



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 24th January 2022, 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, 34 000 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 States¹. 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

¹ 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

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 34 000 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:

- € 336 million allocated to Measure 10 (Agri-Environment-Climate);
- € 178 million allocated to Measure 04 (Productive and non-productive investments);
- € 124 million allocated to Measure 16 (Co-operation);
- € 106 million allocated to Measure 1 (Knowledge transfer and information actions).

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

Target	Measure	Indicative public support	%
P1: Fostering knowledge transfer and innovation in agriculture, forestry and rural areas		0.00	
1A Innovation, cooperation, knowledge		0.00	
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)	25.28	M01 Knowledge	0.00
		M02 Advisory services	0.00
		M16 Cooperation	0.00
1B Research & innovation		0.00	
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)	478.00	M16 Cooperation	0.00
1C Lifelong learning and vocational training		0.00	
T3: Total number of participants trained under Article 14 of Regulation (EU) No 1305/2013 (focus area 1C)	33,716.00	M01 Knowledge	0.00
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		101,928,656.83	10.43%
2A Farm performance		Total: 2A	101,928,656.83
T4: percentage of agricultural holdings with RDP support for investments in restructuring or modernisation (focus area 2A)	10.08	M01 Knowledge	34,946,381.89
		M02 Advisory services	8,740,535.28
		M04 Physical Investment	42,173,383.10
		M16 Cooperation	16,068,356.56
P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture		153,163,161.59	15.67%
3A Competitiveness of producers		Total: 3A	153,163,161.59
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)	0.68	M01 Knowledge	57,397,210.08
		M02 Advisory services	895,088.10
		M04 Physical Investment	57,712,790.43
		M16 Cooperation	37,158,072.98
P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry		476,634,749.05	48.77%
4A Biodiversity, HNV and landscapes		Total: P4	476,634,749.05

T8: percentage of forest/other wooded area under management contracts supporting biodiversity (focus area 4A)	2.70	M01 Knowledge	4,806,947.11	0.49%
T9: percentage of agricultural land under management contracts supporting biodiversity and/or landscapes (focus area 4A)	38.75	M02 Advisory services	3,581,663.46	0.37%
4B Water management		M04 Physical Investment	55,839,136.36	5.71%
T10: percentage of agricultural land under management contracts to improve water management (focus area 4B)	13.83	M08 Forest	28,363,000.20	2.90%
4C Soil management		M10 Agri-environment-climate	320,966,592.87	32.84%
T12: percentage of agricultural land under management contracts to improve soil management and/or prevent soil erosion (focus area 4C)	4.99	M11 Organic Farming	38,790,625.19	3.97%
		M16 Cooperation	24,286,783.86	2.49%
P5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors			74,904,993.67	7.66%
5B Energy efficiency		Total: 5B	9,096,164.82	0.93%
T15: Total investment for energy efficiency (€) (focus area 5B)	20,331,277.61	M01 Knowledge	907,698.23	0.09%
		M02 Advisory services	246,149.23	0.03%
		M04 Physical Investment	7,656,796.13	0.78%
		M16 Cooperation	285,521.23	0.03%
5C Renewable energy		Total: 5C	14,948,663.04	1.53%
T16: Total investment in renewable energy production (€) (focus area 5C)	23,785,883.34	M01 Knowledge	907,698.23	0.09%
		M02 Advisory services	193,935.75	0.02%
		M04 Physical Investment	0.00	0.00%
		M07 Basic services	5,910,418.49	0.60%
		M08 Forest	6,677,352.46	0.68%
		M16 Cooperation	1,259,258.11	0.13%
5D Reducing GHG and NH3		Total: 5D	27,747,707.31	2.84%
T18: percentage of agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions (focus area 5D)	4.20	M01 Knowledge	907,698.23	0.09%
		M02 Advisory services	1,733,487.28	0.18%
		M04 Physical Investment	9,359,641.50	0.96%
		M10 Agri-environment-climate	14,069,855.35	1.44%
		M16 Cooperation	1,677,024.95	0.17%

5E Carbon conservation / sequestration		Total: 5E	23,112,458.50	2.36%
T19: percentage of agricultural and forest land under management contracts contributing to carbon sequestration and conservation (focus area 5E)	0.22	M01 Knowledge	907,698.23	0.09%
		M02 Advisory services	575,104.92	0.06%
		M04 Physical Investment	5,501,605.45	0.56%
		M08 Forest	14,657,464.13	1.50%
		M10 Agri-environment-climate	1,146,857.80	0.12%
		M16 Cooperation	323,727.97	0.03%
P6: Promoting social inclusion, poverty reduction and economic development in rural areas			127,928,654.60	13.09%
6A Diversification, SMEs and job creation		Total: 6A	10,940,576.81	1.12%
T20: Jobs created in supported projects (focus area 6A)	765.00	M02 Advisory services	496,773.89	0.05%
		M04 Physical Investment	0.00	0.00%
		M06 Farm and business development	8,878,911.12	0.91%
		M08 Forest	1,334,829.52	0.14%
		M16 Cooperation	230,062.28	0.02%
6B Local development		Total: 6B	115,352,144.86	11.80%
T21: percentage of rural population covered by local development strategies (focus area 6B)	45.53	M01 Knowledge	3,699,624.20	0.38%
T22: percentage of rural population benefiting from improved services/infrastructures (focus area 6B)	45.53	M07 Basic services	13,823,645.18	1.41%
T23: Jobs created in supported projects (Leader) (focus area 6B)	100.00	M16 Cooperation	44,397,975.26	4.54%
		M19 LEADER and CLLD	53,430,900.22	5.47%
6C ICT		Total: 6C	1,635,932.93	0.17%
T24: percentage of rural population benefiting from new or improved services/infrastructures (ICT) (focus area 6C)	16.47	M01 Knowledge	453,849.12	0.05%
		M07 Basic services	1,182,083.81	0.12%
M20 TA			42,754,231.30	4.37%
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Total public expenditure			977,314,447.04	100.00%