



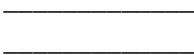
**European Committee
of the Regions**

NAT-VII/030

154th plenary session, 15-16 March 2023

OPINION

Targets and tools for a smart rural Europe



THE EUROPEAN COMMITTEE OF THE REGIONS

- Reiterates its support for the Long-term vision for the EU's rural areas 2040 (LTVRA), which will support territorial cohesion and create new opportunities to attract innovative businesses, ensure access to quality jobs, promote new and better skills, ensure better infrastructure and services and strengthen the role of sustainable agriculture and diversified economic activities.
- Insists that all EU policies should promote the attractiveness of these areas and protect their quality of life and the rural population by ensuring equal access to basic services and opportunities.
- Points out that the magnitude of the challenges requires a strong concentration of financial resources and all activities in rural areas; considers it necessary to connect development tools, reduce their fragmentation, strengthen synergies between LEADER/CLLD, smart villages initiatives and LAGs.
- Invites the EU institutions, Member States and regions to harness the full potential of the smart village concept as a new, innovative tool for the European policy and for the development of rural areas;
- Calls for better conditions to be created for the development of diversified small and medium-sized businesses and for start-ups to become a natural part of the development of smart municipalities in rural areas.
- Welcomes the inclusion of rural areas in the European Declaration on Digital Rights and Principles for the Digital Decade.
- Calls for post-2027 Cohesion Policy to include specific EU-level regional targeting and earmarking for rural areas, with a minimum aid threshold in Partnership Agreements.
- Invites the Commission to include proposals for targets and indicators in its evaluation report on the implementation of the LTVRA. Invites the Commission to propose how to integrate these targets in existing EU monitoring systems (e.g. the European Semester).

Rapporteur: Radim Sršeň (CZ/EPP), Mayor of the Municipality of Dolní Studénky

Reference document: N/A

Opinion of the European Committee of the Regions – Targets and tools for a smart rural Europe

I. POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

The challenges we are facing

1. Reiterates its support for the *Long-term vision for the EU's rural areas 2040* (LTVRA)¹, which will support territorial cohesion and create new opportunities to attract innovative businesses, ensure access to quality jobs, promote new and better skills, ensure better infrastructure and services and strengthen the role of sustainable agriculture and diversified economic activities.
2. Considers that achievement of carbon neutrality by 2050 through the European Green Deal is essential for growing prosperity of the European society, maintaining good conditions for life in the EU and supporting innovation that will lead to the achievement of this goal and ensure the EU's competitiveness on the global scale.
3. Recognises that the COVID-19 pandemic and Russia's aggression against Ukraine have shown the extraordinary need for resilience at all levels within the EU – by municipalities, cities, regions and Member States.
4. Considers that the implementation of a number of sectoral and cross-cutting strategies and policies² twinning the green and digital transitions in the new geopolitical context³ is key to achieving major European goals.
5. Is convinced, in the spirit of the Lednice Declaration⁴, that all these plans, activities and support can lead to a common goal only if they are addressed holistically and implemented for the benefit of all EU residents and the entire EU territory using all available EU funds, policies and tools.
6. Is convinced that rural areas must be appreciated as a space without which it is impossible to achieve long-term sustainable development of the EU in the spirit of the above-mentioned objectives.
7. Underlines that the Smart Villages concept is an innovative EU policy and a rural development tool that can help bring about the rural revival which is the essential goal of the LTVRA.

¹ [COM\(2021\) 345 final](#)

² For example, the 8th Environmental Action Plan, Zero Pollution Action Plan, Biodiversity Strategy to 2030, REPowerEU, Digital Compass 2030, 2030 policy program *Path to the Digital Decade*

³ [COM\(2022\) 289](#)

⁴ <https://memportal.cor.europa.eu/Handlers/ViewDoc.ashx?doc=COR-2022-05357-00-00-DECL-TRA-EN.docx>

The current state indicates our vulnerability

8. Recognises the vulnerability of the EU in all three pillars of sustainable development – society, the environment and the economy.
9. Emphasises that rural areas make up 80% of the territory of the EU and are home to 30% of the EU population.
10. Recognises the difference in living conditions between rural and urban areas.
11. Perceives the risks arising from the potential lack of energy from non-European sources, high soil erosion in a number of EU countries and the potential lack of water.
12. Underlines the necessity of adapting the EU's territory to climate change, the need for ensuring biodiversity as well as the need for extended use of renewable energy sources.
13. Points out that many of these fundamental challenges facing the EU cannot be solved other than by proper support for rural areas, which is still insufficient.
14. Is concerned about the lack of access to digitisation and shortcomings in infrastructure and services, which limit the economic development of rural areas. Maintaining a vibrant countryside requires providing the conditions for remote work and for businesses to be able to get established and operate on an equal footing with those in urban areas. Stable, high-quality connectivity would allow both high-tech, data-intensive enterprises and manufacturing industries to operate in sparsely populated areas. Today, there are significant differences in access to connectivity, with rural and sparsely populated areas far behind urban areas and cities. The possibility of providing welfare services via broadband or mobile networks is very important to municipalities and regions and requires better coverage and higher network transmission speeds. In municipalities with poor connectivity, citizens are at risk of digital exclusion.
15. Reiterates that the labour market is fundamentally changing due to digitisation and that in 2040, 40% of the EU population of working age will have a higher education⁵, with the predominance of the "digital" generation Y and Z on the labour market.
16. Is convinced that examples of the implementation of the concept of smart villages show the importance of this new instrument of change for a holistic approach to people and the territory⁶, connecting smart municipalities, smart cities and smart regions in a smart EU.

⁵ Lutz, W., Goujon, A., Kc, S., Stonawski, M. and Stilianakis, N., *Demographic and Human Capital Scenarios for the 21st Century: 2018 assessment for 201 countries*, EUR 29113 EN, Publications Office of the European Union, Luxembourg, 2018, ISBN 978-92-79-78024-0 (online), JRC111148

⁶ See examples of good practice presented at the Innovative Region – Opportunities and Challenges conference, held in Jeseník 2022 as part of the Czech Presidency of the European Council: <https://mmr.cz/en/microsites/pres/akce/cz-pres-konference-inovativni-region-prilezitosti>

Call to action

17. Is convinced that the prosperity of the EU depends on the quality of its entire territory and the creation of comparable conditions for the life of its citizens of every age, every education and every social status in every part of the EU.
18. Calls therefore on the European Commission and the co-legislators to adopt a holistic view of EU development which acknowledges that the development of rural areas is vital for all EU citizens.
19. Invites the EU institutions, Member States and regions to harness the full potential of the smart village concept as a new, innovative tool for the European policy and for the development of rural areas; digital and technological transformations provide new challenges and opportunities to also bring a higher quality of life and services to rural areas. They create new opportunities for a diversified rural economy and access to the job market. As a result, they can help to address current demographic challenges, keep young people in rural areas and reverse the tides of depopulation and brain drain.
20. Calls for more support of rural areas at the European and Member State levels in order to enable the development of smart villages and functioning urban-rural linkages – with special focus on mountainous, border, outermost, economically, socially and demographically endangered rural areas and islands, which are all to be treated as particularly vulnerable – where the conditions for life are as much as possible comparable to those in urban areas, and rural areas are considered as a cultural territory managed from smart villages with a diversified economy, an integral and non-negligible part of which is agriculture.
21. Insists that all EU policies should promote the attractiveness of these areas and protect their quality of life and the rural population by ensuring equal access to basic services and opportunities. This concerns not just cohesion policy but also the EU's agricultural, single market, competition, environmental and energy policies and should take account of the changing technological possibilities and changes in society, triggered by efforts to achieve pan-European goals.
22. Suggests applying seven principles when creating smart villages:
 - the principle of change of direction, where changing technological tools allow people to work remotely from home or from their community and get services at home;
 - the principle of short distances, which leads to local production and consumption, using the 3E principles⁷;
 - the principle of resilience of people and communities, the local economy and the environment;
 - the principle of one solution with several equivalent effects, i.e. a holistic approach;

⁷

Economy, efficiency, effectiveness

- the principle of cooperation to achieve effective solutions, connecting municipalities to solve issues of common interest, which is not bound by the administrative boundaries of regions;
 - the principle of cohesion and complementarity, when smart villages and smart cities in smart regions are developed through cooperation in the territory both horizontally and vertically, opportunities are equalised and tensions are reduced;
 - the principle of "evidence-based" decision-making based on open data and transparency of procedures, where data generated with support from public sources are available to public administration, citizens and entrepreneurs in the interest of new solutions for the development of good conditions for people's lives, communities and for business.
23. Considers that this approach will require a number of new solutions, tailored to different regions and specific rural areas, which also means significant support for innovation, research and development both at the European and Member State levels.
 24. Points out the importance of providing services to all citizens in every EU location within a time limit to be determined based on the characteristics of individual rural areas. Support for research and development for all areas of life in a changing "smart" rural environment will be necessary.
 25. Requests that the infrastructure should be built compliant with this criterion, taking into account that the development of road and rail transport infrastructure is as important as the development of 5G networks and related digital infrastructure.
 26. Requests intensive support for rural areas to fulfil the 2030 policy program I⁸, especially strengthening digital skills and education, secure and sustainable digital infrastructures, the digital transformation of businesses and digitalisation of public services. Welcomes the inclusion of rural areas in the European Declaration on Digital Rights and Principles for the Digital Decade⁹.
 27. Emphasises the need to prevent the emergence of digitally excluded communities and digitally excluded localities so as not to deepen differences in society.
 28. Requests that all realistically available RES (renewable energy sources) potentially existing in the territory should be used and the localisation of energy production and consumption be supported massively (development of "prosumers").
 29. Requests that energy-efficient construction and renovation of housing in rural areas should be supported in order to create good conditions for existing residents and the arrival of new people.
 30. Calls for better conditions to be created for the development of diversified small and medium-sized businesses and for start-ups to become a natural part of the development of smart municipalities in rural areas.

⁸ COM(2021) 574 final.

⁹ <https://digital-strategy.ec.europa.eu/en/library/european-declaration-digital-rights-and-principles>

31. Understands the initiative of start-up villages as an important part of developing smart villages in their economic pillar.
32. Emphasises that the implementation of smart specialisation strategies is equally important for innovation throughout the EU, including rural areas.
33. Calls for the development of "good governance", including digital public administration, which will enable people in rural areas to remotely access municipal, regional and state services. This must be accompanied by streamlined administration.
34. Calls for education to be accessible to all ages, both physically on-site and through remote access, as well as for the development of community centres with a range of services from libraries to social work.
35. Calls for quality healthcare and social care to be decentralised, interconnected and organised so that people can live in their homes throughout their lives.
36. Notes that it is very useful to develop the possibilities of telemedicine, in general eHealth, and also of new fields (e.g. virtual reality), which can help in a number of areas from professional education to social care.
37. Calls for an integrated rescue system to function not only within individual Member States, but also through mutual cooperation across borders, especially in border areas, thus enabling a quick response to emergencies.
38. Requests support for the development of modern agriculture and the bioeconomy (in coastal areas of the blue economy), for the responsible management of raw materials and materials in the sense of the circular economy. Is convinced that agroforestry, smart agriculture, aquaponics and other fields and practices will ease the work of people in agriculture and also increase Europe's food self-sufficiency and help fight erosion.
39. Asks that an expected increase in the number of people working in qualified jobs regardless of location (e.g. people in creative fields) and making rural areas their home should be taken into account.
40. Requests that new solutions in the area should be supported with the understanding that the New European Bauhaus does not only apply to cities, but also to the creation of a landscape whose diversity is taken into account, remembering the necessity of preserving and developing biodiversity.
41. Requests that financial consideration should be given to the fact that the ability to adapt to climate change, the maintaining of biodiversity and of the quality of forests primarily depend on the smart development of rural areas. Points out the potential of decentralised water treatment in small municipalities for improving water retention in the landscape.

42. Calls for the creation of conditions for active mobility (infrastructure for non-motorised transport) to enable the strengthening of the healthy lifestyle of local residents and the further development of sustainable tourism.
43. Highlights the fundamental contribution of autonomous clean mobility to the development of smart villages.
44. Asks that it be ensured that the support of community work will be conducted in such a way as to protect vulnerable groups of the population, especially women. Social work leads to the improvement of the living conditions of marginalised groups of the population in rural areas and to the improvement of life perspectives of children from excluded communities.
45. Emphasises that smart villages should become an integral part of regional development policy and create synergies with existing tools, e.g. LEADER/CLLD. In this work, governments and institutions at all levels should include Local Action Groups (LAGs) in their programming in a more holistic manner. Smart villages, potentially managed by LAGs, have the potential to increase economic, social and territorial cohesion.
46. Is convinced that by supporting the development of rural areas with the above measures, a significant strengthening of Europe's resilience will be achieved, a higher quality of life will be ensured not only in these areas, but also in cities as a result of changes in rural areas, the competitiveness of the EU will be increased, the quality of the environment will be improved and social cohesion will be strengthened.
47. Points out that the magnitude of the challenges requires a strong concentration of financial resources and all activities in rural areas, including for the development of urban-rural linkages; considers it necessary to connect development tools, reduce their fragmentation and strengthen synergies between LEADER/CLLD, smart villages initiatives and LAGs, multifunded through all European funds, including the European Regional Development Fund, the European Social Fund, CAP plans or Next Generation EU funds. All of these tools are key to promoting the cohesive development of rural areas.
48. calls for a gradual change in the criteria for the distribution of support from EU sources so that the territorial share of rural areas in the EU and the number of municipalities in them are taken into account.
49. Calls for post-2027 Cohesion Policy to include specific EU-level regional targeting and earmarking for rural areas, with a minimum aid threshold in Partnership Agreements. In the perspective of Rural Proofing and in line with the "do no harm to cohesion" principle, this should also apply to other policies in the EU budget that have a territorial dimension, including any successor to Next Generation EU.

Monitoring system

50. Welcomes the creation of the Rural Observatory for the creation of indicators for monitoring the development of rural areas, considering that the availability of data at the level of at least NUTS3

in all EU countries is essential. Highlights the importance for Member States to provide this data annually in an open data format, available to the public, including the scientific community.

51. Draws attention to the urgent need to go beyond the new Territorial Agenda 2030 and the LTVRA in order to put in place a European Rural Agenda that can mobilise specific indicators to verify the use of structural funds in Article 174 regions. Indicators should be established both as basic indicators for the entire territory of rural areas, e.g. in the field of digital infrastructure, and then as specific indicators, taking into account the specific situation in individual territories – with specific data on mountainous regions, islands, rural areas, areas experiencing demographic and industrial decline, etc. These indicators should be defined at sub-regional level (such as NUTS 3 and LAU), where the greatest disparities in development are to be found, and should be used when rural-proofing all EU policies.
52. Invites the Commission to include proposals for targets and indicators in its evaluation report on the implementation of the LTVRA. Invites the Commission to propose how to integrate these targets in existing EU monitoring systems (e.g. the European Semester).
53. Calls on Member States and regions to cooperate on the creation and application of these indicators for measuring changes in rural areas.
54. Realises the possibilities offered by the systematic continuous collection of data, e.g. through satellites, and calls for their appropriate use.
55. Is aware that quality of life cannot be assessed only quantitatively; therefore asks for EU support for research projects that will lead to the creation of other, especially qualitative indicators and methods that allow for analysing the state and dynamics of development in rural areas, which will enable a holistic view of this development and the support of the most effective interventions in the further development of the EU's territory and society.

Brussels,

II. PROCEDURE

Title	Targets and tools for a smart rural Europe
Reference(s)	N/A
Legal basis	Own-initiative opinion [Rule 41(b)(ii)]
Procedural basis	
Date of Council/EP referral/Date of Commission letter	N/A
Date of Bureau/President's decision	16 September 2022
Commission responsible	Commission for Natural Resources
Rapporteur	Radim Sršeň
Analysis	28 July 2022
Discussed in commission	31 January 2023
Date adopted by commission	31 January 2023
Result of the vote in commission (majority, unanimity)	Unanimity
Date adopted in plenary	15-March 2023
Previous Committee opinions	
Date of subsidiarity monitoring consultation	N/A