



Thematic Working Group 1
Targeting territorial specificities and needs in Rural
Development Programmes
Final Report - Annex 1

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 have 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.

Annex 1 - Summary of concepts and definitions of rurality used by Member States ¹

This Annex contains, for each of the 35 RDPs covered by the analysis described in Section 3, summary of the broad approach to definition of rural areas for the general purpose of the RDP. These summaries are based only on the texts of the respective RDPs.

It is in alphabetical order by member states, of which five – Belgium, Germany, Italy, Spain and the United Kingdom – are represented at sub-national level.

Austria claims to have used the OECD definition, and (as indicators) the percentage of national territory and population that falls within rural areas. It has identified three types of rural area for use in the RDP. These are:

- **Rural regions with higher than average agricultural rates.** In these regions, the decline of agricultural employment has led to an increase in commuting, but agriculture still has a strong impact on landscapes, economic structure, local society and culture. In recent years, the economy of these regions succeeded through diversification (tourism, food industries, timber processing etc.) and the development of regional, inter-sectoral cooperation.
- **Production-oriented rural regions.** These are Regions with an employment share of more than 25% in the secondary sector: they include traditionally industrial, partly mono-structured regions which are strongly dependent on dominant sectors or businesses. In the past, high structural - mainly male - unemployment and out-migration could be observed. Innovations within the secondary sector and the development of tourism activities could often stabilise these regions in a sustainable manner.
- **Rural regions of high regional significance for tourism.** Many rural areas - mostly in mountain regions – are characterised by well-developed tourist industries, a notable example, with 67% of all overnight stays, being western Austria. Regionally, tourism in Austria is highly concentrated. However, since the 1990s, structural changes have been underway: a broadening of the tourist supply and new tourist groups from Central and Eastern Europe had a positive impact on tourism performance, particularly in these regions.

Belgium

- **Flanders** has a high average density of population. Most of the region would (using the OECD Definition) fall into the categories intermediate and predominantly urban, but the people perceive the peri-urban area to be rural. Flanders has therefore used a modified form of the OECD definition, with a threshold of 600 persons per square kilometre compared with 150 in the OECD norm. The areas below that threshold are defined as rural, and intermediate categories are not considered.
- **Wallonie** is less densely populated than Flanders, with average of 201 inhabitants/km². But half of the population lives in urban areas, at a density of more than 2500 inhabitants/km², within about 3% of the regional territory. The regional government places great importance on 'rural spaces', including farmland, woodlands, wetlands, coastal dunes etc. For these reasons, the straight OECD definition is seen as not suiting the character of the region, and is modified to apply at the level of communes. Thus Rural Areas consist of those communes in which either the

¹ **Note:** The statements in this Annex are all quoted or paraphrased from the RDPs or NSPs of the relevant state or region.

density of inhabitants is less than 150 inhabitants/km² or the density is more than 150 inhabitants/km² but rural spaces cover more than 80% of the whole commune's area.

Bulgaria saw the OECD definition as unrealistic for them, because it would bring 98.8% of the national territory and 84.3% of the population into predominantly rural or intermediate rural regions, the only exception being the capital Sofia. It therefore adopted instead a national definition, already used in the SAPARD programme, whereby rural areas are the municipalities in which no settlement has a population of more than 30,000: the remaining municipalities were considered Urban Areas. According to this definition, 231 out of Bulgaria's total of 264 municipalities are classified as rural. These Rural Areas represent 81% of the Bulgarian territory and 42% of the population. Baseline Indicator 2 was used only for descriptive purposes, not for targeting rural areas.

Cyprus does not use the OECD definition because it does not suit the geographic pattern of settlements. Cyprus is a small country with small agricultural areas and small urban centres. If the OECD definition was used, many areas with relatively large population and small surface which are regarded as rural would not be classified as rural, while others with large population and large surface would be characterised as rural; there would be differences between neighbouring communities and this would cause problems. Cyprus therefore prefers to use the definition it has always used, for reasons of continuity and comparability, namely to define as rural those areas that are not defined as urban in local spatial plans. The rural areas, as so defined, contain 30.6% of the national population (2004 Census).

Czech Republic defines as rural those municipalities (LAU2) with less than 2,000 inhabitants. This is a traditional Czech definition, as used in previous rural development programmes. With this starting-point, rural areas are classified as **suburban, intermediate or remote**. This typology is based on identification of small sub-regional units (micro-regions of about 1,000 to 1,300 inhabitants) which contain municipalities with the basic facilities like school, post office, medical centre, etc. and their nearest "catchment" areas i.e. neighbouring villages and other human settlements using these facilities. Continuous territories of these units are then classified in the three types. Suburban rural areas are those within urban agglomerations or narrowly delimited urbanized areas with more than 50,000 inhabitants. Remote rural areas include, in particular, the so-called peripheral areas, which have adverse socio-economic characteristics. The intermediate rural areas cover the remaining rural territory of the Czech Republic.

Denmark decided that they must have a more subtle indication, than the OECD definition could provide, of which rural areas had the greatest need to boost development. So they opted for a classification system based on 14 indicators, which were selected in order to describe the structural, economic and demographic situation in the 98 Danish municipalities. They include some elements of Baseline Indicator 2, namely percentage of national territory, population and employment in rural areas.

The 14 equally weighted indicators of rurality are:

- proportion of the municipality's area in rural zones
- population in rural areas and towns with less than 1,000 inhabitants
- population per Km²
- population trends, 1994-2004
- employment trends, 1994-2004
- average distance to areas with a high surplus of jobs, 2004
- jobs in proportion to employees (dependence on commuting)
- percentage employed in agricultural enterprises

- taxation base per capita, 2007
- percentage of the workforce with medium-cycle or tertiary education, 2005
- percentage of the workforce with basic schooling, 2005
- average distance to a motorway
- percentage of the population aged 25-44 years
- percentage of the population aged 17-64 years.

Using the weighting from these 14 indicators, the 98 municipalities are then divided into four different classes – Peripheral; Rural; Intermediate; Urban. The first three classes, a total of 63 municipalities, count as Rural for the purposes of the RDP.

Estonia decided not to use the OECD definition because, in most parts of the country, the population density is less than 150 inhabitants/km²: even the capital city Tallinn would count as an intermediate rural region under the OECD classification. They use a national definition according to which the rural area consists of the territory of all rural municipalities. In addition, in case of Leader, small towns with up to 4000 people have been included to the rural area. On this basis, 98.4% of the country, containing one-third of the national population, is defined as rural.

Finland is the most sparsely populated member state of the EU, so that the whole country would be either predominantly or significantly rural by the OECD definition. Since the first national rural programme in 1990, Finland has evolved a three-part classification of rural municipalities (LAU2), dividing them into urban-adjacent rural areas, rural heartland areas and sparsely populated rural areas, in order to focus rural policy on specific regional needs and to ensure effective delivery of policy. The rural typology has gone through changes, because of changes in the operational environment and because rural areas have become increasingly diversified. Major factors in this process have been EU membership and the wish to strengthen the urban dimension in evolving the typology. Rural municipalities were classified in 1993, again in 2000, and for the third time in 2006, when the present classification emerged.

The rural typology in Finland is based on a three-stage process of classification:

- Stage 1 – definition of important urban areas and other urban areas, using proportion of the rural population in the municipality as the basic criterion;
- Stage 2 – identification of urban-adjacent areas, according to the volume of commuter traffic to target centres from the rural locations within the municipality;
- Stage 3 - a multivariate analysis on the remaining municipalities, using 10 variables.

The result of this process is the present typology, which includes:

- Urban areas – a total of 58 municipalities, which includes the centres of major urban areas, and other urban areas with comparable characteristics: the criteria used in defining them include the proportion of the rural population in the municipality (less than 10%), the location in relation to major centres, the number of inhabitants, and the number of farms;
- Urban-adjacent rural areas – a total of 89 municipalities: the criteria used in defining them include identification of the rural locations within them which are sources of commuter traffic to urban areas with more than 15,000 inhabitants; the proportion of commuters among the employed persons in the rural locations; and related factors;
- Rural heartland areas – a total of 142 municipalities;
- Sparsely populated rural areas – a total of 143 municipalities.

The rural heartland areas, and the sparsely populated areas, were defined and differentiated by multi-variable analysis, using 10 variables, namely:

- Population density (population in rural areas ÷ inhabited km² grid cells in 2004)
- Average distance in km of inhabited km² grid cells of rural areas to the nearest agglomeration of more than 500 inhabitants in 2004
- Length of public roads in relation to the rural population in 2004 (km/rural resident)
- % of jobs in forestry and mining in 2003
- Diversity of economic activities in rural areas in 2002
- Average taxable income per holding between 2001-2003
- % of gross value added, average for 2002-2004
- % average net migration in relation to the population of the municipality between 2002-2004
- % of the rural population aged 20 to 39 in 2004
- Economic dependency ratio in 2003

France (*mainland only*) chose not to use the OECD definition, mainly for the reason that rural areas so defined would exclude significant parts of the peri-urban zone, which includes a third of France's agricultural land, 35% of its farms and the homes of 39% of the metropolitan population. The rising emphasis on quality of life prompts many of those who live in the peri-urban zone to think that they live in the countryside. France has therefore developed a concept of "peri-urban and rural crowns", as the basis for defining rural areas for the RD. This concept draws on the earlier idea that a rural commune (LAU2) is usually one with less than 2000 citizens, but adds criteria developed by the National Institute of Economic Studies and Statistics. These criteria relate to density and localisation of the potential of employment and its importance in both urban and rural areas. The Institute defines three categories of space:

- **predominantly urban space**, which is composed of an urban employment pool (defined as having a potential of at least 5000 jobs) and its "peri-urban crown" (composed of communes where at least 40% of working people live in the commune and have a job in the "urban pool" (such a "peri-urban crown" is not unlike the areas named "Intermediate region" in the OECD definition);
- **predominantly rural space**, which is composed of a rural employment pool (defined as having a potential of at least 500 jobs) and the "the crown of the pool" (composed of communes where at least 40% of the population is working in this rural pool);
- **other rural communes.**

The RDP applies to predominantly rural space, other rural communes and peri-urban crowns, but not to the urban employment pools.

Germany. Rural areas in Germany are extremely heterogeneous. A unique definition of rural areas doesn't exist. German spatial planning uses different definitions, depending on the particular purpose. Spatial planning authorities in the *Länder* also use different classifications. In the run-up to the 2007–2013 programming process in Germany, there was discussion about defining rural areas uniformly, but in the end there were no agreement on this. The Federal Ministry of Food, Agriculture and Consumer Protection of Germany advised the Commission in 2006 that the OECD definition does not well fit with the

real situation in Germany: specifically, the threshold of 150 inhabitants per square kilometer is often not appropriate as a measure of rurality in German municipalities.

In consequence, there is no clear definition in the German National Strategy, and it was left to the *Länder* to define rural areas in their programme documents. All *Länder* programmes make a clear distinction between a general definition of rural areas and the actual targeting of RD support. As regards the general definition, different concepts of rural areas are used:

- More densely populated *Länder* (Baden-Württemberg, Bayern, Hessen, Nordrhein-Westfalen), but also Brandenburg make use of the definitions in their *Landesentwicklungsprogramm* (State development plan elaborated by the spatial planning authority). Accordingly, rural area is defined as the area outside the *Verdichtungsraum* (densely populated area, which is variably defined).
- In some RDPs (Niedersachsen, Thüringen, Sachsen-Anhalt, Mecklenburg-Vorpommern), rural area is defined as the whole area except the *kreisfreie Städte* (cities independent of an administrative district (NUTS3)).
- Others draw a general borderline between rural areas and towns with more than 20,000 (Rheinland-Pfalz) or 30,000 inhabitants (Sachsen, Schleswig-Holstein).
- In the RDPs of the smallest but densely populated *Länder* (Saarland and Hamburg), no definition is given.

As indications of the variation between *Länder*, we describe the approaches taken by Bavaria, Brandenburg and Hessen:

- **Bavaria** does not use the OECD definition. It defines its rural areas by reference to the classification of settlement structure developed, for the whole of Germany, by the Federal Office for Building and Regional Planning. This classification is based mainly on the two indicators - population density; and 'centrality of the NUTS 3 areas', which is a measure of the proximity of rural areas to urban conglomerations. Several other factors are then used to fine-tune the definition: these are average travel time by car, or by public transport, to the nearest metropolis; density of population and of work-places; and prices of building land
- **Brandenburg** noted that the OECD definition is ill-suited to its low average density of population, since much of its rural areas are at less than 50 persons/km². Had the OECD definition been used, 97.5 % of the territory of Brandenburg would be designated as rural. The Land therefore defines rural areas as "areas that are outside of urban agglomerations": within this definition, it distinguishes the sub-urban areas of Berlin, recognising that these areas face different problems from those of more peripheral areas.
- **Hessen** states that a standard definition like that of OECD, based on population density or workplace density, cannot be applied to all rural areas. To define all "non-urban-areas" as rural areas would also not be appropriate. Nevertheless the RDP states that Rural areas are defined by reference to "context-related Baseline Indicators 1 and 2", subject to the exclusion of the Rhein-Main urban conglomeration and the city centres of Kassel, Fulda, Marburg, Gießen and Wetzlar.

Greece uses the OECD definition to define its rural areas. It also uses baseline indicator 2 in the analysis of the rural economy and quality of life, with a focus on agricultural production, population density, changes in population trends (e.g. population movements between rural, intermediate and urban regions), age structure, GDP per capita, structure of employment and unemployment etc. In addition, it uses other factors to shape definitions for specific purposes. For example, a different classification of rural areas has been used for the purpose of spatial analysis, with three categories:

- **Dynamic rural areas.** These are located in plains, easily accessible to the cities, and constitute the heart of agricultural production and exports: however, they are negatively affected by CAP reform. Other factors used in these areas include the percentage of irrigated land, the type of farmers, intensive agriculture and its environmental impact etc.
- **Mountainous, disadvantaged or problematic rural areas.** Factors used in these areas include the percentage of irrigated land, degree of land abandonment, potential for soft tourism or for production of "special products" using local character, high quality, special technology etc.
- **Island rural areas.** These are highly varied, by size, topography, degree of tourism development etc. They are all affected, to greater or lesser degree, by distance from mainland Greece and therefore increased transport costs, ecological impacts, scarcity of resources, competitive use of land for tourism or agricultural activities etc.

Hungary has created its own classification, with three main categories of micro-regions. "The ... rational of rurality at micro-regional level (LAU 1) is defined in the National Spatial Development Concept (NSDC)." The categories of micro-regions are formulated "according to the level of urbanisation, namely presence or lack of urban centres in the micro region. The level of urbanisation and the ratio of urban settlements in a micro-region is usually a determining condition for the orientation, priorities and the financial resources of its development." The criteria for rurality are:

- Settlements with population density below 120 persons/km² or
- Settlements with less than 10,000 permanent residents excluding the settlements of Budapest agglomeration, but
- Including the outskirts areas of those non-rural settlements which have more than 2% of their population living in outskirts territories.

Using these criteria, three main categories of micro-regions were defined:

1. Urban micro-regions
2. Rural micro regions with urban centres
3. Predominantly rural micro-regions

Categories 2 and 3 count as rural. In this way, 87% of the national territory is defined as rural, with 47% of the national and 96% of the country's municipalities.

Another typology of the micro-regions is also used, with an economic focus, namely:

- Peri-urban micro-regions;
- Agricultural micro- regions;
- Micro-regions with touristic potential;
- Industrial areas.

Ireland chose to include, in their definition of rural areas, a number of small to medium sized towns that do not meet the OECD definition. This was justified by the close proximity of these towns to the greater Dublin area, with the consequent threat from urban sprawl, or by their location in key regional areas where a priority is to stabilise the population. The effect of this inclusion was to increase from 54% to 59% the proportion of the national population that lives in defined rural areas. The national definition builds on work done in producing a National Spatial Strategy, which defines five types of rural area:

- "Strong" areas, with settlements that are peri-urban in nature and have the highest population densities in this area type of over 40 persons/ km²

- “Changing” areas, characterised by having the lowest level of self-employment outside agriculture at 13% of the available labour force.
- “Weak” areas, where population decline has been significant and the ratio of those aged 65 and over exceeds 15% of the total population of the area.
- “Remote” areas that represent the highest proportion of part-time female workers at 29% of the total female population at work.
- “Culturally distinct and highly diversified areas”: these vary across the country.

Italy has an extremely diversified territory. The OECD methodology, if used alone, would not adequately reflect this diversity. So, the methodology has been revised to suit the Italian context. Municipalities (LAU2) have been classified according to the altitude zone (plain, hill and mountain) at province level. The outcome is a distinction between four types of zone, namely:

- Urban Poles
- Rural Areas with Specialised Intensive Agriculture
- Intermediate Rural Areas
- Rural Areas with Complex Problems of Development.

This classification has been defined in the NSP and adopted also in the National Strategy Framework in order to identify the priority of the Cohesion Policies. Regions may adopt a more detailed articulation of the territory, provided that this reflects one of the above types of zone.

The process of defining these zones was as follows:

- First, the provincial capital communes with over 150 inhabitants/km², which have only the most residual elements of agriculture, were treated as “urban areas in a strict sense” and omitted from further consideration.
- Second, the OECD methodology was applied to the remaining communes, identifying the predominantly urban, intermediate and predominantly rural areas not at the provincial level (OECD methodology), but rather by distinguishing the communes, within each province, by altitude zone and calculating for each of the three zones (plain, hill and mountain) the incidence of the population of the communes classified as rural.
- Third, the category of predominantly urban areas was sub-divided into two groups, namely:
 - communes more similar to provincial capitals (e.g. the communes around the major Italian cities and/or certain coastal communes with a high degree of urban development) and
 - a series of densely populated communes, where a rich and intensive agriculture is present (e.g. the plains of Northern Italy). For this purpose, the predominantly urban areas were re-classified, on the basis of the density (150 inhabitants/sq. km) and the proportion of agricultural area within the territory. Thus, communes with high population density but also having over 2/3 of the territorial area in agriculture were defined as “urbanised rural”. By applying the altitude zone analysis, a further category of area was obtained, defined as “highly urbanised rural,” inasmuch as rural communes have a significant weight (over 15% of total population) and urbanised rural communes have a prevalent weight (over 50% of the rural population).
- Fourth, the revised OECD areas were cross-related to the three altitude zones and the country’s three territorial districts (North, Centre and South) to form the following 4 homogeneous macro-areas:

- A. Urban Poles;
- B. Rural Areas with Specialised Intensive Agriculture;
- C. Intermediate Rural Areas;
- D. Rural Areas with Complex Problems of Development.

The effect of this process, in terms of the area defined and the contrast with those which would have been defined using the OECD definition is shown graphically in the map and table at section 3.4 of the report.

Latvia, in its RDP, mentions neither the OECD definition nor the reason for not using it. As to other indicators, “% territory in rural areas” and “% population in rural areas” are mentioned in the RDP only for descriptive purposes, i.e. they were not used to target rural areas; gross value added is indicated for the agriculture and forestry sectors; employment in rural areas is indicated only in volume, not as a % of total employment. Context for the definition of rural areas is provided by the administrative-territorial reform that has been evolving in Latvia since 1998. Reform of local municipalities will be completed by time of the 2009 elections, and a new category of “regional territorial units” and “republican cities” will be operational. In this context, the RDP uses two definitions of Rural Area:

- up to 31 December 2008, Rural Area is all the territory of Latvia, except cities with republican importance and the non-rural parts of the administrative centres of the earlier districts.
- from 1 January 2009, Rural Area is all the territory of Latvia, except cities with republican importance and the non-rural parts of those regional territorial units which include towns with 5,000 inhabitants or more.

Lithuania used a national definition of rural areas, focused on non-urban territories: this produced a slightly lower total of rural population (33.1%, against 33.4%, of the national total) than the OECD definition. “When determining rural and urban territories, the Law on Territorial-Administrative Units is applied, namely the Article defining the concept of living localities in the territory of the Republic of Lithuania.”

Luxembourg, being a single NUTS 3 region, would lack any distinction between rural and non-rural areas if it relied on the OECD definition. So, it has developed its own basis, by which 105 of the national total of 116 communes (LAU2) - 92% of the national territory, and 55% of the national population - are defined as rural. The methodology used to define the rural communes is not described in detail. The RDP refers to the *Programme Directeur d'Aménagement du Territoire* (2003), which indicates that “a rough subdivision of the national territory in areas presenting common characteristics has been obtained by taking into account for each commune some predefined criteria (population density, proportion of farmers in the active population etc.)”. Five categories of areas are identified, and represented on a simple map at national level - very dense areas, dense areas, “rurban” areas, rural areas, urban centres in rural areas. The aim of this classification is to deliver a simple scheme of the whole territory; and to reflect the clear-cut distinction between the few densely inhabited urban or semi-urban areas and centres, and the rest of the country which has a mainly rural character.

Malta takes the view that an international definition of rurality is unsuited to a small island nation, in which “all areas constitute a continuum from urban to rural and the activities associated with each other occur side by side.” The people of Malta consider as rural “those areas where agricultural activity, countryside recreation and nature conservation occur”. Accordingly, they have developed their own definition of rural areas, namely those which have population density lower than 5,000 persons/km², at least 10% of the land in agriculture, and at least 35% of the area lying outside the designated Development Zone. On this basis, 47 municipalities (33 in Malta, 14 in Gozo), out of a national total of 68, are defined as rural: they contain 91% of the islands’ territory, and 64% of the total population.

The Netherlands is a small and densely populated country with hardly any predominantly rural area. Other rural areas are situated all over the country and the distance to urban areas is relatively short. Hence, the distinction between rural and urban is more appropriate than between peri-urban and intermediate rural. Rural areas are defined as those that lie outside urban centres that have more than 30,000 inhabitants: these areas qualify for measures under axes 3 and 4. Measures under Axis 2 apply to Less Favoured Areas, including pastureland on deep peat soils, floodplains, valley bottoms, and sloping land. Measures under axis 1 are of a sectoral nature for which urban centres could qualify as well.

Poland defines rural areas as those which are located outside urban areas. No rationale for this is given, but the RDP states that the rural areas so defined (covering 93% of the national territory and 38.6% of the population) correspond quite closely with what would apply by the OECD definition (91% of territory and 34.4% of population). The RDP also states that there are close relationships between rural and urban areas, therefore any definition of rural areas should be seen only as a theoretical construct and has the character of an "indicator".

Portugal applied the OECD density criterion, but at the level of municipalities (LAU 1), rather than at NUTS 2 or 3, for the reason that municipalities are very heterogeneous and can include both urban and rural areas within a single administrative boundary. To cope with this heterogeneity, Portugal applied the OECD threshold of population density to the smallest administrative (and statistical) territorial unit, the '*freguesia*' (parish) at LAU 2 level. It then focused on three other factors - Less Favoured Areas; the percentage of economically active population employed in agriculture and forestry; and the presence of settlements with at least 15,000 inhabitants

From this came the following classification. Rural Areas include:

- *Freguesias* from Predominantly Urban NUTS 3 Regions (by the OECD definition), provided that they are Less Favoured Areas (LFA).
- *Freguesias* from Intermediate/Significantly Rural NUTS 3 Regions, provided that they are either LFA or are in municipalities (LAU 1) in which at least 10% of the economically active population are employed in agriculture or forestry.
- *Freguesias* from Predominantly Rural NUTS 3 Regions.

Not considered rural are all *Freguesias* from every NUTS 3 Region which includes villages or cities (urban centres) with at least 15,000 inhabitants.

Romania has used a national definition, whereby the national territory is divided, at the LAU 2 level, into 319 urban units (including the 103 most important towns) and 2,851 rural communes, which make up the rural area. The Romanian authorities say that the National Statistics Institute will assess the possibility of collecting statistical data based on OECD definitions, which will allow for international comparisons.

Slovakia used the OECD definition, without modification. In the English version of the RDP, the three main types of region are defined as:

- Mostly rural regions;
- Other rural regions;
- Mostly urban regions.

Slovenia used the OECD definition, without modification. At the NUTS 3 level, eleven of the national total of twelve statistical regions are designated as rural, whereof five are classified as predominantly rural and six as significantly rural. These rural regions include 67% of all municipalities (LAU 2), 77% of the national territory, and 41% of national population (census of 2002).

Spain. In Spain, the responsibility for preparing and implementing RDPs rests with each Autonomous Region (*Comunidad Autonoma*), and their definition of rural area varies as shown below. In the National Strategy, the first level of OECD definition (rural municipalities with density below 150 inhabitants per km²) was retained, while the second level (regional typology) was omitted and rural municipalities were summed up to a total figure of rural areas in each Autonomous Region. This approach was used because “the OECD definition does not always correctly reflect rurality, particularly in the zones with the highest population density”. However, there is ongoing discussion at national level, and the most recent proposal is to use the OECD definition and typology, with the following additional criteria:

- If region classified as PR contains a municipality with more than 200,000 inhabitants representing more than 25% of that region’s population, the region is reclassified as IR
- If region classified as IR contains a municipality with more than 500,000 inhabitants representing more than 25% of that region’s population, the region is reclassified as PU.

Andalucia used the OECD definition, without modification.

Catalonia used the OECD definition, but as applied to LAU 1 areas (*conmarcas*), which are defined as rural if the population density is less than 100 inhabitants per km². In addition, municipalities with less than 10,000 inhabitants are defined as rural.

Navarra used the OECD definition, without modification.

Sweden found the OECD definition unhelpful, because it would mean that 99% of national territory, and 70% of the population, would count as rural, excluding only Stockholm and Skåne counties. Moreover, the rural areas vary widely in the different parts of the country. The attractiveness and accessibility of rural areas nearer to the cities, together with improved communications and changes in lifestyle, have brought fundamental changes in the way in which the rural areas are used for residence, work and recreation, resulting in a reversal of population decline. But the more distant and sparsely populated areas face serious social and economic challenges.

Sweden has therefore developed its own definition, whereby ‘rural’ is defined as being outside an urban area with a population of at least 3,000, and ‘sparsely populated’ areas are those situated more than 45 minutes by car from an urban area with a population of at least 3,000. The rural areas are then divided into four types of region, based on what labour markets are within the reach of commuters who go home each day. These are:

- *inland regions of the northern Swedish counties*, consisting mainly of the local labour markets that were part of the EU’s previous Objective 6 area;
- other areas of the northern Swedish counties;
- *metropolitan regions*, covering the local labour markets of Stockholm, Gothenburg and Malmö;
- *rest of Sweden*, covering other parts of the country.

United Kingdom

England, according to its RDP, is “...relatively urbanised and densely populated compared to much of the EU (and) is characterised by more heterogeneous regions than ... other OECD or EU countries”. Therefore, the OECD definition is seen as not useful, since it would mean that England has zero population living in Predominantly Rural areas. Instead, England uses a definition of rural areas that has been applied since 2004, and recently updated to reflect changes in local authority boundaries. This definition reflects the type of settlement and the geographic context. At its most detailed level, the Rural Definition focuses on Output Areas (OA), each of which represents a cluster of adjacent postcodes and

has an average of 125 households. These are then allocated to one of 8 different area types, as shown below:

1. Urban (Less Sparse)
2. Urban (Less Sparse)
3. Town (Less Sparse)
4. Town (Sparse)
5. Village (Less Sparse)
6. Village (Sparse)
7. Dispersed (Less Sparse)
8. Dispersed (Sparse)

A Rural Classification is then applied at the level of Local Authority Districts (LAU 1), with 6 resulting categories:

- Major Urban: districts with either 100,000 people or 50 percent of their population in urban areas with a population of more than 750,000;
- Large Urban: districts with either 50,000 people or 50 percent of their population in one of 17 urban areas with a population between 250,000 and 750,000;
- Other Urban: districts with fewer than 37,000 people or less than 26 percent of their population in rural settlements and larger market towns;
- Significant Rural: districts with more than 37,000 people or more than 26 percent of their population in rural settlements and larger market towns;
- Rural-50: districts with at least 50 percent but less than 80 percent of their population in rural settlements and larger market towns;
- Rural-80: districts with at least 80 percent of their population in rural settlements and larger market towns.

It is stated in the RDP that this basis of classification "has the advantage that it takes into account population density as well as distances between settlements. The OECD definition does not take into account the context or accessibility of rural settlements in this way. Furthermore, the England rural definition is applicable at low levels of geography, which is better able to characterise rural England. ... Overall, using the rural definition and classification for England is of much more value for England's policymakers than the OECD classification. Taking advantage of the relatively small size of England, it is possible to classify areas in the context of their surroundings, to an agreed uniform classification used throughout Central Government and, increasingly, outside."

Northern Ireland gave no specific reason for not using the OECD definition, but noted that "In 2005, a Report by the Inter-Departmental Urban-Rural Definition Group reviewed definitions of urban and rural areas in use for policy and statistical reporting. The report recommended that Government Departments should consider defining urban and rural areas in ways that are appropriate for the specific programmes and projects under consideration. In the absence of a programme-specific definition, the report proposed that rural settlements with a population of 4,500 or less should be defined as rural."

Rural areas, as defined, include (a) settlements with a population of 4,500 or less, and (b) areas outside the development limits of settlements with a population greater than 4,500.

An additional classification of rural areas – ‘accessible’ and ‘less accessible’ – is also used. ‘Accessible rural areas’ are settlements with a population of 4,500 or less in the following District Council areas: Antrim, Ballymena, Banbridge, Carrickfergus, Castlereagh, Craigavon, Down, Larne, Lisburn, Newtownabbey, Newtownards and North Down.

Scotland noted that “the OECD definition is based only on population density and does not take account of remoteness, which is a particular feature of Scotland’s rural areas”. For this reason, the RDP adopts the Scottish Executive’s Urban Rural Classification^{2**}, which uses settlement size and remoteness to classify areas as rural. Rural areas are defined as settlements with a population of less than 3,000. Based on analysis of drive times to larger settlements, rural Scotland is then split into:

- Accessible rural areas i.e. those with a less than 30 minute drive time to the nearest settlement with a population of 10,000 or more; and
- Remote rural areas i.e. those with a greater than 30 minute drive time to the nearest settlement with a population of 10,000 or more.

Wales gave no reason for not using the OECD definition. Instead, it referred to the review of definitions of urban and rural areas in use for policy and statistical reporting commissioned by the Office of the Deputy Prime Minister in 2001: the outcome of this process was the adoption in 2004 of a “Rural Definition”. This definition (also used in England) reflects the type of settlement and the geographic context. At the most detailed level, it focuses on Output Areas (OA), each of which includes a cluster of adjacent postcodes, with an average of 125 households. Each OA is placed in one of 8 different area types, namely:

1. Urban (Less Sparse)
2. Urban (Sparse)
3. Town (Less Sparse)
4. Town (Sparse)
5. Village (Less Sparse)
6. Village (Sparse)
7. Dispersed (Less Sparse)
8. Dispersed (Sparse)

The core OA definition has also been adapted for larger geographical units, specifically: Wards; Middle Super Output Areas; and Lower Super Output Areas. At these levels, ‘Hamlet and isolated dwellings’ and ‘Village’ are combined as ‘Village, hamlet and isolated dwellings’.

In 2004, the Welsh Assembly Government started a ward-level statistical analysis for the whole of Wales to identify which wards have similar characteristics to ward designated as rural for the purposes of the

² The Scottish Executive’s Urban Rural Classification includes:

1. Large urban areas (with a population of over 125,000)
2. Other urban areas (with a population of 10,000 to 125,000)
3. Accessible small towns (with a population of 3,000 to 10,000 and within a 30 minute drive time of a settlement with a population of 10,000)
4. Remote small towns (with a population of 3,000 to 10,000 and over a 30 minute drive time of a settlement with a population of 10,000)
5. Accessible rural (with a population less than 3,000 and within a 30 minute drive time of a settlement with a population of 10,000)
6. Remote rural (with a population less than 3,000 and over a 30 minute drive of a settlement with a population of 10,000).

then existing Rural Development Plan. The purpose of the exercise was to identify wards that would be eligible for support under Axis 3 and Axis 4 of the Rural Development Plan 2007-2013. The exercise used the Rural Definition (as described above) to identify settlements. However, the Rural Definition was considered "too blunt a tool to use to decide issues such as eligibility and possible allocation of funding".

Therefore, a second stage "refined the statistical findings by working with Local Authorities to consider qualitative criteria such as settlement and population characteristics, economic activity, culture, access and communication at the local level to draw out the other arguments for defining areas as rural. Each Local Authority was approached to (a) check that the areas matched the statistical profiles, (b) check that the assumptions about the nature of each area were correct and (c) facilitate informed discussion about the areas. This also allowed the Welsh Assembly Government to check whether or not the Local Authority concerned supported the designation of any of its wards as rural, as their commitment to the introduction of any rural programme will be critical to the success of that programme."

Based on the exercise, rural areas were categorised for support under Axis 3 and Axis 4 of the new RDP. The rural areas deemed eligible for that support are in the following categories:

- Rural Ward - a ward with a solely or predominantly 'Rural' or 'Small Town' Output Area population profile or where non-statistical evidence provided by the Local Authority supports the rural nature of the ward. Projects can be located in the ward with the full benefits arising from the project accruing to it.
- Service Centre Ward - a ward with a predominantly 'Small Town' or 'Large Town' Output Area population profile with either some 'Rural' Output Area population, or with strong links to the surrounding rural areas supported by non-statistical evidence provided by the Local Authority. Projects can be located in the ward with up to 30% of the benefits arising from the project accruing to that ward but with the balance accruing to the surrounding rural area.
- Host Ward - a ward with only a 'Large Town' Output Area population profile, where the Local Authority has provided non-statistical evidence that the ward plays a key role in the rural area. Projects can be located in the ward for practical/operational reasons (e.g. premises, cost efficiencies etc.), but none of the benefits arising from the project can accrue to the ward itself.

Not eligible for support through the RDP are Ineligible Wards - wards with only a 'Large Town' Output Area population profile that have no or limited links with rural areas, or where the Local Authority's view is that there are no rural elements or significant interaction with rural areas. These wards are regarded as exclusively urban in nature.