

Annual Report 2003



England Rural Development
Programme
Annual Report 2003

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Introduction

1. This is the fourth Annual Report to the European Commission on the England Rural Development Programme (ERDP). It covers the period 1 January to 31 December 2003 and is submitted in accordance with Article 48(2) of Council Regulation 1257/1999 and Article 53 of Commission Regulation 445/2002 (as amended by Regulation 963/2003).
2. The report covers progress in implementing the Programme approved by European Commission Decision C (2000) 3003 on 11 October 2000, as modified in November 2001 by Commission Decision C (2001) 4760 and in January 2003 by Commission Decision C (2003) 91. Further modifications were submitted in October 2003 (approved by Commission decision C (2004) 254 of 29 January 2004), and in April 2004 (due to be approved by October 2004).
3. **Table 1** below sets out the measures in Regulation 1257/1999 which are implemented through the ERDP. The Programme includes both pre-existing schemes introduced under earlier Regulations (e.g. 2078/1992, 2080/1992) and four schemes specifically developed for the ERDP – the Rural Enterprise Scheme, the Vocational Training Scheme, the Processing and Marketing Grant and the Energy Crops Scheme. In 2001, the Hill Farm Allowance was also introduced to replace the previous scheme for Less Favoured Area (LFA) support, the Hill Livestock Compensatory Allowance. (Please note that Table 1 also includes the ERDP scheme acronyms used throughout this report).
4. 2003 was the first full year of stability for the Programme following the disruption caused by the Foot and Mouth disease outbreak of 2001. During the year substantial progress was made towards realising the ambitious social, environmental and economic outcomes originally envisaged in the ERDP. For example:
 - a further 27,132 training days for farmers and foresters were secured in new Vocational Training Scheme agreements;
 - a further 2,057 full time equivalent jobs created or sustained under new Rural Enterprise Scheme projects;
 - a further 11,516 hectares of new woodland scheduled to be planted under new Woodland Grant Scheme and Farm Woodland Premium Scheme agreements;
 - a further 57 collaborative marketing ventures established under new Processing and Marketing Grant projects;
 - a further 15,374 of hectares of land converted or converting to organic production under the Organic Farming Scheme.
5. Demand for the new, rural economy schemes is now outstripping available funding, resulting in a much higher level of competition for grant support, even at the higher levels of expenditure now reached. The quality of approved projects and the associated benefits for the rural economy and environment has continued to increase. However, this presents new challenges in terms of managing

applicants' expectations as even good quality projects can be rejected. It is hoped that a move to a more objective basis for allocation of programme funding at EU level in the next programme period will help to alleviate this problem.

6. The independent Mid-Term Evaluation of the ERDP (also see **Section C**), has broadly supported the impact made by the Programme so far, highlighting that the agri-environment and forestry schemes' progress towards meeting the original Programme targets has been faster than expected. The evaluators have made a series of recommendations and Defra will now consider whether the ERDP needs to be adapted in light of these in order to maximise outcomes and improve customer focus. These recommendations will also help shape thinking and preparations for the successor Rural Development Programme from 2007.
7. Considerable progress has been made in designing, piloting and developing a new agri-environment scheme, to be called Environmental Stewardship, which will be rolled out nationally in England in 2005, subject to European Commission approval. This will implement one of the key commitments in the Government's Strategy for Sustainable Farming and Food¹.
8. The existing agri-environment schemes have continued to expand in line with original expectations in terms of scheme uptake, expenditure and outcomes, and remain popular with both agreement holders and stakeholder organisations. Work has continued on the development of a new IT system to support the delivery of the ERDP schemes. Coupled with this, the Rural Development Service have embarked upon a broad change programme which will result in new structures and ways of working to enable the organisation to better meet the needs of its rural customer base. The Government has received a report on broader rural delivery issues in England², and aims to announce its detailed response in 2004. The report's recommendations provide an opportunity to further enhance the effectiveness of rural development spending, particularly in the next programme period (2007-2013).

1 <http://www.defra.gov.uk/farm/sustain/newstrategy/index.htm>

2 <http://www.defra.gov.uk/rural/ruraldelivery/report/default.htm>

Table 1

| Measures (with reference to the Regulation 1257/99) | Schemes in England |
|--|---|
| Investment in agricultural holdings (Articles 4–7) | Rural Enterprise Scheme (RES) Energy Crops Scheme (Miscanthus) (ECS) |
| Training (Article 9) | Vocational Training Scheme (VTS) |
| Less Favoured Areas (Articles 13–21) | Hill Farm Allowance (2001 – 2006) (HFA) |
| Agri-environment (Articles 22–24) | Countryside Stewardship Scheme (CSS) Environmentally Sensitive Areas Scheme (ESA) Organic Farming Scheme (OFS) |
| Processing and marketing of agricultural products (Articles 25–28) | Processing and Marketing Grant (PMG) |
| Forestry | |
| <ul style="list-style-type: none"> Afforestation of agricultural land (Article 31) | Farm Woodland Premium Scheme (FWPS) Woodland Grant Scheme (WGS) Energy Crops Scheme (Short Rotation Coppice (SRC)) |
| <ul style="list-style-type: none"> Other forestry measures (Article 30) | Woodland Grant Scheme Energy Crops Scheme (SRC and producer groups) |
| Article 33¹ | |
| <ul style="list-style-type: none"> Setting-up of farm relief and farm management services (iii) Marketing of quality agricultural products (iv) Basic services for the rural economy and population (v) Renovation and development of villages (vi) Diversification of agricultural activities etc (vii) Agricultural water resources management (viii) Development and improvement of infrastructure etc (ix) Encouragement for tourist and craft activities (x) Protection of the environment in connection with agriculture (xi) | Rural Enterprise Scheme |

9. The structure of this report is guided by Article 53 of regulation 445/2002 (as amended) and consists of four main sections.
10. **Section A** of this report provides a summary of changes to conditions, trends and policies, and in particular how these changes have affected agriculture, the rural environment and the rural economy and communities. It also includes details of other Defra policies operating in rural areas which have an effect on the delivery of the Programme.
11. **Section B** provides information on ERDP scheme uptake and the progress made towards achieving the output targets established at the start of the Programme in 2000. This section also includes a summary of the changes to the Programme which have been approved as part of the 2003 ERDP Modification.
12. **Section C** summarises the action taken during the year to ensure high quality and effective implementation. In particular, this includes any scheme reviews or developments which were introduced to improve scheme uptake or simplify procedures. Additionally, some changes to improve the implementation of the ERDP have been introduced in response to feedback from agreement holders and stakeholder organisations or to help overcome operational difficulties.
13. **Section D** outlines some of the measures taken to ensure compatibility with other Community policies. For example the European Structural Funds programme and Leader +.
14. Accompanying the four main sections of the report described above are a series of Annexes. **Annex 1** provides details of other, complementary sources of assistance for rural areas, including other Defra operated schemes as well as a range of initiatives available from other Government Departments and partner organisations. **Annex 2** provides a summary of the main developments affecting ERDP delivery in the 8 English Government Office regions. **Annexes 3, 4A and 4B** contain the detailed monitoring indicator and output tables which are described and analysed in Section B of the main report.

Section A: Changes to Conditions, Trends and Policies

15. This section examines changes in the agricultural and rural economy sectors in the period since the ERDP was approved by the Commission, updating as appropriate the information contained in previous annual reports. In accordance with the structure prescribed in Article 53 of Regulation 445/2002, this part of the report provides information about changes to conditions and trends and main policy developments and the impact they have had on:
 - a) Agriculture
 - b) Rural Environment
 - c) Rural Economy and Communities
16. The ERDP is part of a wider programme of action to deliver economic, social and environmental outcomes in rural areas. Consequently, one aim of this section is to explain any changes to the wider context within which the ERDP is currently operating, whilst also explaining in further detail some of the complementary policies that Defra operates which have either a direct or indirect effect on the Programme.
17. Further information about changes to conditions, trends and policies as they affect ERDP delivery in each of the 8 English Government Office regions is provided in **Annex 2**.

Agriculture

18. Farmers' incomes are reported as being at their highest level since 1997 following the third annual increase in a row. Total income from farming (TIFF)³ in the UK rose by 32 per cent in 2003 to £3.2 billion, compared to £2.5 billion in 2002 according to the latest figures. **Chart 1** below confirms the recent upwards trend for both Total Income from Farming and Total Income from Farming per full-time person equivalent.
19. The long-term trend in aggregate income has been downwards although it fluctuated dramatically in the nineties due to changes in exchange rates, World Commodity Prices and the impact of BSE. In 2003 the Euro has recovered, resulting in a rise in prices across a range of commodities and higher direct subsidy payments. In real terms, Total Income From Farming is now at a level more in line with levels of the late eighties; it is 77 per cent (in real terms) above the low point in 2000 and 50 per cent below the peak levels of 1995.
20. In 2003, the value of output for cereals increased by 9.7 per cent. Drought and very hot weather conditions in central and southern Europe during the summer adversely affected cereal crops in other European countries. This stimulated demand and prices which increased the value of wheat and barley by 6.2 per cent and 17 per cent respectively. The value of industrial crops improved, with a significant increase for oilseed rape of 42 per cent to £423 million. 2003 saw one of the highest volumes recorded, strong prices and increased subsidy payments.

³ TIFF is income generated by production within the agriculture industry, including subsidies. It represents business profits plus remuneration for work done by owners and unpaid workers.

Chart 1: UK Income trends in real terms at 2003 prices



Source: Agriculture in the UK, 2003

- 21. Increases in the value of output of soft fruit and culinary apples resulted in a 16 per cent increase for fruit. Recent high prices for potatoes balanced out lower prices in the first half of 2003 to leave the value of output little changed. The value of output of livestock products increased by 8.5 per cent as a result of the milk sector increasing by 6.7 per cent following agreements by supermarkets to raise prices for liquid milk. There was also a 16 per cent rise in the value of eggs as prices rose to their highest level since 1996.
- 22. The June Agricultural Census for England⁴ reported that the number of people employed in Agriculture, both farmers and farm workers, has continued to fall (see **Table 2** below).

| Table 2: Agricultural Labour in England Rural Development Programme | | |
|---|---------|--------------|
| England | Farmers | Farm workers |
| 2001 | 233,600 | 153,200 |
| 2002 | 225,000 | 146,600 |
| 2003 | 219,100 | 135,200 |

Source: Defra June Agricultural and Horticultural Census

- 23. The Census also reported that the number of agricultural holdings participating in some form of diversification has risen between 1998 and 2003, across all farm sizes except on the very small holdings. Results from the Farm Business Survey shows that annual earnings from diversification in England have topped the £100 million mark for the first time and that:
 - average earnings in 2002/3 from diversification were £1,800 per farm, up 30 per cent on the previous year;
 - 1,800 farms had annual turnover of more than £50,000 from diversified business;
 - 3,600 farms had turnover of between £20,000 and £50,000.

4 http://statistics.defra.gov.uk/esg/statnot/june_eng.pdf

Strategy for Sustainable Farming and Food

24. A more profitable, diverse, competitive and environmentally sensitive farming and food industry is in the process of taking shape after a year of solid progress in implementing Defra's Strategy for Sustainable Farming and Food⁵. The strategy was launched on 12 December 2002 as the Government's response to the independent Policy Commission on the future of farming and food which was established in the aftermath of foot and mouth. The strategy is targeted towards:
- helping farmers to add value to their products by reconnecting with customers and the rest of the food chain;
 - protecting the environment and rewarding farmers for providing environmental goods;
 - helping farmers get the right training and advice to develop their businesses;
 - developing a new 'whole farm' approach to management and regulation.

Many of the milestones established in the Strategy were reached during 2003, including:

- successful launch of pilots for new entry-level agri-environment scheme which will inform decisions on the structure of the Environmental Stewardship Scheme to be rolled-out nationally in 2005, subject to European Commission approval, (also see **Section C**);
 - establishment of the Food Chain Centre, English Food and Farming Partnership and the Red Meat industry forum; all of which are delivering real improvements in competitiveness and increasing collaboration with the food chain;
 - creation of a network of pilot demonstration farms;
 - Agriculture Development Scheme grants totalling £5 million have been awarded;
 - Animal Health and Welfare Outline Strategy launched;
 - launch of the public sector food procurement initiative;
 - completion of the first whole farm appraisal pilot aimed at cutting red-tape.
25. As part of the Strategy, Government Office and Regional Development Agency staff in each of the 8 regions have been tasked with producing a regional delivery plan for implementing the Sustainable Farming and Food strategy. This will help to ensure that the priorities envisaged in the national plan are delivered in a way that meets specific regional needs.

Agriculture Development Scheme

26. The Agriculture Development Scheme, part of the Strategy for Sustainable Farming and Food, received EU state aid approval for £5 million of grant awards in 2003. Priority was given to projects involving: co-operation and collaboration benefiting primary producers; benchmarking and spread of best practice; assurance schemes;

5 <http://www.defra.gov.uk/farm/sustain/default.htm>

and initiatives with potential to open up new markets. Projects were selected for their industry-wide effect. This included both industry or sector-wide projects and pilot or other projects that can be copied or learned from by a wider group.

Public Sector Food Procurement Initiative

27. A major review of the way food and catering services are purchased by government and its agencies as well as schools, hospitals, prisons and local authorities was launched in August 2003. The Defra co-ordinated review examined the environmental impact of production and distribution, waste, energy and biodiversity, animal welfare and pesticide use, and nutrition.

Demonstration Farms

28. More than 20 farms across England have been involved in this Defra-funded pilot scheme, named Forward Farming⁶. Set up as part of the Strategy for Sustainable Farming and Food and included as part of the wider Learning Skills and Knowledge Programme, demonstration farms are acknowledged as a useful way for farmers to share ideas and experiences. The pilot was set up to test the effectiveness of three different types of demonstration activity:
 - monitor farms for the arable, dairy, beef and sheep sectors providing economic and environmental benchmarking to allow individual farmers to compare performance, share best practice and learn from each other's experiences;
 - demonstration farms showing the benefits of closer links between farmers and the rest of the food chain, consumers, tourism industry, environmental initiatives and local communities;
 - a web-based 'virtual pig farm' where life on real farms as well as the fictitious Prospect Farm is chronicled, to show what is being done on some of the most progressive farms.
29. Following an evaluation of the pilot Defra will consider whether and how it should be involved in demonstration activities in the future. The final decision will be based on recommendations made in the evaluation report, in the Forward Farming final report and from discussions with stakeholders.

Rural Environment

30. On 1 December 2003, Defra announced that the number of wild birds in England had begun to stabilise after 20 years' decline. Wild birds are regarded as a good indicator of biodiversity because they occupy a broad range of habitats and are high in the ecological food chain. This means that, as a rule, healthy bird populations signify healthy plant and invertebrate populations on which they feed. The latest figures for 2002 showed that the population status of 106 bird species across the UK is 13 per cent higher than it was in 1970 and the overall population of wild birds in the UK has risen by 5 per cent over the last ten years.

6 <http://www.defra.gov.uk/rural/lsk/demofarms/default.htm>

31. The population of farmland birds has declined dramatically since the 1970's. There had been a 46 per cent reduction by 2002 of the farmland bird index (20 species chosen because they are recognised as native and widespread throughout UK farmland). The government adopted a Public Service Agreement target in 2000 to reverse this long term decline in farmland birds by 2020, within the wider objectives of protecting biodiversity and natural resources. The decline in the index has begun to slow in recent years though it is too soon to state whether the index has stabilised.
32. On July 31 2003, Defra announced new targets to protect and enhance bio-diversity on the Government estate which accounts for more than 1 per cent of the UK's total land mass. The new measures include:
 - a target to assess and improve the condition of Government owned Sites of Special Scientific Interest;
 - a requirement for all Government Departments who own sites of significant biodiversity interest to produce Biodiversity Action Plans;
 - a biodiversity target to be set in contracts for new and refurbished Government buildings.

Sites of Special Scientific Interest

33. Defra has a Public Service Agreement (PSA) target to bring into favourable condition by 2010, 95 percent of all nationally important wildlife sites. This relates to areas of land which by reason of their flora, fauna or physical features have been notified as a Site of Special Scientific Interest (SSSI) under section 28 of the Wildlife and Countryside Act 1981. There are 4,112 SSSIs in England covering a total area in excess of 1 million hectares. The Countryside Stewardship and Environmentally Sensitive Areas schemes have an important role to play in helping to achieve this PSA target. In 2003, over £13 million was spent on agri-environment agreements for managing land in these areas.
34. The latest figures from English Nature, who monitor Defra's performance against this target, indicate that as at 1 February 2004, 61 per cent of land in SSSIs has been assessed as meeting the PSA target in that the land is in either a 'favourable' or 'recovering' condition.

Diffuse Water Pollution

35. Since the strategic review of diffuse water pollution from agriculture started at the beginning of 2002, much work has been done on understanding the problem and developing potential solutions. On 30 April 2003, a stakeholder discussion paper was published on the Defra website⁷. This paper demonstrated the progress that had been made in understanding the problem, but also set out the current position and identified potential options for addressing the problem in the future. The strategic review of diffuse water pollution from agriculture in England aims to develop an action plan to reduce diffuse water pollution thereby raising water quality and improving the condition of wildlife habitats. A consultation on options for encouraging farmers to adopt catchment-sensitive farming to help reduce the problem is planned for the early part of 2004.

7 <http://www.defra.gov.uk/environment/water/dwpa/reports/dwpa07.htm>

Rural Economy and Communities

36. New research was published in January 2004 which aimed to show in detail the changing nature of England's rural economy and society. Using emerging data from the Office of National Statistics' Census 2001 and elsewhere, the Rural Research Centre, established by Defra and led by Birkbeck College produced a study entitled 'Social and Economic Change and Diversity in Rural England'⁸ that would help in the formulation of future rural policy.
37. Using the definition current at the time⁹, the report states that by 2001 there were approximately 14 million people living in rural areas, representing 29 per cent of the English population. Of this rural population, 8.4 million people lived in accessible rural areas and 5.6 million in remote rural areas (11 per cent of the overall England population). The population of rural districts grew by 780,000 residents between 1991 and 2001, a growth rate of 6 per cent, compared to a growth rate of only 1.4 per cent in urban areas. Of the rural population, approximately 2.5 million people (18 per cent) were aged 65 years and over. This represents approximately 33 per cent of the 7.8 million total persons of retirement age in England.
38. The majority of rural areas have relatively strong economic performance. However, the study demonstrated that more remote rural areas exhibited clear signs of relative disadvantage when compared to more accessible areas. This disadvantage was manifested in terms of lower incomes, higher unemployment, relatively disadvantageous industrial structures and a poorer skill base. These factors combine to increase the risks of social and economic exclusion.
39. Defra has a Public Service Agreement (PSA) target to: "Reduce the gap in productivity between the least well performing quartile of rural areas and the English median by 2006, and improve the accessibility of services for rural people". The key services targeted are access to: information, cash, education, healthcare and transport. The ERDP rural economy schemes in particular have an important role to play in enabling the Department to successfully deliver against this target, but all the other schemes have the potential to support those in the lowest performing quartile. Initial analysis indicates that 29 per cent of ERDP agreement holders are located in rural districts that have been highlighted as poorly performing, whilst a further 21 per cent of ERDP agreements are in other districts identified as having pockets of poor rural economic performance.

Impact of Hill Farming

40. In May 2003 Defra commissioned a report on the impact of hill farming on the economic, environmental and social sustainability of the uplands and more widely. The project was designed to provide a robust evidence-based assessment of the role of hill farming, to inform future uplands policy development. Key findings from the research¹⁰, which was completed in April 2004, were that:
 - as is the case with agriculture overall, the direct economic impact of hill farming in terms of employment and output is declining, though it could still be significant at the local or regional level;

8 http://www.defra.gov.uk/rural/pdfs/rwpreview/rwp_review_birkbeck1.pdf

9 A new rural definition will be launched in 2004. See <http://www.rural-urban.org.uk>

10 The impacts of Hill Farming on the Economic, Environmental and Social Sustainability of the Uplands and More Widely – the Institute for European Environmental Policy, Land Use Consultants and GHK Consulting (April 2004)

- the traditional links between upland and lowland farming are weaker than they once were, with hill farming being more dependent on the lowlands than lowland livestock farming depended on the hills as a source of supply;
 - tourism is fundamental to the future economic sustainability of many parts of the uplands, but the nature of the relationship between hill farming and tourism is complicated, and it cannot be assumed that all tourist activity is dependent upon the maintenance of the current landscape shaped by farming;
 - other activities in the uplands, such as grouse shooting and horse riding, can be economically significant but are often not dependent on the continuation of hill farming;
 - hill farming has both positive and negative impacts on the environment, but there is little evidence at present of land abandonment posing a significant risk to the environmental sustainability of upland areas;
 - there is widespread recognition and acceptance that the continuation of hill farming activities was needed to maintain the current upland environment.
41. The report also considered the part played by farming in the social and cultural identity of the uplands, in particular the complex relationship between “locals” and “incomers”, and the increasingly active role of women in driving farm business decisions, community involvement, and farm diversification.

Learning, Skills and Knowledge Programme

42. Defra Ministers launched the three-year Learning, Skills and Knowledge¹¹ (LSK) Programme in November 2002. The programme aims to encourage land managers and others working in rural areas to take opportunities to develop their skills and specialist knowledge, and to make access to relevant advice more streamlined and easier to find. The first stage of the Programme, a Review of the current situation, was completed in December 2003. Once budget allocations have been agreed the findings from the Review will be used to determine the work packages to be carried out over the next two years of the Programme.

Review of the Rural White Paper

43. The Rural White Paper was originally published in November 2000 and set out the Government’s full rural affairs agenda for the first time. In November 2003 a review of the Rural White Paper¹² was published which: assessed progress made over the previous three years; considered whether objectives needed refreshing in light of wider changes; and looked for ways to accelerate delivery. The main achievements to date have included:
- only 15 rural schools were closed between November 2000, when the paper was published, and the end of 2003;
 - an extra £30 million per year is being invested in improving policing in rural areas;

11 <http://www.defra.gov.uk/rural/lsk/default.htm>

12 <http://www.defra.gov.uk/rural/rwpreview/default.htm>

- funding for affordable rural housing has doubled to £1.2 billion a year across England;
 - £239 million allocated over three years for new and improved rural transport services;
 - £20 million a year is being spent on meat inspection costs to help small and medium sized abattoirs;
 - funding for national parks increased to £35.6 million in 2003/4 – a rise of 8 per cent;
44. The review of the Rural White Paper has also confirmed that further work is required and has identified the following challenges that need to be addressed:
- clarify the objectives, achieve greater prioritisation and targeting of need;
 - delivering properly integrated sustainable development;
 - understanding and defining national, regional, sub regional and local roles better, as well as the linkages between urban and rural areas;
 - improving governance and delivery arrangements;
 - continuing to develop a solid evidence base and evaluation framework.

Rather than replacing the White Paper, Government will build on its successes and feed the outcomes from this review into a refreshed rural strategy that is currently being prepared.

Rural Communities and Tackling Social Exclusion

45. During the year Defra has been working with other Government departments and stakeholders in the voluntary and community sector to develop its approach to building the capacity of rural communities to take action to tackle social exclusion and help achieve sustainable rural communities. A policy paper was published in September and was widely welcomed. A joint programme with the Home Office Active Communities Directorate to strengthen the infrastructure of support for local voluntary and community throughout rural England was launched in early 2004. A joint project with the Pensions Service (Department of Work and Pensions) will run from 2004/2006 aimed at addressing financial exclusion amongst the elderly in the most deprived rural areas.

Rural Services Standard

46. The Rural Services Standard¹³ is a Rural White Paper commitment that sets out the levels of access to services which rural communities can expect to receive. The Standard provides details on the types of public services in rural areas and how to access them: in person, by phone or via the Internet. The Rural Services Standard 2003 was extended to include a new standard for all rural Local Education Authorities to have a full, extended school service by 2006. New standards entitling every 4-6 year old to a free piece of fruit every school day and 50 per cent discounts on local bus service for over 60 year olds were also included for the first time.

13 http://www.defra.gov.uk/rural/rural_services/default.htm

Other Policy Developments Relevant to the ERDP

Modernising Rural Delivery

47. In November 2002, Defra invited Lord Haskins to carry out an independent review of the arrangements for delivering rural policies in England. After an extensive consultation process Lord Haskins published his report, which includes 33 separate recommendations for improving rural delivery, on 11 November 2003. Defra is currently working on its detailed response to the report and has established a stream of work entitled Modernising Rural Delivery¹⁴ to lead on this.

Rural Affairs Forum

48. During 2003, the Rural Affairs Forum for England¹⁵ continued to be an integral part of Defra's strategy to engage with and support the 14 million people in England who live and work in the countryside, villages and rural towns. Stemming from a Rural White Paper commitment and formally established in January 2002, the forum represents all aspects of rural opinion in English regions. Its stated aim is to be a national 'sounding board' so that Ministers have regular and direct contact with the main rural groups so that they know what is going on and what countryside people think. There were four separate meetings of the Forum during 2003, as well as a National conference.

Defra's Three-year Strategy

49. In May 2003, Defra launched a new three-year strategy¹⁶ which set the Department's main priorities across all policy areas, including:
- promotion of sustainable management and prudent use of natural resources domestically and internationally;
 - improving productivity in the least well performing areas and to increase accessibility of services for rural people;
 - tackling climate change and promoting a low-carbon economy;
 - promotion of a more sustainable farming and food industry which is focused on the market, efficient and makes better use of natural resources;
 - animal health and welfare: to protect public health and ensure high standards of animal welfare;
 - reduction of waste and encouragement of recycling to enable 23 per cent of household waste to be recycled or composted by 2005/6.
50. There is clear resonance between the broad social, environmental and economic outcomes of the ERDP and the priorities identified in Defra's three-year strategy, confirming that the ERDP has an important role to play in helping Defra to deliver against its wider rural objectives.

14 <http://www.defra.gov.uk/rural/ruraldelivery/default.htm>

15 <http://www.defra.gov.uk/rural/rafe/default.htm>

16 <http://www.defra.gov.uk/corporate/strategy0306/index.htm>

Section B: Progress on Measures and Priorities

51. This section reports on:

- progress against the output targets set out in Section 7 and Annex VII of the ERDP and progress against the European Commission's common monitoring indicators;
- scheme by scheme uptake of the measures implemented in the England Rural Development Programme;
- modifications that were made to the Programme in 2003.

Progress against ERDP targets and Common Monitoring Indicators

52. The updated tables illustrating ERDP scheme progress against the indicators and targets set out in Section 7 and Annex VII of the ERDP national programming document can be found in **Annex 3**. The tables containing data collected against the European Commission's common monitoring indicators are enclosed at **Annex 4**. In terms of meeting its 2 high-level objectives, the ERDP Mid-Term Evaluation concluded that the ERDP seemed to be generally more effective to date in addressing Priority B, 'conservation and enhancement of the rural environment', than Priority A, 'creation of a productive and sustainable rural economy' (see **Table 2 in Annex 3**). The evaluators suggested that the reason for this was that the agri-environment and forestry schemes which address Priority B have been established for over 10 years now, whilst the rural economy schemes (PMG, RES, VTS), that have Priority A as their principal aim are relatively new.

ERDP scheme uptake and approvals in 2003

Rural Economy Schemes

53. The majority of applications under the three rural economy schemes (Rural Enterprise Scheme (RES), Processing and Marketing Grant (PMG) and Vocational Training Scheme (VTS) are considered by Regional Appraisal Panels who assess the quality of applications by following a detailed technical assessment. Projects that are either national or cross-regional in scope are considered by an Inter-regional forum whilst small-scale applications to the Vocational Training Scheme and the Rural Enterprise Scheme are considered under new fast-track appraisal mechanisms, (further information provided in **Section C**).
54. **Table 3** below provides information about the total number of applications received and subsequently approved for these three schemes since the start of the ERDP in October 2000 as well as during calendar year 2003 alone. The figures in this table help demonstrate that positive progress has been made in delivering the rural economy schemes during the year. Almost half of all the applications received for these schemes since the start of the ERDP were received during 2003. Across the three schemes, the percentage of applications that received approval was higher in 2003 when compared with the overall percentage since the start of the Programme. This indicates that the efforts made by regionally-based Rural Development Service staff to improve the quality of applications submitted, by holding clinics and workshops for potential applicants, are having a positive effect.

Table 3: Applications and decisions by Regional Appraisal Panels to the end of December 2003

| | RES | | PMG | | VTS | |
|--|-----------------------------|---------------------------|-----------------------------|---------------------------|-----------------------------|---------------------------|
| | Activity since October 2000 | Activity during 2003 only | Activity since October 2000 | Activity during 2003 only | Activity since October 2000 | Activity during 2003 only |
| Number of eligible applications received | 2,553 | 1,225 | 248 | 123 | 479 | 225 |
| Applications approved: | | | | | | |
| Number | 1,067 | 471 | 127 | 46 | 241 | 73 |
| Total grant (£) | 56,230,957 | 25,003,033 | 27,654,856 | 9,256,241 | 10,595,794 | 4,461,392 |
| Average grant (£) | 52,700 | 53,085 | 217,755 | 201,223 | 43,966 | 61,115 |
| Applications rejected: | | | | | | |
| Number | 675 | 235 | 44 | 15 | 55 | 12 |
| Total grant (£) | 68,652,382 | 16,436,907 | 14,508,758 | 4,570,480 | 3,552,212 | 958,717 |
| Average grant (£) | 101,707 | 69,944 | 329,744 | 304,699 | 64,586 | 79,893 |
| Total applications considered by RAPs | 1,742 | 706 | 171 | 61 | 296 | 85 |
| Approvals as per cent of RAP decisions | 61 | 67 | 74 | 75 | 81 | 86 |

Processing and Marketing Grant

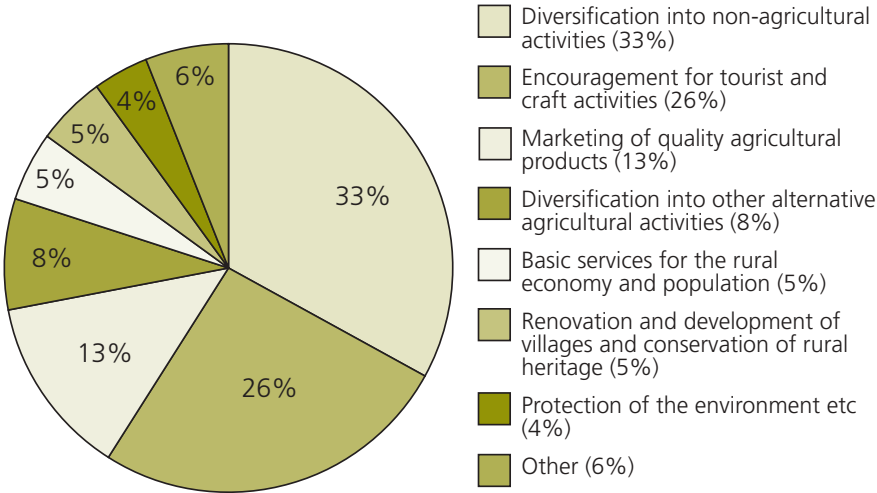
55. The number of eligible applications received under this scheme, continued to increase during 2003. 46 projects were approved during the year representing a total grant commitment of £9.3 million. Over the whole 7-year period of the ERDP the Processing and Marketing Grant has a total budget of £44 million, of which £27.7 million had been committed to approved projects by the end of December 2003.

Rural Enterprise Scheme

56. In 2003, over 1,200 eligible applications for Rural Enterprise Scheme funding were received. 471 applications were approved representing a grant commitment of just over £25 million. The general upwards trend in terms of number of applications received continued during 2003, with over 300 applications being submitted to RDS regional offices each quarter. The number of applications that were either ineligible or withdrawn decreased further during 2003, suggesting that the efforts made by regions to guide applicants through the process and improve the quality of applications finally submitted are being successful. The total budget for RES over the 7 years of the ERDP is £152 million of which over £56 million has so far been committed through signed agreements.

57. **Chart 2** below shows the cumulative breakdown of the value of approved Rural Enterprise Scheme projects for each measure. The most popular measures remain diversification, particularly into non-agricultural activities, support for tourism and craft activities and marketing of quality agricultural products. The most popular measures are also those with the largest available budget. However, Rural Development Service staff are keen to ensure that all the RES measures are promoted and publicised in order to secure the broad range of social, environmental and economic outcomes that the scheme offers.

Chart 2: Rural Enterprise Scheme – Cumulative breakdown of agreements by value for each measure



Note: The three measures combined under 'Other' are: setting up farm relief and farm management services; development and improvement of infrastructures connected with the development of agriculture and agricultural water resources management.

Vocational Training Scheme

58. During 2003, 225 eligible Vocational Training Scheme applications were received. 73 applications were actually approved during the year representing a grant commitment of £4.5 million. VTS has a total budget of £22 million over the 7-year life of the Programme, with £10.6 million of this already committed through approved applications. The quality of applications for funding under this scheme is relatively high with over 86 per cent of applications submitted during the year received approval.

Land Based Schemes

Countryside Stewardship Scheme

59. The 2004 CSS scheme year opened for new applications in October 2003 with the publication of the scheme handbook. This was likely to be the last opportunity for farmers and land managers to join CSS before, subject to European Commission approval, it is replaced in 2005 by the new Environmental Stewardship scheme. Increased payment rates for capital items and access were approved by the European Commission in December and were introduced for work completed from 1 October 2003. The majority of rates have increased significantly (the average increase is around 60 per cent).

60. During 2003, 2,750 new agreements were finalised covering an estimated area of 114,000 hectares. For the second year running, the new rotational options attracted a great deal of interest. It is estimated that about 25 per cent of agreements starting in 2003 will include these options and that they will account for 8 per cent of the land brought into the scheme. Since 2000, new applications and renewals have added approximately 400,000 hectares of land to the scheme. One of many noteworthy achievements, at regional level, was the inclusion of over 17,000 hectares of land in the New Forest. To date this is the Scheme's largest single agreement, attracting more than £4 million of funding over 10 years.

Environmentally Sensitive Areas Scheme

61. Increased payment rates for capital items and access were approved by the European Commission in December and are being introduced for 2004. During 2003, 842 new applications (including upgrades), covering 28,118 hectares, were received. In addition, 1,971 applications to renew agreements that concluded in 2003 were received, representing a renewal rate of 95 per cent. At a time when preparations were underway for closure of the ESA scheme to new applicants from April 2004, these figures, which all show increases from 2002, indicate the continued success of the scheme in encouraging farmers to adopt practices which deliver clear environmental benefits.
62. Major support from the ESA and Countryside Stewardship Schemes continued for National Parks where £50 million was spent on sustainable land management and a further £13.4 million was spent similarly on Sites of Special Scientific Interest (SSSI) land management.

Organic Farming Scheme

63. Uptake under the new Organic Farming Scheme continues to be lower than anticipated. During 2003, there were 183 new agreements under this scheme covering the management of an additional 14,758 hectares of land at a total cost of £2.8 million. The Rural Development Service have organised a series of country-wide clinics to be held in 2004 which will complement the work of the Organic inspection bodies and other stakeholders and help promote the scheme.

Energy Crops Scheme

64. The Energy Crops Scheme is particularly sensitive to trends in the demand for renewable energy and hence to the development of overall energy policy in the UK. Applications to establish energy crops have remained slow during 2003 with only an additional 158 hectares of short rotation coppice secured under the scheme during the year. However, in December the DTI announced the extension of targets for renewable electricity from 10 per cent of supply in 2010 to 15 per cent of supply in 2015. This should instill more confidence in the long-term market for renewable energy. DTI also announced the outcome of a consultation on the technical aspects of the Renewables Obligation. This has resulted in some changes to the detail relating to co-firing of biomass with coal, which should make the use of energy crops for co-firing more feasible. It is expected that these two announcements will encourage the establishment of energy crops under the scheme.

Farm Woodland Premium Scheme and the Woodland Grant Scheme

65. During 2003, an additional 5,254 hectares of new woodland planting on agricultural land was approved under the Farm Woodland Premium Scheme. During 2003, an additional 6,262 hectares of new woodland planting was secured under the Woodland Grant Scheme and a further 56,641 hectares of existing woodland was brought under new management agreements.

Hill Farm Allowance

66. By the end of December, payments under the 2003 Hill Farm Allowance (HFA) amounting to £39.3 million had been paid to 9,833 claimants. These payments include an amount of £0.45 million for 'safety net' payments to claimants who lost out significantly as a result of the transition from the production based Hill Livestock Compensatory Allowance to the area based HFA in 2001. The 2003 Hill Farm Allowance was the last year in which safety net payments apply.

ERDP Modification 2003

67. European Commission regulations allow Member States to amend their Rural Development Programmes annually through the submission of formal Programme Modifications. Defra is keen to make use of this provision as it allows the Programme to be amended in order to maximise the ERDP's effectiveness and impact. It also provides the opportunity to amend the design of the ERDP schemes, perhaps in response to feedback from end customers or due to lessons learned from operating them, in order better secure economic, social and environmental outcomes and improve overall value for money.
68. The 2003 ERDP modification contained one Category A amendment requiring Commission approval, and several Category B amendments that were submitted as notifications. The category A amendment concerned the introduction of new co-financed items and a change from state aid to co-finance for eligible items under both the Countryside Stewardship Scheme (CSS) and Conservation Plans within Environmentally Sensitive Areas (ESAs).
69. Among the new co-financed items was the provision to contribute towards the costs of a whole-farm assessment of environmental potential. This is intended to help farmers identify the key features of environmental interest on their farms as well as the main risks and threats of environmental damage. In particular, it would provide a basis for maximising the environmental benefit of new agreements under the current agri-environment schemes or under the new Environmental Stewardship scheme due to be introduced, subject to Commission approval, in 2005.
70. The category B amendments included as notifications were:
 - **Changes to agri-environment payment rates** for linear activities, capital items, access items and special projects under CSS and those for Conservation Plans within ESAs.
 - **Amendment of the scheme rules for the Vocational Training Scheme** to allow support for training which leads to the acquisition of qualifications required under UK legislation. This will remove an unnecessary restriction that prevents payments being made for courses which are required under legislation in order to carry out certain activities. This should ensure a more effective use of the Vocational Training Scheme by potentially allowing a wider range of training to be funded, including those justified as part of farm diversification plans.

- **Changes to Hill Farm Allowance (HFA) payment rates:** as agreed with the Commission in 2002, part of the 2003 modification included a notification to update the payment rates of HFA. This will mean that farmers will receive higher than published HFA payments for 2004, thus contributing to the retention of farming in the uplands.
- **Rural Enterprise Scheme:**
 - A new fast track appraisal process for good quality small-scale applications. This will speed up the appraisal process and also reduce the administrative cost of approving projects. To protect the selective nature of the scheme, projects approved under fast tracking will be reported to the Regional Appraisal Panel who will retain an overview of all support granted under RES.
 - Advance payments: in line with Ministers' commitment to the Voluntary and Community Sector Compact, the Programme is being modified to allow advance payments to certain rural community projects which might not otherwise be able to proceed.
 - Aid rates: amendment to allow the possibility of a rate of grant of 50-100 per cent for projects under the marketing of quality agricultural products and diversification of agricultural activities measures of RES in order to better support projects or activities where no commercial return is expected.

The 2003 ERDP Programme Modification received European Commission approval by Commission decision C (2004) 254 of 29 January 2004.

Section C: Action Taken to Ensure High Quality and Effective Implementation

71. During 2003, there were a number of formal reviews which impacted upon ERDP schemes and details of these are provided below. Coupled with this, Defra have continued to review the structure and operation of all the ERDP schemes and, where possible, have sought to change or develop them in order to minimise the administrative cost and burden of delivery and maximise the economic, social and environmental benefits they deliver. This section provides an overview of the action taken to ensure high quality and effective implementation and a summary of the major problems encountered in managing the ERDP by drawing upon the following information:
- an outline of the ERDP Mid-Term Evaluation;
 - a summary of the agri-environment schemes review;
 - ERDP scheme specific reviews and developments;
 - other Programme-wide activity.

ERDP Mid-Term Evaluation

72. The Mid-Term Evaluation of the ERDP¹⁷, as required by Article 57 of Commission Regulation 445/2002, took place during the year and the final report was submitted to the European Commission on 31 December 2003. The independent evaluators, ADAS Consulting Ltd and SQW Ltd, examined the impact of the Programme on rural areas since its inception in 2000 and looked at issues such as:
- progress against Programme and national objectives and targets;
 - performance of the ERDP as a whole, as well as performance of individual schemes;
 - coherence between schemes;
 - facilitation and promotion issues;
 - sustainability of scheme and Programme outcomes;
 - efficiency of Programme management, delivery and monitoring mechanisms;
 - recommendations for suitable changes to the ERDP (principally for the successor Programme in the next financial perspective (2007 onwards).
73. The evaluation process involved analysis of a wide range of environmental, social and economic indicators to determine the impact of the ERDP in rural areas. The evaluators were required to analyse and review existing rural data, academic research, surveys, ERDP scheme reviews and evaluations as well as undertaking new data collection including surveys and geographical information systems analysis.
74. The overall assessment of the ERDP made by the evaluators is that at its mid point a good start has been made in many areas, despite disruption caused by Foot and Mouth disease at the beginning of the Programme. So far the Programme has been most effective at addressing its conservation priority, with the main

¹⁷ http://www.defra.gov.uk/erdp/reviews/midterm/final_report/default.htm

agri-environment schemes meeting or exceeding their objectives. The project-based schemes, which target the economic and social priority, are newer and have taken time to become established. However the budget spend has increased and there is evidence of a positive impact on local and niche markets, and rural employment.

75. The report identifies issues to be addressed regarding the management and targeting of the schemes, and provides a series of recommendations to help guide future Programme implementation activity. Work has begun on a detailed response to the report and in 2004 Defra will consider whether the ERDP needs to be adapted in light of the evaluation to help achieve targets and improve customer focus. The Mid-Term Evaluation of the ERDP also provided a useful summary of the effectiveness of each scheme, highlighting any problems that had been encountered and proposing or endorsing the steps to be taken to improve overall Programme delivery. Some of the scheme specific recommendations to emerge from the Mid-Term Evaluation are provided in the relevant paragraphs below.

Agri-environment Schemes Review

76. A review of the English agri-environment schemes¹⁸ was a key recommendation of the Policy Commission on the Future of Farming and Food. The review has now been incorporated into the Government's response to the Policy Commission: the Strategy for Sustainable Farming and Food. Progress made on the agri-environment schemes review during 2003 has included:
- *Development of Environmental Stewardship:* Between March 2002 and December 2003, Defra completed three rounds of consultation concerning the agri-environment review and the proposed new scheme. Following the first two rounds of consultation a document setting out the design of the new scheme was published in October 2003. In December 2003, Ministers agreed that the new agri-environment scheme would be referred to as 'Environmental Stewardship'. The scheme would be made up of two elements, an Entry Level and a Higher Level, with the Entry Level also including an element providing support for organic conversion;
 - *Development of Entry Level Stewardship:* The scheme provides applicants with a broad menu of environmental management activities from which to build up individual agreements. These simple options applied widely will help to improve farmland biodiversity, protect historic features, maintain landscape character and reduce diffuse pollution;
 - *Launch of Entry Level Stewardship pilots:* On 28 February 2003, Defra commenced a five-year, nationally funded pilot of the Entry Level Stewardship. The aim of the pilot was to test the practicability of the Entry Level design on a range of farm types, and to then revise and improve it before making the scheme available nationally in 2005, subject to Commission approval. The four areas of England chosen to pilot the scheme represent a broad range of farming systems (upland, grassland, mixed, arable). Over 250 farmers joined the pilot scheme, well above Defra's target of 200, with at least fifty participants in each of the four areas;

18 <http://www.defra.gov.uk/erdp/reviews/agrienv/default.htm>

- *Evaluation of Entry Level Stewardship pilots:* The Entry Level Stewardship pilot was subject to an intensive series of initial evaluations during the summer and autumn of 2003. The results were collected and analysed by the Central Science Laboratory in an interim report, published in October 2003 which concluded that the pilot had largely met its pre-determined success criteria. In December 2003, the Rural Development Service carried out an Entry-Level 'post pilot' exercise. Forty farmers participating in the pilot, 10 from each area, were consulted on potential changes and enhancements to the scheme, based on their experience of the pilot. The Central Science Laboratory then completed the final report of the Entry Level pilot evaluation late February 2004, which confirmed that the pilot had met its success criteria. Agreement has now been reached that, subject to EU approval, Entry Level Stewardship will now be rolled out in 2005;
- *Development of Higher Level Stewardship:* The second half of 2003 saw the detailed development of the new Higher Level of Environmental Stewardship. This Higher Level will be based on the existing Countryside Stewardship and Environmentally Sensitive Areas schemes and is scheduled to be launched across England in 2005. The five main objectives of the scheme are:
 - wildlife conservation;
 - protection of the historic environment;
 - maintenance and enhancement of landscape quality and character;
 - promotion of public access and understanding;
 - natural resource protection.

77. Higher Level Stewardship will concentrate on the more complex types of management needed to achieve these objectives, where land managers need advice and support, where agreements need to be tailored to local circumstances and where management needs to be carefully tailored. The design of Higher Level Stewardship will have a very strong focus on environmental outcomes and will incorporate a series of design features intended to help achieve these outcomes, including:

- a requirement for a Farm Environment Plan prior to entry;
- 'Indicators of Success' to guide land managers in adjusting their management to optimise environmental outcomes;
- monitoring of feature condition and regular feedback to agreement holders.

78. Defra ran a third round of consultation on the draft list of Higher Tier options, intermediate objectives and proposed new capital items. The results of this consultation have been analysed and are being used to help finalise the options to be included in the scheme.

Countryside Stewardship and Environmentally Sensitive Areas Schemes

79. The review of payment rates for capital items in the Countryside Stewardship and Environmentally Sensitive Area schemes was concluded during 2003. Payment rates in the two schemes were brought up-to-date (and unified) in the 2003

modification of the ERDP – approved by the Commission’s STAR committee on 17th December 2003. Where appropriate, these new rates will apply to capital works carried out during the 2003 scheme year. The unified menu of capital works will be part of the Higher Level of the new Environmental Stewardship Scheme.

80. The CSS and ESA schemes will be closed to new applicants after the 2004 application period. Measures are being introduced with a view to ensuring that existing agreements are either actively maintained or, alternatively, transferred into the new Environmental Stewardship Scheme at the earliest opportunity permitted by available resources. The priority will be to maintain and enhance the environmental benefits secured under the agreements. Payments for farm environmental plans will be available to enable agreements scheduled for renewal in 2005 to qualify for entry into the new scheme.
81. Following on from the decision made in 2002 to bring forward the closure of the 2003 application window to 30 April, the Rural Development Service agreed to design and implement Regional Delivery Plans. The aim was to increase the proportion of agreements offered before 30 November. All the plans had common application processing milestones. The target rate for agreement offers by 30 November was 100 per cent. The regions managed an average rate of 71 per cent, which was a significant improvement on previous years. With this improvement in delivery, more agreements were able to incorporate the new rotational arable options into the first year.
82. An Access Review covering both Countryside Stewardship and Environmentally Sensitive Areas (ESA) Schemes was completed during the year. Among the changes implemented, a new objective has been introduced to provide links to isolated areas of open countryside (mountain, moor, heath, down and registered common land) designated under the ‘Countryside Rights of Way Act’. There is also a new publicity and promotion strategy which will highlight the role of permissive access within agri-environment schemes. The Access Review findings have been fed into the Agri-environment Review Steering Group and the development of access options for the Environmental Stewardship Scheme.
83. The Mid-Term Evaluation of the ERDP concluded that Countryside Stewardship in particular was currently operating effectively. That said, the evaluators suggested a number of improvements for both CSS and ESAs such as better integration with other ERDP schemes and improved targeting. These recommendations have been considered as part of the design process for the new Environmental Stewardship scheme which is scheduled to replace CSS and ESA from 2005.

Organic Farming Scheme

84. Modifications to the Organic Farming Scheme (OFS), including the introduction of ongoing maintenance payments to organic farmers and enhanced rates of aid for converting top fruit orchards, were launched on 5 June. This implemented one of the commitments in the *Action Plan to encourage organic food and farming in England*, launched in 2002. The introduction of maintenance payments under OFS also emerged as a recommendation from the ERDP Mid-Term Evaluation, which suggested that they were required to help secure long-term environmental outputs and to enable the growth of the organic sector to be market-led. The 2003 changes represent an interim measure as from Spring 2005, support for organic farmers will be included in the new Environmental Stewardship Scheme.

85. The Government's support for organic farming is based on the environmental advantages it delivers. There is clear evidence that in a number of areas, including energy use, pollution to air and water, nitrate loss and production of controlled wastes, organic farming scores well. The ongoing maintenance payments are therefore justified within the terms of the Rural Development Regulation as compensation for income foregone (on the basis that market premiums do not fully compensate for production loss and increased cost) with an additional element to reflect environmental benefit.
86. In December 2003, a consultation on the future of Organic Conversion Aid¹⁹ was launched. A broad range of stakeholders were asked for their views on a number of issues relating to the structure and future delivery of conversion aid. Responses to the Consultation will be received during 2004 and will be considered as part of the development of the Organic Strand of Entry Level Stewardship.

Hill Farm Allowance

87. In April 2003, Defra launched a consultation to review the Hill Farm Allowance (HFA) in England. The review considered the effectiveness and future direction of Government incentives for maintaining extensive farming in the Less Favoured Areas (LFAs) in England. The review sought to identify any improvements that can be made to the current HFA, but also explored how the HFA best fits with other measures, including the Entry Level tier of the Environmental Stewardship Scheme and changes arising from CAP reform.
88. The ERDP Mid-Term Evaluation said that the low administrative costs of HFA were attractive and praised the simplicity of the scheme. It recommended that in order to ensure HFA remains a broad and shallow scheme, the enhancements should be either removed or incorporated into the minimum scheme eligibility requirements. The evaluators also suggested that if HFA is to continue to be an inclusive environmental management scheme, better integration with the ERDP agri-environment schemes would be desirable. In light of these recommendations and the changes brought about as a result of the introduction of the Single Farm Payment, Ministers have decided that existing rules should be retained until the end of the current ERDP programming period, except for the following changes:
 - i) removal of the two enhancements for low stocking. Because data on animal numbers previously obtained through the Sheep Annual Premium Scheme and the Suckler Cow Premium Scheme will no longer be available to validate claims, thus necessitating the removal of these enhancements.
 - ii) removal of the organic farming enhancement. This is to remove the risk of 'double-counting' for organic hill farmers who are eligible for payments under the Organic Farming Scheme and the new Organic Entry Level Environmental Stewardship Scheme.
89. These proposed changes were notified to the European Commission in April 2004. Further minimal changes to HFA 2006 will be necessary as a result of the introduction of the Single Payment claim form which will replace the Integrated Administration and Control System (IACS) claim procedure. These changes will be

¹⁹ <http://www.defra.gov.uk/erdp/schemes/ofs/conversion.htm>

notified to the Commission in 2005. The future of Less Favoured Area support after 2006 will be further reviewed in the context of the new Rural Development Regulation covering the period 2007-2013.

Farm Woodland Premium Scheme and Woodland Grant Scheme

90. The joint Forestry Commission and Defra response to the report of the Woodland Creation Review Steering Group was published in April 2003. Most of the Steering Group's 25 headline recommendations were accepted either in whole or in part. The group's key recommendations were to:
- support the creation of high quality woodlands that are designed and managed to deliver clear public benefits;
 - provide for a more regionally based approach to woodland creation policy and delivery;
 - raise the profile of the role of trees and woodlands in urban renaissance and land regeneration;
 - bring the current Woodland Grant Scheme and Farm Woodland Premium Scheme together under one umbrella scheme administered by the Forestry Commission;
 - improve the provision of advice and information.
91. In October 2003, Defra and the Forestry Commission launched a public consultation on proposals for a new English Woodland Grant Scheme (EWGS). This new scheme was developed in light of the recent reviews of woodland creation grants in England, the recommendations from the ERDP Mid-Term Evaluation and of the Forestry Commission's support for existing woodlands. Consultees were asked to feed in their comments on the national framework for EWGS, the introduction of regional flexibility within the scheme, and the details of the proposed grants. Responses to the consultation were then used to develop the final structure and detail of the scheme which was submitted to the European Commission in April 2004 for consideration and approval as a Programme modification.

Energy Crops Scheme

92. As noted in **Section B** of this report, the number of applications received under the Energy Crops Scheme has remained low. The scheme is heavily reliant on the wider renewable energy industry which has seen a number of developments in 2003 that augur well for the success of Energy Crops in the remaining years of the Programme:

a) Energy White Paper

The Energy White Paper 'Our energy future – creating a low carbon economy' was launched in February 2003 and set out government plans for future energy policy. The White Paper made it clear that energy efficiency is crucial, highly cost-effective and can deliver big carbon savings across the country. The Energy White Paper identified that biomass may become one of the largest contributors to the renewables generation mix aimed at meeting the

aspirational target of 20 per cent of electricity produced from renewables by 2020. Fuels made from bio-mass represent an important potential route for achieving the goal of zero-carbon transport, but also create new opportunities for both UK and global agriculture.

b) *Bio-energy Capital Grants Scheme*

In April 2003, the environment and rural communities received a major boost with the announcement of nearly £19 million in grant awards to help build five green power plants in England. The funding was released from the Government's Bio-energy Capital Grants Scheme which represents an essential component in establishing power generation plants fuelled by energy crops, wood and agricultural by-products. The projects in Staffordshire, Devon, Wiltshire and Somerset have been offered a total of £18.7 million to help build bio-mass power plants that will produce enough heat and electricity to meet the needs of over 90,000 homes – equivalent to a city the size of Southampton.

c) *The Renewables Obligation*

Introduced in April 2002, the Renewables Obligation requires all licensed electricity suppliers in England and Wales to supply a specified and growing proportion of their electricity sales from a choice of eligible renewable sources – including bio-mass. A public consultation on the Renewables Obligation was launched on 29 August 2003 proposing a number of technical and other amendments to the Obligation; 111 responses were received. As a result of the consultation, in December 2003 it was proposed that co-firing of biomass with fossil fuel under the Renewable Obligation would be extended to allow longer for an energy crop market to develop through establishing biomass operations at co-fired stations.

93. The ERDP Mid-Term Evaluation acknowledged that the problems encountered by the Energy Crops Scheme to date have resulted from market failure rather than publicity issues, noting that the basic mechanisms of the Scheme were sound.

Rural Enterprise Scheme

94. Following concerns about the proportionality of the assessment process for small-scale, low-value project proposals under the Rural Enterprise Scheme, Defra decided to implement a fast-track, risk-based appraisal system which was piloted in 2 RDS regions (East and North West) over a three month period early in 2003. The main parameter for including applications in the pilot was a maximum grant ceiling of £15,000 (irrespective of the rate of grant). The fast-track approach involved a simplified technical assessment report, coupled with decisions being made on a case-by-case basis by the Regional Manager, rather than being considered in batches by the Regional Appraisal Panel. Data was also collected from two control regions (West Midlands and Yorkshire and the Humber) for comparison purposes.
95. Once the three-month pilot had been completed an evaluation of the fast tracking mechanism was carried out. The results of this evaluation indicated that the pilot approach had achieved its primary objective of reducing processing times in terms of both: (i) the overall time between receipt of application and Defra's decision; and (ii) the amount of RDS input required. The figures showed that, whilst some

cases can be dealt with quickly under the normal arrangements, overall the processing period was reduced by almost half for the fast-track cases. It was decided to make this fast track system a formal part of the ERDP so it was included as a notification in the 2003 ERDP modification. The fast-track mechanism will be implemented nationally during 2004.

96. As highlighted in **Chart 3** and **Section B** of this report, uptake to the three social measures of RES (basic services for the rural economy and population, renovation and development of villages, protection of the environment), has been considerably lower than uptake to the more economically focused measures of the scheme. In order to improve this situation, RDS regional staff have engaged with community-focused organisations such as Action with Communities in Rural England (ACRE), Rural Community Councils (RCCs) and local authorities during 2003. For example, in the South East region, Defra staff have: held a number of meetings with key contacts; organised a 'training day' to take community group representatives through the RES grant process; introduced a concept note and simple business plan pro-forma for use with community focused projects; and allocated 60 per cent of an adviser's time to working with community bodies.
97. Through the Planning Consultancy Advice (PCA) scheme, farmers who were interested in pursuing viable Rural Enterprise Scheme diversification projects have been able to claim back the costs, up to a limit, for a planning feasibility study undertaken by a suitably qualified consultant. This scheme, which is wholly funded by Defra, fulfils the commitment in the Action Plan for Farming and the Rural White Paper to provide free planning advice for farmers pursuing diversification projects. During 2003, over 1,150 farmers benefited from planning advice at a cost of over £965,500. An independent evaluation of the scheme was initiated during 2003 which will feed into policy decisions on the future of the scheme. Details on whether the scheme achieved its planned objectives were part of the evaluation criteria, as well as information on other available advice to farmers on planning issues. The evaluation is to be presented and analysed in 2004.

Vocational Training Scheme

98. A fast-track appraisal process has also been piloted for the Vocational Training Scheme in order to reduce the time and administrative costs of dealing with small-value applications. The fast-tracking arrangements will allow applications from individual trainees to pass from technical assessment to an immediate funding decision. This means that small-scale applications are dealt with more quickly. The scheme literature has been redrafted, based on customer feedback and experience of operating the scheme, in order to stimulate scheme demand, guide applicants through the application process more effectively and maximise their chance of having their project approved. Defra has also launched an on-line Training Needs Assessment tool which allows interested parties to see how others have been helped by VTS; helps explain the scheme rules; helps applicants calculate costs and set achievable targets; and provides contact details for further queries.

Processing and Marketing Grant

99. The scheme literature for the Processing and Marketing Grant (PMG) was revised in 2003 in order to make it more customer friendly and to stimulate interest and uptake in the scheme. The final report of the economic evaluation of PMG that

began in December 2002 was received at the end of last year and the recommendations made were similar to those from the Mid-Term Evaluation of the ERDP. Principally that Defra should reconsider the objectives of PMG and try to simplify and clarify them but also to make the application assessment process more open and transparent. The Mid-Term Evaluation did note that PMG is highly valued by successful applicants and has a significant impact on the scale and nature of proposed investments. However, it suggested that the grant enables rather than stimulates investment meaning that any additionality is likely to be modest. An action plan to respond to these recommendations will be drawn up but initial considerations suggest that most of the recommendations will need to be addressed when drawing up the next Rural Development Programme.

ERDP Governance

100. The ERDP Ministerial Board, originally established in December 2002, met 8 times during 2003. This forum brings together the Minister of State for Rural Affairs, the Minister of State for Environment and the Defra Parliamentary Secretaries for the House of Commons and House of Lords. Each of these four Ministers has a direct interest in the ERDP as a result of their individual portfolio responsibilities. The ERDP Ministerial Board provides the opportunity for Ministers and senior officials to coordinate ERDP delivery, elaborate a strategic overview, and ensure a joined up approach to policy and delivery. This helps maintain the ERDP's position at the heart of Defra's rural policy objectives.

Financial Controls: Cross-checks and Inspections

101. Early in 2003, the European Commission were informed that cross-checks against the IACS database had been undertaken on all agri-environment agreements and claims that were outstanding as a result of the 2001 backdata exercise. It was also confirmed that all new applications, renewals, agreement amendments and claims for agri-environment schemes received had been automatically cross-checked against the IACS database and that the UK had complied fully with the requirements of Commission Regulations 2078/92 and 1257/99. Automatic cross-checking continued during 2003 and 2,215 potential anomalies had been identified and referred to the Rural Payments Agency for follow-up action. As at the end of December, approximately 90% of these referrals had been resolved, a significant improvement on previous years.

102. Rural Development Service and Rural Payments Agency staff carried out a joint 'lessons learned' exercise during 2003, in order to improve the way cross-checks were carried out. A number of operational and procedural changes, such as enhanced guidance notes for staff, have been introduced. Consequently, the turn-around time for handling cross-checks and any investigative action required had improved markedly, resulting in efficiency savings and better customer service.

103. During 2003, excellent progress had been made in completing the on-the-spot inspections required by Commission regulations 445/2002 and 2419/2001. By Christmas, 98 per cent of the 2003 inspections required for the agri-environment and forestry schemes had been completed. Procedures are in place to ensure that staff involved in compliance monitoring of projects should not have been involved in

the assessment or approval of that project. Any follow-up action required after the completion of the inspection is recorded, monitored and used to inform potential changes or enhancements to the scheme rules and procedures.

erdpiT Programme and RDS Change Programme

104. The erdpiT programme aims to transform the way the ERDP schemes are delivered to customers in support of sustainable rural development. The IT system which is being developed as part of the Programme is also essential to the delivery of the new Environmental Stewardship scheme, which is due to be launched in 2005, it will:

- improve services to customers by providing electronic facilities for on-line applications, claims and queries on the status of agreements;
- improve and simplify business processes;
- provide powerful and accurate management information for effective running of the business and evidence-based policy making;
- use programme management best practice;
- provide an IT system which can help to enable current and future organisational change;
- provide the platform for future developments like mobile computing to enable more flexible and efficient ways of working.

105. Implementation of the system and the new ways of working will be supported by training, which will help staff to adapt to the changes and develop the new skills required. In particular the Programme will enable the Rural Development Service to improve its capacity to deliver by allowing staff to concentrate on providing support to customers and partners and achieve a better outcome for the countryside and rural economy.

106. Coupled with the work to develop the new ERDP IT system, the Rural Development Service have introduced a programme of change designed to help improve ERDP scheme delivery and customer service. In particular it will result in:

- fully integrated delivery teams with a strong customer focus embodied in the role of 'Rural Development Advisers' with prime responsibility for servicing specific customers' needs;
- multi-skilled staff able to advise across the full range of schemes;
- the adoption of account management principles in dealings with customers and partners;
- full implementation of GENESIS, with the electronic record becoming the master record and the operation of 'workflow' to facilitate efficient allocation and progress of scheme related work;
- flatter structures and removal of unnecessary hierarchy;
- significant improvement in the quality, accessibility and use of up-to-date management information.

Farm Waste Grant Scheme (in support of the Nitrates Directive)

107. In September 2003 changes to the Farm Waste Grant Scheme, which assists farmers in Nitrate Vulnerable Zones (NVZs) to buy new or better manure or slurry storage facilities, were announced. The scheme will now run until 31 March 2006, after which it will end permanently in all current NVZs. The other change was the introduction of the requirement for farmers to secure Defra approval before starting work from 15 October 2003. Until then, claims for grants had been considered after work was completed.

European Structural Funds: Objective 1

108. In 1999, three areas in England were awarded Objective 1 status by the European Commission. This designation is given to areas throughout the European Union (EU) whose economic development is lagging behind the EU average in terms of income and employment by less than 75 per cent of Gross Domestic Product per capita. The Objective 1 Programme provides additional funds for a wide variety of activities with the aim of moving these regions towards a range of targets. These include raising income per head, encouraging diversification, increasing the number of jobs and businesses and boosting wages/incomes.

109. The Objective 1 programme is run in parallel with the England Rural Development Programme (which covers the remainder of England) and runs for a seven-year period from 1 January 2000 to the end of 2006. Each Objective 1 area considers and administers projects in accordance with the local Single Programming Document (SPD). £65.5 million has been allocated under the European Agricultural Guidance and Guarantee Fund (EAGGF) guidance section, and equivalent match funding provided by Defra, bringing the total to £131 million.

110. EAGGF funding in the Objective 1 areas covers similar measures to the Rural Enterprise Scheme, Vocational Training Scheme and Processing and Marketing Grant Scheme which are available in the rest of England under the ERDP. The three English areas which have been designated by the European Commission to receive assistance under Objective 1 are:

| | |
|-----------------------------------|--|
| Cornwall and the Isles of Scilly: | administered by the Government Office South West; £96 million has been allocated over the period (£48 million EAGGF, £48 million Defra); |
| Merseyside: | administered by the Government Office North West; £7 million allocation over the period (£3.5 million EAGGF, £3.5 million Defra); |
| South Yorkshire: | administered by the Government Office Yorkshire and Humberside South Yorkshire; £28 million (£14 million EAGGF and £14 million Defra). |

111. Progress made under the Objective 1 programme includes:

- Government Office South West has so far invested approximately £30 million in the region since the start of the programme. They currently have 70 live projects and a further 18 projects under appraisal. The programme also went through its mid-term review, and as a result will be expanding the measures it can support in 2004;
- Government Office Yorkshire and Humberside has invested approximately £10 million. The region currently has 13 projects approved to date. It also went through its mid-term evaluation. No changes were recommended;
- Government Office North West has invested approximately £4.2 million. To date the region has approved 13 projects and have two projects undergoing appraisal. Offers to date represent total project costs of £2.9 million with EAGGF grant of just over £1.2 million. As a result of its mid-term evaluation, the programme will be expanded to support training.

112. To date, positive progress has been made under Structural Funds and this is expected to be built upon in the coming year. In 2003, independent mid-term reviews of the programmes were carried out which confirmed that they were broadly on target to meet predetermined objectives, but recommended some minor changes in certain areas to better meet local needs. As a consequence:

- the Government Office South West will now look to support strategic investments to start up prime demonstration projects to encourage new forms of collaborative working and encourage innovation in line with Defra's Strategy for Sustainable Farming and Food. They will also be able to support the development of novel crops in line with the ERDP and, additionally, consider the provision of small loans to tenant and/or new entrant farmers with limited capital assets;
- the Government Office North West will now be able to support training for farmers.

Progress on Objective 2

113. There are nine English Objective 2 programmes, one in each English region (including London), covering the period 2000-2006. They are aimed at supporting the economic and social conversion of industrial, rural, urban and fisheries areas facing structural difficulties. England has been allocated a total of £2.1 billion Objective 2 funding from the European Regional Development Fund and European Social Fund.

114. All nine Objective 2 programmes, known as Single Programming Documents (SPDs), received European Commission approval in March 2001 and are currently being implemented by regional partners. With the exception of the South East and London, all the English regions include rural areas in their Objective 2 coverage. However, the SPDs contain implementing provisions to ensure that measures supported by Objective 2 do not duplicate those funded by the ERDP.

Complementarity between ERDP, Objective 1 and Objective 2

Objective 1

115. During the development of both the ERDP and the Structural Funds Single Programming Documents, joint meetings were held in order to co-ordinate processes and themes wherever possible to ensure complementarity. Monitoring Committees and Working Groups aim to ensure that there is no overlap of funding between Objective 1 and the ERDP. These bodies also ensure that cross-cutting and overarching themes common to all of these funding streams are taken into consideration when assessing project applications. Defra is represented at all of these meetings. Similar mechanisms have been set up for Objective 2 programmes.
116. The Scheme Implementation Plan covering operations under EAGGF Objective 1 also highlights the need to consider cross-cutting themes (under the Rural Development Regulation) when assessing projects. Complementarity is further supported by the involvement of the Rural Development Service in assessing and scoring of project applications for both ERDP and Objective 1 projects.

Objective 2

117. Steps were taken during 2002 to increase the complementarity between measures (n), (o) and (s) of Article 33 with Objective 2 Single Programming Documents (SPD). Section 15 of the ERDP was amended to enable support to be provided under the ERDP for activities covered by these measures in Objective 2 areas, but only where the activities concerned are not specifically provided for in the relevant SPDs. This removes a potential funding gap which arose under previous arrangements, where in some cases applicants in Objective 2 areas found themselves eligible for support under neither the Single Programming Document nor the ERDP.

LEADER+

118. Twenty-five local action groups have been chosen to receive funding under the England LEADER+ Programme following a competitive selection process.
119. LEADER+ and the ERDP share common objectives but take different approaches to achieving them. LEADER+ focuses on community-led partnerships implementing innovative, sustainable development plans. One of the roles of the LEADER+ Programme is to test innovative approaches to rural development and influence future mainstream development programmes such as the ERDP.
120. The England LEADER+ Programme – at Section 4 and Annex 3, Section B – details the relationship between LEADER+ and the ERDP or other rural development funding streams. As part of their application for LEADER+ funding, local action groups were required to demonstrate how their activities would complement other funding streams. Complementarity with ERDP (and other Programmes) is also covered in the application for individual LEADER+ projects. Complementarity of LEADER+ activities with other rural development programmes will continue to be monitored by the National and Regional Programme Monitoring Committees.

Annex 1: Complementary Initiatives and Sources of Assistance for Rural Areas

ERDP is one source of assistance for change in rural areas. Throughout the year other complementary initiatives were also operating, some of which are mentioned in the main part of this Report. The following list of those that operated in 2003 is included in this Report to help foster partnership and to help ERDP partners and stakeholders to identify the most appropriate initiative(s) in order to make effective use of both ERDP and other rural development funds. These range from large national schemes to small locally based initiatives aimed at specifically designated areas. Initiatives are listed below, in alphabetical order, in the following four categories:

1. National or multi regional initiatives
2. Small scale discretionary grants/matched funding available through various bodies throughout England
3. Initiatives applicable in specific/designated areas only
4. Other Government support in rural areas

1. National or multi regional initiatives

Historic Buildings, Monuments and Designated Landscapes Grants (English Heritage)

Conservation grants to assist with the repair only of grade I and II historic buildings (not grade II) considered to be "at risk" and the management of scheduled ancient monuments (i.e. sites deemed to be nationally important). Landscapes, which are included in English Heritage's register of parks and gardens at grade I and II. The grants are payable to local authorities, charities and private individuals.

Development Fund (DTI & Small Business Service)

To encourage innovative ideas to promote and support enterprise in disadvantaged areas and in groups currently under-represented in terms of business ownership. Its purpose is to encourage experimentation, the evaluation of new ideas and the identification and spread of best practice in an area where there is currently too little knowledge.

Doorstep Greens (Countryside Agency)

Designed to help 200 communities to improve their quality of life. The scheme targets disadvantaged communities where regeneration of the local environment and outdoor recreation provision is needed. Grants can be made for project preparation as well as setting up a Doorstep Green project, related training and maintenance for up to 3 years.

Eat the View (Countryside Agency)

Aims to help people make the link between the products they buy and the countryside they cherish. Improving the commercial viability of environmentally sound land management can both help support rural communities and maintain the traditional character of the English countryside. Eat the View, launched in July 2000, is a five-year programme. Current projects include: regional food groups in partnership with Food From Britain; support for the National Association of Farmers Markets and Farm Retail Association; and studies to gather views of consumers and attitudes of tourists.

Enterprise Grant Scheme (DTI, GOs, RDAs, Business Links)

Enterprise Grants are available to small and medium sized businesses in certain specified areas of England. Grants can go up to a value of £75,000 on projects with up to £500,000 capital investment. Qualifying criteria include the requirement that a company show that only with the grant will a project go ahead. Other factors taken into account might include:

- supply chain improvements
- research and development
- training
- salary levels
- innovation
- environmental sustainability
- national and regional benefit.

A grant can be spent on equipment, plant and machinery, and the cost of site preparation and buildings.

Farm Business Advisory Scheme (Defra through Business Links)

Designed to provide free on-farm advice to farmers to help them decide on the direction in which to take their businesses and to signpost them to further advice and funding streams and thus enable them to carry out a farm business action plan.

Heritage Economic Regeneration Scheme (English Heritage)

Conservation grants targeted at areas of social deprivation (these have included a number of market and other small towns).

Heritage Initiative (Countryside Agency)

A national grant scheme set up in 2000 and expected to run for 10 years. Designed to help local groups to investigate, explain and care for their local landmarks, landscape, traditions and culture. Grants are available for: study and

interpretation of archaeological heritage, management of locally characteristic landscape features, and wildlife habitats, the built and industrial heritage, customs and traditions.

More information can be found on the Countryside Agency's website:
http://www.countryside.gov.uk/VitalVillages/local_heritage_initiative/index.asp

Market Towns Initiative (Countryside Agency & RDAs)

The aim of the market towns initiative is to bring a new lease of life to market towns, so that they provide convenient access to the services that towns people and surrounding rural communities depend on. The Countryside Agency works with the Regional Development Agencies to support over 220 towns throughout England. The initiative consists of:

- a web-based toolkit available to communities in all market towns, giving advice on how to: carry out a health check, prepare an action plan and seek sources of funding and advice.
- support for co-ordinators (who help communities carry out health checks) and project managers (who help deliver action plans) in over 200 towns.
- a monitoring and evaluation programme reporting to Government on the issues which affect communities in over 200 towns. Website:
<http://www.countryside.gov.uk/NewEnterprise/MarketTowns/initiative.asp>

Objective 3 Structural Funds (DfES and GOs)

These support the adaptation and modernisation of policies and systems of education, training and employment.

Organic Conversion Information Service (Elm Farm Research Centre gives advice on behalf of Defra)

The Service assists farmers to decide whether both they and their land are suitable for conversion to organic farming.

Producer Organisation (Fresh Fruit and Vegetables) Aid Scheme (Defra & Rural Payments Agency)

The scheme provides financial support for recognised Producer Organisations who submit 3-5 year operational programmes aimed at encouraging the use of environmental techniques and improving the quality, marketing and end value of the product. The EU funds up to 50 per cent of eligible costs of each programme, up to an overall set ceiling of 4.1 per cent of the organisation's annual turnover.

Single Regeneration Budget (Regional Development Agencies)

Provides resources to support regeneration of the physical and social environment in urban areas. Initiatives in England carried out by local regeneration partnerships. Its priority is to enhance the quality of life of local people in areas of need by reducing the gap between deprived and other areas, and between different

groups. It supports initiatives that build on best practice and represent good value for money. There will be no further national round of the SRB funding, existing initiatives will proceed as agreed.

Vital Villages (Countryside Agency)

This is intended to help small rural communities to take stock of their village, to identify what they need to revitalize it, to ensure local people have a voice in their future and to provide support to enable each village to make its own decisions and to implement some of the improvements needed locally. Grants are available to anyone proposing to improve or establish a local service for a rural community, and include Parish Plans Grant, Community Services Grant, Parish Transport Grant and Rural Transport Partnership Scheme.

2. Small scale discretionary grants/matched funding available through various bodies throughout England

Local Authorities

- Adult and Community Education
- Business support
- County Farms and woodlands
- Infrastructure – buildings, footpaths, cycle ways
- Tourism – promotion and marketing
- Research, facilitation and local brokering
- Integration into Community Planning Process
- Social Inclusion, healthy eating, schools

Local Partners

- Support for small businesses in Objective 2 areas
- Support for rural tourism in Objective 2 areas
- Support for rural communities and services in Objective 2 areas

Learning & Skills Councils

- Support to develop skills in Objective 2 areas
- Active labour market policies in Objective 3 areas
- Equal opportunities and social inclusion in Objective 3 areas
- Lifelong learning in Objective 3 areas
- Adaptability and entrepreneurship in Objective 3 areas
- Improving the participation of women in Objective 3 areas

3. Initiatives applicable in specific/designated areas only

Objective 1 Structural Funds (Defra and GOs)

Similar to rural development measures under ERDP, but with potentially higher grant rates. The Programme is delivered through the Government Offices in Cornwall, Merseyside and South Yorkshire. Supports rural diversification areas whose average income is less than 75 per cent of the average. (See **Section D** of this report for further information).

Objective 2 Structural Funds (ODPM and GOs)

Supporting the economic and social conversion of areas facing structural difficulties. Some Rural Enterprise Scheme measures are not available in Objective 2 areas and should be funded by this programme instead. (See **Section D** of this report for further information).

Farm Waste Grant Scheme (Defra)

Grants to farmers to help them comply with waste storage regulations in designated Nitrate Vulnerable Zones. (See **Section D** of this report for further information).

Areas of Outstanding Natural Beauty (Countryside Agency)

For the better management of all AONBs to help them make the most of these opportunities, in particular to establish dedicated teams of staff to carry out core functions. Includes grants to help implement new statutory management plans.

Reserves Enhancement Scheme (English Nature)

Grants to support management of National Nature Reserves by Voluntary and Community Organisations and for capital projects on the same sites. Support is provided to 32 County Wildlife Trusts in England, plus two specialist conservation bodies.

Section 35 National Nature Reserves Capital Grant Scheme (English Nature)

Grants are available to Approved Bodies under Section 35 (1) (c) of the Wildlife and Countryside Act 1981, where these Approved Bodies are not eligible for the Reserves Enhancement Scheme. These grants are for the capital costs of projects improving the management of the reserve.

Local Nature Reserves Grant Scheme (English Nature)

Funds are available to organisations involved or interested in managing and developing Local Nature Reserves such as local authorities, local councils, wildlife trusts and charitable groups, particularly in disadvantaged areas that lack access to natural open space. Local Nature Reserves are areas which have been formally declared by the Local Authority under Section 21 of the National Parks and Access to the Countryside Act.

4. Other Government support in rural areas

- Department for Trade and Industry loans for small businesses and business advice through the Small Business Service;
- Department for Transport, Local Government and the Regions offers funding under the Rural Bus Challenge to encourage cost-effective innovation in the provision or promotion by local authorities of rural bus transport;
- Department for Education and Skills offers assistance with job searching and rural skills.

The Benefits Agency offers a range of support including *Jobseeker's Allowance*, *Minimum Income Guarantee*, *Housing Benefit*, *Council Tax Benefit*, *Social Fund* and *The Working Families' Tax Credit*.

Annex 2: Regional Reports

This annex provides a summary of the main developments affecting ERDP delivery in the 8 English regions:

- East Midlands
- East of England
- North East
- North West
- South East
- South West
- West Midlands
- Yorkshire and the Humber

It describes the main factors affecting conditions in each individual region and provides an overview of regional delivery of the ERDP. This annex is designed to complement the more nationally focused information provided elsewhere in this report.

East Midlands

Changes to Conditions

Agriculture

The East Midlands region experienced the driest weather for a considerable number of years. The result of the lack of rainfall created increased demand and higher prices for cereals, potatoes and green vegetables. Livestock prices have remained firm but the dairy sector is under severe price pressure. The drought conditions in some parts of the region have resulted in environmental damage due to fires notably in the Peak National Park. The farming industry benefited from a very straightforward cereal harvest and sugar beet yields satisfied factory quotas and achieved very high levels of sugar content from the crop. The dry autumn caused patchy germination of autumn sown cereal and oilseed rape crops which may result in fallows, set aside or drilling with a spring crop to compensate.

Socio-economic Changes

During the past year the following activities, events and issues have all impacted on the rural areas:

- following the relaxation of foot and mouth restrictions some livestock markets that faced an uncertain future have had a reprieve;

- in South Lincolnshire issues around migrant workers has been a major cause of concern in relation to health, crime and social acceptability from local communities. The Rural Action Zone is taking positive action to address these issues as it is recognised that these workers are vital to the future of the horticultural and food sector businesses. A piece of research by DTZ Peda funded by the East Midlands Development Agency to assess the scale and nature of the contribution made by this sector of workers and related issues is nearing completion;
- in Leicestershire and Northamptonshire the lack of farm veterinary surgeons has been identified as an issue and could have serious consequences for the future of farm animal disease control;
- demand for the ERDP project-based schemes has remained strong across the region with a total of 151 projects that have been funded to date. The high level of interest demonstrates the need that rural businesses have to add value and diversify from their farming base;
- the annual regional budget for the Processing and Marketing Grant had doubled as a result of the region's success in bringing forward quality projects and the East Midlands now delivers 35 per cent of the national Processing and Marketing Grant budget. Through this scheme a total of 1,611 jobs have been predicted to be created or safeguarded and 1,424 farming and other rural businesses are likely to benefit.

Changes in Trends

Agriculture

As a part of the consultation and development of the Think Farming and Food Delivery Plan, an Agricultural Baseline Study was commissioned and undertaken by the Rural Business Research Unit at the University of Nottingham. Results from this study are included in detail in the plan. However, key findings indicate that:

- there are probably between 5,000 to 7,000 actual farm businesses in the region;
- if the best performing businesses are separated out a stark picture of business weakness emerges;
- the most profitable producers have strict control of costs and only purchase items that are necessary to run a cost effective business;
- the best businesses reduce the unit cost of production by controlling overheads, use of contractors or expanding the scale of production;
- the best businesses show characteristics of outward facing, well managed businesses;
- farmer's use of management information and support is considered, overall, to be weak in terms of modern practice with only 25 per cent using a management consultant, 14 per cent using the internet and 9 per cent being members of a study group.

The Countryside Stewardship scheme attracted 342 new applications of which 230 were successful, a further 62 agreements were renewed. 39,900 hectares are now managed under the scheme in this region.

Leisure and Tourism

Rural tourism has shown an excellent recovery following the foot and mouth disease outbreak. The confidence in the industry is demonstrated by the increasing number of farm and rural businesses, including the Lincolnshire Farm and Countryside Attraction Group, that have applied successfully for grant aid under the Rural Enterprise Scheme. The East Midlands Development Agency has been given the responsibility for the strategic development of tourism in the region. During the last year it has commissioned and launched a regional tourism strategy which has rural tourism fully embedded into the document.

Forestry

Markets for traditional forestry and timber products have remained poor during the year. However, there is some progress in the development of the relatively new wood fuel sector. Wood fired boilers based on modern computerised and clean-burn technologies have been installed in a range of premises across the region. This has been helped by technology transfer schemes that have supported visits by landowners, growers and practitioners to several north European countries to see and learn from the mature wood energy sectors there. A small number of wood fuel systems are now installed, and more systems are planned. This will deliver clusters of systems in Nottinghamshire and Leicestershire, which in turn are supporting the development of supply chains and producers.

Woodland creation continues to take place across the region, with concentrations of new woodland in special project areas such as the National Forest. Overall levels of applications for new planting have reduced this year, largely because of the uncertainties surrounding the impact of CAP reforms and the introduction of the single farm payment.

Other Regional Initiatives and Development

East Midlands Delivery Plan for Sustainable Farming and Food Strategy

In 2002, the Government launched its Strategy for Sustainable Farming & Food (SSFF). To ensure that the strategy makes a real difference to farming, the food chain and rural communities, the Government Offices and Regional Development Agencies in each region were tasked with the co-ordination of a Regional Delivery Plan.

Accordingly a Regional Implementation Group was formed under the auspices of the East Midlands Rural Affairs Forum to develop the East Midland Plan. Its core steering group (consisting of the Government Office for the East Midlands, the East Midlands Development Agency, the East Midlands Rural Development Service and the Countryside Agency) oversaw the development of the plan and will ensure that its outcomes and actions sit within the common framework established by the Integrated Regional Strategy.

The work of constructing the Regional Delivery Plan for Sustainable Farming and Food began on 23 January 2003, with an inaugural meeting of partners at an ERDP project site that exemplified integrated and sustainable farming methods. The East Midlands Delivery Plan 'Think Farming & Food' was developed in partnership through the East Midlands Rural Affairs Forum and published on 14 October 2003. The Plan has been developed in response to regional issues identified by a robust and ongoing consultative

process and refined through the work of four Sub-groups (Sustainable Agriculture, the Food Chain, Environment and Cross Cutting Themes) approved by the Regional Implementation Group. It is a plan of action which identifies 25 priority projects covering food, farming, environment, rural business support and skills, to facilitate the ongoing development of an economic and environmentally sustainable farming and food sector within the East Midlands. It emphasises the need for co-operative working and will look beyond the region to learn from others rather than reinventing wheels. It seeks to recognise and capitalise on the region's diversity as a strength. The delivery of many of the projects will be closely linked to the East Midlands ERDP schemes and the priorities will be reflected in the relevant scheme targeting statements.

The East Midlands Rural Affairs Forum (through a Rural Enterprise sub-group of the Forum), is also working to develop effective support to rural enterprise, linked to the more business-focused projects in the Delivery Plan.

The Regional Delivery Plan sits alongside the National Strategy for Sustainable Farming & Food and within the framework established by the Integrated Regional Strategy. It will also link to the other influencing regional strategies and frameworks, such as the Regional Economic Strategy, the Framework for Regional Employment and Skills Action and many other objectives within the tourism, rural, health and environmental agendas. The Plan will be influenced by other external and national developments and reviews including CAP reform, the Modernising Rural Delivery Programme, the Animal Health and Welfare Strategy and Defra's Learning Skills & Knowledge Review amongst others.

Leader +

The 3 Local Action Groups (Lincolnshire Fenland, Peak Dales and Moorlands and Rockingham Forest) have all been affected by the late start to the programme and have carried forward a significant underspend from 2002. However, with the increase in project numbers and the improvement in the speed of the approval process, hopefully some of these early problems will be resolved. Potential issues for applicants include the difficulty of funding projects together with the cost of developing proposals. The introduction of delegated grant schemes is helping to reduce the burden on applicants.

East Midlands Development Agency (emda) Schemes

From April 2002, emda's former regeneration funding programmes have been combined into the Single Programme and are being administered through the network of Strategic Sub-regional Partnerships (SSPs). SSP coverage across the region was completed in 2003.

Funding is allocated by SSPs according to an annual Business Plan agreed with emda which reflects the delivery of Regional Economic Strategy priorities in each sub-region. These include Enterprise & Innovation, Employment Learning and Skills and Climate for Investment. Rural Development is one of the 12 strands of activity outlined within the Regional Economic Strategy, and is therefore embedded within the SSP remit and Business Plans. Guidance on rural priorities is issued by emda and there is regular liaison and opportunity to exchange good practice between SSPs, emda and other rural organisations. In some cases, SSPs continue to provide funding support for the re-use of redundant rural buildings for commercial purposes. Alternative approaches to support for small rural businesses and farm diversification, including through SSFF-related activity and greater linkages with ERDP, have also been actively explored in most areas.

East of England

Changes in Conditions

Agriculture

During the summer and autumn of 2003 the East of England experienced high temperatures and low rainfall, with a number of consequences for agriculture. Sugar beet yields were below average but due to good sunlight levels high sugar levels were achieved. Potato growers experienced low yields, lifting problems and storage problems: the British Potato Council has stated that potato stocks in January 2004 were down 17 per cent from the 2002 levels. This has led to higher than expected prices achieved, specifically for high quality samples. The dry weather led to easy harvest conditions for cereals, but the very dry autumn resulted in delayed establishment of winter cereals.

There has been a continued restructuring of farm supply and processing organisations across the East of England²⁰. Lincolnshire based Viking Grain called in the receivers in April 2003; their grain trading responsibilities were taken on by Grainfarmers Group Ltd. Grainfarmers Group Ltd also bought out Dalgety Ltd and are now Britain's largest grain trading business. 2003 witnessed Brandons Plc calling in the receivers in April. Brandons Plc were the country's second largest turkey processor in the UK, having previously acquired Cargills' Sun Valley turkey business. Due to the dominance of cereal farming and intensive poultry production in the East of England these changes will significantly affect the East of England farmers.

Rural Economy

The North Norfolk Area of Outstanding Natural Beauty (AONB) and the Chilterns AONB management plans have been developed over 2003. The Broads Authority has also developed its Broads Plan. These strategies have included a high level of focus on local economic and social issues.

Farmers Markets have continued to increase across the East of England. In 2002 there were approximately 40 markets, and there are now over 64. There is rising concern across the region that the number of Farmers Markets cannot continue to increase at its current rate without diminishing returns being experienced.

Rural Environment

There has been an increased role for sustainable transport during 2003. New long distance footpaths are being developed in the Broads area. The Countryside Agency has been working on cycling and walking holidays. The Broads Authority has been developing and promoting sustainable boating holidays with activities such as canoeing and solar powered boating having a key role in this initiative.

The region has been and continues to be placed under pressure due to continued development. This is particularly evident in the south of the region. The proposed developments in the Thames Gateway, Stansted Airport, M11 corridor and Haven Port

²⁰ Report on Farming in the Eastern Counties of England 2002/2003, Ben Lang, University of Cambridge, December 2003

will create increased burden on the region's infrastructure. These developments will increase the demand for agricultural land to be taken out of production whilst placing increasing demands on resources such as water.

The Countryside Stewardship scheme attracted 329 new applications of which 209 were successful, a further 108 agreements were renewed. 34,000 hectares are now managed under the scheme in this region.

Changes in Trends

Agriculture

The ability of farming and food processing businesses to attract suitable employees at both staff and managerial level has continued to be a problem. Recent work on the red meat industry has highlighted the fact that skilled livestock staff are difficult to find. The importance of foreign labour for production and processing is increasing: in the Breckland Objective 2 area alone there are an estimated 15,000 Portuguese workers. These gain employment through fieldwork, vegetable processing and meat processing. The role of gang masters and policing of such groups will be critical for farming in this region.

There has been an increase in the level of co-operation across the region. Norfolk saw two of the largest farmer buying groups, Loddon Farmers and Mid Norfolk Farmers merge to create Anglia Farmers²¹. This has increased the negotiating power of the group and will improve opportunities for its members. Suffolk has initiated Group Farm Business Advice Service work, pooling funding from a group of farmers into a joint fund to identify a shared action plan on specific issues, such as developing diversification enterprises and reducing the adverse environmental effects of production.

Rural Economy

The occupancy rates for tourism accommodation businesses have continued to increase over 2003 by 1 per cent²². The largest increase has been experienced in the Mid-Suffolk District Council area with an increase of 11 per cent. The Fenland area experienced the highest occupancy rates.

Defra statistics have illustrated that during the financial year 2002/2003, more than 4,800 East of England farmers diversified into non-food businesses. On average, farmers are earning £1,800 a year from these activities. The regional trend in diversification activities shows that over the East of England, 4 per cent fewer farmers than the national average are involved in diversification. However, the region has more farms involved in tourism and catering activities than the national average.

Social Issues

Access to the Internet is lower for rural people living in the East of England than for urban people²³. However there are higher rates of owning a home PC with Internet access in rural areas of the region than in other rural areas across the country.

21 <http://www.angliafarmers.co.uk/default.htm>

22 EETB occupancy survey, George Ashford, 2004.

23 East of England State of the Countryside 2003, Countryside Agency 2003

Environmental Issues

The region has continued to experience a dramatic reduction in grazing livestock numbers across the region^{24,25}. This has led to an accelerated reduction in the supporting infrastructure. Grazing livestock is critical to the management of the traditional grass areas of the region. During 2003 a number of regional environmental organisations raised the profile of this issue for the management of the regions Sites of Special Scientific Interest (SSSI).

Water quality in the region's rivers has improved. A move from 21 per cent to 55 per cent in chemical quality and of 45 per cent to 81 per cent in biological quality has been recorded²⁶.

The region has the highest number of SSSIs in favourable condition as well as the highest number of SSSIs that are in unfavourable declining condition²⁷.

Regional Initiatives and Developments

Agriculture

A regional group including the National Farmers Union, the Environment Agency and Agricultural Development in the Eastern Region have been developing an irrigation-training programme. During 2003, this has centred on establishing focus groups, to identify training needs within the industry and suitable training programmes.

There has been a continued regional drive to kick-start the biofuels industry in the East of England. The East of England Development Agency (EEDA) has created "Renewables East". The Renewables East team, which was one of the outcomes of a study prepared by consultants, Douglas Westwood Ltd, has been set up to explore renewable energy development in the region²⁸. The opportunities for the arable sector have been identified as key benefits of any outcomes from development of bio-fuels.

Rural Economy

A number of regional strategies were developed over 2003. The regional implementation plan for the Strategy for Sustainable Farming and Food was published in July and the Regional Woodland Strategy was published in November. Consultation has been carried out on the Regional Food and Drink Strategy, Regional Tourism Strategy and the Regional Tourism Marketing Strategy. This broad range of strategies will be used to shape and create the Regional Economic Strategy, which is due for publication in 2004.

Each of the six counties in the East of England has now developed a "rural hub". These hubs range in scope between counties. In most situations the hub is a partnership approach between Business Links, local councils and other support organisations.

24 "Strategic Review of the Meat Sector" EEDA, April 2003

25 England's Best wildlife and geological sites, English Nature, 2004

26 East of England State of the Countryside 2003, Countryside Agency 2003

27 East of England State of the Countryside 2003, Countryside Agency 2003

28 http://www.eeda.org.uk/compdetails.asp?id=3227&sec_id=364

A number of regional and county initiatives were developed during 2003 to support Farmers Markets. The Eastern Daily Press established a marketing and promotional support for Norfolk Farmers Markets²⁹. The Norfolk Rural Business Advice Service has facilitated collaboration between farmers markets in Norfolk to develop a county support organisation run by the farmers markets.

The East of England Tourist Board and the Countryside Agency have developed a web site called "explore your countryside"³⁰. This web site acts as a tool to encourage visitors to the region to focus on local attractions and activities. The main focus is on local food, sustainable transport and rural crafts and activities. The web site links with a number of rural tourism groups such as Farm Stay and there is also an emphasis on themed holidays, which has helped to link up different types of businesses.

The Brecks Tourism Initiative and the Watton Partnership are both developing local marketing and promotional initiatives. The Brecks Tourism Partnership was re-launched during 2003 to coincide with a new promotional campaign to promote tourism in the area. The Watton Partnership has focused on the promotion of local events.

Social Issues

The latest towns to join the Market Town Initiative programme have recently received support from The Countryside Agency and EEDA to employ a co-ordinator to carry out community consultation health checks, and produce a relevant action plan.

The Norfolk towns of Aylsham and Diss have been selected as pilot projects by the Countryside Agency, which is supporting their applications for Cittaslow Status³¹. Cittaslow Status is a reflection of the Continental lifestyle – a café culture where people sit, talk, relax, eat good food, watch the world go by and revel in their local culture and heritage. More than this, it is a recognition and celebration of the quality and attractiveness of a town.

Environmental Issues

There are a vast range of national and regional initiatives to redress the declining numbers of grazing animals across the East of England. RDS are presently working on this issue by outlining the role of the organisations involved and by assessing the true scope of the problem. English Nature and the County Wildlife Groups are developing flying flock systems to cover SSSI land, the Grazing Animal Project has established a number of local action groups to link farmers with environmental grazing land, The Suffolk Agricultural Association and the Suffolk Coasts and Heaths Area of Outstanding Natural Beauty (AONB) have run conferences looking at this issue. Two groups of farmers in Suffolk have pooled their Farm Business Advice Service funding together to identify how specific issues in relation to grazing can be collaboratively developed.

The Lifescapes Project on the Suffolk Coast AONB has developed a comprehensive and detailed Geographic Information System which will aid the delivery of the Biodiversity Action Plan as well as many other initiatives. The Essex Biodiversity Partnership held a well attended and received Annual Partnership Meeting in November which considered setting up a Biological Records Centre for Essex.

29 <http://www.edp24.co.uk/Content/FarmersMarket/farmers.asp>

30 <http://www.exploreyourcountryside.com/>

31 <http://www.ruralactioneast.org.uk/>

North East

Changes in Conditions

The Region has continued to make progress since the devastation of Foot and Mouth Disease (FMD). There has been a noticeable change in attitude from traditional land managers who are now more inclined to look at alternative sources of income and changing the emphasis of their activities. While there is still a long way to go, this is encouraging for the future development of the rural North East and sustainability.

After a great deal of uncertainty it has been agreed that the Regional Development Agency, One North East, is to take over the development and implementation of the region's tourism strategy, with Northumbria Tourist board taking the role of delivery body.

Rural Strategies have been developed by three of the four sub-regional partners in the North East, Northumberland, Durham and Tees Valley. These strategies are generally wide-ranging and cover economic, social and environmental aspects. Delivery mechanisms for the actions identified vary, but ERDP has a large part to play.

Changes in Trends

Agriculture

The 2002 June census figures show a significant reduction in livestock numbers, which has carried forward from 2001 and the impact of the Foot and Mouth outbreak in the Region. Despite the lower numbers being instigated by FMD, it is anticipated that numbers will remain at a lower level than pre-FMD in the future and that the downward trend for the dairy sector is likely to continue, due to economic and CAP Reform issues.

Figures from the Farm Business Survey report "Farming in Northern England 2001/2002" show that net farm incomes (NFI) increased on average by 52 per cent. The outbreak of Foot and Mouth in February 2001 has had a massive impact on all farms, and 46 per cent of the surveyed farms were directly affected with animals being culled. For those farms without culls NFI increased by an average of 14 per cent and both Lowland Arable and Marginal (Disadvantaged Area) farms saw a fall in NFI. Management Investment Income also saw a large increase overall (£64/ha compared with £15/ha the previous year) and it was positive for all but the Marginal (Disadvantaged Area) farms group. In line with the changes in stock numbers seen, output rose by 1 per cent, variable costs fell by an average of 17 per cent and fixed costs remained constant.

The Rural Economy

The Countryside Agency's State of the Countryside 2003 report indicates that the age of the rural population in the North East is increasing, along with the trend for the region as a whole. The size of the rural population has remained fairly static, showing a very small growth of 1.17 per cent which is in contrast to the national picture for rural areas which has seen an increase of 12.4 per cent. A key factor affecting this trend has been the move of younger groups out of rural areas in the Region.

The rural North East has the highest proportion of people working in the agricultural/fishing sector of all English regions, although this is still a very small proportion of the regional workforce at 3.9 per cent. The majority of rural residents are employed in public administration, health and education (34.7 per cent). The rural North East also has the highest level of unemployment across all English Regions at 2.3 per cent compared to the national average of 1.48 per cent, and a lower proportion of economically active people, 78.4 per cent compared to the national figure of 81.4 per cent. The relative affordability of houses in rural areas is also becoming a concern, given the potential impacts on workforce availability and location.

The North East has the lowest rate of business per 10,000 population of all English Regions, both in the rural and the urban context. Micro-businesses dominate rural activity and only 14 per cent of new businesses in 2001 were rural businesses.

Uptake of the ERDP project-based schemes has continued to rise over the last year, with 173 projects having been considered by the Regional Appraisal Panel compared to 111 the previous year. While the number of approved projects has remained fairly similar, the level of spend has increased considerably, with £1,313,000 spent across RES, PMG & VTS in 2003 compared to £604,000 the previous year. This improvement in outturn indicates that better quality applications are being submitted for projects which are wider in scope and have a positive impact on the rural economy.

Tourism is recognised as a vital part of the rural economy in the North East and is one which is heavily reliant on a number of different sectors to succeed. The North East has seen an increase in tourism activity over the year: visitor numbers have increased, as has visitor spend, along with accommodation occupancy rates.

The Rural Environment

The number of Countryside Stewardship Scheme (CSS) agreements and the area under agreement has continued to grow, with 234 agreements achieved in 2002 and 201 in 2003, giving a total of 1,147 current agreements in the region. There have been significant increases in agreements concerning arable options and a number of major successes with agreements covering common land. The area under agreement in the region is now 92,000 ha.

The Region encompasses the Northern part of the Pennine Dales Environmentally Sensitive Area (ESA). Most of the effort in this area has been to secure agreement renewals, upgrades and habitat management and conservation plans, given that uptake of ESA agreements stands at over 80 per cent of total eligible holdings.

Delivery in the North Pennines Team is now fully integrated across the ERDP, with advisers now working across all schemes. This is resulting in increased integration internally as far as delivery is concerned and in new projects being formulated, e.g. 'Wake up to Wildlife' – a project integrating tourism and conservation in the North Pennines AONB.

Progress towards Bio-diversity Action Plan (BAP) and Public Service Agreement (PSA) targets

There are 30,032 hectares of SSSI land in the region of which 46.42 per cent are now in 'favourable'/'unfavourable recovering condition', leaving 53.58 per cent in 'unfavourable', 'no change' and 'declining' condition. These figures represent a net

increase of 9,114 hectares in the area of SSSI land in favourable condition over the last year. This has largely been achieved through the targeted use of Countryside Stewardship, Wildlife Enhancement Scheme and funding.

The Region has seen an increase in the number of woodland birds which is in contrast to the national trend. The farmland birds group, led by RDS continues to help in the targeting of arable options under the Countryside Stewardship Scheme, which contributes to the farmland bird PSA target by enhancing conditions for species in the region such as tree sparrow, corn bunting and grey partridge.

Monitoring the regions' contribution to national Biodiversity Action Plan targets continues with data gathering ongoing, but with poor baseline data making it difficult to fully assess the RDS contribution to achieving targets. One example of a positive contribution is the relationship between the increased numbers of black grouse in the region due to positive land management resulting from CSS and ESA agreements.

Regional Initiatives and Developments

A new, integrated, multidisciplinary RDS team has been created to enable advisers to work more closely together to address the particular needs of the North Pennines by developing relationships, initiatives and projects with a wide range of stakeholders who have an interest in sustainable development. This pilot exercise in practical integration is already proving successful, not least because ESA advisers already have strong working relationships with farmers in the Pennine Dales, and has already generated a number of RES projects from an area where none had previously been submitted.

A series of farmer workshops were held to promote a large-scale biomass project on Teesside and encourage planting of short rotation coppice with support of the Energy Crops Scheme. This was a joint initiative involving a number of key regional partners as well as farmers.

Promotion of the community elements of the Rural Enterprise Scheme has been ongoing through a series of presentations to community groups and relevant public sector organisations, in addition to closer working with the Rural Community Councils in Durham and Northumberland. This, along with general raising of the awareness of how RES can benefit community groups through media coverage of the Branxton Village Hall project in particular, has led to a large increase in the number of community based projects coming forward and being funded.

Close working relationships have been developed between the RDS North Pennines team and Leader +. This involves keeping up with knowledge of schemes and projects and realigning projects to the most appropriate funding stream.

The North East Rural Action Plan

The North East Rural Action Plan was compiled in 2001 to set out a future vision for rural areas of the Region. The Annual Report, The North East Rural Action Plan One Year On, looks at achievements to date and future actions to carry forward the aspirations of the Plan.

Rural Revival – Our Finest Countryside

This initiative is focused on identifying opportunities to take forward rural regeneration within the region's protected landscapes. It involves a range of key partners, including RDS, and its Statement of Intent centres around increased collaboration between key organisations and increasing the knowledge base regarding the role and contribution of these areas in the region. Consultants have been engaged to look into the economic potential of the protected landscapes in the region; Northumberland National park, North Pennines AONB, Northumberland Coast AONB, Durham Heritage Coast and a small section of the North Yorkshire and Cleveland heritage Coast. The final report is due at the end of May 2004, after which the findings will be incorporated into an action plan.

Renewable Energy

Ongoing work on renewable energy in the region includes the Biomass Implementation Group (BIG) and North East Biofuels. BIG has 78 members which consist of both public and private sector organisations. It acts as a forum for the biomass industry and has the task of implementing the Regional Biomass Action Plan. North East Biofuels is an industry-led cluster that is seeking to promote the use and manufacture of renewable biofuels in the North East.

Natural Commitment

English Nature and Government Office North East have worked with other Regional organisations, of which RDS has been a key player, to produce a report that sets out the current situation for SSSI condition in the North East. It identifies the issues and key groups involved and reviews the mechanisms available to deliver favourable condition across SSSIs. It details an action plan for a co-ordinated approach across the region and RDS is heavily involved in implementation.

North East State of the Environment Report (NESE)

ONE North East together with other members of the NE Environment Forum, which includes RDS, are currently developing a State of the Environment Report, and a Regional Environmental Enhancement & Investment Plan. The NESE report will provide a useful baseline and, combined with the Investment Plan, will be used to identify strategic projects which will address environmental improvement priorities that also generate significant economic and social benefits to the region.

Leader +

Two Local Action Groups (LAGs) operate in the North East; North Pennines and North Northumberland. Commitment for funding is available until December 2006 and the programmes will run until 2008. The North Pennines LAG is focused on improving quality of life and the target groups are women, young people, the unemployed and underemployed. The North Northumberland LAG is focused on making the best use of natural and cultural resources and on adding value to local products and the target groups are women and young people.

North West

Changes in Conditions

Agriculture

The rural areas of the Northwest have been experiencing severe structural changes for some time. The outbreak of Foot and Mouth Disease three years ago had a particularly devastating impact on the region and brought to a head the need for change in the countryside. Thankfully the region has overcome the immediate problems the disease caused. Agriculture and tourism, the mainstays of the regions' rural areas, were badly hit by the loss of farm and visitor income; however 2003 saw a welcome upturn. These sectors will continue to need considerable help over the coming years to overcome the impacts and to reposition the sectors for the future. Broadening the base of the rural economy is critical to a prosperous and sustainable future.

Other Socio-economic changes

The North West is an extremely diverse region. Whilst there are areas of distinct cultural heritage, there are many areas of significant dereliction in need of regeneration, especially Merseyside, which receives Objective 1 funding. The North West is below the national average in terms of salaries and house prices in some of the more remote parts, whilst in some areas, such as the Lake District National Park and parts of Lancashire/Cheshire the lack of affordable housing is jeopardising the viability of local communities.

Rural Environment

29 per cent of the region is designated as either National Park or Area of Outstanding Natural Beauty (AONB). The Lake District is England's largest National Park and AONBs include all, or part of, North Pennines, Solway Coast, Arnside and Silverdale and the Forest of Bowland. The region has over 30 per cent of England's commons and 31 out of 37 UK Biodiversity Action Plan habitats. Over 80 per cent of the coastline is designated for its wildlife importance, and also includes major estuaries, ports and resorts. Hadrian's Wall is a World Heritage Site; there are two community forests, and extensive areas of urban fringe around large Victorian industrial towns.

Countryside Stewardship Scheme (CSS) delivery in the region is also as diverse as the individual counties. The scheme attracted 450 new applications of which 241 were successful and a further 35 agreements were renewed. 81,000 hectares are now managed under the scheme in this region. In Cumbria the team has developed a special project to re-wet intensive grasslands with the specific objective of improving habitats for breeding waders. This is proving to be very successful and RDS work very closely with partners, specifically the Royal Society for the Protection of Birds (RSPB), English Nature (EN) and the Environment Agency (EA) to ensure the best outcome. A similar initiative in Cheshire has seen the development of a special project aimed at improving habitats for the Lapwing on intensive grass and maize land within the county, again working closely with partners such as RSPB and EN. Further collaborative and partnership working with Wildlife Trusts, local industry and the Environment Agency has seen the scheme play a pivotal role in the river Gowy flood plain initiative.

Leisure and tourism

Rural tourism is a key industry in the North West, from which many farm businesses gain a significant proportion of their income. 2003 saw an increase in visitors to the region as a result of positive publicity campaigns to market the North West and a summer of good weather conditions.

Farms and rural businesses have had to adjust to new ways of working to compensate for lost income and continuing low commodity prices. As a result, businesses are diversifying into other areas such as craft shops, livery, building conversions, farm tours, wider recreation, local products and offering training on farming practices.

Complementing ERDP funding, partner Regional organisations such as the Countryside Agency and the North West Development Agency (NWDA), offer grants to aid or facilitate businesses diversifying from direct farming and this is proving very successful.

Regional Initiatives and Developments

Rural Renaissance Programme – RRP

Through NWDA the region has developed a Rural Renaissance Programme (RRP) under which the three shire counties, Cumbria, Cheshire and Lancashire, have developed plans for rural recovery. The programme aims to help the farming community and rural businesses to restructure and recover from the effects of Foot and Mouth Disease. Defra's Rural Development Service (RDS) continued to work closely with the NWDA, County Councils and other partners to deliver the RRP's objectives and ensure complementarity with the suite of ERDP schemes.

This mechanism allows the many and varied funding streams to be integrated through a more manageable structure and to deliver better quality outcomes whilst providing for greater value for money. ERDP funds contribute heavily to this, and through a staff resource secondment into Cumbria and Cheshire, together with close liaison work in Lancashire, RDS are able to ensure a cross referral of schemes as well as being able to impart expertise and knowledge as the RRP seeks to achieve their regional goals.

Forest Futures

Forest Futures is the name of Cumbria's Woodland Rural Development programme and was established in July 2002 to contribute to Rural Renaissance. The programme is aimed at land and woodland owners, but also communities in rural towns and villages who can open up or plant new woodlands for local people. The programme consists of grants for creating and managing woodlands, support for woodland businesses and advice for land and woodland owners through the Cumbria Woodlands team. The programme is funded by the Forestry Commission, Cumbria County Council, North West Development Agency and other stakeholders. Funding for this programme totals £2.25 million over a three-year period.

Regional targeting statements

Joint targeting statements linking ERDP project based schemes (Rural Enterprise Scheme, Processing and Marketing Grant, Vocational Training Scheme) to the Countryside Stewardship Scheme (CSS) have been updated for 2003. This initiative has

enabled further integration within the ERDP suite of schemes. A similar initiative, brokered by the RDS, has seen the Countryside Agency's agreements with the Rural Community Councils specifically refer to the ERDP project-based schemes as a source of funding for social and community projects. RDS has continued to raise the profile of these schemes through similar discussions with other funding organisations throughout the year.

Facilitation

Interest in the full suite of ERDP schemes remains high in the North West. CSS received substantially more applications than originally anticipated and the renewals programme for the Environmentally Sensitive Areas (ESA) scheme was particularly successful. 2003 saw the 10th Anniversary of the Lake District ESA and was celebrated with a number of events that attracted wide publicity.

The Planning and Consultancy Advice Service (PCA) closed in October 2003 as the available funds were quickly utilised. The region does however benefit from a similar initiative run by the North West Development Agency, although the popularity and success of the PCA scheme illustrates fully the need in the region for such a service.

South East

Changes in Conditions

The general improvements in some commodity prices have resulted in improved farm incomes on many but not all farms. However, the uncertainties around the impact of CAP reform is causing some farmers to delay important decisions on their future activities. The Countryside Agency's publication 'State of the Countryside in the South East, 2003' reported that in 2002 the South East was recorded as having the second lowest absolute number of full-time farmers, partners or directors in employment on agricultural land holdings.

Changes in Trends

CAP reform and the Agri-environment review have created uncertainty that is affecting the uptake of agri-environment schemes, and also affecting rates of renewal. The scale and potential value of some new applications in 2003 has been reduced by partners to allow for future participation in Entry Level Stewardship. There has been a growing number of applications for the project-based schemes, with a strong emphasis on farm-based tourism, equine activities and food processing. Applications from rural communities have also been increasing in response to RDS promotional activities.

The Countryside Agency's 'State of the Countryside in the South East, 2003' report provided an analysis of the rural economy and environment in the region. The South East has a vibrant and varied economy, with potential beyond agriculture and tourism. Market towns have been traditional focal points and service hubs for their surrounding countryside. In the South East region there are 112 such towns, representing 22 per cent of the national total.

Regional Initiatives and Developments

Promotion of Project-Based Schemes

RDS has been proactive in marketing project-based schemes in the South East and this has improved uptake to the Rural Enterprise Scheme and the Processing and Marketing Grant. Resources have also been committed to working with the Rural Community Councils to help improve uptake amongst rural communities. For example, a workshop was held for representatives of Rural Community Councils across the region to assist in community based applications to the Rural Enterprise Scheme. This resulted in the modification of the standard RES business plan template to make it more appropriate for applications from voluntary sector/not for profit organisations. Government Office South East (GOSE) and the South East England Development Agency (SEEDA) have provided valuable support to these activities.

RDS South East prepared a 16-page booklet on farm diversification, to promote wider understanding of the opportunities, to inform farmers of grants and support available from Defra, SEEDA and the Farm Business Advisory Service (FBAS), and to promote uptake of the schemes. It was funded by SEEDA and GOSE and was circulated to 8,500 businesses in the South East. It has been very well received and has generated a lot of interest.

New Forest Countryside Stewardship Agreement

The region has signed the country's largest agri-environment scheme agreement. This extends over 17,000 hectares of heathland, grassland and wood pasture in the New Forest and is worth about £4 million over the next decade, although the exact figure will depend on overall take-up by commoners. A key element of the agreement is that it fully recognises the importance of the ancient practice of commoning and has been designed to allow the agreement holder to enter into agreements with up to 450 active graziers. This will allow commoning in the New Forest to become more financially viable.

The core objective of the agreement is to enhance the heathland in the forest by underpinning existing grazing levels and prevent further decline. The scheme will also help to re-address the balance of livestock (cattle and ponies) with the aim of achieving a minimum of 25 per cent cattle. Supplementary payments for additional grazing related options chosen from a menu of voluntary supplements will also be available.

The Countryside Stewardship scheme as a whole attracted 389 new applications of which 288 were successful, a further 62 agreements were renewed. 77,300 hectares are now managed under the scheme in this region.

Strategy for Sustainable Farming and Food

Our Healthy Future, the delivery plan for sustainable Farming and Food in the South East and London was published in December. GOSE has worked closely with stakeholders and organisations in the public, private and voluntary sectors to draw up the plan which comprises a series of activities to put farming and food industries on a more sustainable footing: economically, socially and environmentally.

The plan was developed through drawing upon the wealth of information and ideas held by a variety of stakeholder groups and organisations. The positive work already being undertaken through a range of initiatives in the region is very encouraging and it

is hoped that the delivery plan will share and promote good practice, build on existing effort and help identify new opportunities. A significant number of recommendations resulted from consultation with stakeholders and these will be taken forward by focusing on ten areas for action:

- **Advice and training** – Giving farmers the help they need and encouraging new entrants.
- **Countryside access** – Promoting and seizing the benefits of increased public access.
- **Environmental Stewardship** – Promoting sustainability through whole-farm planning, soil and water management.
- **Farming mainstream** – Improving returns through collaboration and adding value.
- **Non-food Diversification** – Overcome barriers to non-food diversification, market-based action on industrial and biomass crops, wood fuel and tourism.
- **Food chain reconnection** – Securing better integration and understanding between farmers and customers.
- **Health** – Driving forward action on food and nutrition for healthy eating and living.
- **Local food** – Building the market and empowering South East suppliers to exploit it.
- **London** – Developing a food strategy to benefit the people and economy of London.
- **Public Procurement** – Identifying the opportunities and linking in South East suppliers.

Within the ten key areas there are 18 priority tasks covering: existing work, future work required and who should be involved. The South East Rural Affairs Forum (SERAF) is the responsible body in the region, which will oversee an Implementation Board who will monitor and drive the delivery.

Support and Advice for Farmers and Rural Businesses in the South East

A table listing the current sources of funding and advice for farmers and rural businesses in the South East has been published on the Internet by GOSE. This helps to co-ordinate the work of government organisations and agencies, integrate funding under the ERDP and other funding streams and provide a useful source of information for potential applicants.

Water Level Management Plans

RDS South East have been developing integration with the Environment Agency (EA), English Nature (EN) and other partners in order to raise the profile of agri-environment schemes as a means of helping to deliver against Water Level Management Plans. The Environmentally Sensitive Areas scheme in particular is being highlighted by EA and EN as a key mechanism for delivering environmental enhancement.

South East England's best wildlife and geological sites on-line

Information about the state of South East England's most important wildlife and geological sites is now available for the first time on English Nature's website. In December 2003 the Government's independent wildlife adviser published the results of its six-year survey into the condition of England's SSSIs, which showed 58 per cent by area were in good condition, with 42 per cent needing improvement.

South West

Changes in Conditions

Agriculture

The summer of 2003 was characterised by below average rainfall and high temperatures, particularly during the summer months. With the exception of some rain-affected days in Cornwall & Devon harvesting conditions in the region were very good with little or no drying required. Although overall cereal yields were depressed the Home Grown Cereals Authority (HGCA) reported excellent grain quality results.

Levels of profitability from farming rose by approximately 30 per cent from 2002 figures. This recovery has been driven by price increases in arable commodities, and the exchange rate of the euro, increasing subsidy payments and accommodating more competitive exports.

Farmers have awaited the announcement of the Single Farm Payment (SFP). With 70 per cent of farms in the region dominated by grassland and livestock production the impact of the SFP could have dramatic effects especially in disadvantaged areas.

Continuing pressure in the dairy sector has seen a fall of 5 per cent in the number of dairy holdings in the region. All sizes of dairy farms are exiting the industry, small units because of the low level of profitability and larger units that may face significant investment issues. Dairy farmers, particularly in the east of the region bordering the Home Counties can exploit the value of their location by letting former herdsmen cottages, a trend that is likely to continue.

Declining farmer spending in the region has forced the support and supply industries to continue rationalisation of their business. The dairy industry was particularly hard hit with Dairy Crest closing its Chard based facilities and the United Milk plant at Westbury in Wiltshire entering receivership; the plant plays an important role in removing surplus milk in the spring into butter and milk powder.

Regional Initiatives and Developments

Agri-environment Schemes

The Countryside Stewardship scheme continues to be successful and attract sufficient new applications annually to fully utilise the budget allocation, 759 new applications were received of which 463 were successful, a further 77 agreements were renewed. 77,600 hectares are now managed under the scheme in this region.

A major achievement was the signing of the Dartmoor Forest ESA agreement which involves 350 agreement holders and 11,000 hectares of land at a value of £1 million per year.

Strategy for Sustainable Food and Farming

'Doing things differently' a consultation document shaping the delivery plan for the region was published in the late autumn. Government Office South West (GOSW) and the South West Regional Development Agency (SWRDA) have worked with a wide range of partner organisations and stakeholders in the public, private and voluntary sectors to draw up the delivery plan.

The plan identifies 5 main themes; Knowledge, The Food Chain, The Environment, Broadening the Economic Base, Animal and Human Health. Lead partners and stakeholders have been identified to facilitate delivery of the key objectives for each theme and targets and performance milestones with appropriate monitoring are being developed.

Regional Foods

South West Food and Drink is the trade organisation sponsored by SWRDA and is dedicated to helping food and drink producers by developing a regional food strategy. The strategy will strengthen the partnerships between producers, retailers, the food service sector and consumers. A key activity is the reconnection of the industry with its external markets and Public Sector Food Procurement.

Support and Advice for Farmers and Rural Businesses in Region

A table listing the current sources of funding and advice with contact details for rural businesses in the South West has been published on the Internet by GOSW. This helps to co-ordinate the work of government organisations and agencies, integrate funding under ERDP and other funding streams and provide a useful source of advice for applicants.

Communications

High speed IT connections are seen as a key driver in facilitating changes in lifestyle and working practices with a move to more home based workers and working from more remote locations; such as farm based offices. The pattern of broadband availability across the region is variable but within the last 12 months availability has increased significantly. Affordable broadband is now available to 80 per cent of the region's population although only 18 per cent of the population in rural villages and 4 per cent of the population in remote rural areas have access.

Rural Diversification

A strong interest in diversifying into other agricultural and non-agricultural activities is displayed by the farming industry across the region. Numbers of applications to the ERDP project-based schemes have grown from 71 in 2000/01 to 206 in 2003/04.

The majority of applications have been for the Rural Enterprise scheme with a significant proportion concentrating their efforts on re-utilising existing farm buildings and facilities for conversion to accommodation, office or light industrial use.

A down turn in other sources of public funding for community and village facilities has seen a much increased interest in the Basic Services and Renovation and Development of Villages measure from social groups supported by Rural Community Councils.

Leader +

The six Leader + groups, managed by the GOSW, in the region are now well established and linkages between local action group activities in their areas and ERDP schemes have strengthened.

Facilitation

Additional support has been directed to Objective 2 areas in Devon and Somerset through a low level co-ordination project delivered by partner organisations and managed by Business Link (Devon) which provides guidance and assistance to farm businesses within the area making applications under the Rural Enterprise Scheme. Uptake in the support has been impressive with an average of 40 businesses per annum benefiting.

ERDP Promotion and Targeting

Partners agreed a new targeting statement for the three project based schemes with a shift in emphasis away from new tourism accommodation not linked to an existing tourism or recreation enterprises. The statement seeks greater integration between the other schemes in the ERDP. Promotional events with partner groups are held on a regular basis and monthly clinics to advise interested potential applicants are very popular.

Partner liaison meetings continue to be an excellent source of inspiration for the targeting of agri-environment schemes in the region. There has been considerable focus on securing environmental outcomes, realising Biodiversity Action Plan targets and achieving favourable status on designated Sites of Special Scientific Interest.

West Midlands

Changes to Conditions

The health of the rural economy is essential to the well-being of rural people and rural areas. Jobs in the West Midlands have traditionally been diverse but despite two recessions, manufacturing still accounts for over 20 per cent of the total employment in the region. Over the last decade the region has experienced real economic growth.

This economic activity rate is higher in rural areas compared with urban areas, whilst the number of people claiming unemployment benefits is lower. 2003 again saw a growth in the service sector and decline in land-based industries. However, agriculture still remains one of the significant (although declining) economic sectors.

The ERDP and associated initiatives such as those concerning Market Towns, Vital Villages, and the designation of the Rural Regeneration Zone in Herefordshire, parts of Shropshire, and a small part of Worcestershire continue to target the revitalisation of rural areas, both in terms of its infrastructure and diversification of individual businesses.

Despite such programmes, many people do not have access to basic rural services (doctors' surgeries, schools, post offices etc), transport is scarce and the availability of affordable housing is a significant problem.

Changes in Trends

Agriculture

Post Foot and Mouth Disease restructuring continued despite improved cash flows and profitability in 2003. However, not all sectors enjoyed this recovery (albeit from a very low level), with milk production continuing to produce low returns. Restructuring in this sector was perhaps slower during 2003 awaiting the impact of the CAP reform package and calculation of entitlements to the Single Farm Payment.

Rural Diversification

In line with national trends the number of diversified farm businesses continues to expand. Income sources vary from off farm employment through to the setting up of a new enterprise, sometimes with the help of grant aid from the ERDP or other sources.

In the West Midlands, levels of interest in ERDP project-based schemes have shown a continuous increase since 2000/01, when the region received 48 applications (7 approved); 2001/02 104 applications (32 approved), and in 2002/03 134 applications (64 approved). The vast majority of these have been for the Rural Enterprise Scheme (RES), and in particular the non-agricultural diversification and tourism measures.

In line with developing facilities for rural areas, the West Midlands has seen an increase in the number of RES projects coming forward in the Basic Services for the Rural Economy and the Renovation and Development of Villages measures with a total of 24 applications spending over 20 per cent of the budget in 2003. Successful projects such as child day-care nurseries, renovation of village halls and community facilities have made a significant contribution to local infrastructure and helped deliver social benefits.

RDS West Midlands is working closely with the Countryside Agency to complement its Vital Villages (VV) Programme – currently 18 completed plans and another 125 underway in the region – to target ERDP funds where village plans cannot be fully funded through the VV programme.

Rural Environment

The West Midlands contains 3 Environmentally Sensitive Areas (ESAs), of which 72,800 hectares are under ESA agreement, with 1,583 agreement holders. The Countryside Stewardship scheme attracted 396 new applications of which 252 were successful, a further 44 agreements were renewed. 28,700 hectares are now managed under the scheme in this region. Applications for new schemes and renewals remained high

during 2003 with land managers increasingly recognising the importance of such agri-environment schemes not only in environmental terms, but also as another economic strand to their business.

Interest in arable reversion and rewetting remains high, but across the region there is increasing concern about the lack of grazing livestock to manage some sites. RDS with partner organisations are discussing the formation of grazing management groups to address this issue.

In terms of progress towards Biodiversity Action Plan (BAP) targets, RDS has set up an informal mechanism to measure the contribution that agri-environment schemes are making to UK BAP habitat targets. Project Officers are providing data from CSS and ESA agreements on BAP priority habitats and species. A report is imminent on the 2002 outcomes – with the 2003 data currently being processed. The 2002 data has been used to inform the regional and local BAP targeting project.

The significance of a high quality environment was also highlighted by the publication of “The Environmental Economy of Protected Landscapes in the West Midlands”. The protected landscapes of the West Midlands are unique and valuable regional assets. As well as being areas of outstanding environmental quality they generate significant economic and social benefits for communities in rural areas and the wider region. Activities based on the high quality environment such as tourism and recreation, as well as sustainable agriculture and forestry play an important role in sustaining and diversifying economic activity, especially in rural areas. Considerable potential exists for developing carefully managed economic activity in the future, including in the protected areas, with much of this activity being supported through the ERDP.

Tourism

Within the West Midlands, the tourism sector as a whole generated approximately £4,800 million in revenue from about 124 million visits. The Region’s tourism sector is dominated by the West Midlands metropolitan area which attracts 48 per cent of total tourism expenditure. In terms of day trips, the West Midlands metropolitan area was the largest recipient (45 per cent of the regional share), followed by Staffordshire (16 per cent). For staying visits, the West Midlands metropolitan area also had the largest share (45 per cent), followed by Warwickshire (14 per cent). About 79 per cent of day visits can be categorised as town trips – the remaining 21 per cent were countryside trips. The sector supports about 110,000 Full Time Equivalent jobs (FTE) or 1 FTE per £43,636 of revenue generated.

Day trips to the countryside generate about £386 million of expenditure per annum, the bulk of which is within the retail and catering sectors. Overnight visits to the Shire Counties are worth approximately £957 million of which about £325 million is spent on accommodation. The main types of accommodation used are hotels (58 per cent), friends and relatives (48 per cent), B&B/Farmhouse (10 per cent), touring caravan/camping (7 per cent), static caravan (3 per cent). Thus tourism is an important source of income and a number of farming businesses that have diversified into tourism report that their enterprise has become their main source of income when agricultural prices are depressed.

Regional Initiatives and Developments

Strategy for Sustainable Farming and Food

In response to the Government's Strategy for Sustainable Farming and Food, the West Midlands region (along with the other English regions) was charged with the task of developing a regional implementation plan that delivers real change at a local level.

The regional Delivery Plan takes forward the combined proposals of both the Regional Food and Drink Cluster Strategy and those parts of the Strategy for Sustainable Farming and Food that can be delivered regionally. There are clear links with the delivery of the ERDP and the project-based schemes in particular.

To help ensure co-ordination between the ERDP and other funding streams the region set up the Farming and Food Team. This is a joint venture between Advantage West Midlands, Government Office for the West Midlands, and the Rural Development Service.

A key part of the team's approach to delivery is the development of business-led information networks, particularly involving farmers and diversified rural businesses, to provide a mechanism for business improvement, knowledge transfer, innovation and the basis for "spinning out" projects and developing collaborative approaches.

A number of the sub-regional groups have already formed. Some have been successful in securing England Rural Development Programme funding for Rural Enterprise Scheme facilitation, which has succeeded in improving the number and quality of projects.

In addition, the Farming and Food Team have been working with partners to discuss and scope the market potential for bio-diesel (as the region is ideally suited to oilseed rape production), essential oils, composting, waste recycling and energy crops. A Staffordshire project is using funding from the Energy Crops Scheme and the Department for Trade and Industry to develop an electric generation plant fuelled with miscanthus.

Tourism

During the year, the Regional Development Agency (RDA) published its Tourism Strategy for the Region. This is a high level strategy that embraces the concept of Destination Marketing. The countryside is not seen as a destination in its own right although its importance is recognised. The approach suggests that if rural businesses are to benefit from regional support they will have to develop joint initiatives and engage with emerging destination-marketing organisations.

In August 2003 the RDA published a report by Land Use Consultants Ltd on informal rural recreation in the West Midlands. The study found that there are 22,000 km of footpaths, riverside walks and canal towpaths, public open spaces account for 710 square km and together they cost £1.9 million per annum to equip and maintain. In total they attract 140 million visits annually, generating about £500 million per annum including £80 million from casual horseriding.

Regional Foods

The RDA are supporting the food and drink cluster and is now in the process of commissioning (via consultants), an overarching Food and Drink strategy. Priority areas are:

- provision of Food Parks, Incubator Support and Urban/Rural links;
- industry information/interpretation facility;
- direct selling, farmers' markets and local food distribution;
- initiatives for regional and local foods;
- improving the Supply Chain;
- promoting public procurement of food from the region;
- securing environmental benefits and delivering public goods;
- tourism and Recreation;
- non-food cropping;
- system for managing waste.

The regional strengths for food manufacturing in the West Midlands region currently lie in low value-added markets. Mass and specialist producers in meat, vegetables, milk, cheese and yoghurt benefit from the proximity to good quality farming country, much of which is located in the west (Shropshire) and in the south (Hereford & Worcestershire) of the region. The region currently lacks a competitive advantage in the more value-added areas of food production. It is in these areas that the region needs to improve if it is to develop a larger, more profitable food industry in the future.

Local Access Forums

As a result of the Countryside and Rights of Way Act 2002 (CROW), local access forums have been established in the 5 West Midlands counties. RDS has established close links with all these forums not only to inform their members of the access options under the agri-environment schemes, but also to encourage each forum to provide strategic guidance to inform the agri-environment targeting approach and priorities with regards to access.

Training and Skills

The Regional Skills Partnership was formed in late 2003 and is the key strategic mechanism through which regional priorities are set. It shapes the framework for planning and accountability in the West Midlands and ensures that the links to the Regional Economic Strategy and Framework for Regional Employment and Skills Action are clear. The Partnership has commissioned consultants to investigate rural skills with the intention of developing an implementation plan designed to address the needs of rural areas. Preliminary findings suggest that a lack of access to higher education in rural areas and below average levels of basic skills are major issues. 2004 is likely to see the implementation of a Regional e-Learning Strategy and the development of other flexible learning opportunities to increase access to learning, particularly in rural areas.

West Midlands Biodiversity Partnership

West Midlands Biodiversity Partnership (WMBP) has commissioned a piece of work to assess regional biodiversity targets in light of the national targets and to bring Local Biodiversity Action Plan (LBAP) targets into line accordingly. This has involved RDS work at individual county meetings where LBAP targets were assessed in relation to the amount of resource known and the potential resource available. A realistic target for future resource management/restoration and creation in light of the revisited regional targets was agreed.

Yorkshire and the Humber

Changes in Conditions

Agriculture

During 2003, both farm and non-farm businesses in the region continued to recover from the impact of the 2001 Foot and Mouth Disease (FMD) outbreak. The effect on farm businesses has varied but most of those culled out have restocked to some extent or other. However, confidence in the future of the industry was shaken and many have sought alternative sources of income to reduce potential exposure in the future. The impact had been most severe on the infected areas such as Upper Wensleydale and Craven District, where there was a major effect on tourism and cash flows in businesses.

Rural Economy

The foot and mouth crisis underlined the vulnerability of the rural economy and emphasised how closely related agriculture is to rural tourism and to the provision of local services. The Yorkshire Forward sponsored *Yorkshire and Humber Tourism Study* (June 2002) predicted an upturn in the rural economy by late 2002/early 2003: a prediction which proved correct as 2003 was a very good year for rural tourism businesses.

A notable feature of rural tourism in Yorkshire and the Humber is intra-regional tourism – visitors from the urban areas of the region visiting the countryside for a day visit or overnight stay. Many rural tourism businesses in the region have suffered from a short season, because of the upland location and climate, leading to poor occupancy. However, the Yorkshire Forward sponsored tourism *Biggest Break Campaign* launched after FMD in 2001 has claimed to have increased bed occupancy from the second poorest in the country to second only to London. The Yorkshire Tourist Board and Yorkshire Forward *Tourism Action Plan* recognises the importance of rural tourism as a component of the overall attractiveness of the region that, together with urban tourism, will help deliver Regional Economic Strategy objectives.

Changes in Trends

Agriculture

The Askham Bryan College report *Farming in Yorkshire 2002/2003*, which describes the results of the Defra funded *Farm Business Survey* in the region, was published in December 2003. The survey describes the performance of farm businesses with a financial year typically ending on 31 March 2003. The average farm surveyed produced a Management and Investment Income of just £5,511 over the year. However, this is a significant improvement on the nominal £632 recorded in the previous year. The results

continue to show a negative return on capital invested in farming in the region. Despite the improvement in profitability net investment has fallen – as expected, there was a large fall in net investment on dairy farms reflecting the very difficult financial circumstances in this sector. In summary, the figures show an agricultural industry failing to produce an adequate return on the labour and capital resources deployed. The situation has improved but is still at an unsustainable level with many farming families in the region reliant upon non-agricultural income.

Many farmers restructured their businesses after FMD accelerated the migration of labour from agriculture. Part time farming involving working off farm or diversification has been necessary for many to maintain an adequate income. Alternative employment for farm workers is limited in the more remote rural areas of the region where agriculture accounts for 15 per cent or more of employment. In addition, the agricultural industry supports many more jobs in ancillary activity and in some upland areas over 60 per cent of employment is in agriculture, tourism and associated sectors. In these remote rural areas the loss of jobs in other industries has often significantly limited the opportunities of those entering the non-agricultural job market.

Rural Environment

The English Nature *State of the SSSIs Report: Yorkshire and Humber*³² had mixed news about the condition of Sites of Special Scientific Interest (SSSIs) in the region. No less than 11 per cent of the region is designated SSSI, largely because of the large areas of upland habitat designated for its national and international value. However, only 24.1 per cent of the SSSIs are in 'favourable' condition – the lowest for any region. Conversely, the proportion of SSSIs in 'unfavourable recovering' condition is the highest of any region, indicating a better picture.

The Countryside Stewardship scheme attracted 404 new applications of which 288 were successful, a further 47 agreements were renewed. 79,400 hectares are now managed under the scheme in this region.

Socio-economic Changes

The Countryside Agency *State of the Countryside in the Yorkshire and Humber 2003* report highlighted that the region suffered the largest decline in rural population between 1991 and 2001 of any region – a loss of 2.44 per cent. The only other English region to experience a decline over this period was the North East, which is suffering from overall falls in population. On the other hand, unemployment is less in remote rural areas than for the region as a whole, rural internet usage in rural areas is the highest of any region and the health status of some rural areas, such as Craven, is higher than the region as a whole.

Rural Economy

The economic value of the historic environment to the rural economy of the region is discussed in the regional document *Heritage Counts 2003: The State of the Historic Environment*³³. The diverse nature of the region is typified by the two World Heritage Sites in Yorkshire and the Humber – Fountains Abbey and Studley Royal in rural North Yorkshire, and Saltaire, in industrial West Yorkshire. The *Register of Buildings at Risk*

32 <http://www.english-nature.org.uk/special/sssi/report.cfm?category=R,RF>

shows more Grade I and II* listed buildings and scheduled monuments in Yorkshire have been removed than in any other region, although the region still has above average numbers registered. Environmental and heritage tourism generates a third of the region's tourism spend. Visitor numbers to heritage attractions have increased since 2002 and account for over half the visits to all visitor attractions. Educational visits have also recovered since FMD but are still not back to 2000/01 levels. A new *Cultural Tourism Forum* has been established in recognition of the value of cultural activity, including art and history, to the tourist industry in the region.

The Regional Energy Forum commissioned the *Energy Forum Foundation Study* to review energy production in the region and review the potential for innovative energy technologies. The region is still a significant producer of coal and associated electricity generation and has a quarter of UK oil refining capacity. Most of the region's renewable energy is coming from landfill gas and there are just three significant Pennine wind farms. However, we have recently seen the submission of several applications for new wind farms, particularly in the Humber sub-region. The UK's first short rotation coppice fired power station has been constructed at Eggborough, near Selby with an anticipated output of 46.1 GWh. Unfortunately, commissioning the plant has proved problematic and attempts to rescue the project continue. This has shaken confidence in arable energy crop production in the region and alternative outlets for crops are being actively sought by groups of growers.

Regional Initiatives and Developments

Sustainable Farming and Food

Following the publication of the Government's response to the Policy Commission on the Future of Food and Farming in December 2002, *The Strategy for Sustainable Farming and Food* (SSFF), the Government Office Rural Team co-ordinated the regional response. The regional delivery plan, *Framework for Change*, was developed to address the 30 or so Curry recommendations that required regional prioritisation. A diverse steering group, including strong industry representation, endorsed the establishment of 'task and finish' groups to consider food chain issues, environment, future of farming and healthy communities. A communications group and change management group assisted in this process. In addition, a group worked with the Defra State Veterinary Service to feed a regional view into the emerging Animal Health and Welfare Strategy. *The Framework for Change* document was launched at the premier agricultural event in the region, The Great Yorkshire Show, on 8 July 2003. Within each of the four key areas, the regional delivery plan commits to a number of key initiatives for change, ranging from support for the Yorkshire Organic Centre to the establishment of a regional demonstration farm network.

ERDP Promotion and Targeting

Partners agreed a new ERDP Targeting Statement for the region, which acknowledged the regional priorities identified from the *Strategy for Sustainable Farming and Food*. For the first time project based and agri-environment scheme targeting statements were brought together in a single document. The targeting statement addressed the emerging rural components of each of the four RDA Sub Regional Action Plans, each Sub Region representing a county. Meanwhile, the ERDP Task Group has embarked on

a review of the *ERDP Regional Chapter* to check progress of delivery against that originally anticipated and to ensure that the original objectives of the Programme correspond with more recent initiatives.

Rural Affairs Forum

The *Yorkshire and the Humber Rural Affairs Forum*³⁴ brings together rural stakeholders to inform the strategic development of rural policy in the region. A key activity was the organisation of a high level conference at York Racecourse on 19 March 2003, working with Yorkshire Forward, the local Government Office, the Countryside Agency and the Yorkshire and the Humber Assembly. Titled *Working Together for Our Rural Future* this high profile event brought together all the key partners in the region working in rural development.

Planning Advice

A number of regional partners and stakeholders in the region came together to publish a free guide for farmers about planning called *Making the Most of Your Farm*. The guide is intended to help diversification of farm businesses by helping farmers to understand the process required for non-agricultural development on farm, particularly in areas subject to environmental designations where development is carefully controlled. Meanwhile, the Yorkshire and Humber Assembly are leading the review of the *Regional Planning Guidance* and have also commenced preparation of the *Regional Spatial Strategy*.

Market Towns Initiative

The joint Countryside Agency and Yorkshire Forward *Market Towns Initiative* is helping towns of between 5,000 and 20,000 in rural areas re-establish themselves as service centres to their residents, businesses and wider communities. The agencies are jointly supporting community led regeneration programmes based on a 25-year vision that will translate into action plans. During 2003, the Upper Calder Valley, comprising Mytholmroyd, Hebden Bridge and Todmorden joined the initiative, along with Skipton. Over a period of 10 years it is anticipated that all eligible towns in the region will be able to benefit.

Non-Food Crops

The *National Non-Food Crops Centre*³⁵ (NNFCC) was established in York in August 2003 as a result of the recommendations in the *Strategy for Sustainable Farming and Food*. The centre will provide a database for non-food crop products and technologies, uniting the experience of the farmers, scientists and businesses. It will disseminate scientific and technical information as widely as possible to raise the profile of non-food crops and benefit farmers looking for new markets in the wake of reforms to the CAP.

34 <http://www.goyh.gsi.gov.uk/yhraf>

35 <http://www.nnfcc.co.uk/>

Table 1: INDICATIVE MEASURES AND INDICATORS (from Annex VII of the ERDP):

| Measure | Key indicators | Targets | Achievements in 2003 | Cumulative up to end of 2003 |
|--|--|---|--------------------------|------------------------------|
| Investment in Agricultural Holdings: | | | | |
| i) Energy Crops (Miscanthus) | <ul style="list-style-type: none"> area (ha) under miscanthus tonnage of biomass produced carbon emissions saved (tC) energy derived from miscanthus (mGJ) | 5,000 64,000 9,980 – 43,920 1.0 | 0ha N/A N/A N/A | 49ha N/A N/A N/A |
| ii) Rural Enterprise Scheme – Agricultural Diversification | <ul style="list-style-type: none"> Number of projects assisted Number of FTE jobs created | 500 400 | 303 45 | 503 595 |
| Training | | | | |
| | <ul style="list-style-type: none"> number of training days number of training courses/workshops number of qualifications obtained | 48,000 2,400 5,000 | 27,132 3,737 310 | 62,241 7,267 4,260 |
| Less Favoured Areas: | | | | |
| (i) Hill Livestock Compensatory Allowance 2000 Scheme | <ul style="list-style-type: none"> Relative position of Net Farm Incomes in the LFA and non-LFA | Compensatory allowance not to exceed relative difference in incomes | N/A (scheme closed) | N/A |

| Measure | Key indicators | Targets | Achievements in 2003 | Cumulative up to end of 2003 |
|--|--|---|---|---|
| Agri-Environment: (i) Countryside Stewardship Scheme | <ul style="list-style-type: none"> • area (ha) and characteristics of land and features under agreement, in relation to nationally and regionally targeted landscapes and features, including: <ul style="list-style-type: none"> → meadows, pastures and rough grazings → moorland → lowland heath → coastal land and habitats → field boundaries and margins → arable land → historic landscapes and features | <p>To increase the number of agreements and area under agreement annually.</p> <p>For each additional £1m: Additional 4,300 ha. under agreements;</p> <p>Additional 700 ha. arable field margins;</p> <p>Additional 350 km hedges, stone walls etc.</p> <p>Successful implementation of regional targeting strategies</p> | <p>2,750 new agreements covering 114,000 ha; total cost £23m</p> <p>7,598 ha under agreement</p> <p>441 ha of arable field margin</p> <p>571 km of hedges etc</p> <p>N/A</p> <p>N/A</p> | <p>10,500 new agreements covering 400,000 ha; total cost £66m</p> <p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p> |
| | Amount of new access provided | | 579 km | 2,279 km |

| Measure | Key indicators | Targets | Achievements in 2003 | Cumulative up to end of 2003 |
|--|---|--|---------------------------------------|--|
| Agri-Environment: | | | | |
| (ii) Environmentally Sensitive Areas Scheme (22 Schemes) | <ul style="list-style-type: none"> area (ha) and characteristics of land and features under agreement | <p>To maintain at least the current area of land under agreement.</p> <p>To meet the environmental objectives and targets set for each ESA.</p> <p><i>(Each ESA has a set of environmental objectives which reflect the aims of each management tier. Each objective has a set of published uptake indicators and targets)</i></p> | 842 new agreements covering 28,118 ha | 2,261 new agreements covering 147,500 ha |
| | | | N/A | N/A |
| (iii) Organic Farming Scheme | <ul style="list-style-type: none"> area (ha) converted and converting to organic production per year number of beneficiaries (per year) | 45,000 | 15,374 ha | 118,464 |
| | | 650 | 214 | 1,380 |

| Measure | Key indicators | Targets | Achievements in 2003 | Cumulative up to end of 2003 |
|--------------------------|--|---------|----------------------|------------------------------|
| Processing and Marketing | • number of jobs created and safeguarded | 2,200 | 2,032 | 4,137 |
| | • number of projects assisted | 370 | 54 | 133 |
| | • number of collaborative marketing ventures supported | 100 | 57 | 74 |
| | • number of novel outlets created | 45 | 16 | 52 |
| | • number of projects involving increase in amount of locally produced/sourced raw material purchased | 288 | 20 | 60 |
| | • number of projects resulting in reduced pollution emissions, energy and water use, and waste production | 20 | 17 | 25 |
| | • number of new products brought to market | 70 | 20 | 70 |
| | • number of collaborative marketing groups helped to merge or form federal structures, resulting in improved marketing | 7-14 | 4 | 5 |
| | • number of assurance schemes assisted | 7-14 | 6 | 7 |

| Measure | Key indicators | Targets | Achievements in 2003 | Cumulative up to end of 2003 |
|---|--|--|---|--|
| Forestry: | | | | |
| (i) Woodland Grant Scheme | <ul style="list-style-type: none"> area of new woodland (ha) planted with grant aid area of new woodland (ha) under approved management schemes | 30,000 300,000 | 6,262 56,641 | 21,432 151,056 |
| (ii) Farm Woodland Premium Scheme | <ul style="list-style-type: none"> area (ha) of new woodland planted arable land area (%) improved grassland (%) broad leaf planted area (Ha.)/ conifer planted area (Ha.) | 21,000 40% 50% 4:1 | 5,254 (approved for planting) 53% 37% 25:1 | 16,882 (approved for planting) 51% 41% 13:1 |
| (iii) Energy Crops – Short Rotation Coppice | <ul style="list-style-type: none"> area (ha) under short rotation coppice tonnage of biomass produced carbon emissions saved (tC) energy derived from short rotation coppice (mGJ) | 16,700 215,000 33,420 – 147,040 3.3 | 115 N/A N/A N/A | 355 N/A N/A N/A |

| Measure | Key indicators | Targets | Achievements in 2003 | Cumulative up to end of 2003 |
|--|---|---------|----------------------|------------------------------|
| Rural Enterprise Scheme: | | | | |
| (iii) Setting up of farm relief and farm management services | • number of businesses benefiting | 701 | 1,096 | 2,908 |
| | • number of jobs created/sustained | 277 | 13 | 117 |
| | • rural area served by farm relief and other services (sq km) | 202,714 | 2,996 | 27,101 |
| (iv) Marketing of quality agricultural products | • number of businesses participating | 2,037 | 4,822 | 7,616 |
| | • number of jobs created/sustained | 1,154 | 1,244 | 1,698 |
| | • increase in annual value of marketed products (% or £k) | 5 – 10% | £17.3 million | £22.6 million |
| | • number of quality products marketed | 1,485 | 121 | 690 |
| | • number of collaborative projects | 303 | 30 | 180 |
| (v) Basic services for the rural economy and population | • number and type of beneficiaries | 126,857 | 8,700 | 13,975 |
| | • number of services supported | 127 | 33 | 58 |
| | • type of services supported | 13 | N/A | N/A |
| | • number of ICT projects supported | 92 | 11 | 13 |

| Measure | Key indicators | Targets | Achievements in 2003 | Cumulative up to end of 2003 |
|--|--|---------|----------------------|------------------------------|
| Rural Enterprise Scheme: | | | | |
| (vi) Renovation and development of villages and protection and conservation of the rural heritage | • number of beneficiaries | 146,178 | 22,595 | 36,055 |
| | • number of village initiatives | 200 | 76 | 124 |
| (vii) Diversification of agricultural activities and activities close to agriculture to provide multiple activities or alternative incomes | • number of new enterprises supported | 1,247 | 250 | 373 |
| | • number of jobs created/sustained | 1,033 | 497 | 1,921 |
| (viii) Agricultural water resources management | • number of businesses supported | 176 | 105 | 132 |
| | • area (Ha) of land made irrigable | 8,562 | 1,481 | 2,200 |
| | • environmental impact: contribution to increased summer water levels in rivers or aquifers (i.e. volume of abstracted water replaced) | 13 | N/A | 5 |
| (ix) Development and improvement of infrastructure connected with the development of agriculture | • number of businesses benefiting | 405 | 15 | 44 |
| | • number of jobs created/sustained | 303 | 58 | 181 |

| Measure | Key indicators | Targets | Achievements in 2003 | Cumulative up to end of 2003 |
|--|---|---|--|--|
| Rural Enterprise Scheme: | | | | |
| (x) Encouragement for tourist and craft activities | <ul style="list-style-type: none"> tourism/craft enterprises supported number of jobs created/sustained number of (quality assured)farm/rural bed places created/improved number of tourist day-visits per annum number of new rural craft practitioners created number of projects to facilitate public access number of visitor management plans | <p>1,550</p> <p>1,044</p> <p>2,720</p> <p>861,000</p> <p>367</p> <p>338</p> <p>44</p> | <p>1,645</p> <p>697</p> <p>720</p> <p>741,791</p> <p>60</p> <p>19</p> <p>0</p> | <p>2,180</p> <p>1,081</p> <p>1,400</p> <p>1,325,042</p> <p>178</p> <p>89</p> <p>58</p> |
| (xi) Protection of the environment in connection with agriculture, forestry and landscape conservation as well as with the improvement of animal welfare | <ul style="list-style-type: none"> number of projects supported area (Ha.) of land protected number of projects benefiting animal welfare | <p>373</p> <p>13,053</p> <p>91</p> | <p>14</p> <p>64</p> <p>5</p> | <p>42</p> <p>97</p> <p>6</p> |

Table 2: Indicative Priority Level Impact Indicators and Targets (extracted from Section 7 of the ERDP)

| PRIORITY A Rural Economy Creation of a productive and sustainable rural economy | | | | | |
|--|--|--|------------------------|----------------------------------|-----------------------------------|
| Objective | Impact indicators | Impact Targets | Achievements in 2003 | Cumulative up to end of 2003 | |
| <ul style="list-style-type: none"> To assist projects which contribute to: <ul style="list-style-type: none"> more diverse and competitive agricultural and forestry sectors the creation of new jobs in the countryside the creation of new products and market outlets encouraging collaborative marketing provision of targeted training | Number of projects, businesses or initiatives assisted | <p>a) To increase farm revenues from diversified sources by 25% on full time farms in England by end 2006.</p> <p>b) To assist 6,000 – 7,000 projects under the Rural Enterprise Scheme by 2007.</p> <p>c) To assist 370 businesses with Processing and Marketing Grants by 2007.</p> <p>d) To assist 200 village initiatives through the Rural Enterprise Scheme by 2007.</p> <p>e) To create 4,000 – 6,000 Full Time Equivalent jobs through the Rural Enterprise Scheme.</p> <p>f) To create 2,200 Full Time Equivalent jobs through Processing and Marketing Grants by 2007.</p> <p>g) To provide 48,000 full cost equivalent training days for people in farming and forestry by 2007 to support successful delivery of measures under this Programme.</p> <p>h) To increase by 21,000 hectares the area of agricultural land planted with trees by 2007.</p> | Data not yet available | n/a | |
| | | | 471 projects assisted | 1,067 projects assisted | |
| | | | 46 projects assisted | 127 projects assisted | |
| | | | 76 | 124 assisted | |
| | | Number of FTE jobs created and sustained | | 2,041 | 5,593 |
| | | | | 1,493 | 4,137 |
| | | Number of full-cost equivalent training days provided | | 27,132 | 62,241 |
| | | Number of hectares of agricultural land planted with trees | | 5,254 ha (approved for planting) | 16,882 ha (approved for planting) |

PRIORITY B Rural Environment Conservation and enhancement of the rural environment

| Objective | Impact indicators | Impact Targets | Achievements in 2003 | Cumulative up to end of 2003 |
|--|---|--|---|--|
| <p>To increase significantly the area covered by the schemes operated under the agri-environment measure;</p> <p>To maintain the sustainable management of an appropriate area of the Less Favoured Area</p> | Number of Biodiversity Action Plan Targets Achieved | a) To deliver by 2007 the 5-year 2010 Biodiversity Action Plan targets for creation of field margins through the Countryside Stewardship Scheme. | N/A | N/A |
| | Number of hectares achieved/converted | b) To achieve an additional 525,000 hectares of land under Countryside Stewardship agreements by 2007. | 114,000 ha (provisional, figures currently under review) | 400,000 ha (provisional, figures currently under review) |
| | Number of hectares maintained | c) 430,000 hectares of land converted or converting to organic farming by 2007. | 15,374 ha | 118,464 ha |
| | | d) To maintain at least the current areas of land under ESA agreements. | 24,303 ha | 103,489 ha |
| | | e) To maintain extensive grazing on 1.4m hectares in the Less Favoured Areas. | Total area claimed as LFA forage for HFA 2002 was 1.4m ha | N/A |
| | Percentage increase in proportion of land in higher ESA tiers | f) To increase by 10% the proportion of land in higher ESA tiers by 2004. | N/A | N/A |

Annex 4A: (Guarantee funding): Common indicator tables for monitoring rural development programming 2000–2006

Conventions used

a. Colour conventions

To be filled in



Automatically calculated/filled



Not to be filled in



b. Coding conventions

Not applicable NP

Applicable, but not implemented (yet) NI

Figure is not available NA

c. Country codes

AUSTRIA AT

BELGIUM BE

DENMARK DK

FRANCE FR

GREECE GR

IRELAND IE

LUXEMBOURG LU

NETHERLANDS NL

PORTUGAL PT

SPAIN ES

SWEDEN SE

UNITED KINGDOM GB

GERMANY DE

ITALY IT

FINLAND FI

d. Programme types

Rural Development Programme (Guarantee) RDP

RDP with modulation (tracked separately) RDPmod

RD measures included in Obj 1 programme (Guidance) Obj1

RD measures included in Obj 2 programme (Guarantee) Obj2

e. Region codes

See explanatory guidelines

Rural development monitoring indicator tables

code General tables

- T.0.1 Background information
- T.0.2 Programmed measures
- T.1 Characteristics of the programme area
- T.2 Land use programme area
- T.3 Profile of agricultural holdings programme area
- T.4 Forecasts
- T.5 Geographic breakdown of support measures
- T.5.1 According to Objective 1 areas, Objective 2 areas and areas outside Objectives 1 and 2
- T.5.2 According to the areas defined by Articles 16 to 20 of Reg. (CE) n°1257/1999
- T.6 Financial monitoring

Measure tables

- a Investment in agricultural holdings (Ch. I, art. 4-7)
 - a.1 Breakdown by type of production
 - a.2 Breakdown by type of investment
- b Setting-up of young farmers (Ch. II, art. 8)
 - b.1 Setting-up aids by type of production
 - b.2 Applications by age category
- c Training (Ch. III, art. 9)
- d Early retirement (Ch. IV, art. 10-12)
 - d.1 Beneficiary type
 - d.2 New applications by age category
- e Less-favoured areas and areas with environmental restrictions (Ch. V, art. 13-21)
 - e.1 Less Favoured Areas (holdings receiving compensatory allowances by pre-dominant LFA type)
 - e.2 Areas with environmental restrictions (holdings receiving art. 16 payments)
- f Agri-environment (Ch. VI, art. 22-24)
- g Improving processing and marketing of agricultural products (Ch. VII, art. 25-28)
 - g.1 Breakdown by sector
 - g.2 Breakdown by investment objective
- h Afforestation of agricultural land (Ch. VIII, Art. 29-32)
- i Other forestry measures (Ch. VIII, Art. 29-32)
 - i.1 Other afforestation (art. 30, 1st indent)
 - i.2 (art. 30, other indents; art. 32)
- j to v Promoting the adaptation and development of rural areas (Ch. IX, art. 33)
 - j Land improvement
 - k Reparcelling
 - l Setting-up of farm relief and farm management services
 - m Marketing of quality agricultural products
 - n Basic services for the rural economy and population
 - o Renovation and development of villages and protection and conservation of the rural heritage
 - p Diversification of agricultural activities and activities close to agriculture to provide multiple activities or alternative incomes
 - q Agricultural water resources management

- r Development and improvement of infrastructure connected with the development of agriculture
- s Encouragement for tourist and craft activities
- t Protection of the environment in connection with agriculture, forestry and landscape conservation as well as the improvement of animal welfare
- u Restoring agricultural production potential damaged by natural disasters and introducing appropriate prevention instruments
- v Financial engineering

Mixed table

- T.7 Agricultural area under agri-environment contracts and Natura 2000: share UAA receiving agri-environmental or compensatory allowance payments

T.0.1 Background information

Programme type: RDP
Country: UK
Region: ENG
Reporting year: 2003
programme id: UKENG

Contact person:

name Brian Symes
organisation Department for Environment, Food and Rural Affairs
e-mail brian.symes@defra.gsi.gov.uk
phone 00 44 20 7238 6276

T.0.2 Programmed measures

| | Tables | Status |
|--|-----------|--------|
| a. Investment in agricultural holdings (Ch. I, art. 4-7). | a.1 & a.2 | X |
| b. Setting-up of young farmers (Ch. II, art. 8). | b.1 & b.2 | NP |
| c. Training (Ch. III, art. 9). | c | X |
| d. Early retirement (Ch. IV, art. 10-12). | d.1 & d.2 | NP |
| e.1 Less-favoured areas (Ch. V, art. 13-21). | e.1 | X |
| e.2 Areas with environmental restrictions (Ch. V, art. 16). | e.2 | NP |
| f. Agri-environment (Ch. VI, art. 22-24). | f | X |
| g. Improving processing and marketing of agricultural products (Ch. VII, art. 25-28). | g.1 & g.2 | X |
| h. Afforestation of agricultural land and i. Other afforestation (Ch. VIII, art. 31, 30). | h & i.1 | X |
| i. Other forestry measures (Ch. VIII, art. 30, 32). | i rest | X |
| j. Land improvement and k. Reparcelling (Ch. IX, art. 33). | j & k | NP |
| l. Setting-up of farm relief and farm management services (Ch. IX, art. 33). | l & m | X |
| m. Marketing of quality agricultural products (Ch. IX, art. 33). | l & m | X |
| n. Basic services for the rural economy and population (Ch. IX, art. 33). | n & o | X |
| o. Renovation and development of villages and protection and conservation of the rural heritage (Ch. IX, art. 33). | n & o | X |
| p. Diversification of agricultural activities and activities close to agriculture to provide multiple activities or alternative income (Ch. IX, art. 33). | p & q | X |
| q. Agricultural water resources management (Ch. IX, art. 33). | p & q | X |
| r. Development and improvement of infrastructure connected with the development of agriculture (Ch. IX, art. 33). | r & s | X |
| s. Encouragement for tourist and craft activities (Ch. IX, art. 33). | r & s | X |
| t. Protection of the environment in connection with agriculture, forestry and landscape conservation as well as the improvement of animal welfare (Ch. IX, art. 33). | t & u & v | X |
| u. Restoring agricultural production potential damaged by natural disasters and introducing appropriate prevention instruments (Ch. IX, art. 33). | t & u & v | NP |
| v. Financial engineering (Ch. IX, art. 33). | t & u & v | NP |

T1. Characteristics of the programme area

| | Indicator | Year of reference |
|--|---------------|-------------------|
| GDP per capita (EUR) | 21,767 | 1999 |
| GDP (in % of the national average) | 102% | 1999 |
| Share of agriculture in the GDP (%) | 1% | 2001 |
| Per capita average income (EUR) | 25,392 | 2003 |
| urban population | 26,339 | 2003 |
| rural population | 18,283 | 2000/01 tax year |
| agricultural population | 25662 | |
| overall | | |
| Population density (inhabitant/km ²) | 378 | 2001 |
| Migratory balance (net result, in 000 people) | Not available | N/A |
| overall programme area | Not available | N/A |
| rural areas | | |
| Population (000 inhabitant) | 35,126 | 2001 |
| urban | 14,012 | 2001 |
| rural | 233 | 2001 |
| total | 127 | 2001 |
| of which farmers | 49138 | |
| total | | |
| of which part-time farmers | | |
| Active population (000 people) | 17,855 | 2001 |
| urban | 7,274 | 2001 |
| rural | 372 | 2002 |
| total | 25129 | |
| Unemployment rate (%) | 5% | 2001 |
| urban | 3% | 2001 |
| rural | 5% | 2001 |
| total | | |
| Employment rate women (in % active population) | 97% | 2001 |
| Employment rate men (in % active population) | 97% | 2001 |
| Employment rate young people < 25 (in % active population) | 91% | 2001 |

T2. Land use programme area

Year of reference: 2002

| | 000 ha | % of UAA | % of total |
|----------------------------------|--------------|-------------|-------------|
| Arable land | 5142 | 54% | 39% |
| Permanent crops | 266 | 3% | 2% |
| Permanent grassland and pastures | 4119 | 43% | 32% |
| UAA total | 9527 | 100% | 73% |
| Forests and other woodland | 1100 | | 8% |
| Other uses | 2414 | | 19% |
| TOTAL | 13041 | | 100% |

T3. Profile of agricultural holdings programme area

| Main type of production | Number of holdings ('000) | Utilized agricultural area ('000 ha) | Livestock units ('000) | Number of farmers ('000) | | | Year of reference: 2000/02 | |
|---|---------------------------|--------------------------------------|------------------------|--------------------------|--------------|------------|----------------------------|------------|
| | | | | Total | farmers < 40 | % | | |
| Field crops | 33 | 4230 | | 35 | 5 | 14% | 17 | 50% |
| Horticulture | 7 | 67 | | 4 | 0 | 0% | 2 | 50% |
| Vineyards | 0 | 0 | | 0 | 0 | 0% | 0 | 0% |
| Fruit cultivation | 2 | 34 | | 1 | 0 | 0% | 0 | 0% |
| Olive cultivation | 0 | 0 | | 0 | 0 | 0% | 0 | 0% |
| Other holdings (including mixed holdings) | 34 | 1229 | NA | 14 | 2 | 14% | 6 | 43% |
| Dairying | 15 | 1194 | 4307 | 17 | 3 | 18% | 7 | 41% |
| Cattle-rearing and fattening | 2 | 88 | 335 | 14 | 2 | 14% | 8 | 57% |
| Pigs | 2 | 32 | 1058 | 3 | 0 | 0% | 1 | 33% |
| Poultry | 4 | 41 | 1528 | 2 | 0 | 0% | 1 | 50% |
| Other types of livestock-farming | 61 | 2170 | NA | 46 | 6 | 13% | 23 | 51% |
| Others (non-classifiable) | 6 | 15 | 0 | 1 | 0 | 0% | 1 | 100% |
| TOTAL | 167 | Refer to Annex 2 | 7228 | 137 | 18 | 13% | 67 | 49% |

T.4 Forecasts table

| Measure | Table | Information requested | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|--|-------|---|------|------|------|-------|-------|-------|------|
| Investment in agricultural holdings (Ch. I, art. 4-7) | a.1 | Number of applications approved | | | | | 175 | 187 | 194 |
| | | Total eligible cost ('000 EUR) | | | | 13821 | 14759 | 16985 | |
| Setting-up of young farmers (Ch. II, art. 8) | b.1 | Amount of public expenditure committed ('000 EUR) | | | | 5528 | 5900 | 6794 | |
| | | Total of which EAGGF | | | | 2768 | 2950 | 3393 | |
| Training (Ch. III, art. 9) | c | Number of applications approved | | | | | NP | NP | NP |
| | | Total eligible cost ('000 EUR) | | | | 8728 | 8728 | 8728 | 8728 |
| Early retirement (Ch. IV, art. 10-12) | d.1 | Amount of public expenditure committed ('000 EUR) | | | | 8467 | 8467 | 8467 | |
| | | Total of which EAGGF | | | | 6350 | 6350 | 6350 | |
| Less-favoured areas and areas with environmental restrictions (Ch. V, art. 13-21) | e.1 | Number of new agreements | | | | | NP | NP | NP |
| | | Number of hectares released ('000 ha) | | | | NP | NP | NP | NP |
| Agri-environment (Ch. VI, art. 22-24) | f | Amount of public expenditure committed ('000 EUR) | | | | 12000 | 12000 | 12000 | |
| | | Total of which EAGGF | | | | 1400 | 1400 | 1400 | |
| Improving processing and marketing of agricultural products (Ch. VII, art. 25-28) | g.1 | Number of holdings supported | | | | 55314 | 43171 | 43171 | |
| | | Number of hectares supported ('000 ha.) | | | | 11263 | 11263 | 11263 | |
| | | Amount of public expenditure committed ('000 EUR) | | | | | NP | NP | NP |
| | | Total of which EAGGF | | | | | NP | NP | NP |
| | | Number of new contracts | | | | 1249 | 947 | 947 | |
| | | Number of hectares supported | | | | 74798 | 56704 | 39063 | |
| | | Amount of public expenditure committed ('000 EUR) | | | | 53090 | 42781 | 16564 | |
| | | Total of which EAGGF | | | | 27076 | 21818 | 8448 | |
| | | Number of applications approved | | | | 288 | 192 | 192 | |
| | | Total eligible cost ('000 EUR) | | | | 42380 | 42380 | 52850 | |
| | | Amount of public expenditure committed ('000 EUR) | | | | 12700 | 12700 | 15870 | |
| | | Total of which EAGGF | | | | 6350 | 6350 | 7940 | |

T.4 Forecasts table – continued

| Measure | Table | Information requested | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|--|---------|--|----------------------|------|------|------|-------|-------|-------|
| Afforestation of agricultural land; other afforestation (Ch. VIII, art. 30-31) | h & l.1 | Number of applications approved area supported ('000 ha) | | | | | 3419 | 3420 | 18 |
| | | Total eligible cost ('000 EUR) | | | | 5 | 5 | 0 | |
| | | Amount of public expenditure committed ('000 EUR) | Total of which EAGGF | | | | 19706 | 22485 | 20780 |
| Other forestry (Ch. VIII, art. 30, indents 2-5) | i rest | Number of applications approved area supported ('000 ha) | | | | | 1602 | 1602 | 1602 |
| | | Total eligible cost ('000 EUR) | Total of which EAGGF | | | | 8656 | 9070 | 8954 |
| | | Amount of public expenditure committed ('000 EUR) | | | | | 5604 | 5871 | 5813 |
| Other forestry (Ch. VIII, art. 32) | i rest | Number of applications approved area supported ('000 ha) | | | | | NP | NP | NP |
| | | Total eligible cost ('000 EUR) | | | | | NP | NP | NP |
| | | Amount of public expenditure committed ('000 EUR) | Total of which EAGGF | | | | NP | NP | NP |
| Land improvement (Ch. IX, art. 33) | j & k | Number of applications approved area supported ('000 ha) | | | | | NP | NP | NP |
| | | Total eligible cost ('000 EUR) | Total of which EAGGF | | | | NP | NP | NP |
| | | Amount of public expenditure committed ('000 EUR) | | | | | NP | NP | NP |
| Reparcelling (Ch. IX, art. 33) | j & k | Number of applications approved area supported ('000 ha) | | | | | NP | NP | NP |
| | | Total eligible cost ('000 EUR) | Total of which EAGGF | | | | NP | NP | NP |
| | | Amount of public expenditure committed ('000 EUR) | | | | | NP | NP | NP |
| Setting up of farm relief and farm management services (Ch. IX, art. 33) | l & m | Number of applications approved area supported ('000 ha) | | | | | 120 | 180 | 280 |
| | | Total eligible cost ('000 EUR) | Total of which EAGGF | | | | 5300 | 5720 | 7090 |
| | | Amount of public expenditure committed ('000 EUR) | | | | | 2130 | 2290 | 2840 |
| Marketing of quality agricultural products (Ch. IX, art. 33) | l & m | Number of applications approved area supported ('000 ha) | | | | | 1070 | 1150 | 1420 |
| | | Total eligible cost ('000 EUR) | Total of which EAGGF | | | | 336 | 374 | 512 |
| | | Amount of public expenditure committed ('000 EUR) | | | | | 24970 | 26720 | 33520 |
| Basic services for the rural economy and population (Ch. IX, art. 33) | n & o | Number of applications approved area supported ('000 ha) | | | | | 9990 | 10690 | 13410 |
| | | Total eligible cost ('000 EUR) | Total of which EAGGF | | | | 4990 | 5340 | 670 |
| | | Amount of public expenditure committed ('000 EUR) | | | | | 30 | 40 | 50 |
| | | Number of applications approved area supported ('000 ha) | | | | | 2800 | 3090 | 3890 |
| | | Total eligible cost ('000 EUR) | Total of which EAGGF | | | | 2240 | 2470 | 3110 |
| | | Amount of public expenditure committed ('000 EUR) | | | | | 1120 | 1240 | 1560 |

T.4 Forecasts table – continued

| Measure | Table | Information requested | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|---|-----------|---|------|------|------|-------|-------|-------|------|
| Renovation and development of villages and protection and conservation of the rural heritage (Ch. IX, art. 33) | n & o | Number of applications approved | | | | | 70 | 100 | 150 |
| | | Total eligible cost ('000 EUR) | | | | 4800 | 5210 | 6500 | |
| | | Amount of public expenditure committed ('000 EUR) | | | | 3840 | 4170 | 5200 | |
| | | Total of which EAGGF | | | | 1920 | 2090 | 2600 | |
| Diversification of agricultural activities and activities close to agriculture to provide multiple activities or alternative incomes (Ch. IX, art. 33) | p & q | Number of applications approved | | | | 287 | 315 | 329 | |
| | | Total eligible cost ('000 EUR) | | | | 23800 | 25970 | 32540 | |
| | | Amount of public expenditure committed ('000 EUR) | | | | 9520 | 10390 | 13020 | |
| | | Total of which EAGGF | | | | 4760 | 5190 | 6510 | |
| Agricultural water resources management (Ch. IX, art. 33) | p & q | Number of applications approved | | | | 36 | 40 | 60 | |
| | | Total eligible cost ('000 EUR) | | | | 5820 | 6830 | 9830 | |
| | | Amount of public expenditure committed ('000 EUR) | | | | 2330 | 2730 | 3930 | |
| | | Total of which EAGGF | | | | 1160 | 1370 | 1970 | |
| Development and improvement of infrastructure connected with the development of agriculture (Ch. IX, art. 33) | r & s | Number of applications approved | | | | 75 | 90 | 140 | |
| | | Total eligible cost ('000 EUR) | | | | 5200 | 5620 | 6960 | |
| | | Amount of public expenditure committed ('000 EUR) | | | | 2600 | 2810 | 3480 | |
| | | Total of which EAGGF | | | | 1300 | 1410 | 1740 | |
| Encouragement for tourist and craft activities (Ch. IX, art. 33) | r & s | Number of applications approved | | | | 540 | 510 | 570 | |
| | | Total eligible cost ('000 EUR) | | | | 25820 | 28270 | 35280 | |
| | | Amount of public expenditure committed ('000 EUR) | | | | 10330 | 11310 | 14110 | |
| | | Total of which EAGGF | | | | 5160 | 5650 | 7060 | |
| Protection of the environment in connection with agriculture, forestry and landscape conservation, as well as the improvement of animal welfare (Ch. IX, art. 33) | t & u & v | Number of applications approved | | | | 75 | 90 | 125 | |
| | | Total eligible cost ('000 EUR) | | | | 7300 | 8200 | 10160 | |
| | | Amount of public expenditure committed ('000 EUR) | | | | 5310 | 5830 | 7390 | |
| | | Total of which EAGGF | | | | 2660 | 2910 | 3700 | |
| Restoring agricultural production potential damaged by natural disasters and introducing appropriate prevention instruments (Ch. IX, art. 33) | t & u & v | Number of applications approved | | | | NP | NP | NP | NP |
| | | Total eligible cost ('000 EUR) | | | | NP | NP | NP | NP |
| | | Amount of public expenditure committed ('000 EUR) | | | | NP | NP | NP | NP |
| | | Total of which EAGGF | | | | NP | NP | NP | NP |

T.4 Forecasts table – continued

| Measure | Table | Information requested | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|---|-------|---|------|------|------|------|--------|--------|--------|
| Financial engineering (Ch. IX, art. 33) t & u & v | | Number of applications approved | | | | | NP | NP | NP |
| | | Total eligible cost ('000 EUR) | | | | | NP | NP | NP |
| Total of all measures | | Amount of public expenditure committed ('000 EUR) | 0 | 0 | 0 | 0 | 200416 | 184858 | 174802 |
| | | Amount of public expenditure committed ('000 EUR) | 0 | 0 | 0 | 0 | 84497 | 82730 | 71421 |

T.5 Geographic breakdown of support

T.5.2 According to the areas defined by Articles 16 to 20 of the Reg. (CE) n°1257/1999

| Measures | Less-favoured areas | | | | | | | | | | TOTAL |
|---|---------------------|------------|----------------|-----------|---------------------------|--------------|--------------------------------------|-----------|---------------|--------------|---------------|
| | Normal area | | Mountain areas | | Other less-favoured areas | | Areas affected by specific handicaps | | Total for LFA | | |
| | a | % b=a/k | c | % d=c/k | e | % f=e/k | g | % h=g/k | i | % j=i/k | k=a+i |
| Total number of agricultural holdings | | 0% | | 0% | | 0% | | 0% | 0 | 0% | 0 |
| a. Investment in agricultural holdings (art. 4-7) | 38 1628 | 95% 98% | 0 0 | 0% 0% | 2 37 | 5% 2% | 0 0 | 0% 0% | 2 37 | 5% 2% | 40 1665 |
| b. Setting-up of young farmers (art.8) | NP NP | 0% 0% | NP NP | 0% 0% | NP NP | 0% 0% | NP NP | 0% 0% | 0 0 | 0% 0% | 0 0 |
| c. Training (art. 9) | 79 4787 | 78% 92% | 0 0 | 0% 0% | 22 417 | 22% 8% | 0 0 | 0% 0% | 22 417 | 22% 8% | 101 5204 |
| d. Early retirement (art. 10-12) | NP NP | 0% 0% | NP NP | 0% 0% | NP NP | 0% 0% | NP NP | 0% 0% | 0 0 | 0% 0% | 0 0 |
| e.1 Less-favoured areas (art. 13-21) | | | | | 9687 57111 | 100% 100% | 0 0 | 0% 0% | 9687 57111 | 100% 100% | 9687 57111 |
| e.2 Areas with environmental restrictions (art. 13-21) | 0 0 | 0% 0% | 0 0 | 0% 0% | 0 0 | 0% 0% | 0 0 | 0% 0% | 0 0 | 0% 0% | 0 0 |
| f. Agri-environment (art. 22-24) | 181 865 | 50% 47% | 0 0 | 0% 0% | 183 988 | 50% 53% | 0 0 | 0% 0% | 183 988 | 50% 53% | 364 1853 |
| g. Improving processing and marketing of agricultural products (art. 25-28) | 46 15108 | 96% 99% | 0 0 | 0% 0% | 2 131 | 4% 1% | 0 0 | 0% 0% | 2 131 | 4% 1% | 48 15239 |
| h. Afforestation of agricultural land (art. 31) (planting costs) | 1017 14834 | 86% 89% | 0 0 | 0% 0% | 166 1830 | 14% 11% | 0 0 | 0% 0% | 166 1830 | 14% 11% | 1183 16665 |
| i. Other forestry measures (art. 30, 32) | 360 2089 | 86% 90% | 0 0 | 0% 0% | 58 229 | 14% 10% | 0 0 | 0% 0% | 58 229 | 14% 10% | 418 2318 |
| j. to v. Promoting the adaptation and development of rural areas (art.33) | 333 25398 | 65% 70% | 0 0 | 0% 0% | 179 10821 | 35% 30% | 0 0 | 0% 0% | 179 10821 | 35% 30% | 512 36218 |
| Total of public expenditure committed | 64710 | 47% | 0 | 0% | 71564 | 53% | 0 | 0% | 71564 | 53% | 136273 |

T.6 Financial monitoring

Measure

| | Total costs borne by the beneficiaries ('000 EUR) | | | | Total eligible cost ('000 EUR) | | | | Amount of public expenditure committed ('000 EUR) | | | | | | |
|--|---|-------|--------|-------|--------------------------------|-------|--------|-------|---|-------|--------|-------|-------|----------------|-------|
| | Obj. 1 | | Obj. 2 | | Obj. 1 | | Obj. 2 | | Obj. 1 | | Obj. 2 | | Total | Of which EAGGF | |
| | Outs. | Total | Outs. | Total | Outs. | Total | Outs. | Total | Outs. | Total | Outs. | Total | | 1 & 2 | 1 & 2 |
| a. Investment in agricultural holdings (Article 4-7) | 0 | 3043 | 0 | 3043 | 0 | 4709 | 0 | 4709 | 0 | 1665 | 0 | 1665 | 0 | 833 | 833 |
| b. Setting-up of young farmers (Article 8) | | | | | | | | | | | | | | | |
| c. Training (Article 9) | 1 | 1789 | 3 | 1790 | 3 | 6991 | 3 | 6994 | 3 | 5202 | 1 | 5204 | 1 | 2601 | 2602 |
| d. Early retirement (Articles 10-12) | | | | | | | | | | | | | | | |
| e.1 Less-favoured areas (Articles 13-21) | | | | | | | | | | | | | | | |
| e.2 Areas with environmental restrictions (Articles 13-21) | | | | | | | | | | | | | | | |
| f. Agri-environment (Articles 22-24) | | | | | | | | | | | | | | | |
| g. Improving processing and marketing of agricultural products (Articles 25-28) | 1184 | 34903 | 1692 | 36088 | 1692 | 49635 | 508 | 51327 | 508 | 14732 | 514 | 15239 | 514 | 399 | 913 |
| h. Afforestation of agricultural land (Article 31) (planting costs) | 365 | 2884 | 935 | 11091 | 7210 | 19611 | 570 | 27756 | 4326 | 11769 | 285 | 16665 | 2164 | 5884 | 8332 |
| i. Other forestry measures (Articles 30 and 32) | 320 | 1729 | 800 | 2049 | 800 | 3238 | 480 | 4038 | 480 | 1838 | 240 | 2318 | 240 | 919 | 1159 |
| j. Land improvement (Article 33) | NP | NP | NP | 0 | NP | NP | NP | 0 | NP | NP | NP | 0 | NP | NP | 0 |
| k. Reparcelling (Article 33) | NP | NP | NP | 0 | NP | NP | NP | 0 | NP | NP | NP | 0 | NP | NP | 0 |
| l. Setting-up of farm relief and farm management services (Article 33) | 0 | 43 | 0 | 43 | 0 | 133 | 0 | 133 | 0 | 90 | 0 | 90 | 0 | 45 | 45 |
| m. Marketing of quality agricultural products (Article 33) | 0 | 5170 | 0 | 5170 | 0 | 9409 | 0 | 9409 | 0 | 4238 | 0 | 4238 | 0 | 2119 | 2119 |
| n. Basic services for the rural economy and population (Article 33) | 0 | 2645 | 0 | 2645 | 0 | 5144 | 0 | 5144 | 0 | 2499 | 0 | 2499 | 0 | 1249 | 1249 |
| o. Renovation and development of villages and protection and conservation of the rural heritage (Article 33) | 0 | 4047 | 0 | 4047 | 0 | 6690 | 0 | 6690 | 0 | 2643 | 0 | 2643 | 0 | 1322 | 1322 |

a. Investment in agricultural holdings (Ch. I, art. 4-7).

a.1 Breakdown by type of production

| Main type of production | Number of applications approved | % of total eligible cost allocated to "green investments" | average aid intensity in % eligible cost | Total costs borne by the beneficiaries ('000 EUR) | Total eligible cost ('000 EUR) | Amount of public expenditure committed ('000 EUR) | |
|---|---------------------------------|---|--|---|--------------------------------|---|----------------|
| | | | | | | Total | of which EAGGF |
| Fields crops | 9 | N/A | 40% | 703 | 1179 | 476 | 238 |
| Horticulture | 6 | N/A | 31% | 470 | 683 | 213 | 106 |
| Vineyards | | N/A | 0% | | | | |
| Fruit cultivation | 3 | N/A | 9% | 543 | 596 | 53 | 27 |
| Olive cultivation | | | 0% | | | | |
| Other holdings (including mixed holdings) | 3 | N/A | 15% | 319 | 375 | 56 | 28 |
| Dairying | 7 | N/A | 39% | 498 | 822 | 323 | 162 |
| Cattle-rearing and fattening | 4 | N/A | 34% | 247 | 372 | 125 | 63 |
| Pigs | 2 | N/A | 40% | 138 | 229 | 92 | 46 |
| Poultry | | | 0% | | | | |
| Other types of livestock-farming | 4 | N/A | 24% | 137 | 180 | 43 | 22 |
| Others (non-classifiable) | 2 | N/A | 40% | 425 | 709 | 283 | 142 |
| TOTAL | 40 | 0% | 32% | 3480 | 5145 | 1665 | 833 |
| of which young farmers | N/A | N/A | 0% | N/A | N/A | N/A | N/A |
| Forecast (for total) | | | | | | | |

a. Investment in agricultural holdings (Ch. I, art. 4-7).

a.2 Breakdown by type of investment

| Type of investment | Number of applications approved | % of total eligible cost allocated to "green investments" | average aid intensity in % eligible cost | Total costs borne by the beneficiaries ('000 EUR) | Total eligible cost ('000 EUR) | Amount of public expenditure committed ('000 EUR) | of which EAGGF |
|---|---------------------------------|---|--|---|--------------------------------|---|----------------|
| | | | | | Total | Total | |
| Buildings | 4 | N/A | 28% | 289 | 402 | 113 | 56 |
| of which: Livestock housing (Cattle) | | | 0% | | | | |
| Pighouses | | | 0% | | | | |
| Other livestock buildings | 1 | N/A | 9% | 82 | 90 | 8 | 4 |
| Greenhouses and related equipment | 2 | N/A | 30% | 140 | 200 | 60 | 30 |
| Other farm buildings | 1 | N/A | 40% | 67 | 112 | 45 | 22 |
| Plant and mobile equipment | 15 | N/A | 37% | 758 | 1201 | 443 | 221 |
| Purchase of livestock | 1 | N/A | 40% | 257 | 429 | 171 | 86 |
| Land improvement | | | | 0% | | | |
| Agricultural plantations | 1 | N/A | 40% | 110 | 184 | 73 | 37 |
| Facilities for manufacture and direct sale of farm products | | | | 0% | | | |
| Facilities for the diversification of activities on the holding | 16 | N/A | 29% | 1916 | 2690 | 773 | 387 |
| Other | 3 | N/A | 38% | 149 | 241 | 92 | 46 |
| TOTAL | 40 | 0% | 32% | 3480 | 5145 | 1665 | 833 |

b. Setting-up of young farmers (Ch. II, art. 8).

b.1 Setting-up aids by type of production

| Main type of production | Number of applications approved | Average amount of support (EUR) | Single premium ('000 EUR) | Interest subsidy ('000 EUR) | Total ('000 EUR) | of which EAGGF ('000 EUR) |
|---|---------------------------------|---------------------------------|---------------------------|-----------------------------|------------------|---------------------------|
| Fields crops | | 0 | | | 0 | |
| Horticulture | | 0 | | | 0 | |
| Vineyards | | 0 | | | 0 | |
| Fruit cultivation | | 0 | | | 0 | |
| Olive cultivation | | 0 | | | 0 | |
| Other holdings (including mixed holdings) | | 0 | | | 0 | |
| Dairying | | 0 | | | 0 | |
| Cattle-rearing and fattening | | 0 | | | 0 | |
| Pigs | | 0 | | | 0 | |
| Poultry | | 0 | | | 0 | |
| Other types of livestock-farming | | 0 | | | 0 | |
| Others (non-classifiable) | | 0 | | | 0 | |
| TOTAL | 0 | 0 | 0 | 0 | 0 | 0 |
| Forecast | | | | | | |

b.2 Applications by age category

| | ... < 25 years old | 25 ≤... < 30 years old | 30 ≤... < 35 years old | 35 ≤... < 40 years old | total |
|---------------------------------|--------------------|------------------------|------------------------|------------------------|-------|
| Number of applications approved | | | | | 0 |

c. Training (Ch. III, art. 9)

| Objective | Number of applications approved | Number of participants | Average number of training days per participant | Total costs borne by the beneficiaries ('000 EUR) | | Total eligible cost ('000 EUR) | Amount of public expenditure committed ('000 EUR) | |
|---|---------------------------------|------------------------|---|---|-----------|--------------------------------|---|----------------|
| | | | | Participant | Organiser | | Total | of which EAGGF |
| Preparation for qualitative reorientation of production | 23 | N/A | N/A | 177 | | 707 | 530 | 265 |
| Preparation for the application of production practices compatible with the maintenance and enhancement of the landscape, the protection of the environment, hygiene standards and animal welfare | 17 | N/A | N/A | 330 | | 1322 | 991 | 496 |
| Acquisition of the skills needed to enable to manage an economically viable farm | 61 | N/A | N/A | 1282 | | 4965 | 3683 | 1842 |
| Preparation for the application of forest management practices to improve the economic, ecological or social functions of the forests | | | | | 0 | | | |
| TOTAL | 101 | 0 | 0 | 1790 | 0 | 6994 | 5204 | 2602 |
| Forecast | | | | | | | | |

d. Early retirement (Ch. IV, art. 10-12)

d.1 Beneficiary type

| Beneficiary of support | Number of agreements | of which new applications | reassigned to agricultural uses | of which new | Number of ha released | | total | of which new | Average amount of support (EUR) | Amount of public expenditure committed ('000 EUR) | |
|-------------------------|----------------------|---------------------------|---------------------------------|--------------|-------------------------------------|--------------|-------|--------------|---------------------------------|---|----------------|
| | | | | | reassigned to non agricultural uses | of which new | | | | Total | of which EAGGF |
| Farmers | | | | | | 0 | 0 | 0 | 0 | | |
| Farm workers | | | | | | | | | 0 | | |
| TOTAL | 0 | 0 | | | | | | | | 0 | 0 |
| Forecast | | | | | | | | | | | |
| Old commitments 2079/92 | | | | | | | | | | | |

d. Early retirement (Ch. IV, art. 10-12)

d.2 New applications by age category

| Beneficiary of support | Number of new applications approved | | | TOTAL |
|------------------------|-------------------------------------|------------------------|----------------|----------|
| | 55 ≤... ≤ 60 years old | 60 <... ≤ 65 years old | > 65 years old | |
| Farmers | | | | 0 |
| Farm workers | | | | 0 |
| TOTAL | 0 | 0 | 0 | 0 |

e. Less-favoured areas and areas with environmental restrictions (Ch. V, art. 13-21)

e.1 Less Favoured Areas (holdings receiving compensatory allowances by pre-dominant LFA type)

| Area type | Number of holdings supported | Number of hectares receiving compensatory allowances ('000 ha) | Average amount of payments (EUR) | | Amount of public expenditure committed ('000 EUR) | |
|--------------------------------------|------------------------------|--|----------------------------------|-----------|---|----------------|
| | | | per holding | per ha | Total | of which EAGGF |
| Mountain areas | | | 0 | 0 | | |
| Other less-favoured areas | 9867 | 1240 | 5788 | 46 | 57111 | 10851 |
| Areas affected by specific handicaps | | | 0 | 0 | | |
| Total | 9867 | 1240 | 5788 | 46 | 57111 | 10851 |
| of which Natura 2000 areas | | | 0 | 0 | | |
| <i>Forecast (total)</i> | | | | | | |

e. Less-favoured areas and areas with environmental restrictions (Ch. V, art. 13-21)

e.2 Areas with environmental restrictions (holdings receiving art. 16 payments)

| Area type | Number of holdings supported | Number of hectares receiving art. 16 payments ('000 ha) | Average amount of payments (EUR) | | Amount of public expenditure committed ('000 EUR) | |
|--------------------------------------|------------------------------|---|----------------------------------|----------|---|----------------|
| | | | per holding | per ha | Total | of which EAGGF |
| LFA | | | 0 | 0 | | |
| Mountain areas | | | 0 | 0 | | |
| Other less-favoured areas | | | 0 | 0 | | |
| Areas affected by specific handicaps | | | 0 | 0 | | |
| non LFA | | | 0 | 0 | | |
| TOTAL | 0 | 0 | 0 | 0 | 0 | 0 |
| of which Natura 2000 areas | | | 0 | 0 | | |
| <i>Forecast (total)</i> | | | | | | |

f. Agri-environment (Ch. VI, art. 22-24)

| Action | Number of contracts | of which new contracts | Number of hectares | | Average premium per ha | Amount of public expenditure committed ('000 EUR) | |
|--|-----------------------------|------------------------|--------------------|--------------|------------------------|---|----------------|
| | | | under contract | of which new | | Total | of which EAGGF |
| organic farming | annual crops | 3 | 19 | 0 | 62 | 1 | 1 |
| | specialised perennial crops | | | | 0 | | |
| | other | 3 | 41 | 0 | 54 | 2 | 1 |
| | Total | 6 | 60 | 0 | 57 | 3 | 2 |
| other input reduction (incl. integrated production) | annual crops | | | | 0 | | |
| | specialised perennial crops | | | | 0 | | |
| | other | | | | 0 | | |
| | Total | 0 | 0 | 0 | 0 | 0 | 0 |
| crop rotation | | | | 0 | | | |
| extensification | | | | 0 | | | |
| landscape/nature (conservation, restoration, creation) | annual crops | 11 | 384 | 0 | 148 | 57 | 28 |
| | specialised perennial crops | 225 | 9104 | 0 | 124 | 1127 | 570 |
| | other | 122 | 12412 | 0 | 54 | 666 | 333 |
| | Total | 358 | 21900 | 0 | 84 | 1849 | 931 |
| plant varieties under threat of genetic erosion | annual crops | | | | 0 | | |
| | specialised perennial crops | | | | 0 | | |
| | other | | | | 0 | | |
| | Total | 0 | 0 | 0 | 0 | 0 | 0 |
| other actions | annual crops | | | | 0 | | |
| | specialised perennial crops | | | | 0 | | |
| | other | | | | 0 | | |
| | Total | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 364 | 0 | 21960 | 0 | 84 | 1853 | 933 |
| Forecast | | | | | | | |
| | | | | 102454 | | | |

f. Agri-environment (Ch. VI, art. 22-24) – continued

| | Number of contracts | of which new contracts | Number of livestock units | | Average premium per lu | Amount of public expenditure committed ('000 EUR) | |
|---|---------------------|------------------------|---------------------------|--------------|------------------------|---|----------------|
| | | | under contract | of which new | | Total | of which EAGGF |
| Breeds in danger of being lost to farming | | | | | | | |
| cattle | | | | | 0 | | |
| sheep | | | | | 0 | | |
| goats | | | | | 0 | | |
| equidae | | | | | 0 | | |
| pigs | | | | | 0 | | |
| avian | | | | | 0 | | |
| mixed | | | | | 0 | | |
| Total | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL agri-environment | 364 | 0 | | | | 1853 | 933 |
| <i>Forecast (total)</i> | 0 | 1711 | | | | 67034 | 34187 |

f. Agri-environment (Ch. VI, art. 22-24) – continued

| | Number of contracts | Number of hectares/livestock units | Average premium per ha/lu | Amount of public expenditure committed ('000 EUR) | |
|--------------------------|---------------------|------------------------------------|---------------------------|---|----------------|
| | | | | Total | of which EAGGF |
| crops/other | 12985 | 339821 | 149 | 50513 | 25299 |
| of which organic farming | 1201 | 80100 | 52 | 4188 | 2137 |
| endangered breeds | | | 0 | 0 | 0 |
| Total | 12985 | | | 50513 | 25299 |

g. Improving processing and marketing of agricultural products (Ch. VII, art. 25-28)

g.1 Breakdown by sector

| Main sector | Number of applications approved | % of the eligible costs allocated to "green investments" | average aid intensity in % eligible cost | Total costs borne by the beneficiaries ('000 EUR) | Total eligible cost ('000 EUR) | | Amount of public expenditure committed ('000 EUR) of which EAGGF |
|-------------------------------|---------------------------------|--|--|---|--------------------------------|--------------|--|
| | | | | | Total eligible cost | Total | |
| Meat | 13 | NA | 30% | 4773 | 6818 | 2045 | 1023 |
| Milk and dairy products | 3 | NA | 30% | 1611 | 2302 | 690 | 345 |
| Eggs and poultry | 6 | NA | 30% | 4963 | 7089 | 2127 | 1063 |
| Other livestock products | 1 | NA | 30% | 2028 | 2898 | 869 | 435 |
| Cereals | 1 | NA | 30% | 557 | 796 | 239 | 119 |
| Sugar | | | 0% | | | | |
| Oilseeds | | | 0% | | | | |
| Protein seeds | | | 0% | | | | |
| Wines and alcohols | 3 | NA | 30% | 833 | 1190 | 357 | 179 |
| Fruit and vegetables | 9 | NA | 30% | 7163 | 10233 | 3070 | 1535 |
| Flowers and plants | 1 | NA | 30% | 151 | 216 | 65 | 32 |
| Seeds | | | 0% | | | | |
| Potato | 3 | NA | 30% | 3547 | 5067 | 1520 | 760 |
| Other crop products | 6 | NA | 29% | 8065 | 11294 | 3230 | 1615 |
| Polyvalent products | | | 0% | | | | |
| Other products | 2 | NA | 30% | 2397 | 3424 | 1027 | 514 |
| TOTAL | 48 | 0% | 30% | 36088 | 51327 | 15239 | 7620 |
| of which for organic products | | | 0% | | | | |
| Forecast (total) | | | | | | | |

g. Improving processing and marketing of agricultural products (Ch. VII, art. 25-28)

g.2 Breakdown by investment objective

| Main objective | Number of applications approved | % of the eligible costs allocated to "green investments" | average aid intensity in % eligible cost | Total costs borne by the beneficiaries ('000 EUR) | Total eligible cost ('000 EUR) | Amount of public expenditure committed ('000 EUR) Total of which EAGGF |
|--|---------------------------------|--|--|---|--------------------------------|---|
| Guide production in line with foreseeable market trends | 9 | NA | 30% | 4302 | 6145 | 1844 922 |
| Encourage the development of new outlets for agricultural products | 5 | NA | 30% | 4041 | 5772 | 1732 866 |
| Improve or rationalise marketing channels | 4 | NA | 30% | 1892 | 2703 | 811 405 |
| Improve or rationalise processing procedures | 21 | NA | 29% | 21022 | 29804 | 8782 4391 |
| Improve the presentation and preparation of products | | | 0% | | | |
| Encourage the better use or elimination of by-products or waste | 1 | NA | 30% | 254 | 362 | 109 54 |
| Apply new technologies | 5 | NA | 30% | 3999 | 5713 | 1714 857 |
| Favour innovative investments | | NA | 0% | 0 | | |
| Improve and monitor quality | 2 | NA | 30% | 504 | 719 | 216 108 |
| Improve and monitor health conditions | | | 0% | | | |
| Protect the environment | 1 | NA | 30% | 76 | 108 | 32 16 |
| TOTAL | 48 | 0% | 30% | 36088 | 51327 | 15239 7620 |

i.1 Other afforestation (art. 30, 1st indent)

| Planting costs by tree type | Number of applications approved | | Area supported ('000 ha) | | Average amount of support per ha (EUR) | | | Total costs borne by the beneficiaries ('000 EUR) | | | Total eligible cost ('000 EUR) | | Amount of public expenditure committed ('000 EUR) | | |
|---|---------------------------------|----------|--------------------------|----------|--|----------|----------|---|----------|------------|--------------------------------|------------|---|----------------|------------|
| | Private | Public | Private | Public | Private | Public | Total | Private | Public | Total | Private | Public | Total | of which EAGGF | |
| | | | | | | | | | | | | | | | |
| Conifers | | 0 | | | 0 | 0 | 0 | 0 | 0 | 0 | | | 0 | | |
| Broadleaves | 119 | | 0 | | 0 | 0 | 0 | 630 | | 630 | 630 | 946 | 1577 | 946 | 472 |
| Mixed plantations (> 25% in a 2nd species) | | 0 | | | 0 | 0 | 0 | | | 0 | | | 0 | | |
| Rapid growth plantations | | 0 | | | 0 | 0 | 0 | | | 0 | | | 0 | | |
| TOTAL | 119 | 0 | 119 | 0 | 0 | 0 | 0 | 630 | 0 | 630 | 630 | 946 | 1577 | 946 | 472 |
| Total afforestation (h + i; planting costs) | | 1302 | | | 6 | | 2931 | | | 11722 | | | 29306 | 17584 | 8791 |
| Forecast (total afforestation) | | | | | | | | | | | | | | | |

i. Other forestry measures continued (Ch. VIII, art. 29-32)

i.2 (art. 30, other indents; art. 32)

| Art. 30 (indents 2-5) | Number of applications approved | Total costs borne by the beneficiaries ('000 EUR) | Total eligible cost ('000 EUR) | Amount of public expenditure committed ('000 EUR) Total | of which EAGGF | Area supported ('000 ha) |
|--|---------------------------------|---|--------------------------------|--|----------------|--------------------------|
| Investments in economic, ecological or social value of forests | 298 | 761 | 1899 | 1139 | 570 | 4 |
| Investments in harvesting, processing and marketing of forestry products | | | | | | |
| Promotion new outlets forestry products | | | | | | |
| Establishment associations of forest holders | 1 | 329 | 561 | 233 | 116 | |
| Restoring forestry production potential | | | | | | |
| Forest fire prevention | | | | | | |
| Total | 299 | 1090 | 2460 | 1372 | 686 | 4 |
| Forecast | | | | | | |

| Art. 32 | Number of applications approved | Total costs borne by the beneficiaries ('000 EUR) | Total eligible cost ('000 EUR) | Amount of public expenditure committed ('000 EUR) Total | of which EAGGF | Area supported ('000 ha) |
|--|---------------------------------|---|--------------------------------|--|----------------|--------------------------|
| Maintain and improve the ecological stability of forests for public interest | | | | | | |
| Maintain fire-breaks through agricultural measures (ha equivalent) | | | | | | |
| Total | 0 | 0 | 0 | 0 | 0 | 0 |
| Forecast | | | | | | |

j. to v. Promoting the adaptation and development of rural areas (Ch. IX, art. 33)

j. Land improvement

| Action | Number of applications approved | Number of hectares | Total costs borne by the beneficiaries ('000 EUR) | Total eligible cost ('000 EUR) | Amount of public expenditure committed ('000 EUR) of which EAGGF |
|------------------|---------------------------------|--------------------|---|--------------------------------|--|
| Land improvement | | | | | Total |
| Forecast | | | | | |

k. Reparcelling

| Action | Number of applications approved | Number of hectares | Total costs borne by the beneficiaries ('000 EUR) | Total eligible cost ('000 EUR) | Amount of public expenditure committed ('000 EUR) of which EAGGF |
|------------------|---------------------------------|--------------------|---|--------------------------------|--|
| Land improvement | | | | | Total |
| Forecast | | | | | |

I. Setting-up of farm relief and farm management services

| Action | Number of applications approved | Total costs borne by the beneficiaries ('000 EUR) | Total eligible cost ('000 EUR) | Amount of public expenditure committed ('000 EUR) of which EAGGF |
|--------------------------|---------------------------------|---|--------------------------------|--|
| Farm relief services | 2 | 23 | 93 | 69 |
| Farm management services | 3 | 20 | 40 | 21 |
| Total | 5 | 43 | 133 | 90 |
| Forecast | 70 | | 3400 | 1360 |
| | | | | 680 |

j. to v. Promoting the adaptation and development of rural areas (Ch. IX, art. 33) – continued

m. Marketing of quality agricultural products

| Action | Number of applications approved | Total costs borne by the beneficiaries ('000 EUR) | Total eligible cost ('000 EUR) | Amount of public expenditure committed ('000 EUR) of which EAGGF |
|--|---------------------------------|---|--------------------------------|--|
| | | | Total | Total |
| Marketing of quality agricultural products | 36 | 5170 | 9409 | 4238 |
| Forecast | 233 | | 16820 | 6730 |
| | | | | 2119 |
| | | | | 3360 |

n. Basic services for the rural economy and population

| Action | Number of applications approved | Total costs borne by the beneficiaries ('000 EUR) | Total eligible cost ('000 EUR) | Amount of public expenditure committed ('000 EUR) of which EAGGF |
|--|---------------------------------|---|--------------------------------|--|
| | | | Total | Total |
| Total | 35 | 2645 | 5144 | 2499 |
| of which (3 main categories): | | | | 1249 |
| Assistance with ICT and other infrastructure | 2 | 34 | 90 | 55 |
| Local community schemes | 31 | 2594 | 4977 | 2383 |
| Project development | 2 | 17 | 77 | 60 |
| Other | | | | 30 |
| Forecast (total) | 20 | | 1740 | 1390 |
| | | | | 700 |

j. to v. Promoting the adaptation and development of rural areas (Ch. IX, art. 33) – continued

o. Renovation and development of villages and protection and conservation of the rural heritage

| Action | Number of applications | Total costs borne by the beneficiaries ('000 EUR) | Total eligible cost ('000 EUR) | Amount of public expenditure committed ('000 EUR) | |
|---|------------------------|---|--------------------------------|---|----------------|
| | | | | Total | of which EAGGF |
| Renovation/development of villages | 40 | 3698 | 6159 | 2461 | 1230 |
| Protection/conservation of rural heritage | 5 | 348 | 531 | 183 | 91 |
| Total | 45 | 4047 | 6690 | 2643 | 1322 |
| <i>Forecast (total)</i> | 40 | | 3070 | 2460 | 1230 |

p. Diversification of agricultural activities and activities close to agriculture to provide multiple activities or alternative incomes

| Action | Number of applications approved | Total costs borne by the beneficiaries ('000 EUR) | Total eligible cost ('000 EUR) | Amount of public expenditure committed ('000 EUR) | |
|--|---------------------------------|---|--------------------------------|---|----------------|
| | | | | Total | of which EAGGF |
| Total | 198 | 22478 | 35378 | 12899 | 6450 |
| of which (3 main categories): | | | | | |
| agri-tourism | 42 | 3340 | 5106 | 1766 | 883 |
| Conversion of agric land and buildings | 109 | 15755 | 24837 | 9082 | 4541 |
| Project development | 37 | 2772 | 4476 | 1704 | 852 |
| Other | 10 | 612 | 959 | 347 | 173 |
| <i>Forecast (total)</i> | 189 | | 14700 | 5880 | 2940 |

j. to v. Promoting the adaptation and development of rural areas (Ch. IX, art. 33) – continued

q. Agricultural water resources management

| Action | Number of applications approved | Total costs borne by the beneficiaries ('000 EUR) | Total eligible cost ('000 EUR) | Amount of public expenditure committed ('000 EUR) | |
|-------------------------------|---------------------------------|---|--------------------------------|---|----------------|
| | | | | Total | of which EAGGF |
| Total | 7 | 1765 | 3282 | 1517 | 759 |
| of which (3 main categories): | | | | | |
| irrigation | 2 | 126 | 171 | 45 | 23 |
| Water storage | 5 | 1639 | 3111 | 1472 | 736 |
| Other | | | | | |
| <i>Forecast (total)</i> | 22 | | 3530 | 1410 | 710 |

r. Development and improvement of infrastructure connected with the development of agriculture

| Action | Number of applications approved | Total costs borne by the beneficiaries ('000 EUR) | Total eligible cost ('000 EUR) | Amount of public expenditure committed ('000 EUR) | |
|-------------------------------|---------------------------------|---|--------------------------------|---|----------------|
| | | | | Total | of which EAGGF |
| Total | 8 | 887 | 1042 | 155 | 77 |
| of which (3 main categories): | | | | | |
| Access roads and bridges | 6 | 692 | 811 | 118 | 59 |
| Energy and ICT infrastructure | 2 | 195 | 231 | 36 | 18 |
| Other | | | | | |
| <i>Forecast (total)</i> | 50 | | 3360 | 1680 | 840 |

j. to v. Promoting the adaptation and development of rural areas (Ch. IX, art. 33) – continued

s. Encouragement for tourist and craft activities

| Action | Number of applications approved | Total costs borne by the beneficiaries ('000 EUR) | Total eligible cost ('000 EUR) | Amount of public expenditure committed ('000 EUR) | |
|-------------------------|---------------------------------|---|--------------------------------|---|----------------|
| | | | | Total | of which EAGGF |
| Tourism activities | 155 | 16867 | 28147 | 11280 | 5640 |
| Craft activities | 7 | 250 | 466 | 216 | 108 |
| Total | 162 | 17117 | 28613 | 11496 | 5748 |
| <i>Forecast (total)</i> | 420 | | 15700 | 6280 | 3140 |

t. Protection of the environment in connection with agriculture, forestry and landscape conservation as well as the improvement of animal welfare

| Action | Number of applications approved | Total costs borne by the beneficiaries ('000 EUR) | Total eligible cost ('000 EUR) | Amount of public expenditure committed ('000 EUR) | |
|-------------------------------|---------------------------------|---|--------------------------------|---|----------------|
| | | | | Total | of which EAGGF |
| Protection of the environment | 14 | NA | 1168 | 649 | 325 |
| Improvement of animal welfare | | | 58 | 31 | 16 |
| Total | 14 | 545 | 1226 | 681 | 340 |
| <i>Forecast (total)</i> | 45 | | 4580 | 3330 | 1660 |

j. to v. Promoting the adaptation and development of rural areas (Ch. IX, art. 33) – continued

u. Restoring agricultural production potential damaged by natural disasters and introducing appropriate prevention instruments

| Action | Number of applications approved | Number of hectares | Total costs borne by the beneficiaries ('000 EUR) | Total eligible cost ('000 EUR) | Amount of public expenditure committed ('000 EUR) | |
|---|---------------------------------|--------------------|---|--------------------------------|---|----------------|
| | | | | | Total | of which EAGGF |
| Restoring agricultural production potential | | | | | | |
| introducing prevention instruments | | | | | | |
| Total | 0 | | 0 | 0 | 0 | 0 |
| <i>Forecast (total)</i> | | | | | | |

v. Financial engineering

| Action | Number of applications approved | Total costs borne by the beneficiaries ('000 EUR) | Total eligible cost ('000 EUR) | Amount of public expenditure committed ('000 EUR) | |
|-----------------|---------------------------------|---|--------------------------------|---|----------------|
| | | | | Total | of which EAGGF |
| Total | | | | | |
| <i>Forecast</i> | | | | | |

T.7 Agricultural area under agri-environment contracts and Natura 2000: share UAA receiving agri-environmental or compensatory allowance payments

| Total UAA (000 ha) | UAA under agri-environment contracts (000 ha) | | of which receiving LFA payments | | of which receiving art. 16 payments | | of which receiving agri- environmental payments | | |
|-----------------------|---|---------|------------------------------------|---|--|---|--|---|-------------|
| | Total | 1257/99 | 2078/92 | UAA classified as Natura 2000 (000 ha) (1) | in % of (1) | Amount of public expenditure committed (‘000 EUR) | in % of (1) | Amount of public expenditure committed (‘000 EUR) | in % of (1) |
| 9527 | 362 | 22 | 340 | | 0% | 0 | 0% | 0 | |

Annex 1

Classification of farms according to the type of production

| Main type of production | Type of farming classification |
|---|---|
| Fields crops | 1: specialist field crops |
| Horticulture | 2: specialist horticulture |
| Vineyards | 31: specialist vineyards |
| Fruit cultivation | 32: specialist fruit and citrus |
| Olive cultivation | 33: specialised olive |
| Other holdings (including mixed holdings) | 34: various permanent crops combined |
| | 6: mixed-crops |
| | 8: mixed crops – livestock |
| Dairying | 41: specialist dairying |
| Cattle-rearing and fattening | 42: specialised cattle – dairying and fattening |
| Pigs | 501: specialised pigs |
| Poultry | 502: specialised poultry |
| Other types of livestock-farming | 43: cattle – dairying, rearing and fattening combined |
| | 44: sheep, goats and other grazing livestock |
| | 503: various granivores combined |
| | 7: mixed livestock holdings |
| Others | 9: non classifiable holdings |

Annex 2

Comments

Exchange rate used = 1€ : £0.69

Annex 4B: (Modulation funding): Common Indicator Tables for Monitoring Rural Development Programming 2000–2006

Conventions used

a. Colour conventions

To be filled in



Automatically calculated/filled



Not to be filled in



b. Coding conventions

Not applicable NP

Applicable, but not implemented (yet) NI

Figure is not available NA

c. Country codes

AUSTRIA AT

BELGIUM BE

DENMARK DK

FRANCE FR

GREECE GR

IRELAND IE

LUXEMBOURG LU

NETHERLANDS NL

PORTUGAL PT

SPAIN ES

SWEDEN SE

UNITED KINGDOM GB

GERMANY DE

ITALY IT

FINLAND FI

d. Programme types

Rural Development Programme (Guarantee) RDP

RDP with modulation (tracked separately) RDPmod

RD measures included in Obj 1 programme (Guidance) Obj1

RD measures included in Obj 2 programme (Guarantee) Obj2

e. Region codes

See explanatory guidelines

Rural development monitoring indicator tables

code General tables

- T.0.1 Background information
- T.0.2 Programmed measures
- T.1 Characteristics of the programme area
- T.2 Land use programme area
- T.3 Profile of agricultural holdings programme area
- T.4 Forecasts
- T.5 Geographic breakdown of support measures
- T.5.1 According to Objective 1 areas, Objective 2 areas and areas outside Objectives 1 and 2
- T.5.2 According to the areas defined by Articles 16 to 20 of Reg. (CE) n°1257/1999
- T.6 Financial monitoring

Measure tables

- a Investment in agricultural holdings (Ch. I, art. 4-7)
 - a.1 Breakdown by type of production
 - a.2 Breakdown by type of investment
- b Setting-up of young farmers (Ch. II, art. 8)
 - b.1 Setting-up aids by type of production
 - b.2 Applications by age category
- c Training (Ch. III, art. 9)
- d Early retirement (Ch. IV, art. 10-12)
 - d.1 Beneficiary type
 - d.2 New applications by age category
- e Less-favoured areas and areas with environmental restrictions (Ch. V, art. 13-21)
 - e.1 Less Favoured Areas (holdings receiving compensatory allowances by pre-dominant LFA type)
 - e.2 Areas with environmental restrictions (holdings receiving art. 16 payments)
- f Agri-environment (Ch. VI, art. 22-24)
- g Improving processing and marketing of agricultural products (Ch. VII, art. 25-28)
 - g.1 Breakdown by sector
 - g.2 Breakdown by investment objective
- h Afforestation of agricultural land (Ch. VIII, Art. 29-32)
- i Other forestry measures (Ch. VIII, Art. 29-32)
 - i.1 Other afforestation (art. 30, 1st indent)
 - i.2 (art. 30, other indents; art. 32)
- j to v Promoting the adaptation and development of rural areas (Ch. IX, art. 33)
 - j Land improvement
 - k Reparcelling
 - l Setting-up of farm relief and farm management services
 - m Marketing of quality agricultural products
 - n Basic services for the rural economy and population
 - o Renovation and development of villages and protection and conservation of the rural heritage
 - p Diversification of agricultural activities and activities close to agriculture to provide multiple activities or alternative incomes
 - q Agricultural water resources management

- r Development and improvement of infrastructure connected with the development of agriculture
- s Encouragement for tourist and craft activities
- t Protection of the environment in connection with agriculture, forestry and landscape conservation as well as the improvement of animal welfare
- u Restoring agricultural production potential damaged by natural disasters and introducing appropriate prevention instruments
- v Financial engineering

Mixed table

- T.7 Agricultural area under agri-environment contracts and Natura 2000: share UAA receiving agri-environmental or compensatory allowance payments

T.0.1 Background information

Programme type: RDPmod
Country: UK
Region: ENG
Reporting year: 2003
programme id: UKENG

Contact person:

name Brian Symes
organisation Department for Environment, Food and Rural Affairs
e-mail brian.symes@defra.gsi.gov.uk
phone 00 44 20 7238 6276

T.0.2 Programmed measures

| | Tables | Status |
|--|-----------|--------|
| a. Investment in agricultural holdings (Ch. I, art. 4-7). | a.1 & a.2 | |
| b. Setting-up of young farmers (Ch. II, art. 8). | b.1 & b.2 | |
| c. Training (Ch. III, art. 9). | c | |
| d. Early retirement (Ch. IV, art. 10-12). | d.1 & d.2 | NP |
| e.1 Less-favoured areas (Ch. V, art. 13-21). | e.1 | X |
| e.2 Areas with environmental restrictions (Ch. V, art. 16). | e.2 | NP |
| f. Agri-environment (Ch. VI, art. 22-24). | f | X |
| g. Improving processing and marketing of agricultural products (Ch. VII, art. 25-28). | g.1 & g.2 | |
| h. Afforestation of agricultural land and i. Other afforestation (Ch. VIII, art. 31, 30). | h | X |
| i. Other forestry measures (Ch. VIII, art. 30, 32). | l rest | |
| j. Land improvement and k. Reparcelling (Ch. IX, art. 33). | j & k | |
| l. Setting-up of farm relief and farm management services (Ch. IX, art. 33). | l & m | |
| m. Marketing of quality agricultural products (Ch. IX, art. 33). | l & m | |
| n. Basic services for the rural economy and population (Ch. IX, art. 33). | n & o | |
| o. Renovation and development of villages and protection and conservation of the rural heritage (Ch. IX, art. 33). | n & o | |
| p. Diversification of agricultural activities and activities close to agriculture to provide multiple activities or alternative income (Ch. IX, art. 33). | p & q | |
| q. Agricultural water resources management (Ch. IX, art. 33). | p & q | |
| r. Development and improvement of infrastructure connected with the development of agriculture (Ch. IX, art. 33). | r & s | |
| s. Encouragement for tourist and craft activities (Ch. IX, art. 33). | r & s | |
| t. Protection of the environment in connection with agriculture, forestry and landscape conservation as well as the improvement of animal welfare (Ch. IX, art. 33). | t & u & v | |
| u. Restoring agricultural production potential damaged by natural disasters and introducing appropriate prevention instruments (Ch. IX, art. 33). | t & u & v | |
| v. Financial engineering (Ch. IX, art. 33). | t & u & v | |

T.4 Forecasts table

| Measure | Table | Information requested | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|---|-------|--|------|------|------|------|--------|--------|--------|
| Investment in agricultural holdings (Ch. I, art. 4-7) | a.1 | Number of applications approved Total eligible cost ('000 EUR) Amount of public expenditure committed ('000 EUR) Total of which EAGGF | | | | | | | |
| Setting-up of young farmers (Ch. II, art. 8) | b.1 | Number of applications approved Amount of public expenditure committed ('000 EUR) Total of which EAGGF | | | | | | | |
| Training (Ch. III, art. 9) | c | Number of applications approved Total eligible cost ('000 EUR) Amount of public expenditure committed ('000 EUR) Total of which EAGGF | | | | | | | |
| Early retirement (Ch. IV, art. 10-12) | d.1 | Number of new agreements Number of hectares released ('000 ha) Amount of public expenditure committed ('000 EUR) Total of which EAGGF | | | | | NP | NP | NP |
| Less-favoured areas and areas with environmental restrictions (Ch. V, art. 13-21) | e.1 | Number of holdings supported Number of hectares supported ('000 ha.) Amount of public expenditure committed ('000 EUR) Total of which EAGGF | | | | | NP | NP | NP |
| | e.2 | number of holdings number of hectares supported ('000 ha) Amount of public expenditure committed ('000 EUR) Total of which EAGGF | | | | | NP | NP | NP |
| Agri-environment (Ch. VI, art. 22-24) | f | Number of new contracts Number of hectares supported Amount of public expenditure committed ('000 EUR) Total of which EAGGF | | | | | 3805 | 4107 | 4402 |
| Improving processing and marketing of agricultural products (Ch. VII, art. 25-28) | g.1 | Number of applications approved Total eligible cost ('000 EUR) Amount of public expenditure committed ('000 EUR) Total of which EAGGF | | | | | 227783 | 245877 | 263518 |
| | | | | | | | 161654 | 185465 | 111776 |
| | | | | | | | 80827 | 92733 | 55888 |

T.4 Forecasts table – continued

Table Information requested 2000 2001 2002 2003 2004 2005 2006

| Measure | Information requested | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|--|-----------------------|--|------|------|----------------------|------|-------|-------|
| Afforestation of agricultural land (Ch. VIII, art. 31) | h & l.1 | Number of applications approved area supported ('000 ha) | | | | | 232 | 218 |
| | | Total eligible cost ('000 EUR) | | | | | 2 | 2 |
| | | Amount of public expenditure committed ('000 EUR) | | | Total of which EAGGF | | 14698 | 14698 |
| | | | | | | | 7349 | 7349 |
| | | | | | | | 3675 | 3675 |
| Other forestry (Ch. VIII, art. 30, indents 2-5) | i rest | Number of applications approved | | | | | | |
| | | Total eligible cost ('000 EUR) | | | | | | |
| | | Amount of public expenditure committed ('000 EUR) | | | Total of which EAGGF | | | |
| Other forestry (Ch. VIII, art. 32) | i rest | Number of applications approved | | | | | | |
| | | area supported ('000 ha) | | | | | | |
| | | Total eligible cost ('000 EUR) | | | | | | |
| | | Amount of public expenditure committed ('000 EUR) | | | Total of which EAGGF | | | |
| Land improvement (Ch. IX, art. 33) | j & k | Number of applications approved | | | | | | |
| | | Total eligible cost ('000 EUR) | | | | | | |
| | | Amount of public expenditure committed ('000 EUR) | | | Total of which EAGGF | | | |
| Reparcelling (Ch. IX, art. 33) | j & k | Number of applications approved | | | | | | |
| | | Total eligible cost ('000 EUR) | | | | | | |
| | | Amount of public expenditure committed ('000 EUR) | | | Total of which EAGGF | | | |
| Setting up of farm relief and farm management services (Ch. IX, art. 33) | l & m | Number of applications approved | | | | | | |
| | | Total eligible cost ('000 EUR) | | | | | | |
| | | Amount of public expenditure committed ('000 EUR) | | | Total of which EAGGF | | | |
| Marketing of quality agricultural products (Ch. IX, art. 33) | l & m | Number of applications approved | | | | | | |
| | | Total eligible cost ('000 EUR) | | | | | | |
| | | Amount of public expenditure committed ('000 EUR) | | | Total of which EAGGF | | | |

T.4 Forecasts table – continued

| Measure | Table | Information requested | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|---|-----------|--|------|------|------|------|------|------|------|
| Basic services for the rural economy and population (Ch. IX, art. 33) | n & o | Number of applications approved Total eligible cost ('000 EUR) Amount of public expenditure committed ('000 EUR) Total of which EAGGF | | | | | | | |
| Renovation and development of villages and protection and conservation of the rural heritage (Ch. IX, art. 33) | n & o | Number of applications approved Total eligible cost ('000 EUR) Amount of public expenditure committed ('000 EUR) Total of which EAGGF | | | | | | | |
| Diversification of agricultural activities and activities close to agriculture to provide multiple activities or alternative incomes (Ch. IX, art. 33) | p & q | Number of applications approved Total eligible cost ('000 EUR) Amount of public expenditure committed ('000 EUR) Total of which EAGGF | | | | | | | |
| Agricultural water resources management (Ch. IX, art. 33) | p & q | Number of applications approved Total eligible cost ('000 EUR) Amount of public expenditure committed ('000 EUR) Total of which EAGGF | | | | | | | |
| Development and improvement of infrastructure connected with the development of agriculture (Ch. IX, art. 33) | r & s | Number of applications approved Total eligible cost ('000 EUR) Amount of public expenditure committed ('000 EUR) Total of which EAGGF | | | | | | | |
| Encouragement for tourist and craft activities (Ch. IX, art. 33) | r & s | Number of applications approved Total eligible cost ('000 EUR) Amount of public expenditure committed ('000 EUR) Total of which EAGGF | | | | | | | |
| Protection of the environment in connection with agriculture, forestry and landscape conservation, as well as the improvement of animal welfare (Ch. IX, art. 33) | t & u & v | Number of applications approved Total eligible cost ('000 EUR) Amount of public expenditure committed ('000 EUR) Total of which EAGGF | | | | | | | |
| Restoring agricultural production potential damaged by natural disasters and introducing appropriate prevention instruments (Ch. IX, art. 33) | t & u & v | Number of applications approved Total eligible cost ('000 EUR) Amount of public expenditure committed ('000 EUR) Total of which EAGGF | | | | | | | |

T.4 Forecasts table – continued

| Measure | Table | Information requested | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|---|-------|---|------|------|------|------|--------|--------|--------|
| Financial engineering (Ch. IX, art. 33) t & u & v | | Number of applications approved | | | | | | | |
| | | Total eligible cost ('000 EUR) | | | | | | | |
| Total of all measures | | Amount of public expenditure committed ('000 EUR) | | | | | | | |
| | | Total of which EAGGF | | | | | | | |
| Total of all measures | | Amount of public expenditure committed ('000 EUR) | 0 | 0 | 0 | 0 | 169003 | 192814 | 120291 |
| | | Total of which EAGGF | 0 | 0 | 0 | 0 | 84502 | 96408 | 60146 |

T.5 Geographic breakdown of support

T.5.1 According to Objective 1 areas, Objective 2 areas and areas outside Objectives 1 and 2

| Measures (between brackets, reference articles of Reg. (CE) 1257/1999) | | Objective 1 area % | | | Objective 2 area % | | | Outside Objectives 1 and 2 % | | | TOTAL |
|--|---|-----------------------|-----------|--------------|-----------------------|--------------|------------|------------------------------------|----------|-------|-------|
| | | a | b =a/g | c | d = c/g | e | f = e/g | | g =a+c+e | | |
| Total number of agricultural holdings | | | | | | | | | | | |
| a. | Investment in agricultural holdings (art. 4-7) Number of applications approved Public expenditure committed ('000 EUR) | | | | | | | | | | |
| b. | Setting-up of young farmers (art.8) Number of applications approved Public expenditure committed ('000 EUR) | | | | | | | | | | |
| c. | Training (art. 9) Number of applications approved Public expenditure committed ('000 EUR) | | | | | | | | | | |
| d. | Early retirement (art. 10-12) Number of agreements Public expenditure committed ('000 EUR) | | 0% | | 0% | | 0% | | 0 | 0 | |
| e.1 | Less-favoured areas (art. 13-21) Number of holdings supported Public expenditure committed ('000 EUR) | | 0% | | 0% | | 0% | | 0 | 0 | |
| e.2 | Areas with environmental restrictions (art. 13-21) Number of holdings supported Public expenditure committed ('000 EUR) | | 0% | | 0% | | 0% | | 0 | 0 | |
| f. | Agri-environment (art. 22-24) Number of contracts Public expenditure committed ('000 EUR) | 810 | 5% | 5243 | 31% | 10751 | 64% | 16804 | 5008 | 43464 | |
| g. | Improving processing and marketing of agricultural products (art. 25-28) Number of applications approved Public expenditure committed ('000 EUR) | | 0% | | 0% | | 0% | | | | |
| h. | Afforestation of agricultural land (art. 31) (planting costs) Number of applications approved Public expenditure committed ('000 EUR) | 1 | 25% | 0 | 0% | 3 | 75% | 4 | 22 | 0 | |
| i. | Other forestry measures (art. 30, 32) Number of applications approved Public expenditure committed ('000 EUR) | | 82% | 0 | 0% | 5 | 18% | 27 | | | |
| j. | to v. Promoting the adaptation and development of rural areas (art.33) Number of applications approved Public expenditure committed ('000 EUR) | | | | | | | | | | |
| Total of public expenditure committed | | 5030 | 4% | 43464 | 31% | 91661 | 65% | 140156 | | | |

T.5 Geographic breakdown of support

T.5.2 According to the areas defined by Articles 16 to 20 of the Reg. (CE) n°1257/1999

| Measures | Normal area | | Mountain areas | | Less-favoured areas | | | Total for LFA | | | |
|---|---|---------------|----------------|------------|---------------------|------------|--------------|---------------|--------------|------------|---------------|
| | a | % b=a/k | c | % d=c/k | e | f=e/k | g | h=g/k | i | j=i/k | k=a+i |
| Total number of agricultural holdings | | | | | | | | | | | |
| a. Investment in agricultural holdings (art. 4-7) | Number of applications approved | | | | | | | | | | |
| | Public expenditure committed ('000 EUR) | | | | | | | | | | |
| b. Setting-up of young farmers (art.8) | Number of applications approved | | | | | | | | | | |
| | Public expenditure committed ('000 EUR) | | | | | | | | | | |
| c. Training (art. 9) | Number of applications approved | | | | | | | | | | |
| | Public expenditure committed ('000 EUR) | | | | | | | | | | |
| d. Early retirement (art. 10-12) | Number of agreements | 0% | | 0% | | 0% | | 0% | | 0% | 0 |
| | Public expenditure committed ('000 EUR) | 0% | | 0% | | 0% | | 0% | | 0% | 0 |
| e.1 Less-favoured areas (art. 13-21) | Number of holdings supported | | | 0% | | 0% | | 0% | | 0% | 0 |
| | Public expenditure committed ('000 EUR) | | | 0% | | 0% | | 0% | | 0% | 0 |
| e.2 Areas with environmental restrictions (art. 13-21) | Number of holdings supported | 0% | | 0% | | 0% | | 0% | | 0% | 0 |
| | Public expenditure committed ('000 EUR) | 0% | | 0% | | 0% | | 0% | | 0% | 0 |
| f. Agri-environment (art. 22-24) | Number of contracts | 12706 | 76% | 0% | 4098 | 24% | 4098 | 0% | 4098 | 24% | 16804 |
| | Public expenditure committed ('000 EUR) | 108186 | 77% | 0% | 31943 | 23% | 31943 | 0% | 31923 | 23% | 140128 |
| g. Improving processing and marketing of agricultural products (art. 25-28) | Number of applications approved | | | | | | | | | | |
| | Public expenditure committed ('000 EUR) | | | | | | | | | | |
| h. Afforestation of agricultural land (art. 31) (planting costs) | Number of applications approved | 4 | 100% | 0 | 0 | 0% | 0 | 0 | 0 | 0% | 4 |
| | Public expenditure committed ('000 EUR) | 27 | 100% | 0 | 0 | 0% | 0 | 0 | 0 | 0% | 27 |
| i. Other forestry measures (art. 30, 32) | Number of applications approved | | | | | | | | | | |
| | Public expenditure committed ('000 EUR) | | | | | | | | | | |
| j. to v. Promoting the adaptation and development of rural areas (art.33) | Number of applications approved | | | | | | | | | | |
| | Public expenditure committed ('000 EUR) | | | | | | | | | | |
| Total of public expenditure committed | | 108213 | 77% | 0 | 31943 | 23% | 31943 | 0 | 31943 | 23% | 140156 |

T.6 Financial monitoring

Measure

| Measure | Total costs borne by the beneficiaries ('000 EUR) | | | | | | Total eligible cost ('000 EUR) | | | | | | Amount of public expenditure committed ('000 EUR) | | | | | | |
|--|---|-------|--------|-------|-------|-------|--------------------------------|-------|--------|-------|-------|-------|---|-------|--------|-------|-------|-------|--|
| | Obj. 1 | | Obj. 2 | | Total | | Obj. 1 | | Obj. 2 | | Total | | Obj. 1 | | Obj. 2 | | Total | | |
| | Outs. | Obj. | Outs. | Obj. | Total | Outs. | Obj. | Outs. | Obj. | Total | Outs. | Obj. | Outs. | Obj. | Total | Outs. | Obj. | Total | |
| | 1 & 2 | 1 & 2 | 1 & 2 | 1 & 2 | 1 & 2 | 1 & 2 | 1 & 2 | 1 & 2 | 1 & 2 | 1 & 2 | 1 & 2 | 1 & 2 | 1 & 2 | 1 & 2 | 1 & 2 | 1 & 2 | 1 & 2 | 1 & 2 | |
| a. Investment in agricultural holdings (Article 4-7) | | | | | | | | | | | | | | | | | | | |
| b. Setting-up of young farmers (Article 8) | | | | | | | | | | | | | | | | | | | |
| c. Training (Article 9) | | | | | | | | | | | | | | | | | | | |
| d. Early retirement (Articles 10-12) | | | | | | | | | | | | | | | | | | | |
| e.1 Less-favoured areas (Articles 13-21) | | | | | | | | | | | | | | | | | | | |
| e.2 Areas with environmental restrictions (Articles 13-21) | | | | | | | | | | | | | | | | | | | |
| f. Agri-environment (Articles 22-24) | | | | | | | | | | | | | | | | | | | |
| g. Improving processing and marketing of agricultural products (Articles 25-28) | | | | | | | | | | | | | | | | | | | |
| h. Afforestation of agricultural land (Article 31) | 22 | 0 | 5 | 27 | 54 | 22 | 45 | 0 | 10 | 54 | 22 | 45 | 0 | 10 | 54 | 5 | 27 | 14 | |
| i. Other forestry measures (Articles 30 and 32) | | | | | | | | | | | | | | | | | | | |
| j. Land improvement (Article 33) | | | | | | | | | | | | | | | | | | | |
| k. Reparcelling (Article 33) | | | | | | | | | | | | | | | | | | | |
| l. Setting-up of farm relief and farm management services (Article 33) | | | | | | | | | | | | | | | | | | | |
| m. Marketing of quality agricultural products (Article 33) | | | | | | | | | | | | | | | | | | | |
| n. Basic services for the rural economy and population (Article 33) | | | | | | | | | | | | | | | | | | | |
| o. Renovation and development of villages and protection and conservation of the rural heritage (Article 33) | | | | | | | | | | | | | | | | | | | |

d. Early retirement (Ch. IV, art. 10-12)

d.1 Beneficiary type

| Beneficiary of support | Number of agreements | of which new applications | reassigned to agricultural uses | Number of ha released | | Average amount of support (EUR) | Amount of public expenditure committed ('000 EUR) |
|------------------------|----------------------|---------------------------|---------------------------------|-----------------------|-------------------------------------|---------------------------------|---|
| | | | | of which new | reassigned to non agricultural uses | | |
| Farmers | | | | | | 0 | 0 |
| Farm workers | | | | | | 0 | 0 |
| TOTAL | 0 | 0 | | | | 0 | 0 |
| <i>Forecast</i> | | | | | | | |

d. Early retirement (Ch. IV, art. 10-12)

d.2 New applications by age category

| Beneficiary of support | Number of new applications approved | | TOTAL |
|------------------------|-------------------------------------|---------------------------------------|-------|
| | 55 ≤... ≤ 60 years old | 60 <... ≤ 65 years old > 65 years old | |
| Farmers | | | 0 |
| Farm workers | | | 0 |
| TOTAL | 0 | 0 | 0 |

e. Less-favoured areas and areas with environmental restrictions (Ch. V, art. 13-21)

e.1 Less Favoured Areas (holdings receiving compensatory allowances by pre-dominant LFA type)

| Area type | Number of holdings supported | Number of hectares receiving compensatory allowances ('000 ha) | Average amount of payments (EUR) per holding | Average amount of payments (EUR) per ha | Amount of public expenditure committed ('000 EUR) | |
|--------------------------------------|------------------------------|--|--|---|---|----------------|
| | | | | | Total | of which EAGGF |
| Mountain areas | | | 0 | 0 | | |
| Other less-favoured areas | | | 0 | 0 | | |
| Areas affected by specific handicaps | | | 0 | 0 | | |
| Total | 0 | 0 | 0 | 0 | 0 | 0 |
| of which Natura 2000 areas | | | 0 | 0 | | |
| <i>Forecast (total)</i> | | | | | | |

e. Less-favoured areas and areas with environmental restrictions (Ch. V, art. 13-21)

e.2 Areas with environmental restrictions (holdings receiving art. 16 payments)

| Area type | Number of holdings supported | Number of hectares receiving art. 16 payments ('000 ha) | Average amount of payments (EUR) per holding | Average amount of payments (EUR) per ha | Amount of public expenditure committed ('000 EUR) | |
|--------------------------------------|------------------------------|---|--|---|---|----------------|
| | | | | | Total | of which EAGGF |
| LFA Mountain areas | | | 0 | 0 | | |
| Other less-favoured areas | | | 0 | 0 | | |
| Areas affected by specific handicaps | | | 0 | 0 | | |
| non LFA | | | 0 | 0 | | |
| TOTAL | 0 | 0 | 0 | 0 | 0 | 0 |
| of which Natura 2000 areas | | | 0 | 0 | | |
| <i>Forecast (total)</i> | | | | | | |

f. Agri-environment (Ch. VI, art. 22-24)

| Action | | Number of contracts | of which new contracts | Number of hectares under contract | of which new | Average premium per ha | Amount of public expenditure committed ('000 EUR) | |
|--|-----------------------------|---------------------|------------------------|-----------------------------------|---------------|------------------------|---|----------------|
| | | | | | | | Total | of which EAGGF |
| organic farming | annual crops | 651 | 112 | 46210 | 9967 | 74 | 3413 | 1728 |
| | specialised perennial crops | 38 | 2 | 300 | 20 | 105 | 31 | 16 |
| | other | 602 | 63 | 48975 | 2729 | 35 | 1731 | 884 |
| | Total | 1291 | 177 | 95485 | 12716 | 54 | 5175 | 2627 |
| other input reduction | annual crops | | | | | 0 | | |
| | specialised perennial crops | | | | | 0 | | |
| | other | | | | | 0 | | |
| Total | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| crop rotation | annual crops | | | | | 0 | | |
| extensification | other | | | | | 0 | | |
| landscape/nature (conservation, restoration, creation) | annual crops | 949 | 366 | 15851 | 8389 | 768 | 12168 | 6169 |
| | specialised perennial crops | 9056 | 2613 | 361418 | 138693 | 237 | 85788 | 43208 |
| | other | 5508 | 1385 | 405882 | 93474 | 91 | 36997 | 19088 |
| | Total | 15513 | 4364 | 783151 | 240556 | 172 | 134953 | 68465 |
| plant varieties under threat of genetic erosion | annual crops | | | | | 0 | | |
| | specialised perennial crops | | | | | 0 | | |
| | other | | | | | 0 | | |
| Total | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| other actions | annual crops | | | | | 0 | | |
| | specialised perennial crops | | | | | 0 | | |
| | other | | | | | 0 | | |
| Total | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | | 16804 | 4541 | 878636 | 253272 | 159 | 140128 | 71093 |
| Forecast | | | | | | | | |
| | | | | | 200127 | | | |

f. Agri-environment (Ch. VI, art. 22-24) – continued

| Action | Number of contracts | of which new contracts | Number of livestock units under contract | of which new | Average premium per lu | Amount of public expenditure committed ('000 EUR) | |
|---|---------------------|------------------------|--|--------------|------------------------|---|----------------|
| | | | | | | Total | of which EAGGF |
| Breeds in danger of being lost to farming | | | | | | | |
| cattle | | | | | 0 | | |
| sheep | | | | | 0 | | |
| goats | | | | | 0 | | |
| equidae | | | | | 0 | | |
| pigs | | | | | 0 | | |
| avian | | | | | 0 | | |
| mixed | | | | | 0 | | |
| Total | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL agri-environment | 16804 | 4541 | | | | 140128 | 71093 |
| <i>Forecast (total)</i> | | 3343 | | | | 130959 | 65479 |

h. Afforestation of agricultural land and i. Other forestry measures (Ch. VIII, Art. 29-32)

h. Afforestation of agricultural land (art. 31)

| Types of support | Number of agreements | of which new | Area supported ('000 ha) | of which new | Average amount of support per ha (EUR) | Amount of public expenditure committed ('000 EUR) | |
|-------------------|----------------------|--------------|--------------------------|--------------|--|---|----------------|
| | | | | | | Total | of which EAGGF |
| Maintenance costs | | | | | 0 | | |
| Income loss | | | | | 0 | | |
| Total | | | | | | 0 | 0 |

| Planting costs by tree type | Number of applications approved | | | Area supported ('000 ha) | | | Average amount of support per ha (EUR) | | | Total costs borne by the beneficiaries ('000 EUR) | | | Total eligible cost ('0000 EUR) | | | of which EAGGF |
|--|---------------------------------|----------|----------|--------------------------|-----------|-----------|--|----------|----------|---|----------|----------|---------------------------------|-----------|-----------|----------------|
| | Private | Public | Total | Private | Public | Total | Private | Public | Total | Private | Public | Total | Private | Public | Total | |
| Conifers | | | 0 | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Broadleaves | | | 0 | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Mixed plantations (> 25% in a 2nd species) | | | 0 | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Rapid growth plantations | 4 | | 4 | | 94 | 94 | 0 | 0 | 0 | 0 | 0 | 0 | 27 | 27 | 27 | 14 |
| TOTAL | 4 | 0 | 4 | 0 | 94 | 94 | 0 | 0 | 0 | 0 | 0 | 0 | 27 | 27 | 27 | 14 |
| Forecast | | | | | | | | | | | | | | | | |

Comments

Exchange rate used = 1€ : £0.69

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