**Rural development**

Protecting the future of rural communities.

## Overview

The common agricultural policy (CAP) supports the vibrancy and economic viability of rural communities through rural development measures (the so-called second pillar).

The rural development measures reinforce the market measures and income supports of the CAP with strategies and funding to strengthen the EU’s agri-food and forestry sectors, environmental sustainability, and the wellbeing of rural areas in general.

The three long-term rural development objectives for the EU include:

* fostering the competitiveness of agriculture;
* ensuring the sustainable management of natural resources, and climate action;
* achieving a balanced territorial development of rural economies and communities including the creation and maintenance of employment.

## Rural development programmes

These programmes can be prepared on a national or regional basis, and must work towards at least four of the six priorities of the European agricultural fund for rural development (EAFRD). Countries must set targets according to specific focus areas, identifying the measures they will use and the funding they will need in order to achieve these targets.

Thus, while the European Commission, approves, and monitors RDPs, decisions regarding the selection of projects and the granting of payments are handled at national or regional levels.

Examples of projects funded by the EAFRD and implemented through RDPs include:

* At least 30% of funding for each RDP must be dedicated to measures relevant for the environment and climate change, much of which is channeled through grants and annual payments to farmers who switch towards more environmentally friendly practices.
* At least 5% of RDP funding must go to actions based on the LEADER method. LEADER is a “bottom up” approach, bringing together farmers, rural businesses, local organisations, public authorities and individuals from different sectors to form a local action group (LAGs). LAGs prepare their own local development strategies, on the basis of which they manage their own respective budgets.
* Rural development programmes can also support smart villages. This initiative aims at providing a versatile toolbox to foster, enable and help scale up innovation in rural areas around Europe, addressing the common challenges faced by citizens living in rural territories.
* Furthermore, through financial instruments, the EAFRD acts as a source for loans, microcredits, guarantees and equities, available to recipients in agriculture, forestry and rural areas who are undertaking financially viable projects that support the priorities of the EAFRD.