

Welsh Government Rural Communities – Rural Development Programme 2014-2020

Annual Report 2015 - summary

Overview

This is the first Annual Implementation Report (AIR) for the Welsh Government Rural Communities – Rural Development Programme (WGRC-RDP) 2014-2020, a joint European and Wales funded programme. The first AIR covers the years 2014 and 2015.

Activity during 2014 and the first half of 2015 focussed on planning and negotiating the new Programme with the European Commission. The WGRC-RDP2014-2020 was formally approved on 26 May 2015 with a budget of €1,130m. In the 6 months since the programme was approved €180.86m worth of funds have been committed, with €10.93m realised spend¹ by December 2015.

Key achievements during 2014-2015 reporting years

- A Programme Monitoring Committee (PMC) was formally established on 05 December 2014 and met four times during 2015. The PMC has strategic oversight of all European Structural and Investment Funds (ESI) in Wales; this includes the WGRC-RDP2014-2020.
- The PMC formally agreed the selection criteria for the WGRC-RDP 2014-2020 in 2015. Documents and the minutes of the PMC can be found on the European Funds pages of the Welsh Government website: <http://gov.wales/funding/eu-funds/2014-2020/programme-monitoring-committee/?lang=en>
- During 2014 and 2015 Welsh Government has progressed with the development and improvement of CAPIT and PPIMS IT systems to enable online applications, claims and reporting.
- During 2015 Expression of Interest (EOI) windows opened for the following schemes;
 - Sustainable Production Grant under Measure 4.1 (support for investments in agricultural holdings).
 - Food Business Investment Grant under Measure 4.2 (support for investments in processing / marketing / development of agricultural products).
 - Rural Community Development Fund under Measure 7 (basic services and village renewal in rural areas).

¹ Realised spend is defined as total amount of expenditure (EAFRD + other public) made for completed operations in the reporting year and previous years of the programming period as defined by European Commission.

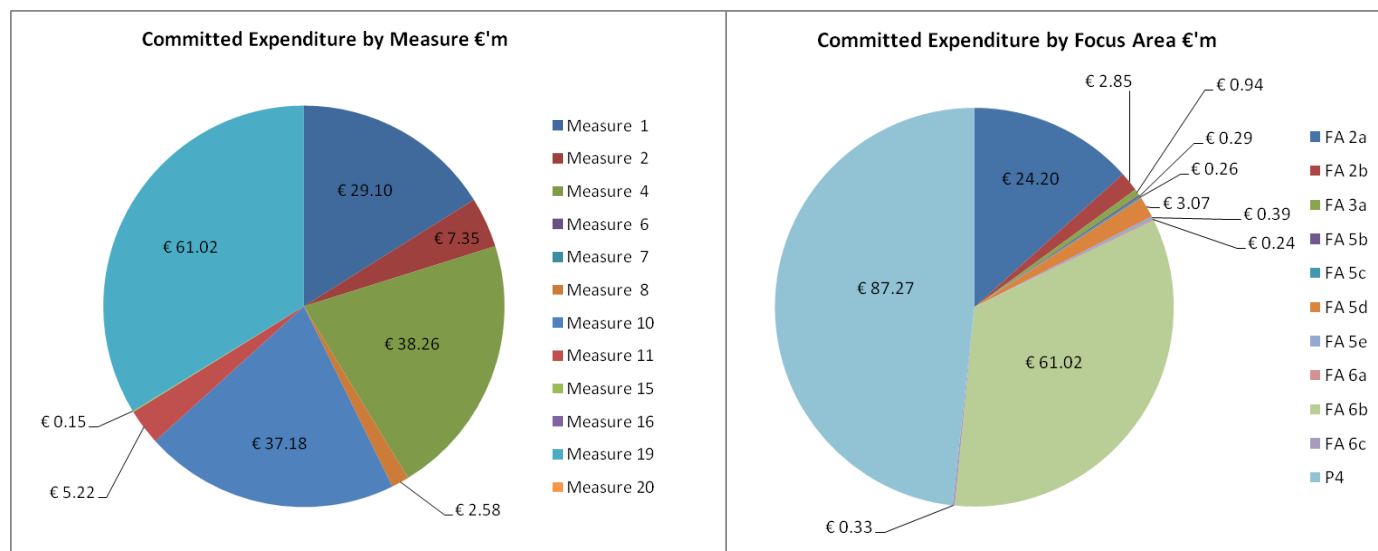
- Cooperation and Supply Chain Development Scheme under Measure 16.4 (cooperation for the establishment / development of short supply chains and local markets).
 - Glastir Organic under Measures 11.1 and 11.2 (organic farming).
 - Glastir Woodland Creation under Measures 8.1 (support for afforestation / creation of woodland) and 8.2 (support for establishment / maintenance of agro-forestry systems).
 - Glastir Woodland Restoration under Measure 8.4 (support for restoration of damage to forests).
 - Glastir Advanced under Measures 10.1 (agri-environment-climate commitments) and 4.4 (non-productive investments linked to the achievement of agri-environment-climate objectives).
- Further EOI windows will open during 2016 and beyond.
 - Delivery contracts under Farming Connect for knowledge transfer, innovation and advisory services (Measures 1 and 2) have been awarded and commenced activity on 1 October 2015.
 - All 18 LEADER Local Action Groups (LAGs) and their Local Development Strategies (LDS) were approved during 2015.
 - The WGRC-RDP 2014 – 2020 makes provision for the future use of Financial Instruments (FIs). This can include loans, guarantees and equity and have the potential to raise further capital for investing in rural areas. Work will continue during 2016 to develop this area to include an evaluation on their possible use within the programme.
 - All prior conditions ('ex ante conditionalities') set by the European Commission for approval of the programme has been met.
 - In addition to the evaluations within the Programme (approved as part of the programming document), two extra will be undertaken during the lifetime of the Programme. These are: the Agri-Insurance Feasibility Study and the Financial Instruments Ex Ante Assessment. Work on both contracts will be undertaken during 2016/2017.
 - An external recruitment campaign commenced in late 2015 for Membership of the Wales Rural Network (WRN) Steering Group. This group will aid the activities of Welsh Government Wales Rural Network Support Unit (WRNSU) who provide networking opportunities, communications and support activities on behalf of Welsh Government and wider WRN membership. Further information on the WRNSU can be found at:
<http://gov.wales/topics/environmentcountryside/farmingandcountryside/cap/wales-rural-network/?lang=en>

Operations approved up to the end of 2015

- Achievements during 2015 were recorded under the following Measures;
 - Measure 4.4 (non-productive investments linked to the achievement of agri-environment-climate objectives)
 - Measure 8.1 (support for afforestation / creation of woodland)
 - Measure 8.5 (support for investments improving the resilience and environment value of forest ecosystems)
 - Measure 10.1 (agri-environment-climate commitments)
- All activity relates to agri-environment and forestry schemes.
- There were 1,588 operations approved delivering under Measure 4.4 and 5,107 contracts supported under Measures 8.1, 8.5 and 10.1 by the end of December 2015.

Financial progress

- Activity under the WGRC-RDP 2014-2020 is recorded against 6 Strategic Priorities grouped by Focus Areas (FA). Each Measure can contribute to one or more Focus Areas².
- The following charts show the €180.86m funds committed by the close of 2015 broken down by Measure and Focus Area;



- Spend on the 2014-2020 programme only commenced during the final quarter of 2015 (October-December 2015).
- In that time payments of just under €10.93m have been made of which €7.15 are EAFRD (EU) funds.

² A list of Focus Areas and Measures can be found in Commission Regulation (EU) No. 808/2014 which can be found at; <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0808&from=en>

- Of the €10.93m payments made;
 - €10.91m was recorded under Focus Area 4a (supporting restoration, preservation and enhancement biodiversity) for Measures 4.4, 8.5 and 10.1.
 - €0.02m was recorded under Focus Area 5e (carbon conservation in agriculture and forestry) for Measures 8.1 and 8.5.
- The majority of payments made concerned land based commitments carried over from the 2007-2013 programming period, totalling €10.91m.

Further information on the WGRC-RDP2014-2020, eligible activities and open EOI windows can be found at:

<http://gov.wales/topics/environmentcountryside/farmingandcountryside/cap/ruraldevelopment/wales-rural-development-programme-2014-2020/?lang=en>