Opinion of the European Committee of the Regions — Revitalisation of rural areas through Smart Villages

(2018/C 164/08)

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POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

1. Welcomes the European Commission's initiative on EU Action for Smart Villages as providing a recognition of the need for targeted actions to support the revival of rural areas as sustainable places in which to live and work; notes that enhancing rural prosperity and the viability of rural areas are among the most urgent tasks, since a more balanced territorial development can be the basis for achieving greater socioeconomic and environmental sustainability;

2. Notes that the European Commission's paper and the involvement of the Commissioners for Agriculture and Rural Development, Regional Policy and Mobility and Transport provide a firm basis to ensure that a coordinated and cross sectoral approach is adopted in developing this initiative;

3. However, regrets the lack of ambition outlined in the paper, which represents a compilation of pre-existing initiatives. Calls for greater ambition and the development of a targeted and forward-looking policy on Smart Villages with a view to the post 2020 period, which builds on the need to consolidate the full range of place based EU 'smart instruments';

4. Emphasises that the preparatory work must be undertaken now if a sustainable and effective programme for Smart Villages is to be in place for the next funding period, including a consideration of better coordination and synergies between the relevant EU policy and funding streams by way of developing an integrated policy and support instrument for Smart Villages;

5. Draws attention to the importance of close coordination at all levels of governance, with due respect for the principle of subsidiarity in order to define 'bottom up' and 'place based' solutions. Highlights the pivotal role of local and regional governments in implementing the policy framework;

6. Proposes expanding the notion of Smart Villages to that of Smart Rural Areas and incorporating the initiative into the European Rural Agenda, so as to also encourage and develop synergies between neighbouring small villages within Smart Rural Areas;

7. In this context supports the importance of the Cork 2.0 declaration in providing a framework for the strengthening of Rural and Agricultural policy and strongly supports the ten policy orientations identified, including the recognition of the need for particular attention to be given to overcoming the digital divide ([1]);

8. Emphasises that the revival of rural areas must serve to address the long-term challenge of depopulation via actions to encourage and support sustainability, generation renewal, and the ability of rural areas to attract newcomers;

9. Calls on the Commission to consider simple measures, which are easy to replicate and accessible even to very small villages; such villages often lack the structure required to enable smart measures to be rolled out easily;

([1]) Cork 2.0 Declaration 2016, Point 3.

10. Suggests that particular attention be given to the challenges faced by peripheral rural regions that, in addition to broadband infrastructure, face critical challenges relating to transport and energy connectivity, therefore the lack of access to the most important public services. Considers that the concept of 'Rural Proofing' ([2]) should be incorporated as part of the Smart Rural Areas initiative with a view to applying this approach to the development of broader policy initiatives with implications for rural areas;

11. Underlines that peripheral border regions face increasing difficulties and the need for strengthening cross-border cooperation opportunities and programmes to tackle these challenges;

Reducing the Digital Divide

12. Stresses that offering digital services and the ability to function properly in a globalised economy requires rapid and reliable broadband connections. ICT infrastructure is therefore proving to be a determining factor in the development potential of regions in the Union;

13. Therefore reiterates the view that efforts should be made to guarantee the same high speed telecommunications network capacity across the whole EU, as an indispensable pre-condition for the competitiveness and economic growth of rural areas and in accordance with the objectives set out in the 2020 Digital Agenda for Europe ([3]);

14. Regrets that progress remains unsatisfactory and uneven, with disparities continuing, particularly between urban and rural regions. The scale of the challenge is seen in the fact that in 2012 9,1 million EU households were not yet covered by fixed broadband networks, 90 % of them in rural areas ([4]);

15. Notes that, at EU level, the aim is to have a connection faster than 30MB/s working throughout Europe by 2020, including in more rural and isolated areas. However this is just an EU average with huge variation across countries and local areas, particularly in rural and the most remote areas where it is not infrequent, even in economically prosperous Member States to have speeds of 10MB/s. This is the usual standard for a typical household to be able to benefit from the most popular online services. Lack of sufficient broadband is in this day and age a serious challenge to Territorial Cohesion. Calls on the European Commission to step up efforts to develop high-speed internet in rural areas via accessible funding models which do not restrict the access of certain Member States to funding for investment in broadband networks and supporting access to funding for investment in broadband networks for small scale projects; also requests that loans be used specifically to develop broadband in rural areas and not for other measures;

16. In seeking to deliver on the promise of the Smart Villages initiative, strongly recommends recognising internet access as a service of public interest at EU and, if appropriate national level, setting minimum tolerable standards for broadband that in addition to ensuring reliable access to internet can also prevent future changes in service provision (including the switching off the copper phone lines and introduction of the 4G successor), and there is provision of emergency service, particularly for digitally remote communities as is already the case in Switzerland and Finland, where access is guaranteed down to the last mile. At very least this should be an *ex ante* conditionality linked to any funding provided for Smart Villages;

17. Points out the importance of developing the technology associated with Smart Villages initiatives, making use of open standards. This will encourage cooperation between administrations and businesses, as well as the reuse of the solutions developed, and will promote interoperability between them;

18. Supports the provision of training for different population age brackets on how to use digital technologies and adapting the teaching to the target audience, in view of the digitalisation of certain public services at local level or other levels (document orders, tax declarations, electronic bills, traceability, CAP, etc.); also insists upon the right to digital literacy, which makes it possible to guarantee all citizens access to training on performing basic tasks in the new digital environment, and for this training to receive funding from the European Structural and Investment Funds;

([2])   Rural proofing: making sure that the needs and interests of rural people, communities and businesses are properly considered when developing and implementing all policies and programmes. For central government, rural proofing means assessing policy options to be sure get the fairest solutions for rural areas are realised.

([3])   Opinion of the European Committee of the Regions on Innovation and modernisation of the rural economy, C 120, 5.4.2016, p. 10.

([4])   6th Report on Economic, Social and Territorial Cohesion. July 2014.

19. Considers that rural broadband extension and the challenge of last mile delivery are directly linked to market dominance and legacy providers. This issue will not be resolved until the regulatory framework incentivises the entry of alternative operators to deploy Next Generation Access (NGA) and encourages the development of community-led innovation;

20. Considers that farmers and the farming sector in general should be a priority group for digital training, with a view to facilitating the uptake and development of e-farming tools and methods;

21. Recommends increasing funding for training and for raising awareness of the different possibilities that the digital economy currently offers rural businesses, such as access to new markets, the development of new products and customer loyalty, among other things;

22. Recognises the various 'digital hub' initiatives currently active in various Member States where, although high speed broadband is not present in each rural dwelling, it is nevertheless made available in dedicated centres (5);

23. Recognises these hubs' additional benefits beyond simply addressing the digital divide, in terms of place making, revitalising village centres, providing jobs, and training opportunities to rural dwellers;

24. Recognises that these hubs can act as potential anchors for other e-services, such as e-health (e.g. online consultations), e-lawyering (i.e. legal advice), e-governance (e.g. online voting, tax returns, benefit claims), e-commerce (e.g. online banking, sales etc.);

Smart Cities and Smart Rural Areas

25. Believes that in common with the Smart City model, a Smart Rural Areas initiative should take a broad approach to development and innovation to include the following six dimensions:

(a) a smart, innovative, entrepreneurial and productive economy;

(b) improved mobility, with accessible, modern and sustainable transport networks;

(c) an environmental and sustainable energy vision;

(d) qualified and engaged citizens;

(e) quality of life in terms of culture, health, safety and education;

(f) an efficient, transparent and ambitious administration;

26. Welcomes the new Wifi4EU scheme to improve internet connectivity in local communities, but notes that projects will be selected on a first-come, first-served but geographically balanced basis. In the selection of projects, attention should be given to the additional barriers faced by smaller rural authorities with less resources than cities;

27. Stresses that the concepts of Smart City and Smart Villages/Smart Rural Areas should not be set against each other, but rather should be seen as mutually complementary with both supporting and reinforcing the success of each other. In terms of strategy, an area does not end at its administrative borders, but interacts with neighbouring entities, rural or urban, and plans its development in harmony with its environment. Thought must be given to setting up positive interrelations between rural and urban populations and not only to making rural areas service providers for urban areas. Stresses in this regard that the whole settlement system will only be viable if all of its elements are viable, from big cities to small villages;

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(5) For example the Ludgate Hub (IE), The Hive in Leitrim (IE).

28. Acknowledges, however, that it is important to recognise the different characteristics of each model. Notably that the Smart City model can draw on many actors to promote and drive initiatives, while this is not the case in rural areas where resources, both in terms of people and administrative capacity, are generally more limited. These differences should be reflected in the design of a future policy framework and funding opportunities;

29. Notes that the Commission's Directorate-General for Energy launched a European Innovation Partnership (EIP) on Smart Cities and Communities which is designed to promote and bolster the experiences of smart areas in the EU. Regrets that rural areas have not been included as a priority under this work to date;

Mobility and Energy

30. Considers that, in developing the Smart Villages/Areas initiative, sustainable transport connectivity and networks are as critical as improved digital connectivity, given the particular challenges which rural areas face in terms of dispersed population and higher costs. Notes that the European Commission's own paper on Smart Villages makes reference to the Connecting Europe Facility (CEF) programme as an area of EU support for Smart Villages and calls for greater detail on how this funding might be utilised to support rural connectivity, particularly for the most peripheral rural regions;

31. Is reminded of the economic, social and environmental opportunities of localising energy (both electricity and heat) production, and the synergies this could have with rural/regional development and CAP (through pillar 2). Examples include the role of wind, solar, biomass and biogas for electricity production, the role of biomass (e.g. wood) and/or biogas for local heating. Stresses the importance of giving local and regional authorities the power to initiate and manage targeted environmental measures and allow them to introduce territorial contracts, signed jointly with rural providers of sources of locally generated fuel/electricity [6];

Support for bottom up approaches

32. Acknowledges the successes produced by bottom-up approaches to local development such as LEADER, and more recently Community Led Local Development (CLLD);

33. Believes, however, that there can be an over reliance on such approaches, and that there is a role for other actors (e.g. innovation brokers) to catalyse the potential of rural areas. The innovation broker acts to identify strengths and opportunities within the village/rural area and bring the relevant institutions (third level, local authorities, funding sources etc.) together to coordinate existing and future activities and potential funding sources. They must engage and inform the community and get 'buy in' from the community to develop the vision, take ownership and share the benefits;

34. Considers that such brokers can stimulate small businesses' product development and tackle market barriers and also encourage local consumption and short distribution chains for agrifood and local renewable energy products;

35. Considers local and regional authorities are ideally placed to perform this function, and in some cases already do in the form of development boards, enterprise offices, competitive tenders, etc.;

36. States that it is key that access to funding is made available for small-scale projects that are accessible at local authority level. This should also include support for innovative projects and initiatives which can be tailored to the particular needs of rural communities across the EU, including peripheral regions;

37. Calls for simplification in the application for access to funding streams — in the current rural development programme there is a significant lack of progression from EOI (expressions of Interest) to full applications due to difficulty in meeting application requirements. Stresses that there should be no time gap between the finish of this rural development programmes and the start of post 2020 RDP — in order to preserve momentum and trust;

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[6] Opinion of the European Committee of the Regions on Towards a sustainable EU food policy that creates jobs and growth in Europe's Regions and Cities (OJ C 272, 17.8.2017, p 14).

38. Suggests that successful funding applications must encourage the creation and participation in networks, clusters and cooperation — which are usually required in smart rural areas to develop scale and learning;

39. Suggest smart areas should build upon their sociocultural heritage to develop and display a distinct sense of place with all infrastructures, particularly general services, necessary to operate a business, and attract relocation of urban businesses;

40. Acknowledges that a further challenge for the local and regional authorities is to stay informed of the funding possibilities and to have access to them. This will require an active role to be played by the relevant DGs within the European Commission and managing authorities for relevant EU funding streams at the national and regional level. The CoR can also play an important role in sharing information, supporting networks and providing examples of best practice, including via the work of the CoR-European Commission Broadband Platform;

41. Suggests that more effective communication of the opportunities available at EU level could be aided by the establishment by the European Commission of an annual award to recognise the achievements of the most successful Smart Village/Area in the EU. Existing networks such as the Enterprise Europe Network (EEN) and their local delivery partners in Member States could also be utilised to provide updated information on a range of subjects relevant for entrepreneurs in villages and rural areas;

42. Emphasises the facilitative role that local and regional authorities can have by integrating a 'Smart Approach' in planning and regional spatial strategies. Such strategies include assessment of regional resources and capacities, identification of sites for colocation of services and facilitative economic policies.

Brussels, 1 December 2017.

The President
of the European Committee of the Regions

Karl-Heinz LAMBERTZ