



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 11th December 2019, outlining the priorities of Wales for using the nearly € 977 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 € 325.4 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, 35 000 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 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 35 000 farmers will be trained to increase their knowledge and skills. In total 478 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:

- € 292 million allocated to Measure 10 (Agri-Environment-Climate);
- € 185 million allocated to Measure 04 (Productive and non-productive investments);
- € 152 million allocated to Measure 16 (Co-operation);
- € 112 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 28.37% of RDP expenditure	01 knowledge		
	02 advisory		
	16 cooperation		
1B: Strengthening links (with research etc.) 478 cooperation operations	16 cooperation		
1C: Training 34 716 participants trained	01 knowledge		
Priority 2: Farm viability, competitiveness and sustainable forest management		106 518 333	10.90
2A: Economic performance, restructuring & modernisation 10.08% of holdings with RDP support	01 knowledge	33 641 808	3.44
	02 advisory	6 473 424	0.66
	04 investments	47 374 831	4.85
	16 cooperation	19 028 271	1.95
Priority 3: Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management		169 163 436	17.31
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	62 413 794	6.39
	02 advisory	662 921	0.07
	04 investments	59 917 713	6.13
	16 cooperation	46 169 009	4.72
Priority 4: Restoring, preserving and enhancing ecosystems in agriculture and forestry²		425 898 055	43.58
4A Biodiversity 2.70% of forest/other wooded area under contracts 38.75% of agricultural land under contracts	01 knowledge	5 073 807	0.52
	02 advisory	3 057 578	0.31
	04 investments	59 116 342	6.05
4B Water management 13.83% of agricultural land under contracts	08 forest investments	18 571 040	1.90
	10 AEC	276 414 061	28.28
4C Soil erosion and management 4.99% of agricultural land under contracts	11 organic farming	33 465 096	3.42
	16 cooperation	30 200 132	3.09
Priority 5: Resource efficiency and shift to low carbon and climate		70 463 796	7.21

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

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

resilience economy in agriculture, food and forestry sectors			
5B Energy efficiency € 20 million total investment for energy efficiency	01 knowledge	873 813	0.09
	02 advisory	182 303	0.02
	04 investments	8 210 188	0.84
	16 cooperation	289 739	0.03
5C Renewable energy € 35 million total investment in renewable energy production	01 knowledge	873 813	0.09
	02 advisory	143 633	0.01
	07 basis services	8 100 891	0.83
	08 forest investments	6 091 736	0.62
	16 cooperation	1 515 653	0.16
5D Reducing GHG and NH3 4.20% of agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions	01 knowledge	873 813	0.09
	02 advisory	1 283 857	0.13
	04 investments	5 592 580	0.57
	10 AEC	14 795 475	1.51
	16 cooperation	2 021 139	0.21
5E Carbon conservation and sequestration 0.22% of agricultural and forest land under management contracts contributing to carbon sequestration or conservation	01 knowledge	873 813	0.09
	02 advisory	561 029	0.06
	04 investments	4 349 977	0.45
	08 forest investments	12 215 688	1.25
	10 AEC	1 234 397	0.13
	16 cooperation	380 259	0.04
Priority 6: Social inclusion, poverty reduction and economic development in rural areas		156 614 059	16.02
6A Diversification, creation of small enterprises and jobs 765 jobs created in supported projects	02 advisory	367 921	0.04
	06 farm / business development	13 531 661	1.38
	08 forest investments	1 218 201	0.12
	16 cooperation	301 257	0.03
6B Fostering local development 45.53% rural population under local development strategies 45.53% rural population with improved services/infrastructure	01 knowledge	7 241 491	0.74
	07 basic services	24 163 255	2.47
	16 cooperation	52 339 865	5.36

100 jobs created (via LEADER)	19 LEADER and CLLD	55 393 322	5.67
6C Access to and quality of ICT 16.47% of rural population benefiting from new or improved services/infrastructures (ICT)	01 knowledge	436 906	0.04
	07 basic services	1 620 178	0.17
Technical Assistance		48 687 374	4.98
Total public expenditure €		977 345 053	100