



## **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 24<sup>st</sup> August 2023, outlining Scotland's priorities for using the € 1.46 billion of public money that is available for the 7-year period 2014-2020 (€ 845 million from the EU budget, including € 335 million transferred from the envelope for CAP direct payments, and € 615 million of national co-funding).

A central priority of the Scottish RDP is restoring, preserving and enhancing ecosystems related to agriculture and forestry. Approximately 42% 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.

Support for Rural Development is the second 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<sup>1</sup>. The 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

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<sup>1</sup> The UK left the Union on 31st January 2020; in accordance with the Withdrawal Agreement support under Rural Development continues to apply in the UK during the 2014-2020 programming period.

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 is 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. Total workforce in agriculture is estimated to be around 67,100 workers (2019). In 2019 the majority of working farm occupiers are older than 55. Farm occupiers are getting increasingly older. In June 2019, a combined 63% of farm occupiers were older than 55, and 34 per cent of farm occupiers were older than 64. Male occupiers were older than female occupiers: 66% of male occupiers were older than 55, compared to 59% of females.

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 11 000 training places are available for farmers to increase their knowledge and skills. In total 64 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 9,935 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 551 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:

- € 473 million allocated to Areas facing natural constraints
- € 334 million allocated to Forestry
- € 254 million allocated to Agri-environment-climate payments
- € 172 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)	2.15	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)	64.00	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>326,507,504.00</b>	<b>21.53%</b>
<b>2A Farm performance</b>		<b>Total: 2A</b>	<b>310,619,152.00</b>	<b>20.49%</b>
T4: percentage of agricultural holdings with RDP support for investments in restructuring or modernisation (focus area 2A)	16.35	M01 Knowledge	3,323,597.00	0.22%
PSTI2A: Number of participants trained under Article 14 of Regulation (EU) No 1305/2013	17,620.00	M02 Advisory services	8,647,970.00	0.57%
		M04 Physical Investment	52,770,843.00	3.48%
		M06 Farm and business development	897,040.00	0.06%
		M13 Areas with natural constraints	240,884,512.00	15.89%

		M16 Cooperation	4,095,190.00	0.27%
<b>2B New farmers</b>		<b>Total: 2B</b>	<b>15,888,352.00</b>	<b>1.05%</b>
T5: percentage of agricultural holdings with RDP supported business development plan/investments for young farmers (focus area 2B)	0.27	M02 Advisory services	2,158,743.00	0.14%
		M06 Farm and business development	13,729,609.00	0.91%
<b>P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture</b>			<b>71,127,487.00</b>	<b>4.69%</b>
<b>3A Competitiveness of producers</b>		<b>Total: 3A</b>	<b>70,041,616.00</b>	<b>4.62%</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	960,393.00	0.06%
PSTI3A: Percentage of total agri-food businesses supported under Article 17 of the Regulation (EU) No 1305/2013	13.00	M04 Physical Investment	62,598,090.00	4.13%
		M14 Animal welfare	5,502,484.00	0.36%
		M16 Cooperation	980,649.00	0.06%
		<b>Total: 3B</b>	<b>1,085,871.00</b>	<b>0.07%</b>
		M02 Advisory services	1,085,871.00	0.07%
<b>P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry</b>			<b>699,807,384.00</b>	<b>46.16%</b>
<b>4A Biodiversity, HNV and landscapes</b>		<b>Total: P4</b>	<b>699,807,384.00</b>	<b>46.16%</b>
T8: percentage of forest/other wooded area under management contracts supporting biodiversity (focus area 4A)	37.99	M01 Knowledge	182,101.00	0.01%
T9: percentage of agricultural land under management contracts supporting biodiversity and/or landscapes (focus area 4A)	22.73	M02 Advisory services	6,541,216.00	0.43%
<b>4B Water management</b>		M04 Physical Investment	58,711,220.00	3.87%

T10: percentage of agricultural land under management contracts to improve water management (focus area 4B)	19.80	M08 Forest	101,680,429.00	6.71%
T11: percentage of forestry land under management contracts to improve water management (focus area 4B)	37.99	M10 Agri-environment-climate	242,688,712.00	16.01%
<b>4C Soil management</b>		M11 Organic Farming	28,397,802.00	1.87%
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	240,884,512.00	15.89%
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	20,529,650.00	1.35%
		M16 Cooperation	191,742.00	0.01%
<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>286,788,027.00</b>	<b>18.92%</b>
<b>5B Energy efficiency</b>		<b>Total: 5B</b>	<b>3,949,109.00</b>	<b>0.26%</b>
PSTI5B: Number of participants trained under Article 14 of Regulation (EU) No 1305/2013	1,100.00	M01 Knowledge	250,465.00	0.02%
		M02 Advisory services	3,244,614.00	0.21%
		M16 Cooperation	454,030.00	0.03%
<b>5D Reducing GHG and NH3</b>		<b>Total: 5D</b>	<b>25,845,346.00</b>	<b>1.70%</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	1,396,610.00	0.09%
T18: percentage of agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions (focus area 5D)	23.18	M04 Physical Investment	4,765,054.00	0.31%
		M10 Agri-environment-climate	19,683,682.00	1.30%
<b>5E Carbon conservation / sequestration</b>		<b>Total: 5E</b>	<b>256,993,572.00</b>	<b>16.95%</b>
T19: percentage of agricultural and forest land under management contracts contributing to carbon sequestration and conservation (focus area 5E)	16.14	M08 Forest	256,809,277.00	16.94%

		M16 Cooperation	184,295.00	0.01%
<b>P6: Promoting social inclusion, poverty reduction and economic development in rural areas</b>			<b>118,707,234.00</b>	<b>7.83%</b>
<b>6A Diversification, SMEs and job creation</b>		<b>Total: 6A</b>	<b>6,742,947.00</b>	<b>0.44%</b>
T20: Jobs created in supported projects (focus area 6A)	17.00	M04 Physical Investment	1,980,000.00	0.13%
		M06 Farm and business development	1,593,037.00	0.11%
		M08 Forest	3,169,910.00	0.21%
<b>6B Local development</b>		<b>Total: 6B</b>	<b>111,914,847.00</b>	<b>7.38%</b>
T21: percentage of rural population covered by local development strategies (focus area 6B)	86.76	M07 Basic services	13,514,847.00	0.89%
T22: percentage of rural population benefiting from improved services/infrastructures (focus area 6B)	10.14	M19 LEADER and CLLD	98,400,000.00	6.49%
T23: Jobs created in supported projects (Leader) (focus area 6B)	551.00			
		<b>Total: 6C</b>	<b>49,440.00</b>	<b>0.00%</b>
		M07 Basic services	49,440.00	0.00%
<b>M20 TA</b>			<b>13,254,385.29</b>	<b>0.87%</b>
			<b>13,254,385.29</b>	<b>0.87%</b>
<b>Total public expenditure</b>			<b>1,516,192,021.29</b>	<b>100.00%</b>