

Rural Development Programme (RDP) for England, UK

The Rural Development Programme for England 2007 – 2013 ¹

Relevant Contact Details

Address: Department for Environment, Food and Rural Affairs (defra), Customer Contact Unit, Eastbury House, 30 - 34 Albert Embankment, London SE1 7TL, UK
Telephone number: + 44 20 7238 6951

Managing Authority Website:

<http://www.defra.gov.uk>

Other useful links:

Rural Development Programme (RDP):
http://enrd.ec.europa.eu/rural-development-policy/country-information/uk/en/uk_home_en.cfm

English National Rural Network (NRN):

<http://www.rdpnetwork.org.uk/>



Map of England and Wales
(© European Commission)

General socio-economic situation in rural areas in England

Over 70% of England's land (9,329,000 ha) is allocated to agricultural purposes. The total croplable area is 4,281,000 ha, with the majority of the remaining land being used for grass or grazing (4,589,000 ha), woodland (296,000 ha) or other uses (162,000 ha). The population of England is roughly 50 million people. In rural areas, the regions of the North West (93 people/km²) and Yorkshire and the Humber (87 people/km²) have the lowest population densities whilst the South East has the highest rural population by a significant margin (225 people/km²). The proportion of the rural population that is over 45 in rural areas is higher than in urban areas; and the proportion that is under 45 in rural areas is lower than in urban areas. The over 60 age group is increasing at a faster rate in rural areas. The highest population growth areas are in accessible rural areas (predominantly the over 30 age group).

The agricultural sector has been in relative decline compared to other rural sectors in recent years and farm incomes have also declined since the 1990s (in 2006 the average income per head stood at £13,840). UK market penetration is falling for agricultural products and imports are taking an ever-growing share. Productivity also varies significantly between types of farms, and is shaped by the types of costs farms face and the value added that is achieved. However, the food sector is performing particularly well as a result of processing and R&D activities which has enabled the sector to treble the value of farm gate prices. In terms of the forestry sector, productivity is well below the EU average as a result of the low prices of round timber and the processing industry's reliance on imports. However, half of farms have income sources from diversified activities and there is scope for further innovations such as renewable energies and quality foods. Agri-environment expenditure has been effective at

¹ Latest updated RDP, following the adoption of the Health Check and European Recovery Package and additional funds from modulation (i.e. adjustments between Pillar 1 (Agriculture) & 2 (Rural Development) of the Common Agricultural Policy (CAP).

reducing habitat loss and reversing the decline of several species. However, there is still a long way to go to preserving biodiversity. Agricultural activity has also contributed to the risk of flooding and flood management is a serious issue. Diffuse pollution from agriculture continues to have a negative impact on air quality and water courses. Prospects to encourage community development are strong given that English rural areas tend to be accessible from urban areas, employment rates are high and there is a significant spread of business activities. However, less populated areas tend to be economically and socially underperforming and further diversification and targeted initiatives are required to address vulnerable businesses and residents.

RDP strategic objectives

The objectives for England's Rural Development Programme (RDP) reflect the policy priorities outlined in the UK's strategic plan for rural development and aim to achieve the long-term goals of building profitable, innovative and competitive farming and food sectors that meet the needs of consumers; enable farming to fulfil its unique role in the countryside, by making a net positive contribution to the environment, managing its risks, especially animal health risks, effectively; and contribute to the long-term sustainability of rural communities. Importantly, these objectives recognise that sustainable and competitive agriculture are prerequisites for achieving and maintaining the economic, social and environmental quality of the countryside. Therefore, they combine the requirements for rural businesses to adapt to competitive pressures and market demand for value added products but simultaneously address wider concerns such as resource protection, reducing environmental impact, developing bio-energy markets, enhancing biodiversity and rural landscapes, supporting entrepreneurship and skills development and mobilising the potential of rural areas.

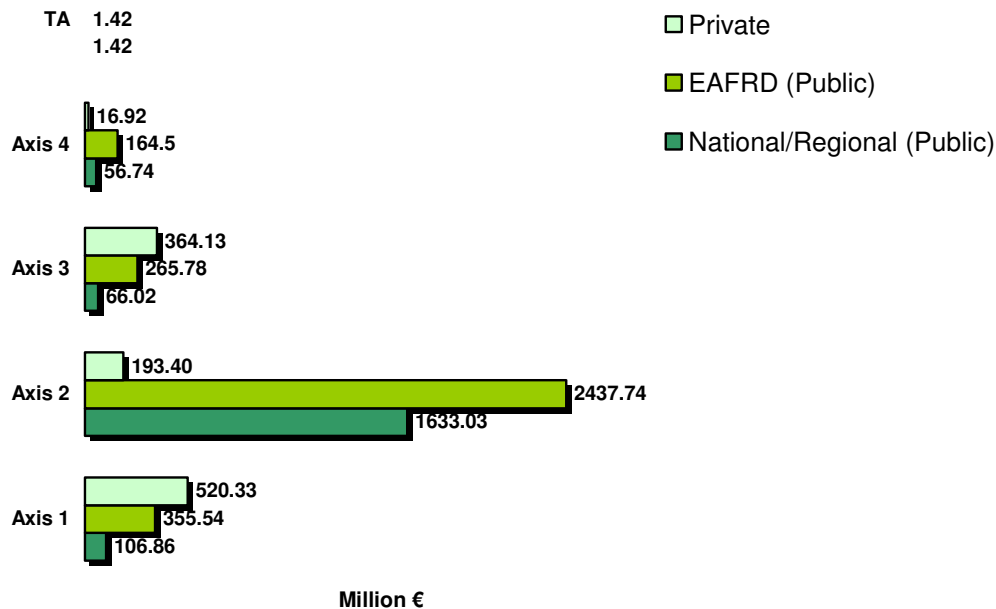
Following the CAP Health Check, the RDP for England was revised in recognition of the greater emphasis now being given to the "new challenges" facing agriculture and rural areas. Taking into account the financing provided by the CAP Health Check, the European Recovery Package (EERP) and Modulation, greater strategic priority is now given to initiatives that contribute to biodiversity (46%), water management (28%), climate change mitigation and adaptation (24%), restructuring the dairy sector (1%) and the need to improve connectivity in rural areas through improved availability and speed of broadband (1%). These challenges will be met through existing operations, mainly through existing agri-environmental schemes.

Expected impact / outcomes of the policies

The implementation of the RDP is expected to deliver a positive impact for key beneficiaries, the environment and rural communities. The agricultural sector becomes more competitive and market-orientated, with greater emphasis on producing quality products through sustainable means. Farm performance is improved through the delivery training schemes and other activities such as benchmarking. Through supply chain interventions, UK market share is increased along with further access for products with strong environmental and animal welfare standards. Farmers are offered support to reduce the environmental impact of certain practices and the area of farmland with improved environmental outcomes is expanded. The contribution agriculture makes to flooding is reduced and enhanced woodland management supports biodiversity. Harmful emissions and pollution are reduced through various investments and the market for renewable fuels is supported. Micro business and rural social enterprises are established, along with strengthened local communities.

The financial impact of the Health Check on the RDPE is broadly neutral, so no adjustments to the existing indicators or targets have been required.

RDP budget breakdown by axis: Total expenditure (including national/regional + EAFRD + private funding) of €6,183,825,585



The RDP budget allocations are broadly divided into four main areas of expenditure, known as axes (namely Improving the competitiveness of the agricultural and forestry sectors (Axis 1); Improving the environment and the countryside (Axis 2); Quality of life in rural areas and diversification of the rural economy (Axis 3); and Leader (Axis 4)). Approximately 16% of the overall RDP budget in England is allocated to axis 1 (€982.73 million); Approximately 69% is allocated to axis 2 (€4,264.17 million), 11% to axis 3 (€695.93 million) and 4% to axis 4 (€238.16 million), with less than 1% available to fund Technical Assistance (€2.84 million).

Within axis 1, National/Regional public funding represents approximately 11% share of the axis funding; EAFRD 26%; and private funds 53%.

Within axis 2, National/Regional public funding represents approximately 38% share of the axis funding; EAFRD 57%; and private funds 5%.

Within axis 3, National/Regional public funding represents approximately 9% share of the axis funding; EAFRD 38% and private funds 52%.

Within axis 4, National/Regional public funding represents approximately 24% share of the axis funding; EAFRD 69%; and private funds 7%.

Within technical assistance, National/Regional public funding represents approximately 50%

share of the technical assistance funding and EAFRD 50%.

In England, as in the UK, no additional funding is available to implement the new challenges as a result of the Health Check. However, the resources identified in the CAP Health Check have been allocated to agri-environmental commitments under the Environmental Stewardship Scheme which contribute to the new challenges of biodiversity, climate change and water management. A small additional allocation (€6.6M) from the European Economic Recovery Plan is allocated to the dairy sector and rural broadband infrastructure. England has received an additional €66,000 from the increase of the EAFRD ceiling for the UK, which is added to the allocation for measure 214, agri-environmental payments. These funds are largely intended to reinforce existing actions in England (since no new measures or operations are introduced, with the exception of a new operation under measure 321) to support rural areas in biodiversity improvements, water management, climate change adaptation and mitigation initiatives, restructuring the dairy sector and broadband infrastructure.

Axis Information²

Axis 1 objectives: Improving the competitiveness of the agricultural and forestry sector

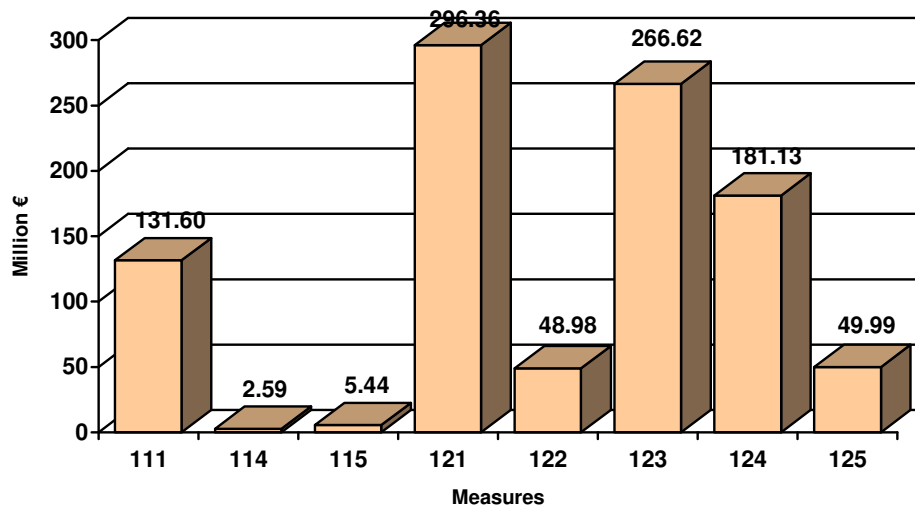
The key objectives for axis 1 are to develop competitive agricultural and rural industries whilst at the same time ensuring that these operate in the context of sustainable development. In particular, axis 1 supports the agricultural and food industry to become more market-focused and to develop value-added products which meet consumer demands. Rural industries are also supported to develop renewable energy markets. In addition, axis 1 focuses on developing knowledge transfer and innovation in the agri-food and forestry sectors, particularly through training, as essential elements of developing a business-focused approach and environmental solutions. These activities revolve around greater awareness of market opportunities, cooperation and skills development whilst reducing environmental consequences. Sustainable land management is also emphasised as key to delivering environmental and economic goals. The quantitative and qualitative result targets contained in the measures for axis 1 include: 1,900 holdings or enterprises receiving support introduce a new product and/or technique (measure 121); farm/food/forestry enterprises under RDPE show an increase in GVA which is equal to or greater than other farm/food/forestry enterprises in England (measure 123).

Half of the EERP funding of €6.6M has been allocated to providing additional support to the dairy sector (measures 121, 123 and 124). The EERP funding supports the modernisation of dairy holdings by funding investments to modernise the dairy production. It also supports investments to add value to dairy products and support cooperation between producers leading to an expected improvement in the competitiveness of the dairy sector in England. Output indicators linked to Health check/European Recovery Package for axis 1 include 15 holdings receiving investment support totalling €1.108M from measure 121; 12 enterprises receiving investment support totalling €1.108M from measure 123 and 24 enterprises receiving investment support totalling €1.108M from measure 124. The €160,000 transferred, in each of the 5 years (2009-2013), from the budget for the UK wine support programme to the budget allocation for Rural Development, through extending measure 111 to include

² Detailed information on the individual measures can be found in Annex I.

vocational training and information actions aimed at the UK wine production sector is considered to have negligible impact. For further information on specific results indicators please refer to the impact indicators table in the RDP programme.

Axis 1 indicative budget breakdown by measure: Total allocated budget (including public funds + EAFRD + private funds) of €982,725,022



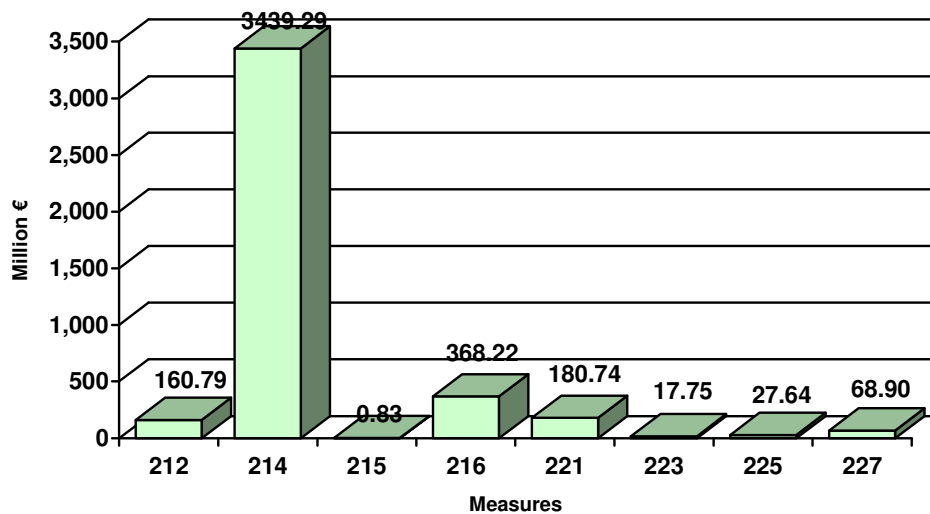
Axis 2 objectives: Improving the environment and the countryside

Axis 2 is central to the RDP with the agri-environment measure being delivered through the Environmental Stewardship scheme which aims to provide an integrated approach to farm management, covering three priority areas: biodiversity, water and climate change. Specifically, Environmental Stewardship schemes are aimed at delivering England's Natura 2000 objectives in respect of wildlife conservation, as well as preserving biodiversity. Key objectives relate to halting the loss of diversity of animals, plants and habitats by 2010 and beyond. Improved biodiversity conservation also has benefits in relation to climate change by facilitating adaptation in the future. Other aspects of climate change that are addressed involve the reduction of greenhouse gas emissions from agriculture including livestock extensification and input reduction. Axis 2 also improves water quality by reducing pollution and other impacts. The quantitative and qualitative result targets contained in the measures for axis 2 include: 2 million hectares under successful land management contributing to improved biodiversity (measure 214); 1.2 million hectares under successful land management contributing to improved soil quality (measure 216).

Following the CAP Health Check and update of the RDP in England, the total budget allocation under axis 2 is €4,264,166,897. In England, the financial impact of the Health Check on the RDPE is broadly neutral and there are no new funds to be allocated to the new challenges. However, all of the additional funding resulting from the modulation substitution is allocated to agri-environmental commitments under the Environmental Stewardship Scheme which contribute to the new challenges of biodiversity, climate change and water management. Within the RDPE, the aid intensity for measures 221 (first afforestation of

agricultural land) and 223 (first afforestation of non-agricultural land) is increased by 10% where operations contribute to the new challenges. Because the new Compulsory Modulation does not provide any additional funding for the RDPE, no adjustments to the existing indicators or targets are required. Output indicators linked to operations used to implement the new challenges in England for measure 214 include from 1,350 to 19,000 holdings receiving support depending on the operation, 13,500 to 114,000 ha of both physical and total area supported, and from 1,350 to 19,000 contracts depending on the operation. For measure 216, output indicator targets are from 300 to 1,800 holdings receiving support and a total volume of investment from €1,000,000 to €11,000,000, depending on the operation.

Axis 2 indicative budget breakdown by measure: Total allocated budget (including public funds + EAFRD + private funds) of € 4,264,166,897



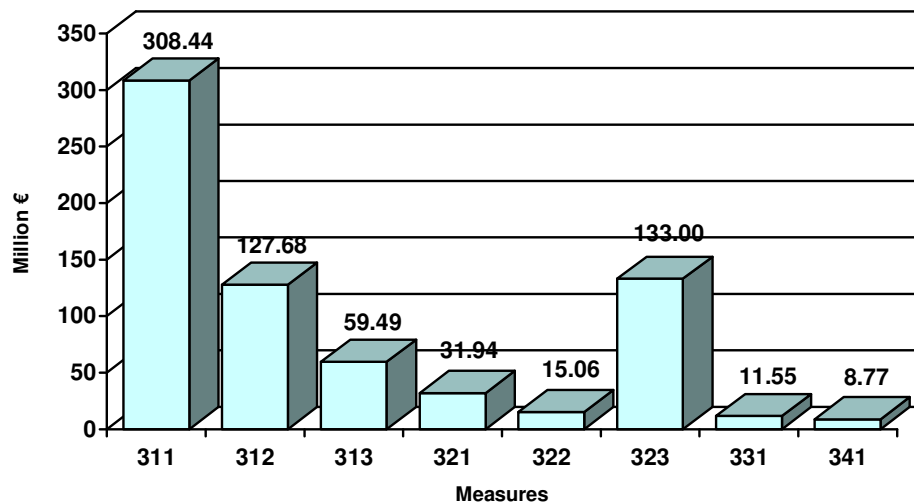
Axis 3 objectives: Quality of life in rural areas and diversification of the rural economy

The focus for axis 3 is on ensuring that rural people are well-placed to take advantage of the employment and business opportunities that exist. This is driven by the capacity building, skills acquisition and community added value. Ultimately, this enhances opportunity in rural areas, in a way that harnesses and builds upon environmental quality by supporting innovative rural business, including diversification and sustainable tourism; improving skills in the rural workforce by providing learning opportunities services and facilitating access to mainstream learning and development opportunities; tackling social disadvantage through steps to support fair access to services where this will ensure the continued viability of rural communities; supporting areas of economic underperformance and individuals experiencing disadvantage; promoting public access to, and understanding of, the countryside, and conserving rural heritage, including traditional farmed landscape. The quantitative and qualitative result targets contained in the measures for axis 3 include: 200,000 people benefiting from improved services (combined target for measures 321, 322 and 323); 25,000 jobs created (combined target for measures 311, 312 and 313).

Following the latest RDP update, the total budget amount for axis 3 is €695,930,400. The only axis 3 measure affected as a result of the CAP Health Check is measure 321, which receives approximately €3.3M from the EERP to support the "creation of and enabling access to broadband infrastructure including backhaul facilities and ground equipment (e.g. fixed, terrestrial wireless, satellite-based or combination of technologies)".

New impact indicators associated with this new operation) have been implemented under measure 321. This has resulted in new impact targets of 8 actions supported and a total volume of €7,388,000, of which €4,433,000 is public funding and €2,955,000 is private funding.

Axis 3 indicative budget breakdown by measure: Total allocated budget (including public funds + EAFRD + private funds) of € 695,930,400



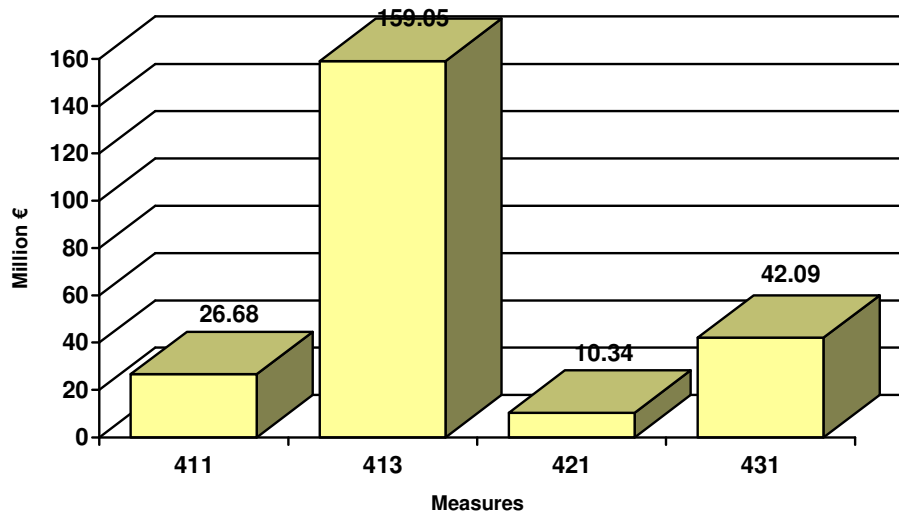
Axis 4 objectives: Leader

The main objective of axis 4 is to mobilise the development potential of rural areas in a way that stimulates innovation to the benefit of the local area. The localised nature of need and opportunity means that the Leader approach can be a useful tool for programme delivery, where it is complementary to wider regional activity. Therefore, the objective of axis 4 is to utilise the Leader approach in England to enhance local governance and mobilise the endogenous development potential of rural areas by establishing Local Action Groups (LAGs) to develop local development strategies and which are composed of relevant community stakeholders. Importantly it recognises the important role agriculture and forestry play in the rural community and economy, whilst improving the quality of life in rural areas through: rurally based business development that generates high-quality employment opportunities; reducing the barriers to training and service provision that exist in some rural areas; and capacity building in rural areas.

The number of LAGs operational in the RDP area as of March 2010 was 84.

There are no modifications in relation to axis 4 following the RDP update.

Axis 4 indicative budget breakdown by measure: Total allocated budget (including public funds + EAFRD + private funds) of € 238,158,499



Monitoring and evaluation strategy

The implementation of the Rural Development Programme for England 2007–13 is overseen by the Monitoring Committee. The Monitoring Committee is chaired by the Managing Authority, (Department for Environment, Food and Rural Affairs – Defra), and its membership is widely drawn from national and local government, and rural, economic and social organisations such as Action with Communities in Rural England, National Farmers Union, Food and Drink Federation and the National Society for the Protection of Birds. Monitoring and evaluation will be ongoing over the full seven years of the Programme. The progress and effectiveness of the Programme is reported in accordance with the Common Monitoring and Evaluation Framework (CMEF). Monitoring is based on the common indicators set by CMEF and additional indicators where necessary, to allow full evaluation of the effectiveness of the measures as they are implemented within the context of the England RDP. For example, one of the additional indicators applied is the level of consumption of wood fuel.

Communication and publicity

The aim of the Communications Strategy is to ensure that the RDP is publicised effectively and transparently, so that all potential rural beneficiaries are aware of both it and the Community's contribution; encourage the submission of high-quality applications that deliver a range of public benefits in a cost-effective way; and, help keep processes simple and easy for the customer to understand. The Communications Strategy is shared by Defra and the delivery partners. Each of the delivery partners has its own detailed communications plan aimed at their specific target audience. The target audience includes the general public, beneficiaries, local and regional authorities, professional organisations, economic and social partners NGOs, particularly bodies promoting equality between men and women, environmental organisations and the general public. Dissemination of information is implemented through various means but includes details of funding activities on Defra's website, guidance literature, mail outs, billboards, ministerial announcements and through mass media.

Annex I – Measures

Measures selected by the RDP Measures selected by the updated RDP

Axis 1 - Improving the competitiveness of the agricultural and forestry sector	<i>Promoting knowledge and improving human potential</i>	111	Vocational training and information actions	
		112	Setting up of young farmers	
		113	Early retirement	
		114	Use of advisory services	
		115	Setting up of management, relief and advisory services	
	<i>Restructuring and developing physical potential and promoting innovation</i>	121	Modernisation of agricultural holdings	
		122	Improvement of the economic value of forests	
		123	Adding value to agricultural and forestry products	
		124	Cooperation for development of new products, processes and technologies in the agriculture and food sector and in the forestry sector	
		125	Infrastructure related to the development and adaptation of agriculture and forestry	
	<i>Quality of agricultural production and products</i>	126	Restoring agricultural production potential	
		131	Meeting standards based on Community legislation	
		132	Participation of farmers in food quality schemes	
	<i>Transitional measures</i>	133	Information and promotion activities	
		141	Semi-subsistence farming	
142		Producer groups		
Axis 2 - Improving the environment and the countryside	<i>Sustainable use of agricultural land</i>	143	Providing farm advisory and extension services	
		211	Natural handicap payments to farmers in mountain areas	
		212	Payments to farmers in areas with handicaps, other than mountain areas	
		213	Natura 2000 payments and payments linked to Directive 2000/60/EC	
		214	Agri-environment payments	
		215	Animal welfare payments	
	<i>Sustainable use of forestry land</i>	216	Non-productive investments	
		221	First afforestation of agricultural land	
		222	First establishment of agroforestry systems on agricultural land	
		223	First afforestation of non-agricultural land	
		224	Natura 2000 payments	
		225	Forest-environment payments	
	Axis 3 - Quality of life in rural areas and diversification of the rural economy	<i>Diversify the rural economy</i>	226	Restoring forestry potential and introducing prevention actions
			227	Non-productive investments
			311	Diversification into non-agricultural activities
<i>Improve the quality of life in rural areas</i>		312	Support for business creation and development	
		313	Encouragement of tourism activities	
		321	Basic services for the economy and rural population	
		322	Village renewal and development	
<i> </i>	323	Conservation and upgrading of the rural heritage		
	331	Training and information		
	341	Skills-acquisition and animation measure with a view to preparing and implementing a local development strategy		
Axis 4 - Leader	<i>Implementing local development strategies</i>	411	Competitiveness	
		412	Environment/land management	
		413	Quality of life/diversification	
		421	Implementing cooperation projects	
		431	Running the local action group, skills acquisition, animation	