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Joint Position Paper of several German members of the CoR on the future of rural development

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German members of the CoR met in early 2024 to discuss rural development :

- Thomas Schmidt (Minister for Regional Development, Saxony)
- Matthias Wunderling Weilbier (State Secretary for the Ministry for Regional Development, Lower Saxony)
- Thomas Habermann (President of the County of Rhön-Grabfeld)





- A first draft was drafted shortly after by the three respective administrations
- The goal was to have a discussion based concrete numbers and proposals
- The paper was finalised and sent to the German Delegation
- 16 members have agreed to support the position paper
- It has been sent to the EC, Members of the European Parliament and national ministries in July 2024





1. "Extended Status Quo" by strengthening the Structural Policy Orientation in the EAFRD and the Territorial Dimension in the Structural Funds

Basic Requirements

- The goal of strong and resilient rural areas is considered of high importance in the legal framework.
- The EAFRD has adequate funding.

Advantages

- Continuity in governance structures, no system breaks, rapid ability to act.
- Flexibility in setting priorities in the EAFRD remains with member states and regions: they can mix the EAFRD according to pressing needs and in coordination with other national funding elements (agricultural sector, environment, rural development).

Possible Disadvantages - Limits and Risks

- If the EAFRD continues to be programmed together with the 1st pillar in the CAP strategic plan at the national level, only minor improvements compared to the status quo are possible with this option, if at all.
- Simultaneous anchoring in the Common Provisions Regulation (CPR) alongside the CAP regulations would not be sensible in this constellation, as this would result in a dysfunctional "servant of two masters" situation with numerous incompatibilities, double structures, and double reporting requirements.
- Monitoring, indicator sets, and administration and control systems geared towards agricultural policy instruments remain unsuitable for predominantly long-term investment structural projects.
- The continued dominance of agricultural themes and perspectives remains likely.





2. Creation of a Structural Fund for Rural Development ("ESFRD") Based on Article 174 (3) TFEU

Basic Requirements

- Adequate financial means are provided for the fund.
- Full integration under the Common Provisions Regulation as a genuine structural fund. Implementation regime harmonized with the structural funds through the CPR.

Advantages

- Adapted and harmonized implementation regulations with the structural funds can be introduced, and a complete "decoupling" from the CAP implementation regime can occur.
- Anchoring in DG AGRI continues to allow for synergies and fewer hard interfaces between agriculture and rural development policy.

Possible Disadvantages - Limits and Risks

- An additional instrument is associated with the establishment of new implementation structures/governance. Besides the overall increased effort, this may also involve learning costs.
- Own budget, but possibly no flexibility to shift funds from the CAP.
- Risk of other funds withdrawing responsibility for rural areas due to a more specialized fund.





3. Expansion of Cohesion Policy by adding EAFRD goals beyond the Agricultural Sector to the Common Provisions Regulation

Basic Requirements

- Budget shares of the current EAFRD transfer to the structural funds.
- No concentration of ERDF/ESF on less developed areas.

Advantages

- CLLD and cross-fund funding would be facilitated (similar to Goal 5b funding 1994-1999).
- Guidelines for rural development (LEADER et al.) can continue to be designed by the responsible departments and integrated into the structural fund programs; thus, the intervention in governance would be rather minor.
- Integrating the horizontal task of strengthening rural areas could support maintaining cohesion policy in all regions of Europe.

Possible Disadvantages - Limits and Risks

- Cooperation between agriculture, regional marketing, and regional development could be complicated at a new interface.
- The impacts on the approval structure need careful consideration; both synergies and further differentiations are possible.
- The dominance of thematic priorities like decarbonization, innovation, and digitalization can marginalize the goals of rural development if not adequately safeguarded.





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Thank you for your attention.

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