



Llywodraeth Cymru
Welsh Government

Welsh Government Rural Communities – Rural Development Programme (RDP) 2014 – 2020:

2021 Annual Report - Summary

1. Overview

The Welsh Government Rural Communities – Rural Development Programme (WGRC-RDP) 2014-2020 is a 7 year investment Programme funded by the Welsh Government and the European Union ('EU') through the European Agricultural Fund for Rural Development ('EAFRD').

The Wales RDP was adopted on the 26 May 2015 and has been amended four times, the last approved in March 2021, a fifth modification was developed during 2021 for submission late 2021.

The Wales-wide Programme supports a wide range of activities designed to increase the sustainability and resilience of Wales' natural environment, land-based sector, food businesses and rural communities.

A budget of up to €977.3 million has been agreed for the Rural Development Programme. This is made up of approximately €651.6 million of EU money and €334 million of the Welsh Government's own money.

The majority of activities supported through the Programme are delivered through 'schemes' and can be broadly grouped by the following themes: -

	EU Budget	Total Budget	EU Spend	Total Spend
Human and Social Capital Schemes (including Farming Connect support)	€ 156.32	€ 266.32	€ 82.40	€ 119.68
Investment Schemes (such as the Sustainable Production Grant)	€ 96.49	€ 163.33	€ 58.29	€ 78.96
Agri Environment-Climate Schemes (Glastir)	€ 323.75	€ 418.97	€ 267.36	€ 294.88
Local Development Schemes (including LEADER)	€ 52.27	€ 85.76	€ 35.35	€ 49.86
Other Activity (such as Wales Rural Network)	€ 22.76	€ 42.94	€ 13.22	€ 21.86
Total available under the Programme	€ 651.59	€ 977.33	€ 456.62	€ 565.24

Each scheme delivered within the Rural Development Programme is allocated an indicative budget. Targets are set for what is expected to be delivered. These targets are monitored throughout the year by the Welsh Government. Progress towards the targets is included in the annual report sent to the European Commission (EC). This monitoring ensures that money is being spent in the way which Welsh Government planned. A copy of these reports can be found [here](#).

2. Evaluation

Evaluation is key part of the Programme to help assess the effectiveness of the Programme and identify areas where improvements can be made. A number of [guidance documents](#) have been published to support this work.

The RME team commissioned an evaluation of the **Knowledge Transfer, Innovation and Advisory Services Scheme, known otherwise as Farming Connect** in early 2018. The first phase of the evaluation took place over the course of 2018 and early 2019 and culminated in the publication of the interim report in March 2020.

The second stage of fieldwork was due to start in late 2019 however restrictions on research around the general election meant that this was delayed until early 2020. Covid-19 and the introduction of social distancing measures necessitated some adaptations to the approach. A [draft report](#) was received in late 2020 with further revisions received in early 2021 prior to publishing in March 2021. Further revisions were received in early 2021 prior to publishing in March 2021. The Strategy team are preparing to commission a final impact evaluation of the scheme in 2022, with the final report to be delivered by June 2023.

The evaluation of the **Sustainable Management Scheme** was awarded in late 2019. This is planned to run for the duration of the scheme until early 2023, reporting milestones have been built in to the contract. The evaluation commenced in January 2020, however the arrival of Covid 19 in March 2020 meant that the fieldwork element had to be reconsidered. A draft report was received in December 2020.

The second phase of fieldwork commenced in 2021, with initial contact made with all stakeholders and projects in August 2021. Stakeholder interviews, project interviews and case study interviews were conducted in the latter half of 2021 and a web survey was launched in September 2021. The first interim report was published in November 2021 which provided a process and Theory of Change evaluation of the scheme. A second annual report will be delivered in Spring 2022.

Other research and evaluation work undertaken in 2021 includes:

- Developed the specification for a midterm evaluation of the tourism schemes; due to the pandemic, this has been delayed. The specification is currently being revised to reflect the change in circumstances and will be procured in Spring 2022. A smaller-scale evaluation is now planned for 2022 based on a change in the methodologies possible.
- Commissioned a piece of research looking at the Farm Business Grant. Fieldwork took place in 2020 and 2021. The final report is due to be published in Spring 2022.
- Procured the evaluation of the Food schemes in December 2021. An inception meeting will be held early in 2022.
- Commissioned an evaluation of the Timber Business Investment Scheme in early 2021. The inception meeting was held in the autumn of 2021. An interim report is due late 2022.

- Commissioned the evaluation of ENRAW. The inception meeting was held in October 2021. An interim report is due in September 2022.
- Developed the evaluation of LEADER. The final report has been delayed due to COVID but is expected in Spring 2022.
- Developed and advertised a specification for the European Innovation Partnership evaluation. This was awarded in February 2021, and the inception meeting took place in March 2021. A midterm report is due in 2022, followed by a final report in 2023.
- Completed the evaluation of the Wales Rural Network in April 2021 the executive summary can be read [here](#).
- Evaluations of the following schemes are in preparation:
 - Sustainable Production Grant
 - Rural Community Development Fund
 - Co-operation and Supply Chain Development Scheme
 - Farming Connect
 - Farm Business Grant
 - Ex post evaluation

All published research and evaluation reports can be found on the [Wales Rural Network website](#).

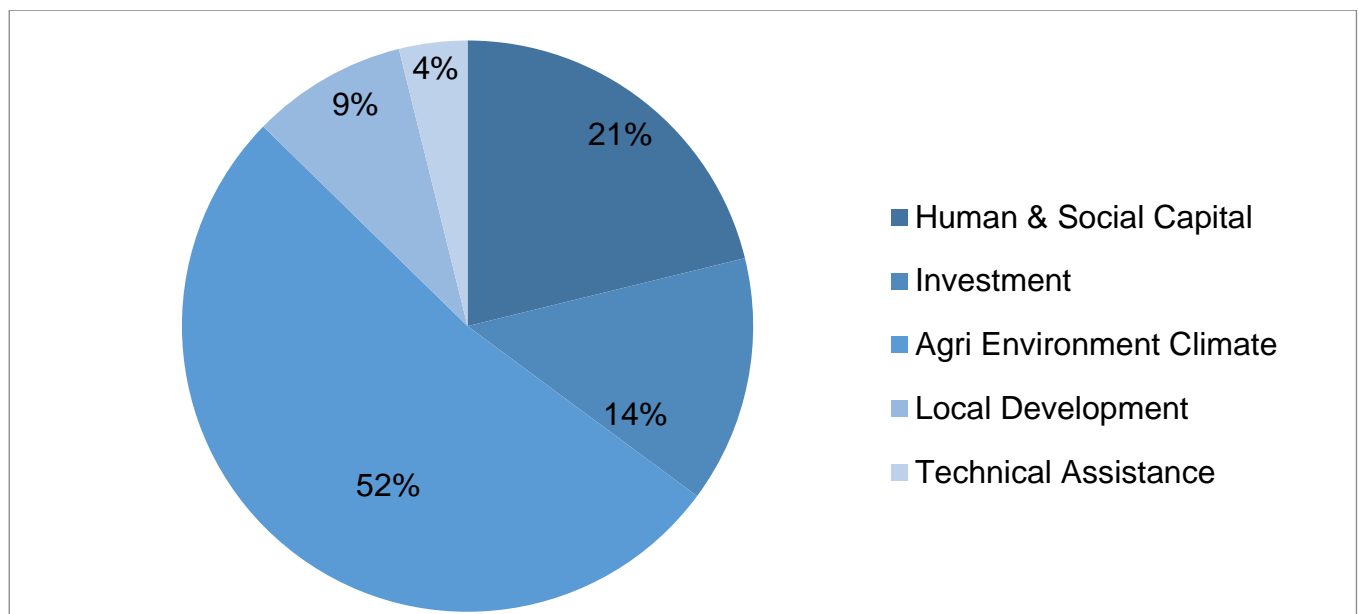
3. Programme Progress

Since late 2015 a total of €651.6 million has been paid out under the Programme, with €112.2 million paid during 2021 alone. The majority of the funding (€419.0million) paid relates to land-based (agri-environment / forestry) activities. €456.6 million of the total paid since the beginning of the programme has come from European funds, of which €240.7 million comes from Pillar I transfer funding.

2021 payments were lower than previous reporting years due to COVID-19. A great number of the projects under the socio-economic measures were unable to deliver on the ground, therefore having a knock on effect to claims and payments.

By the end of 2021 some of the key achievements delivered through the Programme included:

- A total of 86,231 participants received training, across a total of 22,891 training days.
- A total of 7,396 holdings received investment support through the SPG and FBG.
- 4,862 contracts under agri-environment-climate were supported by March 2022.
- 230 co-operation operations supported.
- 120,505 benefitting from improved services, including broadband.
- 46 projects were funded through the European Innovation Partnership.



Further information on the individual schemes delivered through the Programme can be found below and by following the web-links for each scheme.

4. Human & Social Capital Schemes

Training and advice delivery contracts (Knowledge Transfer and Rural Business Advisory Scheme) are delivered through [Farming Connect](#). Farming Connect is central in supporting the delivery of other areas of the Programme. It forms the main mechanism for delivering an integrated package of knowledge transfer, advice and innovation support targeting rural communities within Wales.

Click [here](#) for an example of a demonstration farm project that has targeted production efficiencies to reduce emissions. Through this project two demonstration farms are working with an independent sheep and beef specialist to implement actions to reduce emissions further. Another focus site project can be seen [here](#). This Focus Site project evaluates the benefits of the Terrateck wheel hoe with Bio-Discs for Weed control in vegetables. Weed control is a constant challenge in vegetable growing enterprises, the project will evaluate the benefits of a French made Terrateck wheel hoe which appears to address several significant problems for smaller growers.

Another initiative under Farming Connect, Venture, is designed to help match farmers and landowners who are looking to step back from the industry with new entrants looking for a way into farming. Up until 31 December 2021, there were 292 active members and out of these 27 potential matches have been identified. The individuals who have found potential business partners are now applying for group advice through the advisory service for further support. There have been 48 new joint venture enterprises established since the start of the programme.

Farming Connect recognises how beneficial independent, confidential and bespoke advice can be. Through the Farming Connect Advisory Service, subsidised advice can be delivered both one to one and on a group basis. Up until the end of December 2021 6685 instances of 1:1 And Group Advice have been delivered.

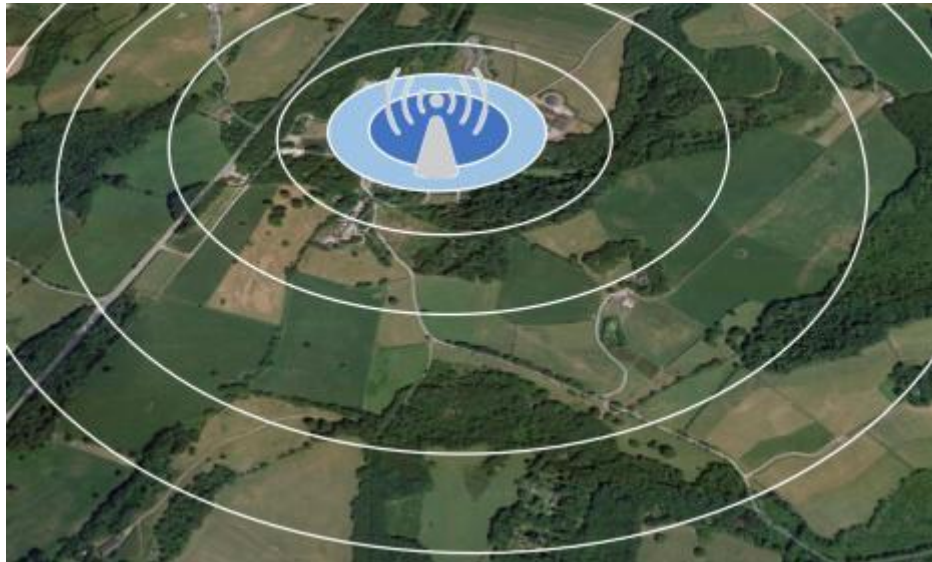
The Farming Connect programme is a large programme with wide delivery platform delivering several interventions under numerous themes to all sectors of the industry. All the published Farming Connect case studies can be found on the following webpage: <https://businesswales.gov.wales/farmingconnect/news-and-events/case-studies>

Advisory services to aid Glastir delivery are also supported, along with other Knowledge Transfer and Information Scheme activities. These include grant-aided projects for sectorial and industry led, bottom-up initiatives targeting agriculture, forestry, food, other rural SMEs and land managers.

[EIP Wales](#) is the European Innovation Partnership for Agricultural Productivity & Sustainability, which aims to bring a range of people and organisations together to develop innovative solutions, benefitting the wider industry in Wales and the EU. EIP is a new approach to support the development of research and innovation in agriculture and woodlands in Wales. In Wales, EIP was launched in January 2016 and applications were, and continue to be, invited from Groups interested in solving common problems. In August 2017, Menter a Busnes were awarded the contract to run the EIP Wales programme which involves the management and facilitation of every stage from enquiry through to awarding project contracts and execution of the successful project. Within the 46 projects, there re 313 Group Members, which comprise 237 Farmer Members, 3SME, 3 MGOs, £ research

institutes, with 40 groups accessing support. Approved projects can be found on the [Farming Connect website](#).

EIP Wales has assisted an Anglesey dairy farm to trial sensors to assist with slurry spreading operations that have the potential to help the industry with future pollution prevention. More information on this project, can be found [here](#).



Another, EIP Project aims to assess the suitability of fat-tailed sheep to the Welsh climate and to tap into a niche market with unique meat and fat. The project has successfully produced purebred [Damara lambs](#) via embryo transfer and crossbreeds using imported semen and artificial insemination (AI) on Romney, Texel x and Lleyn x ewes.



The [Cooperation & Supply Chain Development](#) ('C&SCD') scheme supports collaboration and is designed to make new things happen. The scheme aims to achieve

transformational change, supporting the development of new products, practices, processes and technologies in the agriculture, forestry and food sectors. To date the C&SCD has led to 378 cooperation operations being supported. -

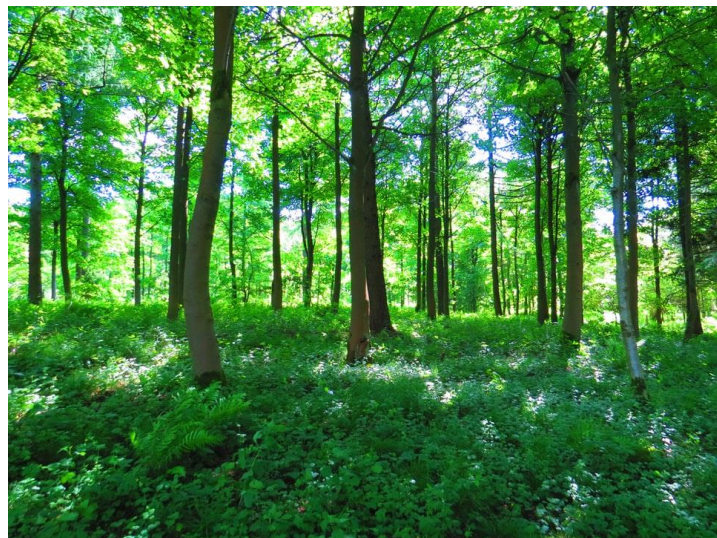
Supported under measure 16.4, **Cywain** –is a supply chain collaboration model that will provide targeted support to micro and SME businesses operating in the Welsh food and drink sector.

The aim is to:

- Help your business to be more competitive, sustainable and innovative
- Create and strengthen links between your business and the supply chain
- Support your business' development and growth
- Maximise the opportunities for your business to grow profitably, potentially helping you to create jobs
- Give you access to tools, mentors and resources that will help you to scale up your business
- Maintain and strengthen Wales' reputation for producing high quality food and drink
- Provision of a food and drink producers map - [#SupportLocalSupportWales - For you, for them, for Wales - Cywain \(menterabusnes.cymru\)](#)

Financial support is offered through the [Sustainable Management Scheme](#) ('SMS') to help start up and facilitate new collaborations through to landscape-scale ambition, co-ordinating actions and input from several parties to achieve lasting benefits across our communities. It supports a range of activities to improve the management of natural resources and in so doing contribute to the well-being of rural communities.

There are 50 projects across Wales covering large areas of upland with heather and peat restoration, several woodland management projects with new planting and restoration, river catchment projects managing soil erosion & flood risk alongside supporting communities affected by flooding. Projects covering our coastal zones supporting this habitat and looking at recreation, supporting tourism and looking at the health and well-being benefits of nature for our communities.



An example of this is the [The Dolau Dyfi](#) Projects that stretches accross the Dyfi Biosphere area from the sea at Aberdyfi to the foothills of the Cambrian Mountains and includes parts of Ceredigion, Powys, Gwynedd and Snowdonia National Park Authority (SNPA).

This Collaborative project is focused on joining up natural resources with health and well-being benefits in the Dyfi area.

5. Investment Schemes

The [Sustainable Production Grant](#) ('SPG') is a capital investment fund to help improve both the economic and environmental performance of farms. Grants represent a maximum 40% contribution. By the end of 2021 a total of 391 applications had been approved through 6 rounds. The [Farm Business Grant](#) ('FBG') provides a financial contribution towards capital investment in equipment and machinery that have been pre-identified as offering clear and quantifiable benefits to farm enterprises. Farming business must have attended a Farming Connect 'Farming for the Future' event to be eligible to apply for the Scheme. 4,058 applications have been received through eight rounds of FBG by the end of 2021. 3,021 of these have been approved.

The **Timber Business Investment Scheme (TBIS)** offers financial support for forest owners to enhance forestry potential. 56 projects under the TBIS umbrella have been approved to date.

Supported by the TBIS, [Specialist Silviculture Management Equipment](#) – saw this investment to meet future market changes and demands, with capital equipment required for specialist extraction in order to work with woodland owners where it is difficult to extract timber, operationally, environmentally and economically for all in the supply chain.

The **Food Business Investment Scheme (FBIS)** offers financial support for capital investments in food processing equipment. FBIS has been a great success to date, with over £187m new capital projects being developed, in Wales.

[The Accelerated Growth Project](#) – The Pudding Compartment (TPC) has identified strategic sales opportunities via new markets to continue its' significant growth record and create a sustainable long-term business. A new sub brand – The Creative Bake Co – has been developed, and innovative products for these new markets.

TPC is implementing this project to invest in additional bakery equipment, mixers, ovens, packing machinery etc to achieve increased capacity and efficiencies by harnessing technology developments to complement the creation of new jobs and secure the existing jobs.

Rural Business Investment Scheme (Food) financially supports small food and drink processors and manufacturers. RBISF aims to support up to 40 micro and small food and drink processors and manufacturers with capital investment support for projects which offer clear and quantifiable benefits to the food and drink industry in Wales.

[Harbwr Tenby Harbour Brewery](#), received funding through the RBIS (Food) scheme. The business has received Capital investment in a new brewing and storage facility in premises adjacent to the current facility. This will turn the business from a three vessel to five vessel brewery and allow growth of circa 65% over current performance.

This capital development includes renovation of internals of an existing building adjacent to current Harbwr Brewery site and purchase of equipment.

With the new development in place the business will be able to continue the business growth through existing channels and with existing product ranges but also increase product ranges (both flavours and packaging type) and also explore new markets such as export and supply of large organisations such as Coors and multiples.

Micro Small Business Fund (MSBF) is an investment fund targeting eligible capital investment projects in the tourism sector in Wales. Regrettably for reasons related to the Covid pandemic, it has not been possible to complete the programme as expected. The scheme was suspended as a result and a decision was taken in February 2021 not to pursue any new cases. Most projects completed by March 2021, with a small number (8) continuing into the WG 2021/2022 financial year, expecting to complete by March 2022.

[Stepcor Ltd T/A The Baskerville Arms Hotel](#) - The proposal is to upgrade 11 first floor bedrooms and bathrooms, the ground floor kitchen, function room, dining room, entrance reception, & landscaping gardens and car park to achieve a 4 Star Inn grade.

6. Agri Environment Schemes

GLASTIR is a family of related schemes in Wales to support sustainable land management. Glastir is designed to deliver outcomes at a farm, forest and landscape level in a cost effective way. It pays for the delivery of specific environmental goods and services aimed at combating climate change, improving water management, maintaining and enhancing biodiversity.

Glastir is administered by the Welsh Government with Natural Resources Wales (NRW) supporting the delivery of some elements of the scheme.

The **Glastir Advanced** Scheme delivers targeted financial support to farmers and land managers to deliver these objectives, delivering environmental improvements for a range of objectives including habitats, species, soil and water. This Scheme is now closed to new contracts. Under the **Glastir Small Grants Scheme** land managers and farming businesses can benefit from maximum funding of up to £7,500 for capital works under three themes; Carbon, Water and Landscape & Pollinators. There have been seven applications windows to date resulting in over 9800 approved operations.

Glastir Woodland Creation ('GWC') supports land managers who wish to create new woodland and/or manage existing woodlands. The **Glastir Woodland Restoration** ('GWR') scheme has been developed to enable woodlands infected by *Phytophthora ramorum* to be replanted to help slow down the spread of the disease, providing the opportunity to diversify tree species to increase resilience to climate change and pests / diseases.

In addition to support for woodland creation and management the **Glastir Restoration Scheme** provides support for the re-stocking of larch woodlands that been infected or threatened by the fungal pathogen *Phytophthora ramorum*. The **Forest Monitoring & Risk Management Scheme** is delivered by Natural Resources Wales supporting monitoring, mitigation and prevention of harmful results from current tree and woodland environment pest or disease outbreaks. A list of Glastir application windows and dates can be found [here](#).

7. Local Development Schemes

LEADER is a form of Community-Led Local Development ('CLLD'). There are 18 Local Action Groups ('LAGs') in Wales covering eligible wards in 21 Local Authority areas. Each Local Action Group has developed a Local Development Strategy ('LDS') that sets out the opportunities and challenges in their area and explains what actions they intend to take to exploit the opportunities and manage some of the challenges.

Due to Covid 19 Welsh Government worked with LAGS operating LEADER to investigate how the grass-root challenges could be supported using LEADER principles. Each LAG repurposed their LDS to raise to the challenges that the rural communities were experiencing in terms of isolation, food supplies and access to services.

The focus of a lot of the LEADER projects have highlighted the need to adapt to future ways of living and working that have less of an impact on the environment around us.

Delivering under the LEADER Implementation measure (19.2), the [RDP-Volution](#) was implemented by Caerphilly LAG in collaboration with IBERS (Aber University) to do a live trial of livestock tracking. IBERS has also been working with Caerphilly on exploring the potential uses for natural materials like bracken and wood. Likewise, the Biocomposites Centre (Bangor University) has been exploring the use of our local Welsh Mountain sheep's wool for its potential in (for example) wound care and beauty products manufacture. There are also investigations taking place into possible projects relating to energy generation. In order to take things further, there will be a need to financially support the new project stages arising out from the initial pilots - and importantly, to have the necessary funds readily available to provide the necessary flexibility and agility to proceed at pace, evolving the projects towards commercial opportunities.

For information on your Local Action Groups and for copies of the supporting Local Development Strategy for each area please visit the Wales Rural Network ('WRN') [pages](#). You can also find examples of LEADER projects through the [interactive map](#) on the WRN webpage along with contact details for each of the Local Action Groups in Wales.

Rural Community Development Fund (RCDF) offers financial support for LEADER local action groups and other community organisations. This fund has now closed to new applications

[Connected Anglesey](#) is funded under RCDF sub measure 7.3, which supports Broadband, the project(s) will work with clusters of households and the private sector to find creative and practical ways to bring superfast / ultrafast broadband to local residents and businesses.

8. Wales Rural Network

An essential part of the Programme is the Wales Rural Network ('WRN'). The WRN supports networking and the engagement of stakeholders, shares information, best practice and experience across Wales, UK and Europe. The Network makes a significant contribution to the Programme by helping to add value to the funding available, and publicising activity funded through the Programme.

The WRNSU's role has continued to evolve over the last 12 months, particularly with the continued expansion of the website which now includes details of 1,651 projects and over 140 case studies.

COVID-19 has changed the way we work, with a greater focus on digital communications and sharing of best practice amongst stakeholders in response to the pandemic.

Despite the pandemic, WRN has continued to deliver a series of events, adapting to using Microsoft Teams as a digital platform. These have covered a number of schemes and thematic workshops..

As we are nearing the end of the programme period, the WRNSU role has evolved, there is greater emphasis on learning from best practice to increase resilience and meet the climate change emergency, through digital improvements, strengthen and develop local supply chains and build capacity in communities through the stakeholder engagement activities and the promotion of the RDP funded projects. Further information on our work can be found on the WRN web pages; <https://businesswales.gov.wales/walesruralnetwork/>

To ensure we can be as inclusive as possible and increase the knowledge platform profile to all members of society Social media also plays an important part in the communications strategy for the Programme with a presence on both Facebook and Twitter:

<https://twitter.com/WalesRuralNet> and <https://www.facebook.com/walesruralnet>

More information on the work of the Wales Rural Network can be found at:

<https://businesswales.gov.wales/walesruralnetwork/>



9. Further Information

More information on the Welsh Government Rural Communities – Rural Development

Programme (WGRC-RDP) 2014-2020 can be found at:

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