



Factsheet on 2014-2020 Rural Development Programme for Wales (United Kingdom)

The Rural Development Programme (RDP) for Wales was formally adopted by the European Commission on 26th May 2015, and last modified on 28th June 2017, outlining the priorities of Wales for using the nearly € 972 million of public money that is available for the 7-year period 2014-2020 (€ 651.6 million from the EU budget, including € 288.2 million transferred from the envelope for CAP direct payments, and € 320.4 million of national co-funding).

The RDP for Wales focuses mainly on restoring, preserving and enhancing ecosystems related to agriculture and forestry and enhancing farm viability and competitiveness of all types of agriculture and promoting innovative farm technologies and the sustainable management of forests. With 56% of the support allocated to better management of natural resources and encouraging climate-friendly farming practices, the aim is to protect 270 000 hectares of farmland through environmental land management targeted to specific biodiversity, water management and soil erosion objectives. The productivity of farming and forestry will be boosted, which will result in economic growth and more jobs. Support will also target tourism and renewable energy as well as improving ICT and broadband infrastructure for about half a million people. In addition, the programme will promote genuine local economic partnerships and the LEADER approach, covering almost half of the rural population. Moreover, 13 500 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 Wales is facing are addressed by the RDP. In the annex, a table indicates the priorities and focus areas, each with their specific targets and 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

Wales covers an area of approximately 20 000 km², of which all is considered rural for the purpose of the RDP. Of the total area, agricultural land covers 60.1 % and forest, 9.5 %. The total population is 3 million (2012). The unemployment rate is 6.9% (annual population survey 2014). The average size of an agricultural farm holding in Wales is 59 ha.

The country faces many challenges regarding the environment and climate change.

Natural resources, land, air and ecosystems provide the foundation for living and working in Wales. The vulnerability of these resources to the changing pressures of modern agricultural and economic forces, however, has been highlighted by the National Ecosystem Assessment, which found that around a third of the services provided by ecosystems in Wales, as well as in other parts of the UK, have been assessed as currently declining.

Total GHG emissions from agriculture and related land use for Wales have declined by around 21% between 1990 and 2011. There is further potential to reduce emissions from the sector, and the ambition of Wales is to reduce GHG emissions from agriculture and to protect and increase the carbon stocks in soils and biomass, whilst also supporting the sustainable growth of agriculture and farming businesses.

As for the socio-economic context, the productivity of the rural workforce is relatively low. Concerning farming and forestry, Wales, like other parts of the UK, has relatively low productivity when compared with its competitors and has slipped further behind them. The lack of a skilled workforce is a barrier to growth for farms. The social economy has a vital role to play in rural communities where market provision is limited. Limited access to fast broadband remains a challenge for businesses and households.

2. HOW THE WALES RDP WILL ADDRESS THESE CHALLENGES

In addressing these challenges, the Wales RDP will fund action under all six Rural Development priorities – with particular emphasis on Priority 4 (restoring, preserving and enhancing ecosystems related to agriculture and forestry) and on Priority 6 (Promoting social inclusion, poverty reduction and economic development in rural areas). The focus of each priority is explained briefly below.

Knowledge transfer and innovation in agriculture, forestry and rural areas

Under this cross-cutting priority, the RDP aims to support knowledge transfer and information actions, advisory services, and co-operation. Around 13 500 farmers will be trained to increase their knowledge and skills. In total 1 072 co-operation operations are envisaged, mainly encouraging farm partnerships or establishing Operational Groups under the European Innovation Partnership.

Competitiveness of agri sector and sustainable forestry

More than 10% of Welsh agricultural holdings will be restructured and modernised.

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

Support will be given to agricultural holdings for participating in quality schemes, local markets and short supply chains. Furthermore, support provided for knowledge transfer and information actions, advisory services, investments in physical assets and co-operation, will also contribute to this priority.

Restoring, preserving and enhancing ecosystems related to agriculture and forestry

This main priority of the RDP is being addressed directly or indirectly by most of the programmed RDP measures. Particularly important in this context are the well-targeted and prioritised agri-environment-climate schemes, forestry measures and support for organic farming. The aim is to protect 270 000 hectares of farmland through environmental land management targeted on specific biodiversity, water management and soil erosion issues. The biodiversity focus area is the most important, since Wales is aiming to cover some 39% of Welsh agricultural land under it.

Resource efficiency and climate

The programme will support investments and co-operation aimed at increasing efficiency in energy use in agriculture and food processing. Support will also target investments in renewable energy production and the reduction of GHG.

Social inclusion and local development in rural areas

Support under this priority is expected to create some 865 jobs in rural areas. LEADER Local Development Strategies implemented by 18 Local Action Groups will have a focus on supporting jobs and growth. In terms of the overall balance of expenditure for LEADER, projects will directly support rural growth by, for example, creating and developing SMEs and improving the local rural economy. About half a million people will benefit from improved ICT and broadband infrastructure.

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

- € 247 million allocated to Measure 10 (Agri-Environment-Climate);
- € 236 million allocated to Measure 04 (Productive and non-productive investments);
- € 114 million allocated to Measure 16 (Co-operation);
- € 82 million allocated to Measure 1 (Knowledge transfer and information actions).

Annex 1: Indicative public support for the Rural Development Programme in Wales

Target	Measure	€ Total public	%
Priority 1: Knowledge transfer and innovation in agriculture, forestry and rural areas¹			
1A: Fostering innovation, cooperation, knowledge base 22.36% of RDP expenditure	01 knowledge		
	02 advisory		
	16 cooperation		
1B: Strengthening links (with research etc.) 1 072 cooperation operations	16 cooperation		
1C: Training 13 500 participants trained	01 knowledge		
Priority 2: Farm viability, competitiveness and sustainable forest management		121 683 038	
2A: Economic performance, restructuring & modernisation 10.08% of holdings with RDP support	01 knowledge	42 652 856	4.39
	02 advisory	8 452 242	0.87
	04 investments	70 125 001	7.22
	16 cooperation	452 940	0.05
Priority 3: Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management		108 649 232	
3A: Improving competitiveness of primary producers 0.68% of agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations	01 knowledge	29 867 857	3.08
	02 advisory	865 565	0.09
	04 investments	44 750 000	4.61
	16 cooperation	33 165 811	3.41

¹ No financial allocation shown for Priority 1 as the expenditure is distributed across other focus areas.

Priority 4: Restoring, preserving and enhancing ecosystems in agriculture and forestry²		415 473 779	
4A Biodiversity	01 knowledge	4 985 399	0.51
2.76% of forest/other wooded area under contracts	02 advisory	6 536 483	0.67
38.75% of agricultural land under contracts	04 investments	107 491 727	11.07
4B Water management	08 forest investments	25 007 149	2.57
13.83% of agricultural land under contracts	10 AEC	230 841 571	23.77
0.18% of forestry land under contracts	11 organic farming	26 474 317	2.73
4C Soil erosion and management	15 forest - environment	375 000	0.04
4.99% of agricultural land under contracts	16 cooperation	13 762 133	1.42
0.31% of forestry land under contracts			
Priority 5: Resource efficiency and shift to low carbon and climate resilience economy in agriculture, food and forestry sectors		80 454 040	
5B Energy efficiency	01 knowledge	1 107 866	0.11
€ 21 million total investment for energy efficiency	02 advisory	238 030	0.02
	04 investments	8 250 000	0.85
	16 cooperation	224 633	0.02
	5C Renewable energy	01 knowledge	1 107 866
€ 44 million total investment in renewable energy production	02 advisory	187 539	0.02
	07 basis services	19 190 481	1.98
	08 forest investments	8 344 131	0.86
	16 cooperation	1 092 280	0.11
	5D Reducing GHG and NH3	01 knowledge	1 107 866
4.20% of agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions	02 advisory	2 276 311	0.23
	04 investments	4 217 650	0.43
	10 AEC	11 761 247	1.21
	16 cooperation	224 633	0.02
	5E Carbon conservation and sequestration	01 knowledge	1 107 866
0.23% of agricultural and forest land under management contracts contributing to carbon sequestration or conservation	02 advisory	1 340 519	0.14
	04 investments	363 980	0.04
	08 forest investments	16 672 344	1.72

² Expenditure under Priority 4 is programmed for the priority as a whole, not for individual focus areas

	10 AEC	1 061 225	0.11
	16 cooperation	577 573	0.06
Priority 6: Social inclusion, poverty reduction and economic development in rural areas		206 164 595	
6A Diversification, creation of small enterprises and jobs 765 jobs created in supported projects	02 advisory	480 389	0.05
	06 farm / business development	24 385 948	2.51
	08 forest investments	1 794 077	0.18
	16 cooperation	367 647	0.04
6B Fostering local development 45.53% rural population under local development strategies 45.53% rural population with improved services/infrastructure 100 jobs created (via LEADER)	07 basic services	51 455 814	5.30
	16 cooperation	64 476 607	6.64
	19 LEADER and CLLD	59 546 476	6.13
6C Access to and quality of ICT 16.47% of rural population benefiting from new or improved services/infrastructures (ICT)	01 knowledge	553 933	0.06
	07 basic services	3 103 705	0.32
Technical Assistance		38 834 717	4.00
Total public expenditure €		971 259 401	100