



## **Factsheet on 2014-2020 Rural Development Programme for Scotland (UK)**

The Rural Development Programme (RDP) for Scotland (UK) was formally adopted by the European Commission on 26<sup>th</sup> May 2015, and last modified on 20 February 2018, outlining Scotland's priorities for using the € 1.52 billion of public money that is available for the 7-year period 2014-2020 (€ 844 million from the EU budget, including € 335 million transferred from the envelope for CAP direct payments, and € 338 million of national co-funding plus € 12 million of additional national funding top-ups).

A central priority of the Scottish RDP is restoring, preserving and enhancing ecosystems related to agriculture and forestry. Approximately 50% of the total funding is allocated to this priority, targeting more than 6 million hectares of agricultural and forestry area through environmental land management targeted to specific biodiversity, water management and soil erosion objectives. More specifically, for each of the three focus areas, around 20% of agricultural land and almost 40% of the forest area will be put under contract, contributing to increased biodiversity, better water management and preventing soil erosion. In addition, restructuring and modernisation grants covering roughly 16% of Scottish agricultural holdings will be available with a view to boosting the productivity of farming and forestry and thereby creating economic growth and more jobs. Support for LEADER is expected to create over 550 jobs in rural areas. Moreover, almost 13 000 training places will be created to foster innovation, knowledge transfer, co-operation, more sustainable farming practices and stronger rural businesses.

Support for Rural Development is the 2nd Pillar of the Common Agricultural Policy, providing Member States with an envelope of EU funding to manage nationally or regionally under multi-annual, co-funded programmes. In total, 118 programmes are foreseen in all 28 Member States. The new RD Regulation for the period 2014-2020 addresses six economic, environmental and social priorities, and programmes contain clear targets setting out what is to be achieved. Moreover, in order to coordinate actions better and maximise synergies with the other European Structural & Investment Funds (ESIF), a Partnership Agreement has been agreed with each Member State highlighting its broad strategy for EU-funded structural investment.

This document provides a brief overview of how the challenges and opportunities Scotland is facing are addressed by the RDP. In the annex, a table indicates the priorities and focus areas each with their specific targets, and their allocated budgets.

### **1. SITUATION AND KEY CHALLENGES**

In the United Kingdom rural development is implemented through four separate regional RDPs (for England, Northern Ireland, Scotland and Wales). The management of Rural Development is a devolved area of policy in the United Kingdom. There is neither a national framework for the UK, nor a national rural network programme.

Scotland covers an area of around 78 000 km<sup>2</sup>, of which 95 % is rural. Of the total area, agricultural land covers 5.6 million hectares -approximately 73% of Scotland's total land

area. 85% of the agricultural land currently designated as Less Favoured Area. HNV farmland is estimated to account for 44% of the Utilised Agricultural Area (UAA). Just over half of this area comprises rough grazing, with about a quarter taken up by grass, and about 10% is used for crops or left fallow. The area of woodland in Scotland is 1.41 million hectares.

Farming is the dominant land use in Scotland, with around 53 000 agricultural holdings and 75% of land under agricultural management. The management of farmland habitats therefore has a significant influence on the status of Scotland's biodiversity. Hill farming (mainly livestock) has long been a key activity in Scotland, forming an important part of rural life. Beyond contributing to sustaining the rural economy, continued farming in these areas makes an important contribution to the environment, as much of it is HNV land. Although these areas are typically associated with high biodiversity and the delivery of a range of ecosystem services, they are subject to a variety of pressures, principally related to inappropriate grazing management. This will be a key area to tackle with the RDP support.

GHG emissions from agriculture and related land use contribute about one fifth to the Scottish total GHG emissions. Although emissions have declined by around 27% since 1990 due to a decrease in livestock and a decline in nitrogen fertiliser use, there is further potential to reduce emissions from the sector through the uptake of mitigation measures that also benefit air and water quality and biodiversity.

The age pattern within Scottish agriculture provides an opportunity to intervene and support enhanced generational renewal so as to drive modernisation and uptake of innovative practices through a workforce that has accessed training more recently than many current farmers. In 2008 more than a quarter of farmers were aged 65 and above. Over the five years up to 2013 this figure has risen to 30%. The opposite pattern is visible for farmers under 41 years, dropping from 12% of all farmers to 10%.

The Scottish population in rural areas is increasing faster than in urban areas, and the social economy has a vital role to play in rural communities where market provision is limited. Helping to tackle some of the factors that contribute to deprivation in rural areas can be regarded as a major challenge.

## **2. HOW THE SCOTTISH RDP WILL ADDRESS THESE CHALLENGES**

In addressing these challenges, Scotland's RDP will fund action under all of the six Rural Development priorities – with a particular emphasis on Restoring, preserving and enhancing ecosystems related to agriculture and forestry as well as Resource efficiency and climate.

The focus of each priority is explained briefly below.

### Knowledge transfer and innovation in agriculture, forestry and rural areas

Under this priority the RDP aims to support knowledge transfer and information actions, advisory services, and co-operation. Around 13 000 training places are available for farmers to increase their knowledge and skills. In total 229 co-operation projects are envisaged, mainly encouraging farm partnerships and establishing Operational Groups under the European Innovation Partnership.

### Competitiveness of agri sector and sustainable forestry

Almost 16% of the Scottish agricultural holdings will be restructured and modernised. A certain number (0.27%) of holdings will benefit from support specifically targeted at young farmers. This priority will also encourage new entrants to take over small farms.

### Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture

The focus of this priority lies on the promotion of the food chain organisation. This will be achieved by supporting more than 15% of the agricultural holdings through investments and cooperative actions. It will, moreover, target farm risk prevention and management through the participation of 8,445 farmers in knowledge transfer and information actions.

### Restoring, preserving and enhancing ecosystems related to agriculture and forestry

This main priority of the RDP is being addressed directly or indirectly by all the programmed RDP measures. Particularly important in this context is the support to Areas with Natural Constraints (ANC) and the agri-environment climate scheme. All three focus areas, namely biodiversity, water management and soil erosion, are almost equally important, since Scotland is aiming to cover some 20% of the agricultural land and almost 40% of the forest area under each of them.

### Resource efficiency and climate

The programme will focus on investments and co-operation aimed at reducing greenhouse gas and ammonia emissions from agriculture through supporting 23% of the agricultural land. Furthermore, it will provide support to 16% of the agricultural and forest land under management contracts to contribute to the fostering of carbon conservation and sequestration. In addition to that, there is a targeted intervention in order to reduce livestock emissions and the emissions intensity of production.

### Social inclusion and local development in rural areas

LEADER support is expected to create over 500 jobs in rural areas. 87% of the rural population will be covered by local development strategies.

The four **biggest RDP measures** in budgetary terms (total public funding) are:

- € 503 million allocated to Areas facing natural constraints
- € 323 million allocated to Forestry
- € 296 million allocated to Agri-environment-climate payments
- € 163 million allocated to Investments in physical assets

## **Annex 1: Indicative public support for the Rural Development Programme in Scotland**

Target	Measure	Indicative public support	%
<b>P1: Fostering knowledge transfer and innovation in agriculture, forestry and rural areas</b>		<b>0.00</b>	
<b>1A Innovation, cooperation, knowledge</b>		<b>0.00</b>	
T1: percentage of expenditure under Articles 14, 15 and 35 of Regulation (EU) No 1305/2013 in relation to the total expenditure for the RDP (focus area 1A)	2.85 M01 Knowledge	0.00	
	M02 Advisory services	0.00	

		M16 Cooperation	0.00	
<b>1B Research &amp; innovation</b>			<b>0.00</b>	
T2: Total number of cooperation operations supported under the cooperation measure (Article 35 of Regulation (EU) No 1305/2013) (groups, networks/clusters, pilot projects...) (focus area 1B)	229.00	M16 Cooperation	0.00	
<b>1C Lifelong learning and vocational training</b>			<b>0.00</b>	
T3: Total number of participants trained under Article 14 of Regulation (EU) No 1305/2013 (focus area 1C)	10,617.00	M01 Knowledge	0.00	
<b>P2: Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests</b>			<b>338,078,990.00</b>	<b>22.11%</b>
<b>2A Farm performance</b>		<b>Total: 2A</b>	<b>318,933,889.00</b>	<b>20.86%</b>
T4: percentage of agricultural holdings with RDP support for investments in restructuring or modernisation (focus area 2A)	16.35	M01 Knowledge	4,127,034.00	0.27%
PST12A: Number of participants trained under Article 14 of Regulation (EU) No 1305/2013	20,118.00	M02 Advisory services	9,360,000.00	0.61%
Total investment € (public + private)	62,483,926.00	M04 Physical Investment	49,151,926.00	3.21%
Nr of holdings supported for investment in agricultural holdings (4.1)	4,888.00	M06 Farm and business development	1,200,000.00	0.08%
Nr of beneficiaries advised (2.1)	12,255.00	M13 Areas with natural constraints	251,400,000.00	16.44%
		M16 Cooperation	3,694,929.00	0.24%
<b>2B New farmers</b>		<b>Total: 2B</b>	<b>19,145,101.00</b>	<b>1.25%</b>
T5: percentage of agricultural holdings with RDP supported business development plan/investments for young farmers (focus area 2B)	0.27	M02 Advisory services	2,340,000.00	0.15%
Total investment € (public + private)	16,805,101.00	M06 Farm and business development	16,805,101.00	1.10%
Nr of beneficiaries (holdings) receiving start up aid young farmers (6.1)	283.00			

Nr of beneficiaries advised (2.1)	5,555.00			
<b>P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture</b>			<b>87,273,479.00</b>	<b>5.71%</b>
<b>3A Competitiveness of producers</b>		<b>Total: 3A</b>	<b>86,103,479.00</b>	<b>5.63%</b>
T6: percentage of agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations (focus area 3A)	15.54	M03 Quality schemes	1,033,518.00	0.07%
PST13A: Percentage of total agri-food businesses supported under Article 17 of the Regulation (EU) No 1305/2013	13.00	M04 Physical Investment	75,337,355.00	4.93%
Total investment € (public + private)	376,297,355.00	M14 Animal welfare	5,772,606.00	0.38%
Nr of operations supported for investment (e.g. in agricultural holdings, in processing and marketing of ag. products) (4.1 and 4.2)	122.00	M16 Cooperation	3,960,000.00	0.26%
Nr of beneficiaries	1,342.00			
Nr of agricultural holdings participating in cooperation/local promotion among supply chain actors (16.4)	4.00			
<b>3B Risk management</b>		<b>Total: 3B</b>	<b>1,170,000.00</b>	<b>0.08%</b>
Nr of beneficiaries advised (2.1)	8,445.00	M02 Advisory services	1,170,000.00	0.08%
<b>P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry</b>			<b>704,974,000.00</b>	<b>46.10%</b>
<b>4A Biodiversity, HNV and landscapes</b>		<b>Total: P4</b>	<b>704,974,000.00</b>	<b>46.10%</b>
T8: percentage of forest/other wooded area under management contracts supporting biodiversity (focus area 4A)	37.99	M01 Knowledge	360,000.00	0.02%
T9: percentage of agricultural land under management contracts supporting biodiversity and/or landscapes (focus area 4A)	22.73	M02 Advisory services	7,020,000.00	0.46%
<b>4B Water management</b>		M04 Physical Investment	32,487,995.00	2.12%
T10: percentage of agricultural land under management contracts to improve water management (focus area 4B)	19.80	M08 Forest	106,701,263.00	6.98%

T11: percentage of forestry land under management contracts to improve water management (focus area 4B)	37.99	M10 Agri-environment-climate	266,870,570.00	17.45%
<b>4C Soil management</b>		M11 Organic Farming	10,984,635.00	0.72%
T12: percentage of agricultural land under management contracts to improve soil management and/or prevent soil erosion (focus area 4C)	19.13	M13 Areas with natural constraints	251,400,000.00	16.44%
T13: percentage of forestry land under management contracts to improve soil management and/or prevent soil erosion (focus area 4C)	37.99	M15 Forest-environment	23,989,537.00	1.57%
<b>P4 All Focus Areas</b>		M16 Cooperation	5,160,000.00	0.34%
Total investment € (public + private)	32,487,995.00			
Areas under forest environment contracts (15.1)	232,000.00			
Area (ha) under agri-environment-climate (10.1)	1,250,000.00			
Area (ha) - conversion to organic farming (11.1)	20,300.00			
Area (ha) - maintainance of organic farming (11.2)	62,800.00			
Nr of beneficiaries advised (2.1)	9,170.00			
<b>P5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors</b>			<b>256,920,943.00</b>	<b>16.80%</b>
<b>5B Energy efficiency</b>		<b>Total: 5B</b>	<b>4,230,000.00</b>	<b>0.28%</b>
PSTI5B: Number of participants trained under Article 14 of Regulation (EU) No 1305/2013	1,000.00	M01 Knowledge	360,000.00	0.02%
Nr of beneficiaries advised (2.1)	3,355.00	M02 Advisory services	3,510,000.00	0.23%
		M16 Cooperation	360,000.00	0.02%
<b>5D Reducing GHG and NH3</b>		<b>Total: 5D</b>	<b>36,150,943.00</b>	<b>2.36%</b>
T17: percentage of LU concerned by investments in live-stock management in view of reducing GHG and/or ammonia emissions (focus area 5D)	1.32	M02 Advisory services	1,387,200.00	0.09%
T18: percentage of agricultural land under management contracts targeting reduction of GHG and/or ammonia	23.18	M04 Physical Investment	5,670,943.00	0.37%

emissions (focus area 5D)				
Total investment € (public + private)	5,670,943.00	M10 Agri-environment-climate	29,092,800.00	1.90%
Area (ha) (e.g. green cover, catch crop, reduced fertilisation, extensification...)	102,000.00			
Nr of beneficiaries advised (2.1)	6,800.00			
<b>5E Carbon conservation / sequestration</b>		<b>Total: 5E</b>	<b>216,540,000.00</b>	<b>14.16%</b>
T19: percentage of agricultural and forest land under management contracts contributing to carbon sequestration and conservation (focus area 5E)	16.14	M08 Forest	215,640,000.00	14.10%
Area (ha) to be afforested (establishment - 8.1)	36,800.00	M16 Cooperation	900,000.00	0.06%
Area (ha) to be established in agro-forestry systems (8.2)	200.00			
<b>P6: Promoting social inclusion, poverty reduction and economic development in rural areas</b>			<b>126,312,588.00</b>	<b>8.26%</b>
<b>6A Diversification, SMEs and job creation</b>		<b>Total: 6A</b>	<b>3,058,230.00</b>	<b>0.20%</b>
T20: Jobs created in supported projects (focus area 6A)	17.00	M04 Physical Investment	480,000.00	0.03%
Total investment € (public + private)	2,578,230.00	M06 Farm and business development	1,858,230.00	0.12%
Nr of beneficiaries (holdings) receiving start up aid/support for investment in non-agric activities in rural areas (6.2 and 6.4)	17.00	M08 Forest	720,000.00	0.05%
<b>6B Local development</b>		<b>Total: 6B</b>	<b>112,454,358.00</b>	<b>7.35%</b>
T21: percentage of rural population covered by local development strategies (focus area 6B)	86.76	M07 Basic services	14,054,358.00	0.92%
T22: percentage of rural population benefiting from improved services/infrastructures (focus area 6B)	10.14	M19 LEADER and CLLD	98,400,000.00	6.44%
T23: Jobs created in supported projects (Leader) (focus area 6B)	551.00			
Population benefiting from improved services/infrastructures (7.1; 7.2; 7.4; 7.5.;7.6; 7.7)	215,452.00			
Population covered by LAG	2,100,000.00			

Number of LAGs selected	21.00			
<b>6C ICT</b>		<b>Total: 6C</b>	<b>10,800,000.00</b>	<b>0.71%</b>
T24: percentage of rural population benefiting from new or improved services/infrastructures (ICT) (focus area 6C)	0.88	M07 Basic services	10,800,000.00	0.71%
<b>M20 TA</b>			<b>15,526,748.34</b>	<b>1.02%</b>
			<b>15,526,748.34</b>	<b>1.02%</b>
<b>Total public expenditure</b>			<b>1,529,086,748.34</b>	<b>100.00%</b>