



**WALES RURAL DEVELOPMENT
PLAN 2007-13
SUMMARY EX-POST EVALUATION**

National Report for
Welsh Government
Submitted by

Agra CEAS Consulting

Dr Dylan Bradley
Professor Berkeley Hill

Based on the full *ex-post* evaluation
carried out by Agra CEAS Consulting
and RSK ADAS

Telephone: *44 (0)1233 812181

Fax: *44 (0)1233 813309

E-mail: info@ceasc.com

www.ceasc.com



Cronfa Amaethyddol Ewrop ar
gyfer Datblygu Gwledig:
Ewrop yn Buddsoddi mewn Ardaloedd Gwledig
European Agricultural Fund for
Rural Development:
Europe Investing in Rural Areas



Llywodraeth Cymru
Welsh Government





Contents

S1. EXECUTIVE SUMMARY	II
1. INTRODUCTION	1
2. THE AIMS AND STRUCTURES OF THE WALES RDP (MEASURES AND SCHEMES AND THEIR DELIVERY)	5
3. FINANCIAL ALLOCATION AND USE	9
4. THE METHODOLOGY AND EVIDENCE BASE OF THE EX-POST EVALUATION	11
5. EVALUATION OF THE OUTCOME OF THE RDP - WHAT DID THE RDP ACHIEVE?	15
5.1. THEME 1: IMPROVING THE COMPETITIVENESS OF THE AGRICULTURAL AND FORESTRY SECTORS	17
5.2. THEME 2: DEVELOPING THE RURAL ECONOMY (OF WHICH FARM BUSINESSES FORM A PART).....	22
5.2.1. <i>Economic activity and labour productivity</i>	22
5.2.2. <i>Creation of employment (as measured by net additional Full Time Equivalent jobs)</i>	23
5.2.3. <i>Innovation (new products, new markets, new techniques)</i>	25
5.3. THEME 3: QUALITY OF LIFE IN RURAL AREAS.....	28
5.4. THEME 4: IMPROVING THE ENVIRONMENT AND COUNTRYSIDE.....	32
5.4.1. <i>Biodiversity and landscape</i>	32
5.4.2. <i>Water quality and management ((quality, use and quantity)</i>	35
5.4.3. <i>Climate change mitigation and adaption</i>	36
5.4.4. <i>Supply of renewable energy</i>	38
5.5. ACHIEVEMENT IN TERMS OF CROSS-CUTTING THEMES.....	40
5.5.1. <i>Young farmers</i>	40
5.5.2. <i>Women</i>	41
6. EVALUATION OF THE DELIVERY MECHANISMS	43
7. PERFORMANCE OF MECHANISMS FUNDED UNDER TECHNICAL ASSISTANCE	48
7.1. WALES RURAL NETWORK (WRN).....	49
7.2. COMMUNICATIONS.....	50
8. CONCLUSIONS AND RECOMMENDATIONS	52

S1. Executive summary

Agra CEAS Consulting, supported by ADAS, was contracted by the Welsh Government to carry out the *ex-post* evaluation of the 2007-13 Wales Rural Development Programme (RDP) in accordance with Council Regulation (EC) No 1698/2005 and Commission Regulation (EC) No 1974/2006. That evaluation report is a lengthy and detailed document and the Welsh Government required this shorter version (the Summary Report) to narrate the main messages, but in a more concise way.

The *ex-post* evaluation used existing material (secondary data and evidence) to form its evidence base. This was supplemented by semi-structured interviews with Welsh Government officials and key stakeholders, together with a wider online survey of stakeholders.

In line with the objectives of the Axes which made up the 2007-13 RDP, this summary report presents impacts against four RDP themes and additional cross-cutting themes. The performance of delivery mechanisms and the use made of Technical Assistance are also assessed. Our conclusions are presented below.

S1.1. Improving competitiveness of the agricultural and forestry sectors

Axis 1 delivered *improvements in competitiveness in the farming and forestry sectors*. Different Measures (and different elements of schemes) made varying contributions according to their design and purpose. While there is strong evidence for a positive (if modest) impact from Farming Connect and the Processing and Marketing Grant scheme, there are insufficient data to quantify the impact from other Measures. The impact of Axes 2 and 3 on competitiveness was, as expected, minimal and, in the case of Axis 3, sometimes impossible to relate specifically to the farming and forestry sectors.

S1.2. Developing the rural economy (of which farm businesses form a part)

Activities under the RDP resulted in an ***increase in Gross Value Added for beneficiaries***. However, when placed in the context of the rural economy as a whole, this growth was relatively small, not surprising given the resources available. Activities under the RDP led to the ***creation of some 3,000 jobs***, around half of which could be considered to be both sustainable and directly attributable to the activities supported. However, it is not possible to conclude that all these jobs were created solely by the RDP, or would not have been created in the absence of support. Nevertheless, employment creation in the primary sector and food processing was appreciable and was equivalent to around 3% of total employment in these sectors. Aspects of Axes 1 and 3 resulted in ***innovation*** in the form of the introduction of new products and/or techniques and the accessing of new markets. Farming Connect delivered change/new skills and it is likely that some of this change would have been innovative. The RDP implementation also used innovative approaches under Axis 2.

S1.3. Quality of life in rural areas

The RDP made a direct contribution to the ***improvement of the quality of life*** in a number of dimensions, specifically under Measure 321 (basic services for the economy and rural population, including the Broadband Support Scheme); Measure 322 (village renewal and development); and, Measure 323 (conservation and upgrading of the rural heritage). An indirect positive impact resulted from a range of other Measures related to job creation/maintenance, provision of new skills and training and diversification. Axis 2 delivered a general improvement in the quality of life through the provision of public goods.

S1.4. The natural environment

It is not possible to provide a quantitative judgement of the impact of the RDP in terms of its contribution to protecting and enhancing natural resources and landscape including, biodiversity and High Nature Value farming and forestry due to data gaps,

the lag time between activity and impact, and uncertainties over attribution. However, Axis 2 activities underwent a major reorganisation during the programming period intended to deliver better outcomes and the Glastir Monitoring and Evaluation Programme was established to assess impacts, although only modest quantities of data were available relating to the 2007-13 period.

A total of 552,030 hectares of land was brought under successful land management designed to contribute to **improvements in biodiversity** and 432,998 hectares contributing to **improvements to water quality**. Various agri-environment schemes resulted in reductions in fertiliser use, and evaluations of schemes under Measure 121 (Catchment Sensitive Farming Scheme and Glastir Efficiency Grant scheme) designed to improve water quality showed that these were successful operations. Finally, 417,190 hectares came under land management agreements contributing to **mitigating climate change**. Woodland creation under Glastir had the potential to reduce flood generating land in the future. Other, non-Axis 2, aspects of the RDP also contributed to climate change through support for **renewable energy production**.

S1.5. Cross-cutting themes

The RDP was designed and operated with **careful attention to equality and avoiding discrimination**. The needs of several identified groups were given specific attention and monitoring data were collected against which performance could be assessed. It is clear that every reasonable effort was made to avoid discrimination of any sort. Particular attention was given to **young farmers** and **women**.

S1.6. Delivery mechanisms

Taking a view overall, the RDP was relevant to the objectives set for it, and it was **coherent** (in the sense that its structure of schemes led to the objectives and that the various schemes worked well together). There is also evidence that consideration was given to the best use of newly available funds and that these were allocated appropriately. The delivery of the RDP was assessed as being both **effective and**

efficient, though there were areas capable of improvement. There was insufficient evidence with which to assess the **reasonableness** of delivery costs, though there was nothing to suggest that these were unreasonable.

S1.7. Technical Assistance

Funds provided under the Technical Assistance (TA) section of the Rural Development Regulation allowed for a range of activities and organisations that were intended to facilitate the working of the 2007-13 Wales RDP. Generally, **TA was used effectively** in terms of carrying out mandated monitoring and evaluation activities and the provision of additional resources (essentially to fund extra staff) to facilitate the satisfactory operating of the 2007-13 RDP and the transition to the 2014-20 Programme. The two activities that more directly relate to what the 2007-13 Wales RDP achieved were the Wales Rural Network (WRN) and the Communications Strategy.

Whilst we can be confident that the WRN contributed to the achievement of RDP objectives, this achievement was not as positive as it could have been. Whilst the communication materials issued centrally were **high quality** and had improved as the programme progressed, with the exception of the web presence, these did not increase general awareness of the RDP. The communication strategy project was terminated following a 2012 evaluation, with activity moved into the WRN to improve efficiency and co-ordination. We see this as evidence that attention was paid to the need to review the way that communications were carried out, and especially sensitivity to the balance between centrally-organised and scheme-level activities.

S1.8. Recommendations

Recommendations must bear in mind that the Programme for the following period has already been designed, drawing on previous evaluations and lessons learned, and implementation is well underway. Our recommendations are therefore relevant and practical for consideration in future RDPs or any national policies that the Welsh Government may adopt post-EU transition:

- **Recommendation 1: Move away from the Axis approach.** This approach created unnecessary barriers and restricted the allocation of funding.
- **Recommendation 2: Incorporate the Young Entrants Support Scheme (YESS) within the RDP** to improve coherence.
- **Recommendation 3:** Rationalise the provision of advice and information. While Farming Connect was the main provider of Knowledge Transfer and advice for farmers, advice was provided to other groups under different schemes. This recommendation has been taken on board for the new Programme.
- **Recommendation 4: Consider making the Wales Rural Network independent of the Welsh Government.** The lack of independence may have reduced the Network's effectiveness. However, the need for continuation between periods and the need for sound financial accountability are also important.
- **Recommendation 5: Review the Communications Strategy approach.** The incorporation of communications within the WRN was a clear indication that the original formulation was not successful; several schemes preferred to run their own communications.
- **Recommendation 6: Reconsider the delivery model for support currently within Axes 3 and 4** as the delivery model led to regional differences in provision. The Welsh Government has radically altered the use of LEADER in the 2014-20 Programme.
- **Recommendation 7: That a clearer distinction is made between mainstream and innovatory/experimental activities under the RDP.** This would enable the latter to function more effectively while allowing mainstream schemes to maximise their impact.
- **Recommendation 8: Improve availability of evidence of performance.** While great improvements have been made in this respect, gaps in the evidence required by the European Commission remain.
- **Recommendation 9: Aim for greater flexibility within RDP planning to**

allow changes to be made, especially in the context of evolving policies post-EU transition.

1. Introduction

Key messages

- This short report is a summary of the much longer technical *ex-post* evaluation of the 2007-13 Wales Rural Development Programme that is a requirement under EU legislation. Further details can be found in the longer report, though that is structured rather differently as answers to a set of specific evaluation questions are provided.

Agra CEAS Consulting, supported by ADAS, was contracted by the Welsh Government to carry out the *ex-post* evaluation of the 2007-13 Wales Rural Development Programme (RDP) in accordance with Council Regulation (EC) No 1698/2005 and Commission Regulation (EC) No 1974/2006. The RDP was submitted in accordance with Council Regulation (EC) No 1698/2005 and formally approved on 20 February 2008.

There is a formal timetable set in EU legislation that requires the report of the *ex-post* evaluation to be submitted to the European Commission by 31 December 2016. Agra CEAS Consulting provided the Welsh Government with a lengthy and detailed report (referred to hereafter as the Technical Report) which could be submitted in a timely way. This report contained answers to a large number of specific questions set by the Commission that are either common across all RDPs in the EU, thereby facilitating the aggregation (synthesis) of findings at Community level, or are specific to the Wales RDP. Of course, it also provides detailed information that can be used for national purposes, including how Welsh Government funds are used to support rural development in Wales. However, the Welsh Government also required this shorter version (the Summary Report) that narrates the main messages, but in a more concise way.

The *ex-post* evaluation, is the final requirement of the monitoring and evaluation framework set by the Commission for the 2007-13 programming period. Under the European Union’s Common Monitoring and Evaluation Framework (CMEF), covering rural development, each RDP across Member States in this period was subject to a series of three evaluations - an *ex-ante* evaluation, a mid-term evaluation, and an *ex-post* evaluation. The way that these related to the implementation of the actual programme and to those in the following period (2014-20) are set out in Figure 1.1. This also shows the stages at which results are synthesised at EU level.

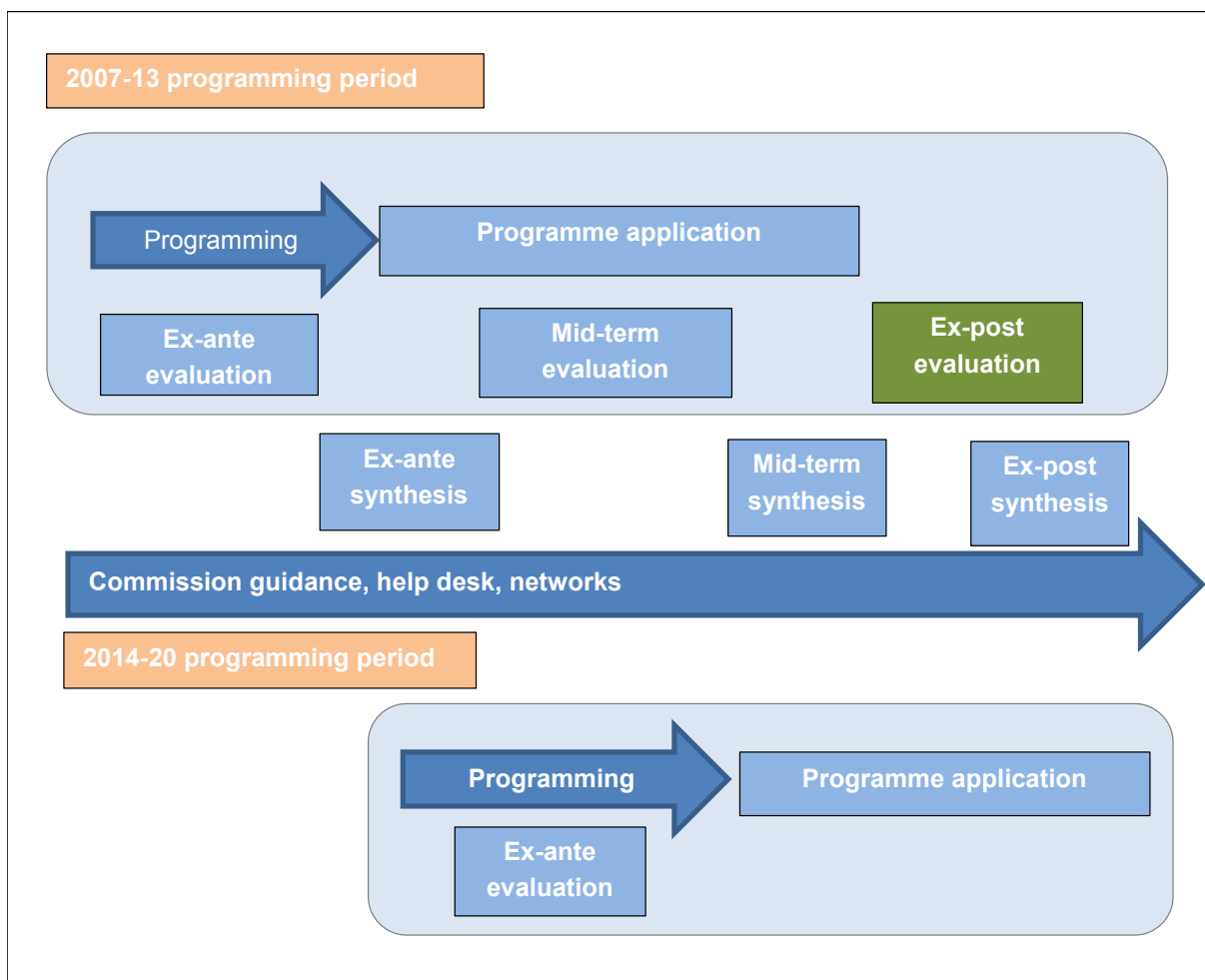


Figure 1.1: The policy and evaluation cycle within the CMEF

It is worth noting that since the series of RDPs started in 2000 they have run without interruption, with no ‘down’ intervals set aside for reflection and change. Rather,

lessons learned from evaluations of RDPs belonging to one period have been gradually fed into the planning and operation of their successors. Timing is such that *ex-post* evaluations are too late to influence the initial design of the RDPs, which immediately follow the one under evaluation (this input is mainly provided by mid-term evaluations and separate national evaluations of individual schemes that Managing Authorities may commission). However, the *ex-post* evaluation may help shape subsequent changes in activities that continue from one period to the next. It is also worth noting that the mid-term evaluation in the 2014-20 period has been replaced by two extended Annual Implementation Reports (for 2017 and 2019) which are intended to serve the same purpose as a mid-term evaluation, but more efficiently. In the context of EU transition the evaluations can be expected to help shape whatever rural development policy is chosen for Wales after 2020.

An *ex-post* evaluation is a summative evaluation which takes place when it is possible to assess impacts and the added value of the programme's funding. This is important to show programme achievements, justify the programme budget and enhance the transparency and accountability of EU-based rural policy to stakeholders and taxpayers. It is also important to assess whether the policy was designed and implemented appropriately to address the most relevant needs in the programme area; the evaluation is therefore a policy learning tool which can help to improve the design, quality and implementation of future policy iterations.

Our *ex-post* evaluation examines:

- the degree of utilisation of resources;
- the effectiveness and efficiency of the programme;
- the socio-economic impact of the programme;
- the programme's impact on the Community priorities, including new challenges; and,
- the goals of the programme.

It also:

- draws lessons concerning rural development policy;
- identifies the factors which contributed to the success or lessons learned in the programme's implementation, including future sustainability; and,
- identifies best practice.

This Summary Report is structured in a way that first places the *ex-post* evaluation within the more general evaluation context (this Chapter), describes the nature and contents of the 2007-13 Welsh RDP (Chapter 2); the financial allocation to its various components (Chapter 3); outlines the evidence base and methodology of the *ex-post* evaluation (Chapter 4); describes the main findings on what the Welsh RDP achieved (Chapter 5); evaluates the delivery mechanisms employed (Chapter 6); considers the performance of mechanisms funded under Technical Assistance (Chapter 7) and brings together general conclusions and recommendations (Chapter 8).

The longer and more detailed Technical Report is structured slightly differently and in line with the guidance provided by the European Evaluation Network for Rural Development. Cross-referencing between this Short Report and the Technical Report is provided for readers wishing for further information, especially in relation to the achievements of the RDP, which are usually contained in answers to specific evaluation questions in the latter.

2. The aims and structures of the Wales RDP (Measures and schemes and their delivery)

Key messages

- The 2007-13 Wales RDP was designed to address the priorities identified by the Welsh Government in the light of the EU's Strategic Guidelines for rural development and the UK's National Strategy Plan.
- To do this, Measures were selected under Council Regulation (EC) No 1698/2005, which was grouped into four Axes, and schemes were developed for implementation in Wales.
- Schemes under Axis 1 (competitiveness) and Axis 2 (environment and countryside) were pan-Wales. Axes 3 (quality of life) and 4 (the LEADER approach) were implemented at a Unitary Authority level in 18 areas.

The 2007-13 Wales RDP was derived from the European Commission's policy on Rural Development, the Community Strategic Guidelines and the UK's National Strategy Plan. The strategic agenda for the Welsh Government set out seven priority areas where action was needed to achieve its vision for a sustainable future for Wales. These were:

- Promoting a diverse, competitive, high added-value economy, with high quality skills and education, that minimises demands on the environment.
- Action on social justice that tackles poverty and poor health, and provides people and their communities with the means to help themselves and break out of the poverty trap.
- Action in our built and natural environment that enhances pride in the community, conserves natural resources, supports biodiversity, promotes local employment, minimises waste and reduces adverse effects of transport on the environment.
- Strengthening Wales' cultural identity and helping to create a bilingual country.

- Ensuring all our children and future generations enjoy better prospects in life, and are not left with a legacy of problems bequeathed by us.
- Supporting people to live healthy and independent lives.
- Promoting openness, partnership and participation.

In turn, the *ex-ante* evaluation (Agra CEAS Consulting, 2006) expressed these as several issues to be addressed by the RDP, falling into three main groups: economic, socio-economic and environmental

To address these priority areas identified by the Welsh Government, and in line with the content of the EU’s Rural Development Regulation (Council Regulation (EC) No 1698/2005), which established the conditions under which support could be given using the European Agricultural Fund for Rural Development (EAFRD), the RDP was structured into four Axes, each with a number of Measures. The following Measures were taken up as the basis for schemes operated in Wales:

Axis	<i>Measures adopted and scheme applied in Wales</i>
Axis 1: the competitiveness of agriculture and forestry	<ul style="list-style-type: none"> • Measure 111: Farming Connect • Measure 114: Farm Advisory Service • Measure 121: Catchment Sensitive Farming • Measure 123: Processing and Marketing Grant Scheme • Measure 124: Supply Chain Efficiency Scheme • Measure 132: Supporting farmers in food quality schemes (a component of the Organic Farming Scheme (OFS) and the Organic Farming Conversion Scheme (OFCS))
Axis 2: improving the environment and countryside	<ul style="list-style-type: none"> • Measure 212: Tir Mynydd (replaced by Glastir in 2012) • Measure 214: Tir Cynnal (replaced by Glastir in 2012) • Measure 214: Organic Farming Scheme (replaced by

	<p>Glastir in 2012)</p> <ul style="list-style-type: none"> • Measures 214 & 216: Tir Gofal (replaced by Glastir in 2012) • Measure 214: Glastir (replaced existing Axis 2 schemes in 2012) • Measures 221, 223, 225 and 227: Better Woodlands Wales (replaced by Glastir in 2012) • Measure 225: Forest-environment Payments (introduced in 2014)
Axis 3: the quality of life in rural areas	<ul style="list-style-type: none"> • Measure 311: Farm Diversification • Measure 312: Microbusinesses • Measure 313: Tourism • Measure 321: Basic Services • Measure 322: Village Renewal and Development • Measure 323: Rural Heritage • Measure 331: Training • Measure 341: Local Development Strategies
Axis 4: LEADER (locally based approaches to rural development	<ul style="list-style-type: none"> • Measure 41: LEADER Approach – Strategies • Measure 421: LEADER Approach – Cooperation • Measure 431: LEADER Approach – Animation

The target group for the RDP was the rural population, principally farmers as occupiers of agricultural land and primary producers. Within the farming target group, two sub-groups were specified at the national level - young farmers and new entrants. Within the rural population as a whole, specifically identified target groups included women, children and young people, older people, black and minority ethnic groups, Welsh speaking communities, the under-employed and micro and small-scale enterprises.

Axis 1 was initially implemented by the Welsh Government, including Measure 111 (Farming Connect) via various delivery contracts with organisations including Lantra and Mentor a Busnes. Later, the Farming Connect elements were grouped into four delivery Lots, of which Menter a Busnes won the right to deliver three from September 2011 (with inputs from other delivery agents).

Axis 2 was delivered by the Welsh Government, with the exception of the Forestry schemes, where the Forestry Commission was delegated as an Intermediary Body (now Natural Resources Wales). Where Intermediary Bodies processed payments, these were subsequently reimbursed by the Welsh Government.

In contrast to the pan-Wales approach of Axes 1 and 2, Axes 3 and 4 were delivered in a decentralised way in the areas of 18 rural Unitary Authorities (UAs). Each comprised a Local Partnership led by the UA with its own Local Development Strategy and an Axis 4 Local Action Group, also forming part of the joint Partnerships and implementing Axis 4 activities.

A proportion of resources was set aside to provide Technical Assistance to support a range of activities that, among other things, were designed to assist in implementation, such as Communications, the Wales Rural Network and the Wales Rural Observatory.

3. Financial allocation and use

Key messages

- Axis 2 (improving the environment and countryside) accounted for 66% of total public spending under the RDP, followed at a much lower level by Axis 1 (competitiveness) (15%) and Axis 3 (quality of life) (11%).
- This distribution was heavily influenced by the Regulation's requirements and by commitments on agri-environmental spending from the previous RDP

Due to fluctuations in exchange rates, and the complication that this adds when trying to compare financial data throughout the programming period, this report uses Euros, in line with the financial monitoring information provided to the European Commission by the Welsh Government.

The budget for the RDP at plan approval in February 2008 was €1,170 million (£796 million at the exchange rate in use at the time). The largest planned component of the RDP was accounted for by agri-environment payments (Measure 214) at 34.6% of the total; Axis 2 as a whole was planned to account for three-quarters of the public expenditure. Axis 1 was to account for 11.2% of the total, Axis 3 some 9.5% and Axis 4 some 4.0%.

It should be recognised that this allocation was not entirely the choice of the Welsh Government. First, the Rural Development Regulation laid down certain rules on things that expenditure had to be on (such as a National Rural Network and LEADER) and, second, there were legacies of liabilities from the previous RDP, in particular agri-environment agreements which might run for ten years. According to the *ex-ante* evaluation, over four-fifths of the available funding for the 2007-13 period as a whole was prescribed under the Regulation or already committed at the start of

the RDP, mostly under Axis 2 schemes, leaving only 17% available to be allocated without restriction.

The original budget was amended in late 2009 following adjustments to Axes 3 and 4 and modifications made after the CAP Health Check of 2008; subsequent modifications also took place. Figure 3.1 shows that Axis 2 ultimately accounted for 66% of total public spending under the RDP, followed at a much lower level by Axis 1 (15%) and Axis 3 (11%). These, and the other areas of spending, are close to the distribution envisaged as described above.

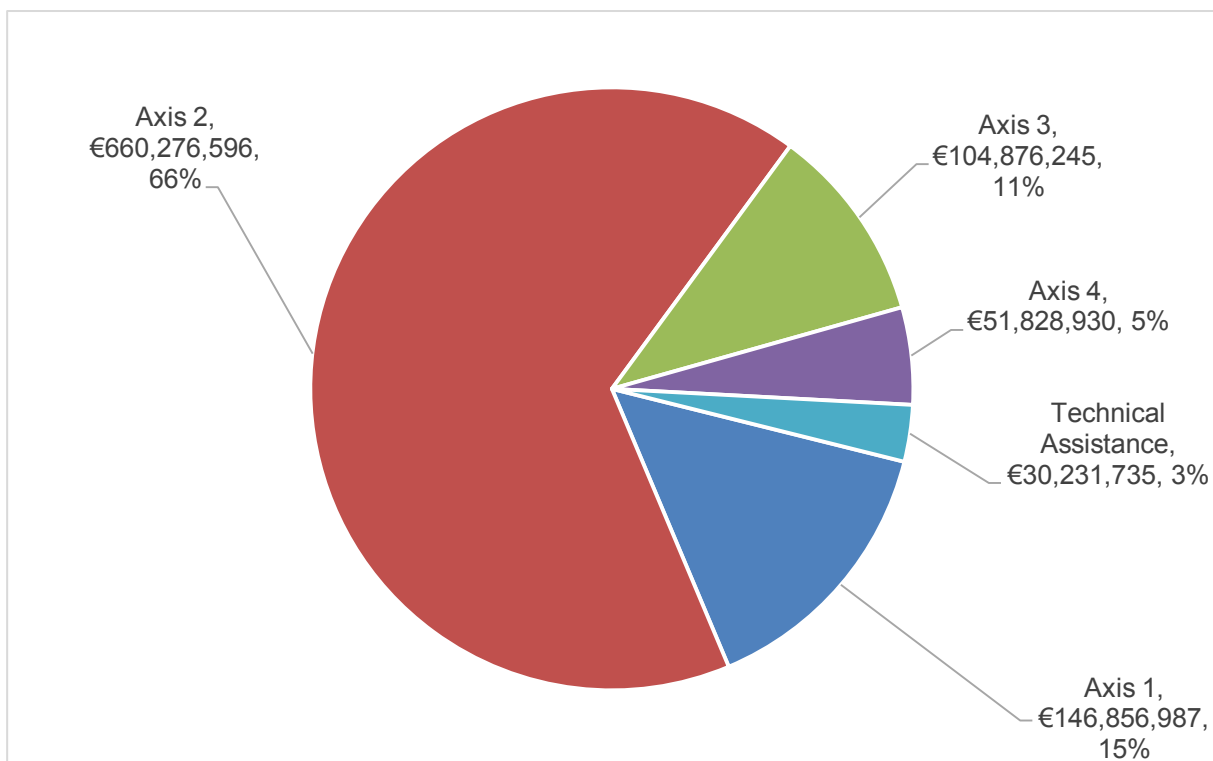


Figure 3.1: Finances of the 2007-13 RDP (retrospective)

4. The methodology and evidence base of the *ex-post* evaluation

Key messages

- Evidence for the evaluation came largely from existing sources (previous evaluations, monitoring data, Annual Implementation Reports, etc.), but was supplemented by information gathered in discussions with Welsh Government officials and stakeholders (who also responded to an online survey).
- This evidence was used to construct answers to the 128 questions required by the European Commission's common framework.

This *ex-post* evaluation was conducted according to a terms of reference issued by the Welsh Government and followed the guidelines issued by the European Commission. The evaluation took place between May and December, 2016.

This *ex-post* is a summative evaluation which builds primarily on existing material (secondary sources) to form its evidence base. These are shown in Figure 4.1 as previous evaluations (including the *ex-ante* and mid-term evaluations for the 2007-13 Wales RDP, and numerous national evaluations of individual schemes and the separate on-going evaluation); and, the various Annual Implementation Reports (AIRs), of which the 2015 was the most useful as it contained final information for the whole programme period. Primary data collection, employed in the main to plug information gaps, was confined to an online survey of stakeholders to gather their reactions to a few key issues, and a series of in-depth discussions. These were held with senior Welsh Government officials who had operated at Programme, axis or Measure levels, and some key stakeholders. As a result, this *ex-post* evaluation was predominately a desk-based exercise.

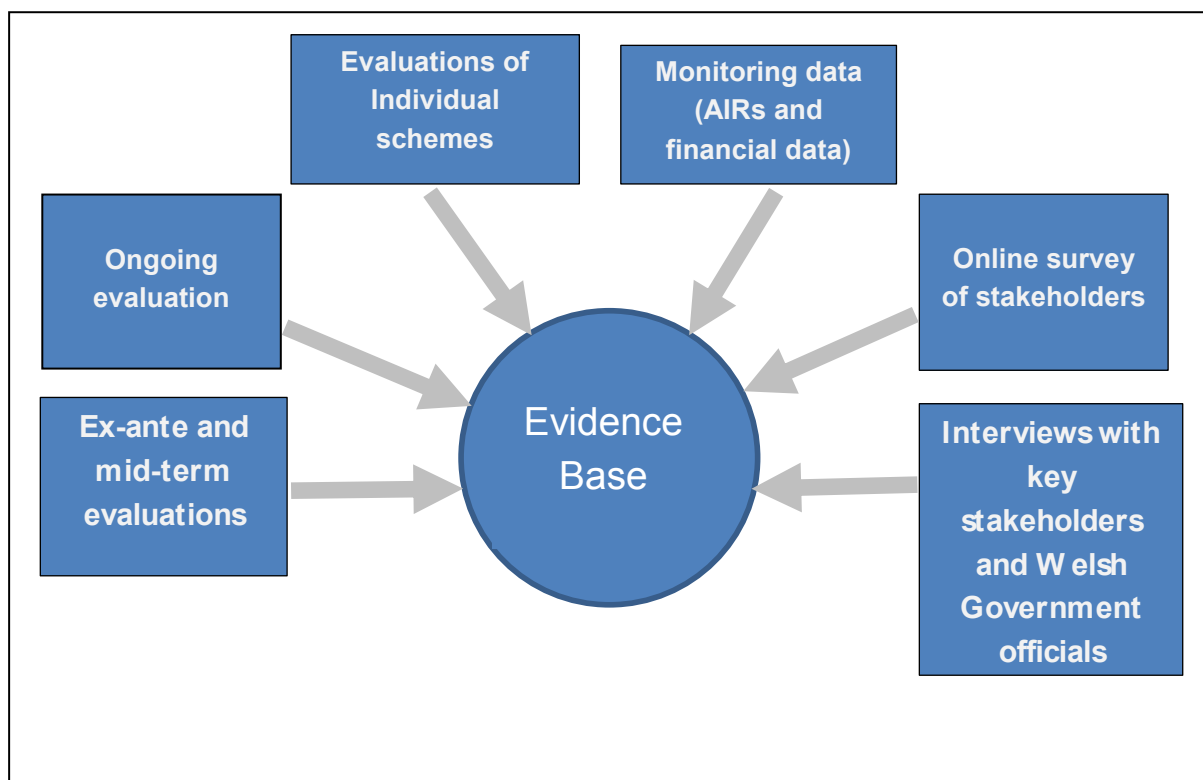


Figure 4.1: Assembling the evidence base

The evaluation followed a number of main steps:

- **Stage 1: Inception period.** An inception meeting was held, after which a large volume of evidence held by the Welsh Government relevant to this evaluation was provided and catalogued by the contractor. This included evaluation reports and AIRs, with their associated monitoring data. Key contact details were provided. The contractor provided an Inception Report which contained a road map for the completion of the evaluation.
- **Stage 2: Desk-based review** of monitoring data and evaluation information regarding the RDP as a whole, individual schemes, and of programme management information. This evidence was mapped on to the known evaluation questions that had to be answered, and gap analysis was undertaken to identify areas where data were not available.

- **Stage 3: Primary data gathering exercise** through an interview programme involving senior Welsh Government officials with oversight of the RDP and Axis and scheme managers. An online survey of key stakeholders was carried out to elicit views on scheme performance and impact.

- **Stage 4: Synthesis and reporting** following the CMEF requirements (the Technical Report) and a shorter Summary Report to meet national requirements. The Technical Report contains all the material specified by the Commission and followed the structure recommended in Commission guidance documents, including taking a Measure-by-Measure approach. However, this national Summary Report was freer to adopt a structure more appropriate to the thematic analysis of the performance of the Wales RDP and a narrative approach.

At the centre of the Technical Report are answers to all the specific questions that form part of the CMEF. There were 128 in total:

- 14 Programme-related Common Evaluation Questions (CEQs);
- 10 different Common Evaluation Questions (PCEQs), combinations of which must be answered for each Measure within each Axis: 70 questions in total for Wales;
- 22 Programme Specific Evaluation Questions (PSEQs) relating to the four Axes; and,
- 22 PSEQs covering delivery mechanisms, cross-cutting themes, Technical Assistance, Wales Rural Network and communications.

Though still complex, this is a simplified CMEF, changed after the experience of the mid-term evaluations throughout the EU.

Answers could in theory draw on indicators specified in the CMEF for each Measure, covering baseline, outputs, results and impacts, though in practice there was not always a clear relationship between the specified evaluation question and the indicator(s), and there were often gaps because of missing data, especially with impacts. In addition, the Technical Report contains a wealth of information relevant to each question, taken from multiple sources of evidence, though this is richer in some areas than in others. Based on this, best answers were constructed.

There is an obvious relationship between the Technical Report and the Summary Report. In the material which follows, reference is made to particular sections in the Technical Report that readers needing further information may consult. Often these are in the form of answers in the Technical Report to specific CEQs, PCEQs or PSEQs.

5. Evaluation of the outcome of the RDP - What did the RDP achieve?

Key messages

- Improvements in competitiveness in the farming and forestry sectors were almost certainly delivered by Axis 1 Measures and schemes, though with varying contributions according to their design and purpose. The contribution by Axis 3 schemes was sometimes impossible to relate specifically to the farming and forestry sectors.
- Contributions to the growth of the rural economy were made in several ways – increased economic activity, more jobs, innovation, etc. While meaningful to the individual beneficiaries, for the agriculture and food sectors as a whole, the additions were small (about 3%), and less if the entire rural economy were to be considered. Nevertheless, these benefits were not trivial.
- Direct improvements to the quality of life in rural areas were made, specifically in the provision of basic services (including Broadband), village renewal and development, conservation and upgrading of the rural heritage. An indirect impact resulted from a range of other Measures. Axis 2 delivered a general improvement in the quality of life through the provision of public goods.
- Axis 2 activities bought a total of 552,030 hectares of land into land management designed to contribute to improvements in biodiversity and 432,998 hectares contributing to improvements to water quality. The Catchment Sensitive Farming scheme and the Glastir Efficiency Grant scheme improved water quality. Finally, 417,190 hectares came under land management agreements contributing to mitigating climate change. Woodland creation under Glastir had the potential to reduce flood generating land in the future. Other, non-Axis 2, aspects of the RDP also contributed to climate change mitigation through support for renewable

energy production.

We move on from describing the structure of the Wales RDP and the resources it absorbed to consider what it achieved. The Wales RDP 2007-13 was complex, with many parts and multiple objectives. The Technical Report of this *ex-post* evaluation adopts a systematic structure based on Axes and Measures within them and the schemes by which these were implemented in Wales. By doing so, answers are provided to the multiple questions that the Commission requires to be answered.

However, in addition, part of the reporting to the Welsh Government by Agra CEAS Consulting was required to take the form of a summary thematic analysis of the impact of the Wales RDP 2007-13, so an important step was to establish the main themes that were to be followed up in this Summary Report. Inevitably this involves an element of judgement and the possibility that some themes overlap. For example, the quality of life in rural areas reflects economic, environmental and social factors. There will also be interactions between themes, and environmental changes may have economic implications, and *vice versa*. Whichever grouping of themes is chosen, this will result in the danger of over-simplification and omission. However, a thematic approach provides a workable way of describing and understanding the main achievements of the Wales RDP 2007-13. In line with the Axis objectives we consider impacts against the following themes:

- Improving competitiveness of the agricultural and forestry sectors
- Developing the rural economy (of which farm businesses form a part)
- Quality of life in rural areas
- The natural environment

The following accounts are based entirely on what is contained in the Technical Report.

5.1. Theme 1: Improving the competitiveness of the agricultural and forestry sectors

In broad terms, competitiveness of the sector can be thought of as the ability of producers of agricultural (and forestry) commodities to remain in production under prevailing market conditions and earn profits commensurate with the risks involved (that is, earning 'normal profit' in the economic sense). Expanding this slightly to include a dynamic world in which changes occur in the financial, technical, natural or policy environments implies that competitiveness also embraces the ability of producers to cope with a modicum of such changes and to adjust appropriately.

Within the Wales RDP 2007-13, support to improve the competitiveness of agriculture and forestry came mainly from the schemes offered under Measures that formed part of Axis 1. This was the main aim of Axis 1 and each Measure under it was assessed in terms of its impact on competitiveness (see in the Technical Report CEQ 15 in each Measure section of Axis 1 and the summary provided in the response to PCEQ 5). It is also possible that some activities under Axis 3 could have had an impact on competitiveness, specifically Measure 311 on diversification into non-agricultural activities and Measure 313 on the encouragement of tourism activities. However, to be relevant here, this impact would need to be on the farming and forestry sectors (thought of as producers of agricultural and forestry commodities rather than as complete businesses). Axis 2 activities were not generally expected to have a positive impact on competitiveness.

The impact of Axis 1 activities on competitiveness was assessed using several metrics including increases in farm turnover, reductions in costs and rises in profit (and profitability). Associated changes were improvements in efficiency (which could arise from a change in revenues, costs, or both), in labour productivity, in product quality and innovation (new markets, products and/or production processes).

A closely allied concept is that of viability, since businesses need to be competitive to have a continuing future in the industry, though viability of a farm as an independent

unit can be affected not only by its agricultural activities, but also by the other ways in which the operators engage in the economy, such as diversified activities on and off the farm and (increasingly) jobs taken by the farmer and family outside the farm business (their “Other Gainful Activities”) and pensions or investment earnings. A farm that would not otherwise be able to compete successfully in the marketplace may nevertheless be able to continue to produce farm commodities if other business or income earning activities are present. Competitiveness also has a dynamic element, and to remain competitive, farmers have to be ready and able to adapt to new market conditions, technology and/or policy environments.

Measure 111 (Farming Connect) played a crucial role in increasing the awareness of the need to change business practices and in factors affecting their competitiveness for those that took part. The intervention logic and set up of Farming Connect was designed to deliver improvements in competitiveness as a key component of the central objective for the scheme to make farming businesses viable and enable them to adapt to future challenges. The survey-based evidence suggests that **while many participants in Farming Connect reported that their competitiveness increased, the majority of participants did not**. This uneven impact is exacerbated when the extent to which participation was a factor producing change beyond what would have been expected to happen in the absence of the scheme (additionality) is taken into account. **However, for those that noticed improvements in their competitiveness, the impact could be substantial** (in some cases more than a 25% increase in profitability, but most commonly up to a 5% increase). This ensures that **there has been a positive impact on competitiveness, and the factors of competitiveness, overall (i.e. including those who reported a negative impact or no impact at all) which was calculated to be a £424 increase in profitability per interaction with Farming Connect**. That said, there may be an element of “optimism bias” in that this finding is drawn from beneficiary perceptions; a quasi-experimental approach comparing samples of beneficiaries and non-beneficiaries tended to find somewhat smaller impacts.

Also within Axis 1, Measure 123 (Processing and Marketing Grant scheme) delivered an estimated increase of £44.9 million in Gross Value Added (GVA), with further reporting still to take place, which implies the ability to expand in a competitive market. In addition, more than 2,000 people in the horticultural and forestry sectors received training, which is likely to have allowed at least some beneficiaries to take actions leading to increased competitiveness, although there is no direct evidence on this. While the intervention logic for Measure 124 (Supply Chain Efficiency scheme) clearly pointed to improvements in competitiveness as a result of participation, in practice, there was little evidence to illustrate this impact because the individual project evaluations did not all consider this issue. Where competitiveness was considered, the impact was reported as being mixed. It is also challenging to capture and quantify the impact of this scheme on innovation within the framework of the CMEF.

Measures 114 (Farm Advisory Service) and 121 (Catchment Sensitive Farming and Glastir Efficiency Grant scheme) were not designed to deliver improved efficiency and there is little robust evidence to suggest that they achieved it. That said, the Measure 121 schemes did focus on increasing efficiency in input use and this is likely to have resulted in some modest, positive impact on competitiveness where this led to reductions in production cost.

As noted above, there was no expectation of a positive impact on competitiveness under Axis 2, although there is some evidence that activities under Measures 221, 223 and 227, covering woodland, might provide some competitive benefits over time.

In Axis 3, activities under Measure 311 (diversification) resulted in a self-reported increase in GVA of around £4 million from non-agricultural diversification, which implies a greater ability of farm firms to compete and survive in the market economy. Improvements in tourism infrastructure and capacity resulted from Measure 313 (Tourism), although it was not possible to quantify this in terms of enhanced competitiveness.

It should also be noted in this context that it is not possible to assign any impact of diversification and tourism specifically on the competitiveness of the farming and forestry sectors as conventionally envisaged as producers of agricultural and forestry commodities. However, this assessment changes if the concept of a farm/forestry business is broadened to include all gainful activities undertaken within the single business unit.¹

In conclusion, Axis 1 was designed to deliver improvements in competitiveness in the farming and forestry sectors. It almost certainly did that, although different Measures (and different elements of schemes) made varying contributions according to their design and purpose. While there is strong evidence for a positive (if modest) impact from Farming Connect and the Processing and Marketing Grant scheme, there are insufficient data to quantify the impact from other Measures. The impact of Axes 2 and 3 was, as expected, minimal and, in the case of Axis 3, sometimes impossible to relate specifically to the farming and forestry sectors when this term is interpreted in the narrow conventional sense. For further details, please refer to PCEQ 5 of the Technical Report.

Box 5.1: The dairy industry

Explicit interest in the way that RDPs were assisting change in the dairy industry emerged at EU level in the CAP Health Check of 2008 and reflected policymakers' concern with the way this sector was coping with difficult market conditions. The dairy industry in the period covered by the Wales RDP 2007-13 was of particular concern to the Welsh Government. Between 2006 and 2013, the number of holdings declined by 35% while the number of dairy cows remained approximately the same, herd size increased by 52% and holding area by 42%. Some 973 dairy farmers left the sector over this period. As part of this *ex-post* evaluation, the evaluators were required to explore the extent to which the RDP accompanied the restructuring that was going on.

¹ It might be noted that, strictly, within national accounting a sector is a collection of institutional units, such as unincorporated businesses run by households or those operated as companies; this would imply the broad coverage of all activities undertaken by units which have agricultural as their main or one of their activities. So, to use the term 'sector' to imply only agricultural activity, as is done in the Economic Accounts for Agriculture and the Farm Business Survey, is technically a misuse of the term.

During this adjustment period the dairy sector in Wales made good use of the RDP. Within Axis 1, under Measure 111, Farming Connect tailored a suite of packages to support dairy businesses. More than three-quarters of Welsh dairy farms were supported through Farming Connect (and further tools have been made available for the 2014-20 programming period to continue this work). Dairy farmers were relatively heavy users of Farming Connect and major users of consultancy services organised through it. The 2012 AIR reported that in order to provide increased support for the dairy sector, Farming Connect increased the maximum number of days mentoring to eight days per business, regardless of category of advice.

Other support was provided to the dairy sector through several other RDP Measures, although this was not always explicitly targeted on this sector. Of particular note, the Catchment Sensitive Farming scheme under Measure 121 was heavily used by the dairy sector. Similarly, under the Glastir Efficiency Grant Scheme there was high demand from the dairy sector to improve energy efficiency driven by the industry's dependence on energy and the need to find efficiencies to maintain sustainable margins. The dairy sector was also identified as a priority for support under Measure 123 (Processing and Marketing Grant scheme). The Supply Chain Efficiency scheme included the 'Improving the Welsh Dairy Supply Chain' project under which Dairy Co received support totalling £1 million. This project had a focus on farm business efficiency covering energy use on-farm and opportunities for farmer collaboration, as well as herd health and farmland productivity.

It should be noted that the reorganisation of the delivery of Farming Connect with effect from September 2011 replaced an approach based on sectors, under which there was a specific dairy knowledge transfer programme, with one based on regions (Agra CEAS Consulting, 2016). However, this did not affect the support offered to the dairy sector, just the way it was delivered.

In summary, the dairy sector is an important part of the agricultural economy in Wales, especially in certain regions, and the 2007-13 RDP provided an additional means through which the sector could be supported. There was a mix of deliberate targeting and simple reflection of the importance of this sector within the agricultural economy. For further details see the answer to PCEQ 6 in the Technical Report.

5.2. Theme 2: Developing the rural economy (of which farm businesses form a part)

5.2.1. Economic activity and labour productivity

It was anticipated that development would be reflected in a rising level of economic activity and in labour productivity at the level of the entire rural economy. Monitoring data shows that the total increase in Gross Value Added (GVA) as a result of the activities under the RDP was €48.3 million (no data are available on the net additional value). This figure is made up of contributions from Axis 1 (Measures 123: Processing and Marketing Grant and 124: Supply Chain Efficiency scheme) and Axis 3 (Measures 311: Farm Diversification; 312: Microbusinesses; and, 313: Tourism).

A separate calculation of the economic impact (additional profitability, rather than GVA) of Farming Connect (Measure 111 and Measure 114) estimated this to be £11.7 million (within the range provided by evaluations of the constituent parts of Farming Connect before delivery was streamlined). Axis 2 Glastir agreements were found to have increased GVA on farms by 24%.²

To put the increase in GVA into context, GVA for the primary sector alone ranged between €209.4 million and €453.8 million over the 2007 to 2014 period. Therefore, total increase in GVA as a result of activities under the RDP (not including the separate figure for Measure 111) amounted to between 11% and 23% of GVA in the primary sector. However, because the forms of assistance offered under the Wales RDP went beyond farming and forestry, and included diversified activities and, especially, elements of food processing and marketing, a broader view is needed. The proportion that the increase in GVA represented is reduced to between 2% and 3% of GVA if the primary sector and the food industry are taken together. Data are not available to include the non-agricultural sector of the rural economy in this

² The GVA calculation was based on a very small sample due to the limited number of respondents who were able to provide usable data and so should be interpreted with caution.

analysis, so the RDP's overall impact relative to the total cannot be calculated, but the contribution would decrease further if this calculation could be made.

The change in **labour productivity** (Gross Value Added per Full Time Equivalent (GVA/FTE) attributable to the RDP could not generally be calculated due to an absence of available data and it would be unwise to generalise using the few sparse data points available. There is no robust evidence to suggest that analysis of this indicator would alter the impression that the RDP was not a major driver of change for the economy as a whole.

In summary, there is evidence that the activities under the RDP have resulted in an increase in GVA for beneficiaries. However, when placed in the context of the rural economy as a whole, this growth is relatively small. This is not surprising given the resources available and the fact that the majority of these resources were spent on Axis 2 Measures which were not expected to deliver an economic impact. Further details appear in the answer to PCEQ 1 of the Technical Report.

5.2.2. Creation of employment (as measured by net additional Full Time Equivalent jobs)

Ideally, what is required is an indication of the additional amount of employment that can be attributed solely to the activities undertaken as part of the Wales RDP 2007-13. This would be net of any reductions caused by the RDP, and would make allowances for changes arising from other causes. Available evidence is not sufficient for this calculation to be made. Nevertheless, there are adequate grounds for concluding that the Wales RDP did have a meaningful impact on employment.

Evidence for the sort of job creation claimed comes from various sources, principally surveys of beneficiaries and data collected through monitoring of schemes. Under Axis 1, some 13% of surveyed participants in Measure 114 (Farm Advisory Service) indicated that they had created jobs and attributed this, in whole or in part, to

supported activities (as distinct from monitoring data, these jobs can be considered to be net).

A survey of beneficiaries under Measure 124 (Processing and Marketing Grant Scheme) reported the creation of 335 jobs and monitoring data in the 2015 AIR adds that 1,138 jobs were created as a result of activity under the Knowledge Transfer Processing and Marketing Grant element of this Measure. Although it is not possible to be sure that the 335 jobs should be considered additional to the 1,138, it is likely that they should be because the survey did not cover beneficiaries of the Knowledge Transfer element. That said, a note of caution should be raised over optimism bias in job creation data derived from self-reported surveys, and there is no indication of how causality was assigned with regard to the monitoring data.

Jobs were created in a number of projects under Measure 124 (Supply Chain Efficiency Scheme). Some 37 were accounted for by the Welsh Food Added Value project, though not necessarily as a result of cooperation or innovation, and the 2015 AIR noted the creation of two (part-time) jobs under the Livestock Marketing project and 98 under the Cywain project. Although the sustainability of these jobs and the exact role that support played in their creation is unclear, it is possible to conclude that employment creation was an outcome of this Measure.

For Axis 1 as a whole, there is evidence for the creation of at least 1,600 jobs. Although not all of these probably resulted exclusively from the activities undertaken, this figure can be considered to be closer to net than gross as a result of the questions asked in the survey methodology used.

The picture under Axis 2 is mixed, with the mid-term evaluation reporting the creation of 81 FTEs under Measures 221, 223 and 227 (schemes for woodland), scheme evaluations reported the creation of 0.04-0.19 FTEs under the Better Woodlands for Wales, and 46 FTEs under Glastir. On the other hand, the mid-term evaluation reported a loss of 450 jobs between 2006 and 2010, when scaled to all beneficiaries

of the schemes which preceded Glastir. The net position under Axis 2 would therefore appear to have been a net loss of around 320 jobs.

Under Axes 3 and 4, monitoring data show that 1,776 FTE gross jobs were created by the 2007-13 RDP with contributions from Measures 311 (Farm diversification), 312 (Microbusinesses), 313 (Tourism), and 41 (LEADER approach – Strategies) and 421 (LEADER approach – Cooperation).

The jobs created should be viewed against existing levels of employment. The baseline data shows that the jobs created as a result of activities were non-trivial. The approximately 1,300 net jobs created under Axis 1 and 2, which can be assumed to be in the primary and food industry sectors, accounted for around 3% of total employment in these sectors (there were annual variations). It is not possible to contextualise the jobs created under Axes 3 and 4 as these were likely to be in the non-agricultural sector for which there are no baseline data.

In conclusion, activities under the RDP led to the creation of some 3,000 jobs, around half of which can be considered to be both sustainable and directly attributable to the activities supported. However, it is not possible to conclude that all these jobs were created solely by the activities under the RDP or would not have been created in the absence of support. Nevertheless, employment creation in the primary sector and food processing was appreciable and was equivalent to around 3% of total employment in these sectors. Further details are given in the answer to PCEQ 2 in the Technical Report.

5.2.3. Innovation (new products, new markets, new techniques)

In considering how innovation impacts on the development of rural economy it is important to understand the use of the term “innovative approaches”. We understand it to mean approaches, which might be techniques, products or markets, which are new to the beneficiary rather than, more narrowly, approaches which are genuinely new to the sector as a whole. However, to imply that simply making new services or

facilities available to the rural population (as happens under Measures 321 (Basic Services) and 323 (Rural Heritage)) would be to stretching the definition too far (these are considered under quality of life below).

Innovation can take place both within agriculture and in other parts of the rural economy. Monitoring data exists on the introduction of new products and/or techniques and the accessing of new markets, which indicated a combined total of 2,244 new products and/or techniques and the accessing of 1,057 new markets. Taken together, the introduction of new products and/or processing exceeded the targets where these had been set. In addition to these numbers, qualitative evidence demonstrated the extent to which the RDP contributed to the introduction of innovative approaches. Although there is no specific evidence on innovation as a result of Measure 111 (Farming Connect), by definition, learning new skills and practices would have inevitably led to the introduction of new processes (new at the farm level). More than half (59%) of interactions with Farming Connect activities/events led to changes in the way in which farm businesses were run. While this does not equate to innovation at the sector level, it is likely that some of these interactions will have resulted in the use of processes that were not before employed on the farms of Wales.

In addition to innovative approaches adopted by beneficiaries, innovation can also be considered in the context of implementation, i.e. new ways of delivering aspects of the RDP or new ways of organising beneficiaries (see Box 5.2).

Box 5.2: Innovation in the administration of the Wales RDP 2007-13

Innovative aspects of Glastir, recognised both by Welsh Government's internal auditors and by academics writing in peer-reviewed journals, were the spatial targeting of intervention measures and the use of the Ecosystem Services Approach. The Land Utilisation and Capacity Indicator (LUCI) model used to facilitate targeting was developed by collaborating researchers at several institutions and is a second-generation extension of the Polyscape framework (for details and references see the answer to PCEQ 10 in the Technical Report). The model maps certain ecosystem services at different scales, assesses the likely impact of various management options

on the supply of the service and identifies optimal spatial locations to site interventions, reflecting also potential trade-offs with other ecosystem services. Each farm holding can then be given a score against each of the Glastir priority objectives, from which it can be determined if a particular option is suitable. As well as the spatial targeting element, the explicit use of an ecosystem services framework is also innovative and may potentially allow a greater alignment between public agri-environment schemes and private “Payments for Ecosystem Services” schemes.

The Welsh Government’s auditors also recognised the introduction of a Commons element as a positive innovation in Glastir. At the time of their report (2014), the enhancements introduced had resulted in a greatly extended coverage of agri-environment schemes on common land (147 Glastir Commons agreements were in place in May 2013, covering 48% of Welsh common land, as compared to just 2% coverage under Tir Gofal). The introduction of Commons Development Officers appears to have been a particularly successful innovation. They helped challenge misinformation and misconceptions held on Glastir Advanced about their ability to enter collective management agreements, which may have contributed to this dramatic improvement. The answer to PCEQ 10 in the Technical Report contains a fuller account.

In summary, there is quantitative evidence that aspects of Axes 1 and 3 resulted in innovation in the form of the introduction of new products and/or techniques (2,244) and the accessing of new markets (1,057). There is also evidence that Farming Connect delivered change/new skills following more than half (59%) of interactions and it is likely that some of this change would have been innovative in the sense that the approach taken would be new to the beneficiary. The RDP implementation also used innovative approaches under Axis 2.

Further details of how the Wales RDP contributed to innovative approaches are given in the answer to PCEQ 10 of the Technical Report.

5.3. Theme 3: Quality of life in rural areas

Quality of life is a complex and multi-dimensional concept.³ The **socio-cultural and services** dimension of quality of life captures the importance of social capital and cultural heritage. This includes softer aspects, such as community life, traditions, social infrastructure and cohesion (including the Welsh language) and material factors such as buildings or other infrastructures for village renewal. The **environmental** dimension of quality of life focuses on human well-being arising through the conservation and upgrading of the environment and rural heritage. The **economic** dimension of quality of life includes the adequacy and security of income to meet basic needs and the availability of entitlements such as access to education, self-determination and democracy. In the context of the RDP, the economic dimension includes tourism, crafts and the provision of rural amenities, opportunities for on-farm diversification and the development of micro-businesses in the broader rural economy.

As well as these three dimensions, quality of life also includes 'liveability', 'livelihoods' and 'governance'. Liveability includes the services, environmental quality and social networks that make rural areas places where people want to live. Livelihoods includes how people make a living and diversification. In the 2007-13 RDP, LEADER had an important role in the horizontal priority of improving governance and mobilising the development potential of rural areas.

Various elements of the 2007-13 RDP contributed to improving the quality of life in rural areas either directly, where it is the explicit aim of a Measure, or indirectly through the achievement of socio-economic, environmental or economic objectives. Axes 3 and 4 Measures were most explicitly targeted on the socio-cultural and services dimension. Axis 2 Measures delivered improved quality of life through the provision of public goods which hold both amenity and existence value. Elements of

³ European Commission (2010) Capturing Impacts of LEADER and of Measures to Improve Quality of Life in Rural Areas. Working paper based on findings of a Thematic Working Group established and coordinated by the European Evaluation Network for Rural Development. July 2010.

Axis 1 led to economic impacts of relevance here such as advice on diversification and the provision of training under Measure 111 and support for business development under Measures 123 and 124. The three topics are dealt with in turn below.

- **Socio-cultural and services.** Three Measures under Axis 3 were directly related to improving the quality of life in rural areas (Measure 321: basic services for the economy and rural population (including the Broadband Support Scheme); Measure 322: village renewal and development; and, Measure 323: conservation and upgrading of the rural heritage). Axis 4 was also used to deliver against these themes.

An evaluation of Axes 3 and 4 found that 91% of surveyed beneficiaries (142/156) thought that the local area and community benefited as a result of the activities undertaken. In terms of the specific benefits provided, the introduction of new or better facilities was cited by 22% of respondents, the bringing together of the community by 20% and the increased usage of existing facilities by 13%. Project managers were asked to rate a series of benefits which could have been generated by their projects. Increased participation in the local community/voluntary activities scored highest, followed by improvements in the quality and access to local amenities and services, which was marginally ahead of increases in the number of people using local amenities and services.

Improved services have been made available in rural areas which could potentially be accessed by the 2.9 million people resident in Wales' rural areas. The number of people actually using these services is variable, but rather lower. For example, 67,214 individuals accessed services and facilities in Neath Port Talbot, but only 741 individuals accessed services and facilities in the Vale of Glamorgan. An enhanced Sunday bus service in rural Swansea was used by 2,579 passengers between 17 July 2011 and 2 October 2011, an

average of 198 each Sunday. A total of 5,649 passenger journeys were recorded from December 2012 to the end of 2014 on two new dial-a-ride services in Pembrokeshire.

The Broadband Support Scheme provided successful installations for 2,733 residents which improved social infrastructure and contributed to cohesion. This support also improved 'liveability' and 'livelihoods' by reducing some potential disadvantages of living and working in rural areas.

With its focus on providing training and new skills, Measure 111 (Farming Connect) delivered improvements in the quality of life of beneficiaries, in addition to benefits through job creation and maintenance. Some 59% of beneficiaries acquired a new skill or made a change to farming practices as a result of interaction with Farming Connect; some proportion of these skills and/or changes are likely to have resulted in an improvement in the quality of life, although it is not possible to quantify this. Measure 111 also resulted in increases in social capital.

- **Environmental.** Axis 2 Measures have had a clear impact in terms of improving the environment (see section 5.4 below) and this will have had positive impacts on quality of life both through amenity and existence value. Some direct quality of life benefits were also possible. For example, 'well-being' was a motivation for some Glastir Woodland beneficiaries to plant woodland.

- **Economic.** Axis 3 included some Measures which were designed to impact on quality of life through improvements in the economic situation. Measure 311: diversification into non-agricultural activities offered grant funding and this was complemented by activities under Axis 1, specifically Measure 111 (Farming Connect) including Agrisgôp, Whole Farm Plans and more generally knowledge transfer events which provided diversification advice to farming

families. The results from Measure 311 include the reported creation of 127 jobs and the safeguarding of a further 192 jobs; the creation of 196 new non-agricultural products or services and the accessing of 77 new markets.

Measure 312 (support for business creation and development) helped to increase business viability and created new micro-businesses which will have improved the quality of life of beneficiaries, employees and their families through improved economic surety. However, it is not possible to quantify the improvement in quality of life delivered. Measure 313 (encouragement of tourism activities) will also have had an indirect positive impact on beneficiary quality of life through increased business viability and perhaps more widely on the local population through the provision of new or enhanced tourism activities; there are also likely to have been positive second order impacts through increased tourist spend in local areas, but again, this cannot be quantified.

Other Measures which provided general economic benefits such as job creation or safeguarding (predominately Axis 1 Measures) will also have impacted positively on quality of life.

A further dimension of quality of life is governance. LEADER played an important role in improving local governance by encouraging and formalising participative local democracy as well as community engagement and ownership; these benefits are likely to persist over time. However, this impact was variable between areas, due to the delivery approach taken.

In summary, the RDP made a direct contribution to the improvement of the quality of life in a number of dimensions, specifically under Measure 321 (basic services for the economy and rural population, including the Broadband Support Scheme); Measure 322 (village renewal and development); and, Measure 323 (conservation and upgrading of the rural heritage). An indirect positive impact resulted from a range of

other Measures related to job creation/maintenance, provision of new skills and training and diversification; these impacts are though best assessed in other contexts. Axis 2 delivered a general improvement in the quality of life through the provision of public goods.

5.4. Theme 4: Improving the environment and countryside

Two-thirds of expenditure under the 2007-13 Wales RDP was on Axis 2, the mechanism through which impacts on natural resources and the landscape were realised, so an answer on the extent to which spending led to improvements in the environment and countryside is of obvious relevance. This summary response deals in turn with various aspects of environment and the countryside; biodiversity and landscape, climate change mitigation and adaptation, water quality, and supply of renewable energy.

5.4.1. Biodiversity and landscape

In view of the financial dominance of Axis 2, it is unfortunate that technical problems intervened in reaching a judgement on the extent to which the RDP contributed to the improvement of the environment. The Common Evaluation Question relating to this issue (PCEQ 3), takes a more detailed approach and refers to the extent to which the RDP contributed to protect and enhance natural resources and landscape including, biodiversity and HNV farming and forestry (this was a Community strategic priority, and Biodiversity was also a CAP Health Check objective). Our Technical Report provides an answer to this more extended question.

The problem is that there is missing information. The impact indicators associated with this evaluation question were:

- ***reversing biodiversity decline:*** Change in trend in biodiversity decline as measured by farmland bird species population; and,
- ***maintenance of High Nature Value (HNV) farming and forestry areas:*** changes in HNV value areas.

Unfortunately, the data on farmland bird population were too sparse for the period 2007-13 to calculate this indicator for the entire period, although it can be noted that while there was no change between 2007 and 2008, the trend was sharply downwards (7.5%) between 2008 and 2009. The Wales index closely follows the UK-level index which has been highly volatile, possibly due to changes in methodology.⁴ In any case, it does not follow that changes in this index are caused by activities under the RDP. Tir Gofal was generally not successful in increasing bird populations (and other species) where it was implemented, for a variety of reasons; the most pertinent of its failings in this regard was the need for more effective prescriptions, targeted at the right areas. These have been largely addressed in the subsequent Glastir programme, though the likely outcomes have only been modelled at this stage. There are no data on HNV farming and forestry areas for this period of the RDP.

Interpreting the achievement of the RDP against biodiversity and landscape aims is not only challenging due to the lack of data, but also because changes in biodiversity metrics can take several years to come to fruition after the initial management intervention; impacts may therefore not be captured in the same period as the activities which caused them. Nevertheless, several result indicators are relevant to this issue and these are set out in Table 5.1. None of the targets were achieved.

⁴ RSPB, Welsh Ornithological Society, CCS, BTO Cymru, The Wildfowl & Wetlands Trust (2012) [The State of Birds in Wales 2012](#).

Table 5.1: Result indicators relating to biodiversity, HNV farmland and forestry

Indicator	Achieved (31 Dec 2015)	Target	Achievement / target
Area under successful land management contributing to avoidance of marginalisation and land abandonment (ha)	1,644,093	2,366,548	69%
Area under successful land management contributing to improvement to biodiversity (ha)	552,030	832,117	66%
Increase in area of native woodland (ha)	556	22,530	2%

Source: Welsh Government.

There was some uptake of woodland creation schemes during the programme and this may have contributed in a small way to the relative increase in the proportion of broadleaved woodland. The effects of woodland created as part of the Better Woodlands for Wales scheme have been shown to have quantifiable benefits for biodiversity over the next 20 years. The total value of this for Wales in monetary terms could be somewhere between £70,849 and £1,069,653 at 2012 prices. The woodland created as part of Glastir will also lead to material changes in biodiversity as measured in terms of ecological connectivity (3-12% gain). However, uptake of woodland creation did fall some way behind initial expectations, and the impacts have not been as high as originally anticipated.

There is also some qualitative evidence that the measures funded under Axis 2 will contribute towards the maintenance of landscapes, though this has not been explicitly quantified in the literature reviewed.

In summary, it is not possible to provide a quantitative judgement of the impact of the RDP in terms of its contribution to protecting and enhancing natural resources and landscape including, biodiversity and HNV farming and forestry due to data gaps, the lag time between activity and impact and uncertainties over attribution. However, Axis 2 activities underwent a major reorganisation during the programming period intended to deliver better outcomes. It should be noted that only two-thirds of the area under management target for biodiversity was achieved, but despite this,

552,030 hectares of land was under successful land management designed to contribute to improvements in biodiversity. Further details are given in the answer to PCEQ 3 in the Technical Report, as well as in the sections there under the Axis level assessment.

5.4.2. Water quality and management ((quality, use and quantity)

Again, problems with data availability prevented the use of the Commission preferred indicator (changes in gross nutrient balance). However, schemes within Axis 2 of the 2007-13 Wales RDP brought a substantial area of land into management agreements that should have resulted in improved water quality, even though less than half the target was achieved.

Table 5.2: Axis 2 Result indicator for Water

Measure	Indicator	Achieved (31 Dec 2015)	Target	Share of Target
214 / 216	Area under successful land management contributing to improvement to water quality	432,998	923,654	47%

Source: Welsh Government.

Although Tir Gofal and Tir Cynnal (schemes which operated in the first part of the 2007-13 period until replaced by Glastir) led to reductions in fertiliser use by around 6-14%, an evaluation found that it was not able to attribute any changes in water quality to either scheme (see details in the answer to PCEQ 8 in the Technical Report). The Organic Farming Scheme had a more substantial impact on fertiliser reduction (42-82% decline), but the water quality impact does not appear to have been assessed as part of the evaluation.

According to modelling work⁵, Glastir is expected to have positive impacts on water quality, but these will be noticed mainly in the priority catchments. Moreover, for the woodland creation options that have been modelled, the reduction of eroded soil and phosphorus delivery to waterbodies could be as high as 15%.

⁵ The Glastir Monitoring and Evaluation Programme.

The Measure 121 schemes (Catchment Sensitive Farming scheme and the Glastir Efficiency Grant scheme) resulted in improved manure and nutrient management and increased manure storage capacity. Modelling work undertaken on 12 farms which had received support under the former showed that losses from yards and hardstanding was negligible following the mitigation work carried out; monitoring of run-off also showed improvements. Additional benefits came from the fencing off of water courses from livestock, the separation of clean and dirty runoff from impermeable surfaces, and from the improvement of manure spreading equipment.

In summary, there are no data to allow a direct quantitative assessment of the extent to which the RDP contributed to an improvement in water management. That said, some 432,998 hectares became under successful land management contributing to improvement to water quality. While various agri-environment schemes resulted in reductions in fertiliser use, no research appears to have been undertaken to examine the impact of this on water quality. Assessments of the impact of schemes under Measure 121 (Catchment Sensitive Farming scheme and Glastir Efficiency Grant scheme) designed to improve water quality show that these were successful operations. Further details are given in the answer to PCEQ 8 in the Technical Report.

5.4.3. Climate change mitigation and adaption

Data on GHG emissions from agriculture for the period are incomplete, though they remained fairly static over the period for which there are data (2007-12). Ammonia emissions decreased marginally between 2007 and 2009. However, Axis 2 measures achieved an area of 417,190 hectares under management agreements that mitigated climate change.

Table 5.3: Axis 2 Result indicator relating to climate change

Measure	Indicator	Target	Achieved (31 Dec 2015)	Share of Target
214 / 216	Area under successful land management contributing to mitigating climate change (ha)	838,698	417,190	50%

Source: Welsh Government.

Inputs and overall GHG emissions from the legacy schemes were modelled as part of Tir Cynnal/Tir Gofal monitoring and evaluation. Across these schemes there was a 5.2% reduction in GHG emissions and a 12.2% increase in carbon sequestration (though this applies to the whole life of the schemes, which began before the 2007-2013 programming period). For the Glastir options modelled, the expected reductions in GHG emissions were relatively small (<1%) in the context of national level emissions.

The result indicators do not pick up the carbon sequestration and indirect GHG abatement effects of woodland creation. However, this may be relatively modest when assessed at the national level. For Better Woodlands for Wales, carbon sequestration was modelled as being between 3,267 tonnes of CO₂ to 31,486 tonnes of CO₂ over a 20-year horizon; the Glastir options modelled will not increase storage by more than 1%. However, woodland created as part of Glastir could have a material effect in terms of climate change adaptation, with a potential reduction in flood generating land of 1-9%.

Axis 1 Measure 121, incorporating the Catchment Sensitive Farming Scheme and the Glastir Efficiency Grant scheme, also delivered contributions to climate change mitigation and adaptation. These included, *inter alia*, improved manure and nutrient management and increased manure storage capacity, both of which have increased the efficiency of input use and hence will have mitigated climate change to some intangible extent. As noted below, a number of activities were undertaken in relation to the production of renewable energy, from knowledge transfer, to grants to

encourage production. These will also have helped in mitigating climate change. The main impact will though have been through Axis 2 as a result of both the allocation of funds and the impacts delivered.

In summary, there are no data to allow a direct quantitative assessment of the extent to which the 2007-13 Wales RDP contributed to climate change mitigation and adaptation. However, some 417,190 hectares were brought under land management agreements contributing to mitigating climate change. Modelling results suggest that an increase in carbon sequestration (12.2%) and a decrease in GHG emissions (5.2%) took place under Tir Cynnal and Tir Gofal, but the impact of the successor scheme, Glastir, was rather more modest, although only six Glastir options have been modelled against expected rather than actual uptake. That said, woodland creation under Glastir had the potential to reduce flood generating land by up to 9% in the future. Other, non-Axis 2, aspects of the RDP also contributed to climate change through support for renewable energy production. Further details are given in the answer to PCEQ 7 of the Technical Report.

5.4.4. Supply of renewable energy

The Wales RDP 2007-13 had a developing history of involvement with the supply of renewable energy. Reports on activities relevant to renewable energy are found in the Annual Implementation Reports (AIRs) of the RDP from 2010 onwards. The 2010 AIR mentioned significant interest in the climate change development programme delivered as part of knowledge transfer activity under Measure 111 (Farming Connect). Whilst many topics related to increasing efficiency of energy use, renewable energy options were also considered. Topics examined on an individual farm basis included the business impact of looking into Feed in Tariffs (FiT's) for wind, hydro and solar generated energy.

The Agricultural Carbon Reduction Efficiency Scheme (ACRES) of the 2007-13 Wales RDP (the forerunner of the Glastir Efficiency Grant scheme) was proposed originally as a response to the 2008 CAP Health Check challenges and the Welsh

Government's own targets for climate change that required the agricultural sector in Wales to reduce carbon-equivalent emissions. However, the 2011 AIR stated that, as a result of the launch of Feed in Tariffs (FITs) and the Renewable Heat Incentive (RHI) by the UK government, renewable electricity and renewable heat generation grants were removed from ACRES.

The 2011 AIR also reported that the Wales Rural Network held a Community Renewable Energy Thematic Meeting which was attended by 58 delegates; the 2012 AIR noted the high volume of beneficiaries of Axes 3 and 4 projects relating to renewable energy production in the Business Plan 1 period under Measure 311. Because the FiT was no longer available, grants under these projects were used to improve renewable energy production. Later AIRs made clear that this high volume of beneficiaries was maintained.

AIRs from 2012 onwards provided several case studies where support was used for a number of activities including:

- the production of renewable energy from the installation of Photo Voltaic Panels, wind turbines and biomass boilers;
- the production of woodchips to fuel biomass boilers; and,
- the supply of energy to a farm without access to mains electricity, gas water or sewerage.

Despite the evidence presented above which demonstrates that activity relevant to renewable activity did take place under the RDP, there are no data to assess the impact on the **production** of renewable energy.

In conclusion, it is clear that from 2010 onwards, the supply of renewable energy was an activity addressed under the RDP through knowledge transfer and advice to grants for diversification. However, there are no data to allow an assessment of the

extent of the impact that this may have had. Further details are given in the answer to PCEQ 4 in the Technical Report.

5.5. Achievement in terms of cross-cutting themes

In addition to what the 2007-13 Wales RDP achieved in terms of the objectives related to the aims of improving the competitiveness of the agricultural and forestry sectors, improving the environment and landscape, and the quality of life in rural areas (together with applying the LEADER approach), this *ex-post* evaluation needed to consider how it performed against several specified cross-cutting themes. At a general level, there had to be compliance with a set of community policies, including the promotion of gender equality and non-discrimination. The CMEF contains questions (PSEQ 26 and 27) on how certain groups within the rural population were considered for priority in Axis 3 and 4 activities, groups that included women, children and young people, older people, black and minority ethnic groups, Welsh speaking communities, the under-employed and micro and small-scale enterprises. In addition, projects funded under Axes 3 and 4 were designed to integrate cross-cutting themes into activities to include: equal opportunities; environmental sustainability; information and communication technology (which included the Broadband Support Scheme and the WRN's broadband toolkit report); and, the Welsh language.

5.5.1. Young farmers

The only sub-groups specified at the national level, within the farming target group, were young farmers and new entrants. In recognition of the need to attract young farmers into the industry the Welsh Government introduced the Young Entrants Support Scheme (YESS) in July, 2009. This scheme was domestically funded and therefore is not technically subject to the *ex-post* evaluation. Nonetheless, its introduction provides good evidence that the needs of young farmers were considered by the Welsh Government and the scheme complemented the 2007-13 Wales RDP by providing assistance to farmers under 40 who were setting-up as head of the holding for the first time.

5.5.2. Women

The 2007-13 Wales RDP as a whole operated on the basis that anyone who was eligible could apply; targeting was on sectors or groups and was therefore gender neutral. However, one element of Axis 1 Measure 111 (Farming Connect) was specifically dedicated to supporting women involved in farming or forestry businesses in Wales. Through this *Merched y Maes* initiative women could get access to the latest knowledge, information and research from industry specialists; it also gave them the opportunity to share best practice and to learn from others. The target under this initiative was to provide 15 events; over the 2007-13 period. Some 39 events took place with an additional 13 in 2014 under the extension to Farming Connect; 630 women took part in these events. However, a drawback from the use of the Welsh term was that, according to some stakeholders, it presented a barrier to uptake in South Wales.

The Technical Report cites evidence that beneficiaries of *Merched y Maes* said that it had raised their awareness of issues and had provided them with “an insight into women and agriculture”. Many female participants expressed their belief that a specialised service for women was needed and appreciated within the farming community and that change could be implemented by them as a result. Though the impact of this service could not be measured in financial terms, it was reflected in anecdotal comments made by the women involved (see Box 5.3).

Box 5.3: Comments from participants in *Merched y Maes*

Participants felt that participation had impacted them in different ways, for example:

“The networking element has been fantastic. Being a woman in agriculture isn’t always easy, it’s traditionally been a man’s world, but discussing the farm and important changes to farming like VAT on-line has been great. It’s been great to share.”

“Meeting women in the same situation as me...Things like Farming Connect weren’t around in our day so this is a new and positive step for farmers.”

“Speaking to other women in agriculture, we’re few and far between really!”

Source: Interviews were carried out with users of multiple strands of Farming Connect services by Agra CEAS Consulting (2016); six respondents had taken part in *Merched y Maes*.

In summary, it is clear that the RDP was designed and operated with careful attention to equality and avoiding discrimination. The needs of a number of identified groups were given specific attention and monitoring data were collected against which performance could be assessed. However, in the absence of any form of baseline/context data it is not possible to judge the extent to which the efforts made were successful. It is, though, clear that every reasonable effort was made to avoid discrimination of any sort.

6. Evaluation of the delivery mechanisms

Key messages

- The delivery of the RDP was assessed as being both **effective and efficient**, though there were areas capable of improvement.
- There were some remaining issues arising from the combined delivery of Axes 3 and 4.
- There was insufficient evidence with which to assess the reasonableness of delivery costs, though there was nothing to suggest that these were unreasonable.

The Managing Authority responsible for delivering the 2007-13 Wales RDP was the Welsh Government (initially the Welsh Assembly Government), which was also the single Paying Agency for Wales. The CMEF requires answers to be provided on both the effectiveness and efficiency of RDP delivery, and also the reasonableness of the delivery costs. While the Technical Report separates the first two of these closely related aspects (see PSEQ 23 and 24), in this Summary Report they are treated together.

The structure of the Wales RDP means that the response on overall effectiveness and efficiency of programme delivery must be built up from findings that relate to individual Measures and the schemes they supported. Almost inevitably, this involves encountering a range of effectiveness. Reasonableness of delivery cost, which looks at the relationship between the cost of delivery and the value of service delivered, is a sufficiently separate issue to stand alone (PSEQ 25 in the Technical Report).

Both **effectiveness** and **efficiency** of delivery have limited meanings in a static sense, and there is far more relevance in observing whether changes were made during the life of the RDP to capture improvements a result of reviewing how things

were initially delivered. These starting positions themselves reflected lessons learned in the 2000-06 RDP. Effectiveness considers the extent to which intended output from schemes is achieved. Efficiency is more to do with whether the scheme output could have been delivered at a lower cost, and again, interest focuses on whether changes have been made with that end in mind. Here we can only be concerned with the major changes in the structure of delivery; there were no doubt many other operational adjustments as delivery progressed.

Axis 1

The delivery mechanism for Measures 111 and 114 (Farming Connect and Farm Advisory Service - FAS) was simplified with effect from September, 2011, with the intention to increase effectiveness. The streamlining of Farming Connect into three main delivery Lots addressed the need for better co-ordination and reduced duplication. After competitive tendering, Menter a Busnes was contracted to deliver these three, and also the FAS. The change in delivery also involved a switch from a sector-based to a regional approach, with gains perceived by the Welsh Government. The reorganisation also provided the greater organisation required to deliver cross-cutting themes.

The evaluation of Measure 124 (the Supply Chain Efficiency scheme) drew attention to what it perceived was a less than effective approach to raising awareness of the scheme, which compromised primary producer engagement. It also noted additional complexity as a result of the amalgamation of individual projects. The broad objectives of the scheme, and a focus on basic eligibility criteria in the project appraisal process, may have also reduced effectiveness.

The restructuring of the delivery of Axis 1 reflected a learning process in which changes were made from delivery mechanisms that were initially less effective and less efficient, to ones that were improved. The fact that the revised arrangements have been broadly continued into the subsequent programming period suggests that their performances have been found to be acceptable.

Axis 2

The review into land management activities under Axis 2 by the Welsh Government in 2008 established that the agri-environment schemes then in place had not been successful in delivering the outputs of the Government's Wales Environment Strategy. The Strategy had not existed when the raft of schemes had been designed. Furthermore, they were not well aligned to new and emerging challenges such as climate change and the Water Framework Directive. As a result, these schemes could not be thought of as being effective as a group. The question here is whether Glastir, which brought them into a single framework for the latter part of the 2007-13 RDP, was a more effective programme delivery mechanism.

Glastir used spatial targeting, and took an Ecosystem Services Approach, both of which have been recognised as innovative by the Welsh Government's internal auditors and by academics writing in peer-reviewed journals. The Commons element within Glastir resulted in a greatly extended coverage of agri-environment schemes on common land (147 Glastir Commons agreements were in place in May 2013, covering 48% of Welsh common land, as compared to just 2% coverage under Tir Gofal). The introduction of Commons Development Officers may also have contributed to this dramatic improvement in coverage over the pre-Glastir schemes.

Again, the continuation of Glastir into the subsequent RDP suggest that its performance by the end of the 2007-13 period was acceptable.

Axis 3 and Axis 4

Evaluators (cited in the Technical Report) in 2013 found that the Axes 3 and 4 delivery mechanism were complex and this, it was concluded, had overshadowed the programmes. There was a need to integrate delivery both vertically to remove duplications between the Welsh Government and lead bodies, especially in terms of the double appraisal of projects, and horizontally to reduce duplication of activities

undertaken separately in the 18 regions across Wales. It was felt that administrative functions, including financial administrative activities could have been shared.

The side-by-side implementation of Axes 3 and 4 was judged to be challenging and complicated to administer and there was little evidence that the anticipated advantages had been realised. The semi-integrated approach reduced the effectiveness of LEADER because it was not fully implemented across Wales. However, some of the administrative problems identified did improve over the programming period. A further inefficiency was introduced through the linking of Axes 3 and 4 which required regions to have both a Partnership and a LAG. While some stakeholders felt that this was beneficial, others felt that it was inefficient. There were also inefficiencies within project identification, development and approval. The requirement to develop a Local Development Strategy, and then Business Plans, could also be seen as inefficient. The appraisal process then considered each project individually, which could have resulted in gaps in overarching strategies if specific projects were not approved.

The conclusion on **effectiveness and efficiency**, covering all four Axes, that can be drawn from this evidence is that the Welsh Government acted on the emerging findings of the evaluations carried out in the first half of the programme and continued the evolution of delivery towards a more cohesive package in the second half of the programme. While further improvements were no doubt possible, the fact that the delivery mechanisms were carried over broadly unchanged into the next programming period indicates that they were considered satisfactory in terms of their effectiveness and efficiency.

In terms of assessing **reasonableness** of the 2007-13 Wales RDP's delivery costs, a first step would be to isolate the delivery costs of the Programme from spend on activities. According to data supplied by the Welsh Government, the total spend on the 2007-13 RDP was €994,070,494, of which €30,231,736 was spent on Technical Assistance (TA). Reasonableness would then involve comparing delivery costs with

this figure. However, a Welsh Government official explained that delivery costs did not generally come from the RDP budget with the Welsh Government meeting the costs of employed staff.

The cost of scheme delivery is generally not known by the Welsh Government. It is accepted that calculating delivery costs will sometimes be very complicated where staff have multiple roles and their cost cannot be assigned with precision to specific tasks; there is also the question of how overheads should be considered and apportioned. The only exception to this appears to be Measure 123 (Processing and Marketing Grant scheme) where the Welsh Government estimated delivery costs of £2.9 million over the lifetime of the scheme, £2.3 million of which were accounted for by the Scheme Management Unit and £0.6 million by appraisal and audit functions. These costs amounted to £0.09 for every £1 spent in grant funding.

As a result of these difficulties, it is not possible to arrive at a robust cost for Programme delivery and the reasonableness (or otherwise) of this cannot therefore be assessed. However, we are confident that the system of **performance review** will have eliminated the most obvious and pressing examples of unreasonable waste of resources in Programme administration.

7. Performance of mechanisms funded under Technical Assistance

Key messages

- Technical Assistance funds were used in various ways to support the operation of the 2007-13 Wales RDP.
- The Wales Rural Network, mandatory under the Regulation, was one such use. By facilitating the exchange of information between actors, this contributed to the achievement of RDP objectives, although this achievement was not as positive as it could have been.
- Another was the Communications Strategy project, but this was terminated following a 2012 evaluation with activity moved into the WRN to improve efficiency and co-ordination, evidence of the continuing concern by the Welsh Government with delivery performance.

Funds provided under the Technical Assistance (TA) section of the Rural Development Regulation allowed for a range of activities and organisations that were intended to facilitate the working of the 2007-13 Wales RDP. The CMEF contains a range of questions specifically on activities funded from TA. In the period under review these were:

- the Wales Rural Network;
- the Wales Rural Observatory;
- monitoring and evaluation;
- the Programme Monitoring Committee;
- implementing the communications strategy;
- additional resource project;
- Glastir commons;
- Glastir implementation; and,
- The Glastir Monitoring and Evaluation Programme (GMEP).

Details of each appear in the Technical Report under answers to PSEQs 29–44. Some of these areas of spending were concerned with the operation of Glastir and have already been considered in connection with the evaluation of that scheme. Some can be considered ‘good housekeeping’ when dealing with the RDP using public funds, such as the mandated monitoring and evaluation activities and the provision of additional resources (essentially to fund extra staff) to facilitate the satisfactory operating of the RDP and the transition to the new Programme. However, it is worth commenting on two activities that more directly relate to what the 2007-13 Wales RDP achieved.

7.1. Wales Rural Network (WRN)

The Wales National Rural Network was mandatory under the Rural Development Regulation. Run by the Welsh Government, and guided by a Steering Group of 15 stakeholders, it formalised previous looser arrangements to bring groups of interested parties in the delivery process together to facilitate an exchange of expertise and support implementation and evaluation experience of the rural development policy. If the network had not been mandatory, it is likely that something would have been arranged on a national basis, as happened in the preceding Wales RDP. In addition to performing its function at the Wales level, the WRN was intended to co-ordinate information flows with other RDPs in the UK and elsewhere in the EU.

The Wales Rural Network is examined in detail in the Technical Report (see answers to PSEQ 31-39; PSEQ 38 deals explicitly with its contribution to the RDP objectives). The WRN was established in early 2008, ahead of the regulatory deadline, and the time in which it could contribute to the RDP objectives was therefore maximised. It appears that the activities carried out by the WRN were held in high opinion by stakeholders in 2012 and its thematic events were considered to be appropriate, although the view of stakeholders interviewed as part of this evaluation were less positive. However, issues were raised with respect to management, awareness,

communication and training and mentoring which are likely to have reduced the contribution to RDP objectives that might otherwise have been made.

Stakeholders interviewed as part of this evaluation felt that the fact the WRN was not independent of the Welsh Government created difficulties, especially in terms of the use of social media and the Network's web-presence; the WRN's full potential was, in their opinion, unfulfilled as a result. In summary, we can be confident that there has been a contribution to the achievement of RDP objectives, although this achievement was not as positive as it could have been.

7.2. Communications

The need for a Communication Strategy is set out in EU legislation and can therefore be considered to be of core relevance in supporting the RDP. Various aspects of communication can be identified:

- **Internal communications** involving stakeholders and delivery partners;
- **Press and PR**, in which attention had to be drawn to the role of the EU in supporting activities. However, many stakeholders and delivery agencies (such as Farming Connect in relation to its activities) also ran their own press and PR and felt that they did it well. Duplication between national and regional activity was recognised;
- **Events** to draw attention to selected aspect of the RDP;
- the awareness of the **RDP brand**,
- the issuing of **plaques and guidance**, and,
- **the use of Gwlad**, a publication with a circulation of some 40,000 that carries routinely articles and awareness raising material supplied by RDP centrally or via delivery agents (such as Farming Connect). Often cited as the most successful aspect of RDP communication, Gwlad's target audience is farmers and therefore it is less useful as a means of communicating with Axes 3 and 4 beneficiaries. There were also some concerns that Gwlad is too closely associated with the Welsh Government.

In an interim evaluation of the WRN and Communications Strategy published in 2012, the general conclusion was that communication materials issued centrally were high quality and had improved as the programme progressed (with the exception of the web presence). However, they were not thought to have increased awareness of the RDP.

As part of this *ex-post* evaluation, we were told by Welsh Government staff that the communication strategy project was terminated following a 2012 evaluation, with activity moved into the WRN to improve efficiency and co-ordination (see also PSEQ 29 in the Technical Report). We see this as evidence that attention was paid to the need to review the way that communications were carried out, and especially sensitivity to the balance between centrally-organised and scheme-level activities.

8. Conclusions and recommendations

Though conclusions have been drawn in Section 5 when considering the achievements of the 2007-13 Wales RDP, it is useful to revisit the main findings at this point.

Taking a view overall, the *ex-post* evaluation concluded that the RDP was relevant to the objectives set for it, that it was **coherent** (in the sense that its structure of schemes led to the objectives and that the various schemes worked well together) and that **resources were allocated in an efficient manner**. There is also evidence that consideration was given to the best use of newly available funds and that these were allocated appropriately. The delivery of the RDP was assessed as being both **effective and efficient** though there were areas capable of improvement. There was insufficient evidence with which to assess the reasonableness of delivery costs, though there was nothing to suggest that these were unreasonable.

In terms of improving the **competitiveness of the agricultural and forestry sectors**, we found that Axis 1 Measures and schemes, which were designed with this in mind, almost certainly delivered on this objective, although different Measures (and different elements of schemes) made varying contributions according to their design and purpose. While there was strong evidence for a positive (if modest) impact from Farming Connect, there were insufficient data to quantify the impact from other Measures. The impact of Axes 2 and 3 was, as expected, minimal and, in the case of Axis 3, sometimes impossible to relate specifically to the farming and forestry sectors when this term is interpreted in the narrow conventional sense.

There was evidence that the activities under the RDP resulted in an increase in GVA for beneficiaries. However, when placed in the context of the rural economy as a whole, this **growth in economic activity is relatively small**. This is not surprising given the resources available and the fact that the majority of these resources were spent on Axis 2 Measures which were not expected to deliver an economic impact.

Innovation clearly played a part in this, mainly in the form of the introduction of new products and/or techniques and the accessing of new markets. Turning to employment, we concluded that activities under the RDP led to the creation of some 3,000 jobs, around half of which can be considered to be both sustainable and directly attributable to the activities supported. However, it is not possible to conclude that all these jobs were created solely by the activities under the RDP or would not have been created in the absence of support. Employment creation in the primary sector and food processing was equivalent to around 3% of total employment in these sectors. Diversification of farm businesses, driven through training and advice and grants, delivered a reported 127 new jobs, safeguarded 192, created 196 new non-agricultural products or services and accessed 77 new markets.

Through Axis 3 Measures and schemes (delivered in association with Axis 4) the RDP made a direct contribution to the **improvement of the quality of life** in several ways, specifically in the form of support provided for basic services for the economy and rural population (including the Broadband Support Scheme), village renewal and development, and conservation and upgrading of the rural heritage. An indirect positive impact resulted from a range of other Measures related to job creation/maintenance, provision of new skills and training. Axis 2 delivered a general improvement in the quality of life through the provision of public goods. The LEADER approach made a positive contribution towards **improving local governance** by encouraging and formalising participative local democracy as well as community engagement and ownership, though there were variations between areas (“post code lottery”) in this positive contribution. The wider contribution of the LEADER approach also included **capacity building, bringing people together, promoting innovation, provision of advice and guidance and signposting to the wider Programme**. Furthermore, the co-operation and networking fostered by the LEADER approach **increased the economic performance of the area**, with the large majority of participants in partnerships and LAGs, as well as other RDP stakeholders, reporting benefits. Of these, the most frequently mentioned were those

of being involved in the programme, increasing awareness of local activities and cross-sector working/ networking.

Axis 2 Measures and schemes accounted for the two-thirds of spending under the 2007-13 Wales RDP. It was not possible to provide a quantitative judgement of the impact of the RDP in terms of its contribution to protecting and enhancing **natural resources and landscape including biodiversity and HNV farming and forestry** due to data gaps, the lag time between activity and impact and uncertainties over attribution. While the target for the area under management for biodiversity was not achieved, despite this, 552,030 hectares of land were under successful land management designed to contribute to improvements in biodiversity. Schemes to improve **water quality** were successful in bringing some 432,998 hectares under land management, even though this was less than the target set. There were no data to allow a direct quantitative assessment of the extent to which the 2007-13 Wales RDP contributed to **climate change mitigation and adaptation**, though some 417,190 hectares came under land management agreements with this aim in mind. Modelling results suggest that an increase in carbon sequestration (12.2%) and a decrease in GHG emissions (5.2%) took place under Tir Cynnal and Tir Gofal, but the impact of the successor scheme, Glastir, was rather more modest. That said, woodland creation under Glastir had the potential to reduce flood generating land by up to 9% in the future. Other, non-Axis 2, aspects of the RDP also contributed to climate change mitigation through support for renewable energy production.

Recommendations

Recommendations that emerge from this *ex-post* evaluation of the 2007-13 Wales RDP have to bear in mind that the Programme for the following period has already been designed, drawing on previous evaluations and lessons learned, and implementation is well underway. Our recommendations at this stage will need to be based on our conclusions and be relevant and practical for consideration in future

RDPs or any national policies that the Welsh Government may adopt after EU transition.

Recommendation 1 – move away from the Axis approach

Several examples provide evidence that the Axis structure of the 2007-13 Wales RDP was unhelpful in creating barriers between objectives that would have been better seen as integrated.

While the grouping of support activities into four Axes may have had some advantages at the time, seen from the perspective of the entire European Union, there would be no reason to press for such an approach for subsequent RDPs as it did not seem to deliver any particular advantages for Wales.

Removing the division into Axes could make the reallocation of funding to where needs were increasingly evident somewhat easier. As the regulations governing the 2014-20 Wales RDP do not insist on such a structure, we recommend that advantage is taken of the greater flexibility, complementarity and cohesion that removing the Axes would facilitate.

Recommendation 2 – incorporate the Young Entrants Support Scheme (YESS) within the RDP

We have noted that the most prominent way in which support was given to young farmers/new entrants in Wales in the 2007-13 period was through the YESS, which was nationally funded and outside the framework of the Wales RDP. On the assumption that this group continues to be a priority, we recommend that, for the sake of coherence, consideration is given to bringing YESS within the next Wales RDP. However, we note the apparent conflict with Article 8 of Council Regulation (EC) No 1698/2005 that constrains attempts to target specific groups; this may no longer apply post-EU transition.

Recommendation 3 – rationalise the provision of advice and information

While Farming Connect, under Measure 111, was the main provider of Knowledge Transfer and advice for farmers, it was not the only one (see also Recommendation 1); in particular, there is explicit provision under the Processing and Marketing Grant scheme. It would appear rational to have a one-stop-shop covering the entire array of information and access to advice services provided from the RDP. This recommendation has been taken on board for the new Programme, with Business Wales providing a central signposting function for non-agricultural businesses in Wales, with links maintained to Farming Connect. Farming Connect was responsible for delivering the Farm Advisory Service, concerned with compliance advice funded under Measure 114. We recommend consideration of extending this principle to embrace a comprehensive service. Any provision outside this framework (for example, on forestry and specialist environmental issues) would need to be argued convincingly.

A closely related issue is whether business skills training and advice for farms and other rural businesses should form part of an economy-wide service. Many of the business skills are not specific to agriculture and forestry (though technical skills often are). Diversification implies the advance of farmers into non-agricultural activities, and support to non-farm businesses even under the 2007-13 Wales RDP indicated a broader approach (businesses further along the food chain and micro-businesses). Therefore, a recommendation is that consideration is given to how an integrated system of knowledge transfer and advice might be organised and funded, though this might have to wait until a post-EU transition environment. This, however, should not underestimate the benefits of a sector-based system to deal with land-based technical issues (such as advice on environmental and animal welfare issues).

Recommendation 4 – consider making the Wales Rural Network independent of the Welsh Government

There is evidence that the Wales Rural Network performed a useful function in helping deliver the 2007-13 RDP, in particular by facilitating communication among actors in Wales, though less so in its role in relation to exchanging information with other UK RDPs and at the EU level. However, its placing within the Welsh Government was criticised as reducing its effectiveness. Although a sound financial and continuation rationale was provided by the Welsh Government for the approach taken, we nevertheless recommend that consideration is given to having it operated under contract outside the Government framework, with clear objectives and targets.

Recommendation 5 – review the Communications Strategy approach

The reorganisation of the Communications Strategy during the lifetime of the 2007-13 Wales RDP and its incorporation with the Wales Rural Network was a clear indication that the original formulation was not successful. However, the fact that several of the schemes (notably Farming Connect and Glastir) still preferred to run their own communications suggests that problems with an integrated approach persisted and that the way of making beneficiaries aware of support possibilities, and the degree to which this is centralised, should be revisited.

Recommendation 6 – reconsider the delivery model for support currently within Axes 3 and 4

While in principle, the notion of tailoring interventions to local development needs, as shown in Local Development Strategies, has attractions, the fact that this can lead to provision that can differ greatly between areas (the 'post-code lottery') is clearly a source of criticism on theoretical grounds and of equity. We recommend the consideration of pan-Wales alternatives, but with the incorporation of scoring

systems that allow a degree of local variation. This would have to be in a post-EU transition policy environment, as the current EU Regulations do not permit this.

Allied to this, while the competitive approach to awarding project funding can be justified in terms of increasing the quality of the projects which win support, views were expressed that the element of competition may have discouraged people/organisations from working together and that this undermined the potential efficiency of the programme.

It has also been suggested that the original characteristics of LEADER were lost or diluted by the arrangements applied during the 2007-13 period, and that a return to its roots could be beneficial.

Together these observations suggest that the way that Axes 3 and 4 were delivered should be re-examined. We note that, based on similar observations, the Welsh Government has radically altered the use of LEADER in the 2014-20 programming period and this is something we welcome, although it falls outside the scope of this evaluation to comment on whether the reorganisation has been effective.

Recommendation 7 – that a clearer distinction is made between mainstream and innovatory/experimental activities under the RDP

This recommendation, closely allied with the previous one, is that a clearer distinction between mainstream and innovatory/experimental approaches would enable the latter to function more effectively, yet also allow mainstream schemes to maximise the amount of resources they can call on and thus their impacts on RDP objectives. Mainstream schemes such as Farming Connect and Glastir would, of course, still direct attention to improving the ways they operate, but the clearer distinction would make innovation, and the inevitable possibility of failure, more attractive in schemes such as LEADER.

Recommendation 8 – improve availability of evidence of performance

A long-running issue seen in evaluations since at least the mid-term evaluation of the 2000-06 Wales RDP concerns the availability of evidence. While great improvements have been made, in particular with the way in which monitoring data are held and accessed, this ex-post evaluation has once again encountered information gaps. Two are of particular note:

- There are many gaps in the indicators specified in the CMEF, especially those relating to impacts. In that the need to populate these indicators has been known for many years, this is disappointing.
- Evaluations of parts of the RDP have not generated the information in line with CMEF requirements. In particular, those relating to Axes 3 and 4 have used disparate methodologies that are not helpful. Again, better planning of sub-programme evaluations and a degree of central co-ordination could have resulted in an array of findings that were more relevant to mandatory programme level evaluations and more useful to the Welsh Government at the national level.

Our recommendation is therefore that improvements in the suggested directions are put in hand. These should facilitate evaluations of the current programme within the framework of the CMEF. Of course, in the likely event of exit from the CAP and its rural development policy, conformity with the CMEF may become irrelevant, though a well-thought-out set of robust indicators (capable of reflecting issues such as additionality and displacement) and integrated scheme-level evaluations (that, inter alia, address causality) would be a good base on which to assess any national rural development policy in a post-EU transition Wales. The performance of rural development actions is likely to be of increasing concern if, as seems likely, direct income support is scaled back and the reliability of information on achievements becomes of raised political concern. Such a system could go beyond the confines of

the CMEF to address areas of impact, especially under Axes 3 and 4, which fall outside the present evaluative framework.

Recommendation 9 – aim for greater flexibility within RDP planning

Given that the shape of the 2014-20 Wales RDP is already determined, and that the nature of rural development policy from 2021 onwards in a post-EU transition Wales is as yet uncertain, our recommendation is that interventions and schemes that introduce rigidity should be avoided, and a focus should be on those that can be flexible.

There is evidence, particularly in Axis 2, that legacy schemes with long-term agreements at farm level, placed substantial constraints on what could be proposed under the 2007-13 Wales RDP. While, understandably, farmers and landowners need assurance of stability before they are willing to make investments (economic, environmental or social), it must also be recognised that support to agriculture could be quite different post-EU transition, with a reduced level of direct income payments.

The fundamental characteristics and problems faced by rural areas are unlikely to alter substantially, and hence the strategic aims for rural policy will not shift, but the policy milieu almost certainly will. This suggests that attention in future RDPs should focus on factors that allow Welsh rural areas to be resilient, such as by building the skills of the rural workforce, the diversity of its economic base, the infrastructure that supplies information and advice, the social capital of its communities, and so on.

Ideally such interventions should be self-sustaining, in the sense that they become unnecessary as improvements take hold. A degree of permanent intervention may be required where the provision of public goods (such as biodiversity and landscape quality) is involved, as market failure will tend to persist, but even there it may be possible to introduce mechanisms that enable the private sector to accept some of the burden (water companies for cleaner water, thus reducing their treatment costs,

for example). The key recommendation, however, is that emphasis should be on factors that promote the ability of rural areas, people and businesses to adapt, and the RDP itself should not introduce factors that restrict further this adaptability.