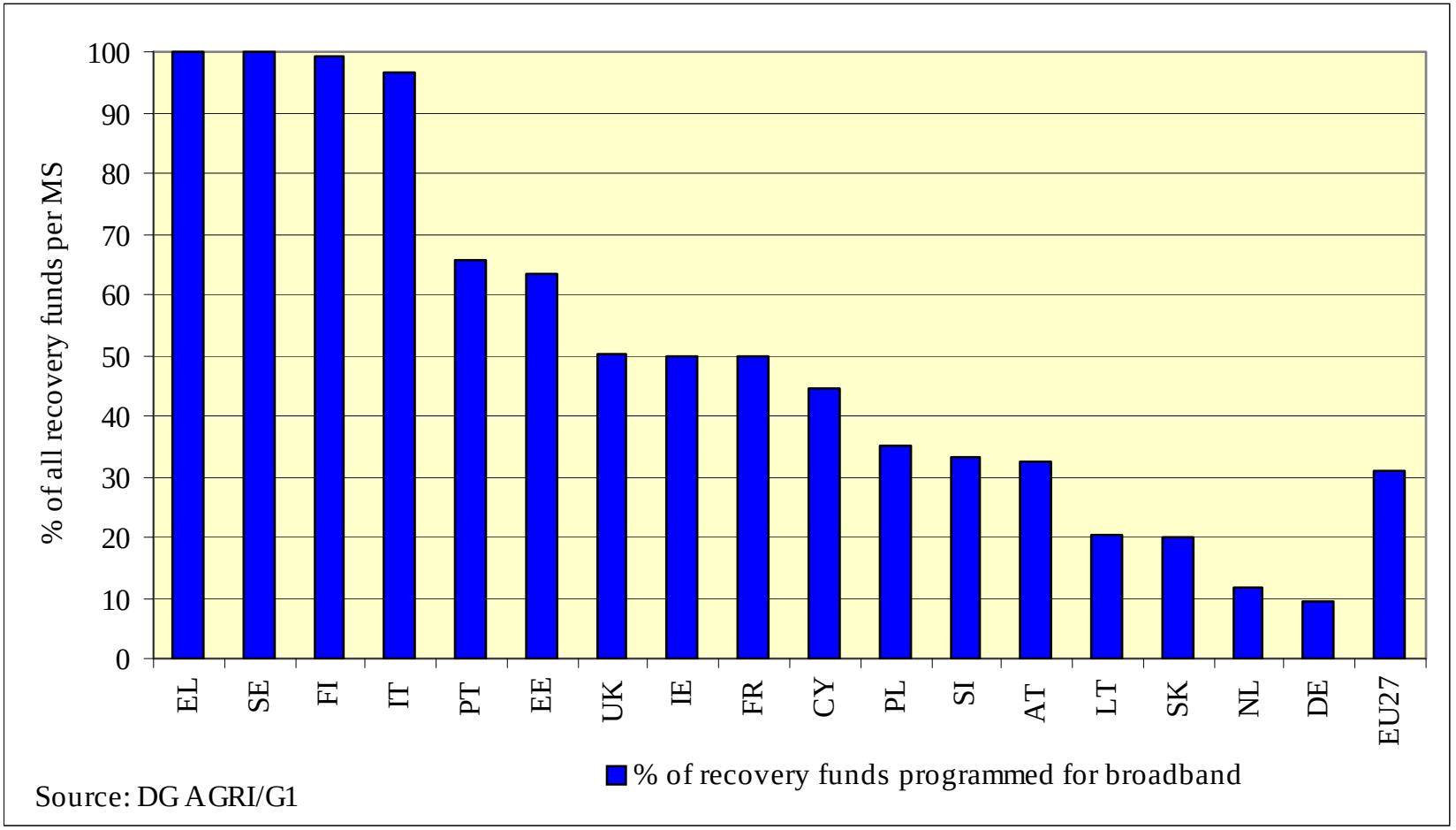

Source: DG AGRI/G1

Recovery package: some insights from the negotiations

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Not in all cases, but sometimes it was clear that there was:

- Lack of coordinated approach at national/regional level
- No knowledge at local, regional and/or national level for demands, current state of play and future needs
- Need of more analytical and data-finding activities
- Need of incorporation of needs of rural areas into the national broadband strategies

Rural development: Follow-up

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- **Annual reporting and monitoring on ICT spending and ICT activities under rural development in general as of 2010**
- **Annual reporting and monitoring on the spending of the Recovery package as of 2010**
- **Mid-term evaluation 2010: emphasis to be put on ICT**
- **ICT event in 2010/2011**

Rural development: The ICT event brainstorming

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- Emphasis on sharing of experience on implementation of ICT activities within the rural development policy domain, how and to what extent stakeholders are involved in it
- Look at:
  - Needs of the farm society and current initiatives to cover these needs
  - ICT for agri-food chain development & transparency, and creation of growth/value-added achievements
  - Information systems for environmental purposes
  - Incorporation of ICT into local development strategies (i.e. Leader)
  - Future policy debate and strategic orientation
- Presentation of projects supported by EAFRD
- Reporting on the Recovery package implementation and funded ICT activities under EAFRD in general (2007-2010)

Thank you

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- Further information on rural development policy (EAFRD)

  http://ec.europa.eu/agriculture/rurdev/index_en.htm

- ICT policy for rural areas

  http://ec.europa.eu/agriculture/rurdev/employment/ict/index_en.htm

- Study on Availability of Access to Computer Networks in Rural areas (conducted for DG AGRI)

  http://ec.europa.eu/agriculture/analysis/external/networks/index_en.htm

- European broadband portal

  http://www.broadband-europe.eu/

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Check-list of actions for public authorities investing in broadband in rural and under-served territories

* Source: The European broadband portal (work in progress)

- **Mapping & Coordination**
  - Gather information on existing infrastructures, incl. availability, speeds and costs of services ⇨ create a map
  - Identify the key players (suppliers & users)
  - Carry out an awareness raising campaign
  - Begin to build a territory-wide partnership of key players
  - Check the need for demand aggregation strategy
  - Conduct appropriate research
  - Exchange of experience ⇨ know results and outcomes from similar cases

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Check-list of actions for public authorities investing in broadband in rural and under-served territories

* Source: The European broadband portal (work in progress)

- **Develop the Business Case**
  - Develop the action plan and try to get support from all key players
  - Formal agreement with local public authorities and integration/alignment of actions into existing local development strategies
  - Feasibility study before an investment to take place
- **Finding the Funding**
  - Identify all available sources of funding
  - Get assistance for institutional capacity building
- **Business Models**
  - Develop the business plan
  - Ensure economic/business sustainability based on commercial success and criteria

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Check-list of actions for public authorities investing in broadband in rural and under-served territories

* Source: The European broadband portal (work in progress)

- **Implementation**
  - Check the possibilities for using of existing state-aid scheme or submit a new one to the EC
  - Prepare open calls for procurement under the “neutral technology approach”
  - Carry out training needs analysis and provide an appropriate training
  - Implement the action plan
  - Design and establish systems for monitoring and evaluation