



Department
for Environment
Food & Rural Affairs



The European Agricultural Fund
for Rural Development:

Europe investing in rural areas

Rural Development Programme in England, 2014-2020

Ex-ante evaluation

**Expected EAFRD contributions to the EU
2020 Strategy**

John Place, Defra



Three main questions asked

1. What are the main contributions to the EU 2020 strategy?
2. Which methods have been used in assessing the EU contribution?
3. What were the main problems / challenges?

What are the main contributions to the EU 2020 strategy?

Sustainable Growth:

- Protect the environment
- Promote climate change adaptation
- Resource efficiency and low carbon



Main focus of RDPE on environment [87%]:

- Over £2bn of on-going agri environment commitments
- £925m for new environmental land management scheme: **agri-environment, organic, forestry** and **capital** measures.
- Priorities are **biodiversity** and **water**

Also:

- Grants: farming sector: **water efficiency, reservoirs** and **slurry management; renewable energy** for local communities
- Integrated projects (grants, advice and training): **woodfuel, reduction of ammonia emissions** and **animal health and welfare**

What are the main contributions to the EU 2020 strategy?

Smart and Inclusive Growth

- Competitiveness of rural SMEs, including farming sector
- Enhancing access to ICT
- Strengthening research & innovation
- Promoting employment & labour mobility
- Investing in education and skills



Focus on growth and jobs [13%]:

- **Grants for rural SMEs and business start-ups**, including **young farmers** and **food processing**
- **Rural broadband** in 5% “hard to reach” areas
- **Tourism**: grants and destination management (e.g. Visit Yorkshire) and grants
- **Innovation in farming sector**: grants for high tech equipment; EIP
- **LEADER** more focussed on jobs and growth but can support **rural services** and **culture and heritage**
- **Advice & training** as “funder of last resort” (ERDF and ESF main funding⁴)

Which methods have been used in developing the RDPE?

- Used **Multi criteria assessment** to provide a value for money analysis of potential RDPE objectives / activities:
 - **Strategic alignment** (including rationale for intervention, strength of policy driver and suitability of funding);
 - **Environmental, economic and social impacts**;
 - **Deliverability risk**;
 - **Contribution to cross-cutting themes** (in particular climate change adaptation and mitigation).
- Developed **intervention logic(s)**: based on Ex-ante evaluation and UK Government Magenta book guidelines.

Inputs → Activities → Outputs → Outcomes → Impacts
- **SWOT and needs assessment**: based on Common Context Indicators and wider context / specific indicators for RDP
- **Benchmark of output indicators** based on 2007-13 RDPE

Which methods have been used in assessing the EU contribution?

- **RDPE Impact Assessment** assessed benefit cost ratios based on 2007-13 RDP. Estimates for BCRs:
 - Between 3.5 and 3.7 for Agri-environment schemes
 - Between 3.2 and 5.6 for Forestry schemes
 - 1.03 for Farming sector schemes
 - 2.51 for spend in rural areas
- BCRs expected to rise through **better targeting** and **less deadweight**, e.g. more targeted environmental agreements and focus on jobs, growth and new technology in rural areas & farming
- **Strategic Environmental Assessment:** assessed eight budget scenarios based on different levels of funding transferred from Pillar 1 to Pillar 2 of the CAP:
 - **2%:** minimum level given on-going commitments [“Do nothing”]
 - **9%:** rate used in the 2007-13 period
 - **12%:** chosen level of transfer for 2014-20 RDPE; and
 - **15%:** the maximum allowed under the reformed CAP
- **15% scenario** had highest environmental impact

What does our assessment tell us?

- Cost of fully delivering **Biodiversity 2020 targets** could reach in the region of **£500m per year** by **2020**.
- Cost of **addressing diffuse pollution from agriculture** around **£460m per year**.
- More than **£80m per year** required to **avoid deterioration in water quality** from diffuse agricultural pollution.
- Funding required to deliver **Biodiversity 2020 outcomes** and ‘**good status**’ under the **Water Framework Directive** likely to exceed funds available through RDPE

Increased focus on the environment and more targeted land management will help to secure multiple outcomes and support meeting these obligations and deliver **Sustainable Growth**.

What does our assessment tell us?

- England RDP can also deliver worthwhile and valuable **outcomes for society** and contribute to **rural economic growth**.
- Remains a need to continue to **reduce farmers' reliance on subsidy** and help the sector become **more productive** and **market-orientated**.

Re-focussing **LEADER** spend to **directly support economic growth** and **rural jobs**, alongside wider **Smarter** and **Inclusive Growth** activity allows for 13% of the programme funding to be focussed on the rural economy, targeted at specific local need.

What were the main problems / challenges?

The independent evaluators used the **Ex-ante Evaluation guidelines** and expected us to do so.

However:

- SFC does not allow us enough space to cover our full **needs assessment** and **SWOT**
- SFC does not allow us to set out clear **Intervention Logic**
- Commission asked for more information to justify our priorities but there was no space in SFC to cover all aspects
- We do not hold all information to support the **Common Context Indicators** at England level

Also going forward:

- **Complexity:** 11 Thematic Objectives; 6 RD Priorities, 16 Focus Areas, 20 Measures and 67 sub-measures!
- **Changes to RDP priorities** during the programme period
- **Local – National priorities** and how to manage this

Conclusions

- New Rural Development Programme in England will invest at least **£3.5bn** from **2014 to 2020**. Over **£3bn** is for the environment. Nearly **£500m** will help grow farming, food and the rural economy.
- Rural Development Programme **more focused** and will target taxpayer's money where it makes the greatest difference
- Aiming to protect the natural environment on **2.5m ha** of farmed land, create around **6,750 jobs** and fund planting of **14,000 ha** of trees.

2007-13 split:

80%:	Axis 2
10%:	Axis 1
5%:	Axis 3
5%:	LEADER

2014-20 split:

87%	Environment
5%	Rural Growth
4%	Farming
4%	LEADER



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John.place@defra.gsi.gov.uk