

Rural Development Programme (RDP) of Wales, UK

Rural development plan for Wales 2007-2013¹

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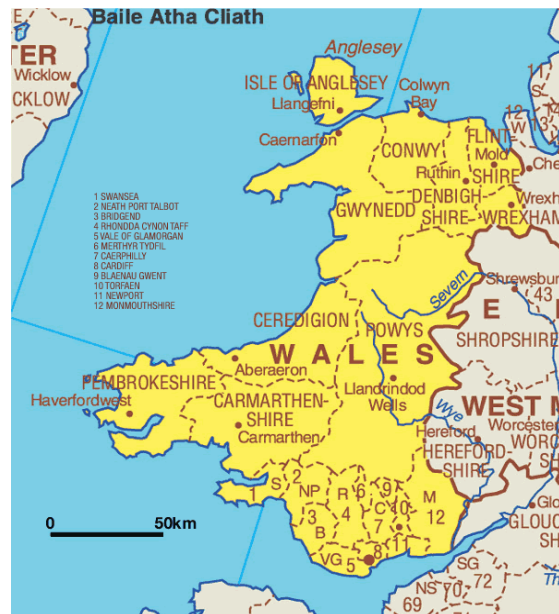
Other useful links:

Rural Development Programme (RDP):

http://enrd.ec.europa.eu/rural-development-policy/country-information/uk/en/uk_home_en.cfm

Wales National Rural Network (Wales Rural Network):

<http://wales.gov.uk/topics/environmentcountryruralside/farmingandcountryside/ruraldevelopment/walesruralnetwork/?lang=en>



Map of Wales
(© European Commission)

General socio-economic situation in rural areas in Wales

Wales (located in the west of the UK and bordering England) has around 3 million inhabitants. The RDP indicates that 960,000 people reside in rural Wales and outward migration of young people remains a trend. Wales covers some 20,000 km² and 82% of the land area is regarded as being rural. The RDP notes that more than half of the territory is classified as mountainous and 80% of the land was considered as a less favoured area. Approximately 20,000 farms manage 1.6 million ha of land. A further 286,000 ha is covered by woodland. 90% of farming is beef and sheep, the remaining 10% is dairy and arable. Agriculture's contribution to Welsh GVA remains relatively low and the RDP baseline data estimates that agriculture supports some 57,500 jobs.

Welsh agriculture produces high-quality products particularly lamb, beef and milk which are recognised across Europe and fulfil several niche markets. Much of the countryside is protected and contains a distinct biodiversity. The RDP states that 31% of Wales is covered by semi-natural vegetation and 10.5% is regarded as Sites of Special Scientific Interest. There is also a high quality historic environment which includes world heritage sites, three national parks and five Areas of Outstanding Natural Beauty. However, there is an ongoing threat to habitats and wildlife, and a continuation of intensive farming practices. The community governance and local partnerships sector is well-established and has a strong

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

sense of community participation. There is also extensive public access to the countryside for recreation, tourism is well established and the services sector is growing.

Key concerns featured in the RDP documents include insufficient adjustment to increased competition in the agricultural sector; employment in the agriculture sector is falling; and a high proportion of farmers' income derives from the CAP. However, the agricultural workforce is skilled and adaptive, offering competitive wage rates. In addition, there are few dynamic new enterprises and agricultural productivity is below the Welsh average. Average wage earnings in rural areas are below the rest of Wales and a lack of services and infrastructure impedes entrepreneurship. The rural economic base is relatively narrow, there are few large employers and small companies are not generally dynamic. There is also a shortage of units for small businesses and an inconsistent ICT infrastructure.

RDP strategic objectives

Core RDP objectives reflect the UK National Strategic Plan for rural development, which seeks to strengthen vital parts of Wales' rural economy, environment and community. In particular, the RDP develops its outlook based on the priorities for improving the competitiveness of the agriculture and forestry sector, improving the environment and countryside, enhancing the quality of life in rural areas and diversification of the rural economy, and utilising the Leader approach, which emphasises the practice of local governance to achieve the above. Importantly, individually and through synergies, these objectives seek to:

- develop the economic and environmental performance of agricultural and forestry producers;
- assist the industry to achieve greater market focus;
- encourage sustainable farming and forestry, achieve high quality woodland management;
- protect habitats and species;
- help reduce climate change and encourage the use of renewable fuels;
- strengthen entrepreneurship and employment;
- increase the number of local services;
- address skill gaps and human resources; and
- tackle social exclusion and support community-led initiatives.

Following the CAP Health Check, in recognition of the greater emphasis now being given to the 'new challenges' facing agriculture and rural areas, the RDP was revised in 2009 to channel more concerted efforts (via revised financial allocations) into initiatives that contribute to biodiversity (these benefited from 61% of the revised financial allocations), climate change mitigation and adaptation (22%), water management (13%), and broadband infrastructure (4%). These challenges are largely being met through existing operations, mainly through existing agri-environmental schemes although the possibility to fund broadband activities is reinforced through measure 321.

Expected impact / outcomes of the policies

The implementation of the RDP is expected to yield positive impacts in line with the objectives set out for each axis. A more competitive agricultural, forestry and rural sector will emerge, based on improved business performance achieved through strengthened business

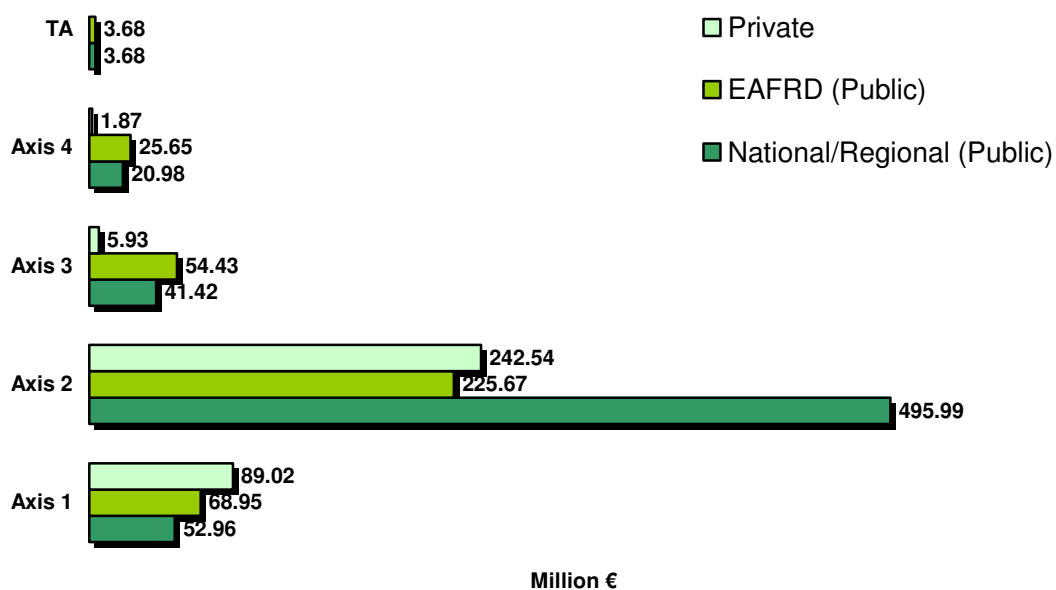
² A full list of the RDP measures can be found in Annex I.

support services. Product development will occur as a result of technology and knowledge transfer. Entrepreneurs will be given access to new premises combined with access to venture capital which will increase the number of start-ups and grow existing businesses. Diversification measures will boost the number of income options for farmers. The introduction of more organic and sustainable farming will encourage demand for farming produce and reduce environmental impact. Biodiversity and landscapes will be better protected and enhanced, and renewable energies will be exploited. Local markets will be developed through community initiatives such as sustainable and activity-based tourism. Social exclusion will be tackled through community capacity building and development of support services.

Measure 121 Modernisation of agricultural holdings was introduced during the 2009 amendment. Under the newly introduced measure 121, support to Catchment Sensitive Farming is provided. A new operation within measure 321 was established to fund the 'Creation and enabling access to broadband infrastructure including backhaul facilities and ground equipment'. This new operation received a budget of €3,805,000 and will be implemented with an involvement of 18 Local Partnerships.

In Wales, operations and activities contributing to the new challenges (except broadband) are already incorporated into existing schemes. A new land management scheme (Glastir) that will replace the existing agri-environment schemes, is expected to be introduced by 2012 and this will further strengthen these activities. The additional funding from the increase of the EAFRD ceiling for the UK (€ 9,000) is considered to be too small to have any meaningful impact. Detailed information on impact indicators for individual measures is provided in the RDP's indicator tables.

RDP budget breakdown by axis: Total expenditure (including national/regional + EAFRD + private funding) of €1,332,756,737



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 sector; Improving the environment and the countryside; Quality of life in rural areas and diversification of the rural economy; and Leader). Approximately 16% of the overall RDP budget in Wales is allocated to axis 1 (€ 210.93 million); approximately 72% is allocated to axis 2 (€ 964.20 million), 8% to axis 3 (€ 101.77 million) and 4% to axis 4 (€ 48.50 million), with 1% available to fund Technical Assistance (€ 7.35 million).

Within axis 1, National/Regional public funding represents approximately 25% share of the axis funding; EAFRD 33%; and private funds 42%.

Within axis 2, National/Regional public funding represents approximately 51% share of the axis funding; EAFRD 23%; and private funds 25%.

Within axis 3, National/Regional public funding represents approximately 41% share of the axis funding; EAFRD 53% and private funds 6%.

Within axis 4, National/Regional public funding represents approximately 43% share of the axis funding; EAFRD 53%; and private funds 4%.

Within technical assistance, National/Regional public funding represents 50% share of the technical assistance funding and EAFRD 50%.

In Wales, €41 million of funds identified in the CAP Health Check have been specifically allocated to existing agri-environment schemes and the proposed new land management scheme (Glastir) to contribute towards achieving the biodiversity, climate change and water management targets. A smaller additional allocation (€1.6million) from the European Economic Recovery Plan will be used to address the availability and speed of broadband connectivity in rural Wales. Wales has also received an additional €9,000 from the increase of the EAFRD ceiling for the UK, which is not allocated to any specific measures or operations but has been applied to axis 2.

Axis Information²

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

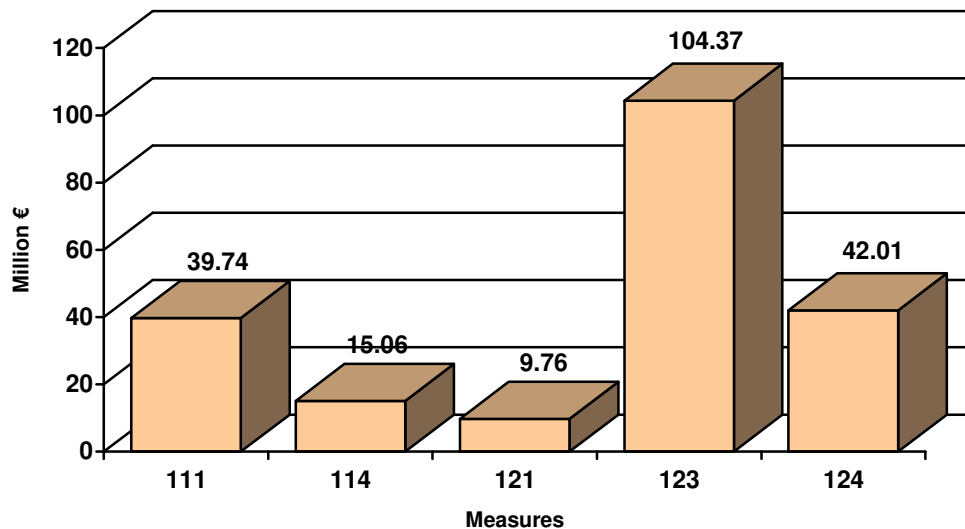
Axis 1 focuses on improving the competitiveness of the agriculture and forestry sector and aims to:

- improve the economic and environmental performance of agricultural and forestry producers: businesses need to be supplied with appropriate services that boost competitiveness in a sustainable way;
- develop market focus: the aim is to ensure that the whole agri-food chain focuses on the market for quality products;
- improve supply chain linkages: it is recognised that the food supply chain needs to work together to develop effectively and efficiently. There is a need to improve integration and working linkages;
- improve the economic performance of food processors: there is a need to continue investment in the development of an innovative processing sector; and

- environmental mitigation: it is recognised that capital investment may be required to mitigate pollution and secure environmental improvement.

Measure 121 Modernisation of agricultural holdings was introduced into the RDP during the 2009 RDP update.

Axis 1 indicative budget breakdown by measure: Total allocated budget (including public funds + EAFRD + private funds) of € 210,929,983



Axis 2 objectives: Improving the environment and the countryside

Aiming to encourage increased environmental sustainability, axis 2 seeks to:

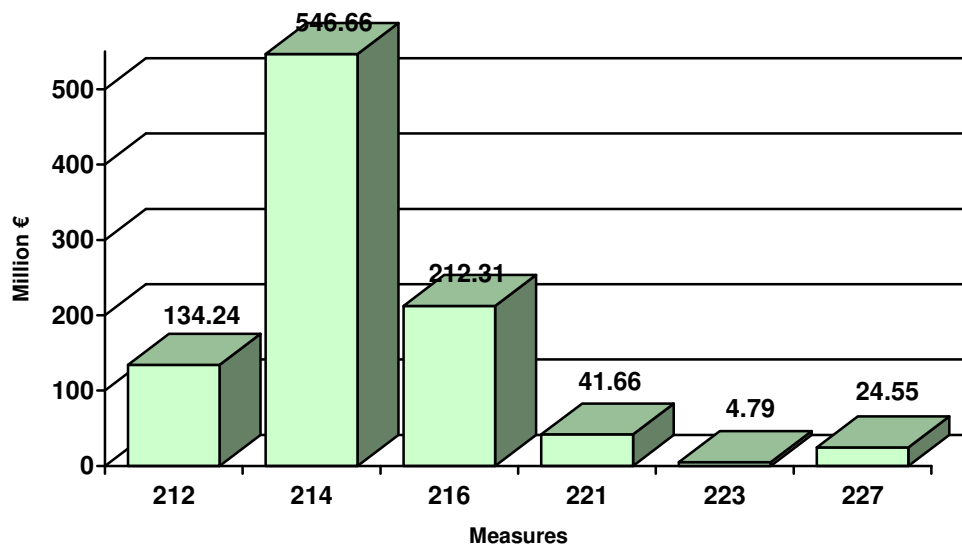
- manage the environment as a whole, taking into account its distinctive characteristics;
- contribute to the achievement of wider nature conservation objectives, including the target of halting the loss of biodiversity by 2010;
- ensure that the majority of Welsh agricultural land is farmed sustainably;
- maintain and enhance high-quality woodlands which contribute to social and community benefits, support thriving industries and contribute to a better quality environment;
- contribute to sustainable development by protecting landscapes, enhancing habitats and managing diffuse pollution;
- encourage spatially targeted integrated programmes that deliver environmental and economic benefits and conserve natural resources;
- reduce Wales' contribution to climate change by protecting and enhancing carbon sinks, managing flood risks;
- decrease consumption of non-renewable resources and encourage use of renewable energy; and
- help to strengthen rural communities and the viability of rural businesses through sustainable agriculture and forestry.

Following the 2009 RDP modifications, measure 214 was allocated increased support for agri-

environment activity. This is being reflected in the aforementioned new integrated scheme called Glastir, which will have two elements: an all-Wales element open to all eligible farmers in Wales and a targeted element which will focus on environmental issues requiring complex or large scale (landscape or catchment) responses.

Output indicators linked to the 2009 RDP revisions for measure 214 operations include up to 2,000 holdings receiving specific types of agri-environment assistance, and 200,000 ha of both physical area and total area under agri-environmental support.

Axis 2 indicative budget breakdown by measure: Total allocated budget (including public funds + EAFRD + private funds) of €964,204,580



Following the 2009 RDP amendments in Wales, the total budget allocation for axis 2 was increased to €964,204,580. This reflects the additional €9,000 which is included within the EAFRD non Convergence allocation for 2013 and applied to unspecified axis 2 measures.

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

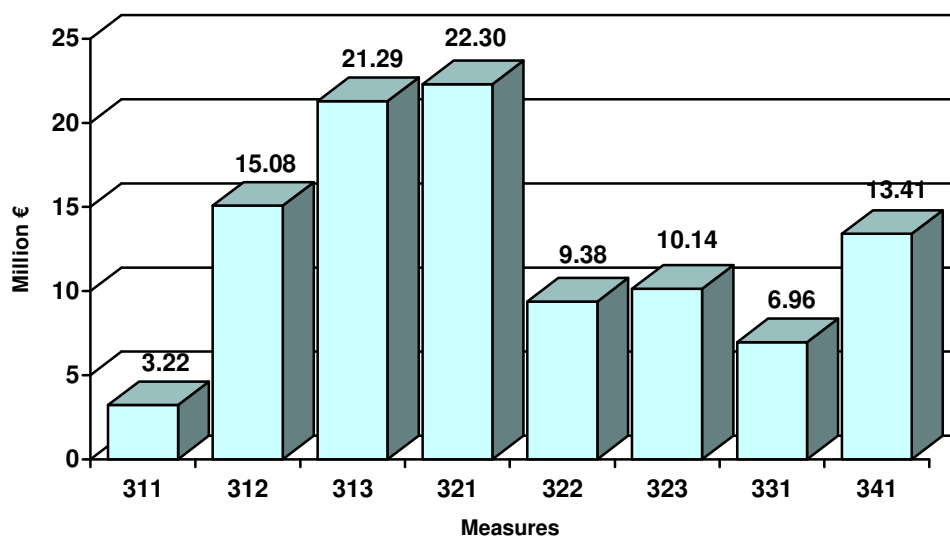
Axis 3 shall improve the quality of life in rural areas and the diversification of the economy and will work to:

- broaden the sources of entrepreneurship and value-added business opportunities to deliver well-paid employment opportunities;
- provide additional services for the rural economy;
- address gaps in skills provision;
- encourage development of human resources, environmental heritage and business resources;
- support activities that strengthen the value and length of the tourism season;
- improve the physical environment of villages and conserve rural heritage;
- address social exclusion including the improvement of service delivery and tackling local community transport issues;

- encourage the development of products and activities that make best sustainable use of natural resources, including new energy production methods and using local ecology, habitats and biodiversity as tourism attractants; and
- establish and/or expand community-led initiatives.

Axis 3 was amended in 2009 to incorporate the new Operation under measure 321 involved with creating and enabling access to broadband infrastructure, including backhaul facilities and ground equipment. This resulted in new impact targets of 18 actions (one action per Local Partnership).

Axis 3 indicative budget breakdown by measure: Total allocated budget (including public funds + EAFRD + private funds) of €101,771,589



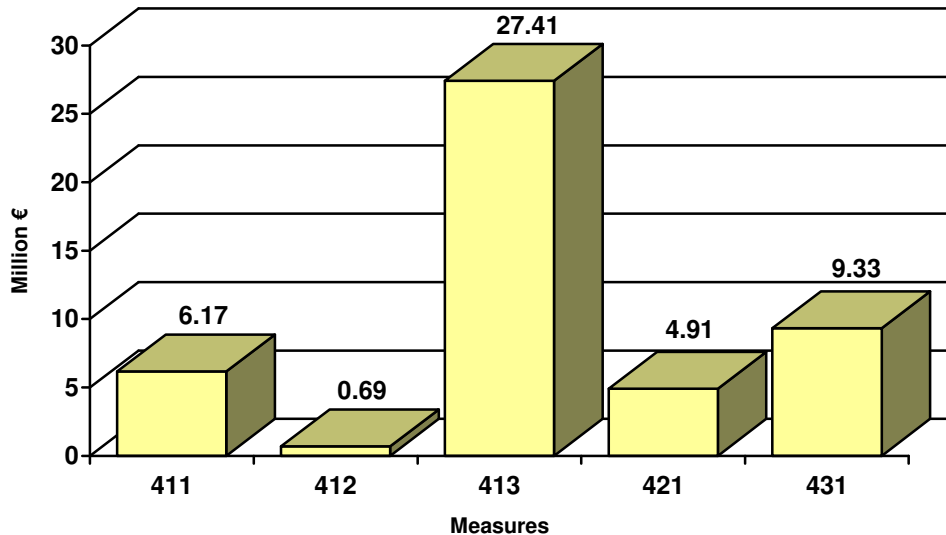
Following the 2009 RDP modifications, the total budget amount for axis 3 was increased to €101,771,589. The additional funds relate to rural broadband investments through measure 321.

Axis 4 objectives: Leader

Achieving the regeneration of communities without the direct involvement of local communities themselves is virtually impossible and a vehicle to engage individuals and groups at an early stage is essential. The operation and evaluation of previous Leader programmes in Wales has confirmed that bottom-up, participative and holistic approaches provide efficient and effective methods to both secure initial engagement, and to make the physical changes that encourage people to remain engaged. For these reasons the Leader approach under axis 4 will form a fundamental part of the rural community regeneration strategy with Local Action Groups (LAGs) formulating and implementing their local development strategies supported through axis 3. LAGs are not covering all of rural Wales but the Leader approach is being employed across the RDP's three thematic axes (as appropriate) to take full advantage of the benefits that its holistic and innovative elements can bring.

Number of LAGs operational in the RDP areas as of March 2010 was 18.

Axis 4 indicative budget breakdown by measure: Total allocated budget (including public funds + EAFRD + private funds) of €48,497,648



No modifications were made to axis 4 during the 2009 RDP update.

Monitoring and evaluation strategy

The Welsh Assembly Government places significant emphasis on the monitoring and evaluation of the RDP and on delivering high-quality and robust evaluations whilst ensuring that it is fully compliant with the European Commission's Common Monitoring & Evaluation Framework (CMEF) guidelines. A system of ongoing evaluation will be used to examine the progress of the measures and activities against objectives and outcomes; to improve the quality of the programme and overall implementation; and to prepare for the mid-term and ex-post evaluations. The Programme Monitoring Committee, which is responsible for the monitoring and evaluation system, comprises representatives of the Welsh government and other key stakeholders from the public, private and voluntary sectors. It will receive a report on the ongoing evaluation activities each year. Policy and baseline data will be collected via significant research programmes like the Wales Rural Observatory which monitors socio-economic trends.

Communication and publicity

The overall objective of the Communication Strategy for the RDP is to provide information on, and to publicise national strategy plans, RDPs and the EU contribution to the identified target audience. The target audience includes potential beneficiaries and beneficiaries of the RDP from rural communities and businesses, other stakeholders and the general public. The target audience will be informed of the possibilities offered by the RDP and the rules for gaining access to programme funding, as well as offering consultations on implementation and post-implementation and decisions taken by authorities. The information will be communicated through various means. This will include information available on a designated website, an annual information campaign headed by the Welsh Assembly Government, a magazine

circulated to farmers and community interest groups, agricultural shows, national and local press, e-bulletins and ministerial visits and announcements. Notably, all information will be provided in Welsh, as well as English language.

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 EU 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
		226	Restoring forestry potential and introducing prevention actions
		227	Non-productive investments
Axis 3 - Quality of life in rural areas and diversification of the rural economy	<i>Diversify the rural economy</i>	311	Diversification into non-agricultural activities
		312	Support for business creation and development
		313	Encouragement of tourism activities
	<i>Improve the quality of life in rural areas</i>	321	Basic services for the economy and rural population
		322	Village renewal and development
		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