

Rural Development Programme for England 2007–2013

Consultation

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Foreword



This document proposes priorities for the next Rural Development Programme for England 2007–2013.

The European Union Rural Development Regulation provides an historic opportunity to support the creation of a genuinely sustainable food and farming sector, whilst also bringing wider benefits for the environment and rural communities. It also presents us with some tough choices. If we are to make a real difference, we must be selective in what we opt to do. I want to focus the resource on action that will add most value to rural policy outcomes.

To do this we propose three core themes: enhancing the environment and countryside, making agriculture and forestry more competitive and sustainable, and enhancing opportunity in rural areas for those who are disadvantaged.

I therefore seek your views on how we can make a real difference in delivering public benefits, whilst avoiding duplication with what other resources are delivering. I also seek your advice on how the programme can mitigate the impacts of climate change and deliver our commitment to sustainable energy, both of which are central to achieving the goals set out by the Prime Minister in the UK Sustainable Development Strategy 2005.

Aspects of the consultation are developed in an accompanying document: 'Rural Development Programme for England 2007–2013 Consultation: Uplands Reward Structure'. This suggests solutions to the particular disadvantages and opportunities facing upland environments, communities and farmers. The two documents are complementary.

The results of the consultation will help to guide Defra and our delivery partners, Natural England, Forestry Commission and the Regional Development Agencies, in setting the direction and detail of the new Programme. In doing so, we require simpler ways to deliver funding and would welcome your feedback on how we best achieve this.

A handwritten signature in black ink that reads "Margaret Beckett". The signature is written in a cursive, slightly slanted style.

Rt. Hon. Margaret Beckett, MP

Purpose

1. To invite your views on the key themes and outcomes proposed for the next Rural Development Programme for England 2007–2013. We pose specific questions throughout the document and Annex F provides a consolidated list of these questions.
2. This document should be read in conjunction with Defra's consultation on future support for the uplands 'Rural Development Programme for England 2007–2013 Consultation: Uplands Reward Structure', and the parallel government consultation on the future for the Structural Funds. These three documents are designed to complement each other.

Responding to this Consultation

3. Responses should be received by 4pm on **22 May 2006**.
4. Please send your response to: Email: **RDPConsultation@Defra.gsi.gov.uk**
5. Alternatively, if you do not have access to e-mail please send your response by post to the following address:

Dave Boulton
Defra – Rural Funding Review Unit
Area 4E Ergon House
Horseferry Road
London SW1P 2AL
Tel: 020 7238 6286
Fax: 020 7238 6288
6. In line with Defra's policy of openness, at the end of the consultation period copies of the responses we receive may be made publicly available through the:

Defra Information Resource Centre
Lower Ground Floor
Ergon House
Horseferry Road
London SW1P 2AL
7. The information they contain may also be published in a summary of responses. If you do not consent to this, please clearly request that your response be treated confidentially. Any confidentiality disclaimer generated by your IT system in email responses will not be treated as such a request. You should also be aware that there may be circumstances in which Defra will be required to communicate information to third parties on request, in order to comply with its obligations under the Freedom of Information Act 2000 and the Environmental Information

Purpose

Regulations. The Information Resource Centre will supply copies of consultation responses to personal callers or in response to telephone or email requests (tel: 020 7238 6575, email: defra.library@defra.gsi.gov.uk).

8. Wherever possible, personal callers should give the Information Resource Centre at least 24 hours' notice of their requirements. An administrative charge will be made to cover photocopying and postage costs.
9. A summary of responses will also be made available on Defra's website at: <http://www.defra.gov.uk/corporate/consult/responses.htm>
10. If you have any comments or complaints about the consultation process, as opposed to issues in the consultation paper, please address them to:

Bree Verity
Defra Consultation Co-ordinator
Area 7C Nobel House
17 Smith Square
London SW1P 3JR
Email: consultation.coordinator@defra.gsi.gov.uk

This consultation has been prepared in line with the Government's code of practice which requires that we:

- I. Consult widely throughout the process, allowing a minimum of 12 weeks for written consultation at least once during the development of the policy;
- II. Be clear about what the proposals are, who may be affected, what questions are being asked and the timescale for responses;
- III. Ensure that consultation is clear, concise and widely accessible;
- IV. Give feedback regarding the responses received and how the consultation process influenced the policy;
- V. Monitor the department's effectiveness at consultation, including through the use of a designated consultation co-ordinator;
- VI. Ensure the consultation follows better regulation practice, including carrying out a Regulatory Impact Assessment if appropriate.

Background

11. The new European Union Rural Development Regulation¹ provides Member States with a framework to target funding from the European Agricultural Fund for Rural Development as part of rural development programmes. The current Programme runs from 2000 – 2006. This new Programme will run from January 2007 to December 2013.
12. To unlock this funding, we need to submit and agree with the European Commission:
 - A strategy with sections that cover England, Wales, Scotland and Northern Ireland, and
 - An accompanying, and more detailed, Programme for England.
13. This paper addresses the strategy for England only. Parallel documents are being prepared for Wales, Scotland and Northern Ireland. Your response will inform preparation of the Programme for England for submission in summer 2006.
14. Our proposals are based on four core principles to:
 - i. Focus this funding to support Defra strategic priorities and government commitments such as those in the Strategy for Sustainable Farming and Food² and Rural Strategy 2004³ which were themselves subject of extensive debate and consultation.
 - ii. Use this funding to make a distinctive and significant difference. Rural areas and communities benefit from many mainstream services and funding programmes. This Programme should address those challenges that mainstream resources are less suited to meet. We propose the following criteria to establish objectives for the new Programme:
 - There should be clear **evidence** to justifying funding.
 - The programme must target areas, sectors or communities where there is **demonstrable and significant need**.
 - **Funding should be the most appropriate solution**, either in terms of building capacity or supporting projects.
 - Funding must deliver something **that would not happen otherwise**.
 - Funding must make a **significant and measurable improvement**.
 - **No duplication**: the programme will not apply where other policies or resources are more appropriate, including Structural Funds.

1 European Commission (2005a)

2 Defra (2002)

3 Defra (2004c)

- **Sustainability:** no action aligned to any one measure should frustrate the purpose of another or create net environmental damage.
 - Delivery must be at **reasonable cost** and reflect our commitment to streamline funding arrangements.
- iii. Maintain Government commitment to Environmental Stewardship. This means that the balance of expenditure on other objectives will be closer to the minimum spend required by the European Union (EU). See paragraph 25 for a more detailed explanation of these requirements.
 - iv. Set clear national policy direction whilst ensuring that Programme design and delivery has the necessary flexibility to respond to regional and local needs and characteristics, and regional and local priorities.

Question 1: Do you agree with these four principles. If not please suggest alternatives?

Question 2: Are there any other overarching principles that should apply?

Question 3: Do you agree that the proposals in this document support these four principles identified?

15. This paper is divided into two sections:

- Section 1 Context; and
- Section 2 Draft strategy that identifies the themes we seek to tackle.

Section 1: Context

16. The new EU Rural Development Regulation sets out the rules for spending funds from the European Agricultural Fund for Rural Development (EAFRD). It is known as Pillar 2 of the Common Agricultural Policy. This is a flexible framework to support sustainable rural development objectives. The 2003 Common Agricultural Policy reform means that direct subsidy payments paid through the Single Farm Payment in England, part of Pillar 1, are (with limited exceptions) decoupled from production, freeing farmers to produce what the market rather than subsidy dictates.
17. The new Regulation, and the funding it provides, offer a timely and exciting opportunity to help farmers and rural communities to take advantage of the reforms, prepare for further CAP reform⁴ and, crucially, deliver the public benefits that society wants such as a healthy rural environment and an attractive countryside and thriving rural communities. The Government is working to progressively shift funds from Pillar 1 to the rural development Pillar 2 in line with the 2002 Strategy for Sustainable Farming and Food.
18. Currently Cornwall and the Isles of Scilly benefit from a separate rural programme under Structural Funds. From 2007, they will have what the EU describe as convergence status but there will not be a separate rural programme for them. We expect special arrangements for funding them, but this will be as part of the wider Programme that is the subject of this consultation.

EU legislation, guidelines and budgetary requirements

19. The new Regulation is broadly drawn and offers a wide-range of possibilities. The Regulation is structured around three EU objectives for rural development (called "Axes"):
 - Improving the competitiveness of the farming and forestry sectors (Axis 1).
 - Improving the environment and the countryside (Axis 2).
 - Rural quality of life and diversification of the rural economy (Axis 3).
20. Within the Axes, there are 34 'measures'. These set out activities eligible for funding. Our Strategy and Programme must be constructed around these measures, although we do not need to use all of them. Annex A lists the measures. In addition, the formerly separate community based Leader programme becomes a fourth Axis that applies the Leader approach in support of the three objectives above (for more details see Annex A).

4 HM Treasury and Defra (2005)

21. The EU has set Strategic Guidelines⁵ that our Strategy and Programme must reflect. These have a significant focus on the Lisbon⁶ and Göteborg⁷ agenda of strong economic performance hand in hand with sustainable use of natural resources.
22. The Regulation and accompanying Strategic Guidelines also contain requirements on complementarity with other EU funding instruments: particularly the Structural Funds, and the European Fisheries Fund where there is overlap between the types of eligible activities that can be supported. This particularly relates to Theme 3. The precise demarcation between Funds will vary between individual regions due to local priorities and levels of funding available under the different instruments. However, each funding source must provide added value and not support activities for which other funding sources are more appropriate.
23. Funds should be targeted towards those rural areas, sectors or communities where there is a demonstrable and significant need. EAFRD funding should be focused primarily on supporting diversification of rural economies at a local level. This would include interventions in agriculture, including supporting innovative farm diversification and woodland enterprises. More widely, it would also include enabling growth of existing micro-enterprises and encouraging start-ups, and improving skills and employment opportunities for those individuals in the rural workforce on low pay where this support cannot be provided elsewhere.
24. Structural funds would then primarily address rural issues as part of wider regional and sub-regional activity contributing to improved regional economic performance or as part of national employment and skills programmes. This would include interventions that help to develop the knowledge based economy at a strategic level, enable small and medium sized enterprises to become more competitive, build sustainable communities, and increase employment by breaking down barriers to work and increasing skill levels for all. National and regional coordination mechanisms will be established to ensure this works effectively.

Question 4: Do you agree with these proposals for ensuring that Rural Development spending complements other policies and funding streams, in particular the EU Structural Funds and the European Fisheries Fund?

5 European Commission (2005b)

6 European Commission (2005)

7 European Commission (2001)

The EU Budgetary requirements

25. The new Regulation prescribes minimum expenditure with at least:
 - 10% of the European funding contributing to Axis 1 and 10% to Axis 3;
 - 25% of the European funding contributing to Axis 2; and
 - 5% of the overall European funding contribution delivered through the Leader approach.
26. Funding from the EU's Rural Development budget and compulsory modulation must be matched by a contribution from Exchequer resources. Programme budgets will be confirmed in 2006 in the light of the December 2005 EU budget settlement.
27. Sustaining government's commitment to Environmental Stewardship⁸ has practical consequences that include:
 - Spending close to 80% of the overall budget for the next Rural Development Programme on Environmental Stewardship and related schemes, and therefore budgets for Axis 1 and 3 will be at or near to the minimum spends of 10% required under the Regulation.
 - Continuing to transfer (or 'modulate') money from Pillar 1 to wider rural development under Pillar 2 in addition to the compulsory levels currently required by EU legislation.
28. This is consistent with our criteria that the Regulation must focus resources where they can most make a difference. There is little potential to substitute resources from other sources for Environmental Stewardship, whereas many of the other activities permitted under the Regulation are funded by Defra or other parts of government, including contributions made by Defra to the Regional Development Agencies' 'Single Pot'.

The policy context

29. Much has changed since the design and launch of the 2000 – 2006 Programme. Policy changes relevant to this Programme include:
 - Delivering the Essentials of Life⁹: Defra's five year strategy which sets out how Defra will provide environmental leadership and put Sustainable Development into practice.

8 Government launched Environmental Stewardship in 2005 and committed to providing all farmers with access to the Entry Level of Environmental Stewardship. Existing agri-environment and forestry commitments (including Environmental Stewardship but also covering other schemes) must also be met from the agri-environment budget.

9 Defra (2004)

- Securing the future¹⁰: the UK Sustainable Development Strategy.
 - The Sustainable Farming and Food Strategy.
 - The Rural Strategy 2004.
 - The England Forestry Strategy, currently under review.
 - Review of UK Climate Change Programme due for publication in early 2006.
 - The England Biodiversity Strategy.
30. Where appropriate and in line with the principles set out in paragraph 14, we will use the new programme to complement and support key government commitments such as the National Community Safety Plan.¹¹
31. Annex D details how to access these documents.

Achieving Sustainable Development

32. Draft EU Community Strategic Guidelines recommend that “in working out their national strategies, member States ensure that synergies between and within the axes are maximised and potential contradictions avoided.”
33. We believe that this integrated, sustainable development driven approach must be central to Programme design and delivery. To achieve this, we, our delivery agencies Natural England, Regional Development Agencies and the Forestry Commission and other delivery partners including Environment Agency, English Heritage and local authorities, will work nationally, regionally and locally to set objectives and work with customers.¹² For example:
- We will ensure that overall Programme design encourages integration.
 - Regionally, we will work within the context of documents such as Regional Rural Delivery Frameworks and Regional Economic Strategies that have sustainable development as central to their remit.
 - We will use the Leader approach as a local tool to ensure programme integration (see paragraphs 57 and 58 below).

10 HM Government (2005).

11 Home Office (2005).

12 Defra published the Rural Funding Review in July 2004 which set out our plans for simplifying funding arrangements – the new Programme is a key step in turning Review objectives into practice.

Section 2: Strategy

34. We propose that the new Programme will be structured around three themes that reflect the EU Axes but focus on specific targets to make a distinctive and significant impact:
- Theme 1: **Enhancing the environment and countryside:** our primary focus for spend, based largely around Axis 2 but drawing on measures from Axes 1 and 3.
 - Theme 2: **Making farming and forestry more competitive and sustainable:** our proposal for Axis 1, but supporting Axis 2 and 3 proposals.
 - Theme 3: **Enhancing opportunity in rural areas:** our proposal for Axis 3 but designed to complement Themes 1 and 2.
35. Some measures in the Regulation either do not support these themes, or on the basis of the evidence, do not offer the best approach to tackling the challenges we identify in England: for example, where other actions are already being taken forward under separate initiatives. Annex C lists those measures we propose to exclude from the programme.
36. Within the three themes, we also want to address the particular challenges and opportunities for:
- Environmental enhancement and economic and community development in the uplands. This is subject to a parallel consultation 'Uplands Reward Structure' that sets out our proposals for future support of upland farming and communities and which should be read in conjunction with this document.
 - Renewable energy where the proposed focus is encouraging the production of biomass for energy production, and better co-ordination of supply and demand. This will be subject to the Government's response to the Biomass Taskforce Report, which this consultation will help to inform. **Please note: government has committed to responding to the Taskforce by the end of April so, if you want to express any views on this in relation to the new Programme, it would be helpful if these are submitted by the end of March at the latest.**
37. References to relevant documents supporting our proposed approach are provided in Annex D.

Proposed themes

Theme 1: Enhancing the Environment and Countryside

38. Adapting to and mitigating the effects of climate change and protecting and where possible, enhancing, our natural resources – biodiversity, landscape, water, air, soil – are amongst the biggest challenges for the 21st century. Rural Strategy 2004 reflects this, emphasising the importance of ‘enhancing the value of our countryside – protecting the natural environment for this and future generations’. Measures stemming from our Sustainable Farming and Food Strategy and our forestry policies provide practical impetus and support for these objectives, not least given that over 70% of the English land area is under agricultural use and almost 9% of the land area is wooded¹³.
39. We are committed to the implementation of Article 10 of the Habitats and Species Directive, the Göteborg Protocol and the Kyiv Biodiversity¹⁴ Resolution to halt the loss of biodiversity in Europe by 2010. Agriculture and forestry form 2 of the 5 elements of the England Biodiversity Strategy and are crucial both to achieving our Public Service Agreement targets¹⁵ and delivery of Habitat and Species Action Plans.
40. The current environmental performance of agriculture and forestry is mixed. There are many instances where the efforts of farmers and land managers are beginning to make a positive impact. However a number of challenges remain. For example:
 - The national index of farmland birds almost halved between 1977 and 1993, but has been relatively stable since, remaining at 60% of the 1970 level;
 - Estimates indicate¹⁶ that 60% of nitrogen emissions to surface and marine waters and 44% of phosphorus are present as a result of agricultural activities;
 - In March 2005 the Environment Agency reported that as a result of diffuse pollution 80% of rivers, 50% of lakes, 25% of estuaries and coasts, and 75% of ground waters are at risk of not meeting Water Framework Directive objectives; also

13 The Forestry Commission Annual Report 2003/4 gives the woodland area as 1,153,000 ha which equates to 8.8% of the land area.

14 United Nations Environment Programme (2003)

15 Care for our natural heritage, make the countryside attractive and enjoyable for all and preserve biological diversity.

16 Environment Agency 1998 *Aquatic Eutrophication in England and Wales – a proposed management strategy*

- There is a significant under-utilisation of the timber growing in England. Estimates indicate that less than 25% of the hardwood timber that could be harvested sustainably from our native woods is actually being harvested. One result is land under woods becoming more shaded resulting in a decline in woodland plant diversity¹⁷.

41. Our proposed **priorities**:

i. **Conserve wildlife/biodiversity** by:

- Reversing the long term decline in farmland and woodland birds by 2020.
- Improving the status of habitats and species identified as a priority in the England Biodiversity Strategy¹⁸.
- Maintaining and restoring nationally and internationally important wildlife sites to safeguard their value.

ii. **Maintain and enhance landscape quality and character** by:

- Conserving landscapes and landscape features characteristic to the locality.
- Maintaining and enhancing local distinctiveness.
- Restoring and creating locally distinctive landscapes, for example in the urban fringe.

iii. **Protect the historic environment** by:

- Conserving the condition of historic and archaeological features, landscapes and structures.
- Maintaining and enhancing the condition and character of traditional and historic rural buildings that contribute to local landscape character.

iv. **Promote public access and understanding of the countryside** by:

- Increasing opportunities for the public to enjoy and learn about the countryside, its history, landscape, wildlife, culture and agriculture.

v. **Protect natural resources** by helping to:

- Improve the quality of inland and coastal water bodies including ground water, in line with the objectives of the Water Framework, Habitats, Ground Water and Bathing Water Directives.

¹⁷ Sustaining England's Woodland review (2002)

¹⁸ 'Working with the grain of nature' Defra (2002a)

- Tackle diffuse water pollution with the objective of stabilising and, where appropriate, reducing nitrate and phosphate losses from agriculture by 2015.
- Conserve soils and maintain and restore their healthy functions as set out in the Government's Soils Action Plan¹⁹.
- Mitigate direct emissions from agriculture in line with emerging proposals in the revised UK Climate Change Programme.

vi. **Promote sustainable forest management** by:

- Protecting, enhancing and reversing decline in the 'environmental capital' of woodland to conserve and improve biodiversity, soil conservation, water quality, carbon absorption, landscape and cultural heritage.
- Supporting and enhancing environmental and recreational benefits from existing forests and woodlands.
- Protecting water quality and flood alleviation.
- Creating woodland to support improved environmental and quality of life benefits: for example, in support of urban fringe regeneration.
- Developing the potential to sustain environmentally important woodlands through biomass production, for example to supply local community energy needs.

42. We believe that delivering these actions will also contribute to objectives for:

- Flood protection;
- Genetic conservation; and
- Economic opportunity with potential benefits stemming from:
 - Local employment opportunities generated by demand for land management and craft skills such as hedge laying, wall restoration and woodland skills;
 - Improved quality of life for local communities that can help to attract new investment and skilled workers;
 - Tourism based on a high quality rural environment;
 - Opportunities for marketing farm and forestry products dependant upon sustainably managed land; and
- Cost savings arising, for example, from a reduced need to treat drinking water.

¹⁹ Defra (2004a)

43. The **key challenges** are to:

- Build on work with the farming industry to reduce the adverse environmental impact of some agricultural practices and systems, and enhance benefits from agricultural practices and systems more generally, particularly by developing our commitment to Environmental Stewardship;
- Address new or growing pressures that include the Water Framework Directive. This EU legislation requires the adoption of a river basin approach to ensure that all inland and coastal waters reach “good ecological and chemical status” by 2015. This requires a catchment approach with demanding objectives, including ecological targets for surface waters, to reduce diffuse water pollution;
- Build on the first phase of Environmental Stewardship and review progress in 2007/08 to coincide with the review of CAP cross-compliance and to include work to identify potential for mitigating greenhouse gas emissions;
- Secure effectively targeted support that recognises and helps farmers and woodland managers enhance the special value of upland landscapes and habitats;
- Find ways to secure long term environmental benefits and address the causes of decline, for example by finding solutions that ensure environmental action and economic objectives are mutually reinforcing;
- Support training and knowledge transfer in environmental land management – financial incentives alone are not enough to achieve the changes we seek. This must reflect the Lisbon agenda focus on the knowledge economy;
- Adopt a landscape/eco-system scale approach to targeting funds, for example by using Joint Character Areas²⁰ and river catchments as a basis for deploying resources;
- Increase mitigation of greenhouse gas emissions in line with the emerging UK Climate Change Programme; and
- Ensure environmental safeguards for biomass production, for example through rigorous assessment of suitable sites for energy crop plantings.

²⁰ Joint Character Areas were devised as a means of describing the essential character of distinct areas of the English Countryside, based on the landscape, wildlife and natural features.

Question 5: Do you agree that the challenges and priorities listed under this theme are the right ones for the programme?

Question 6: If not, what is missing or superfluous? (Please provide evidence for any suggested answers to this question)

Question 7: What should the balance between priorities be?

Question 8: What would best enable delivery of this theme to be joined-up with delivery of other themes?

Promoting Sustainable Energy

The EU Biomass Action Plan²¹ highlights the potential for biomass energy and encourages Member States to take up the opportunities for the development and diversification of the rural economy through their national rural development programmes. Biomass can contribute to renewable energy targets, help to mitigate climate change, and stimulate economic activity and innovation. It can also contribute to sustainable waste management by reducing disposal to landfill and utilising potentially polluting materials for energy generation.

In England, stimulation of biomass markets is supported through the Renewables Obligation on electricity suppliers, and by capital grants offered by the Department for Trade and Industry and the Lottery. The need for further support is under consideration in response to recommendations of the Biomass Taskforce . This reported to Government in October 2005. Recommendations include:

- Sustaining grants to establish perennial energy crops; and
- Support for biomass supply chains.

In defining particular objectives for biomass for this Programme, we must observe EU requirements that, for example, preclude continuation of current support for producer groups.

Key issues revolve around what steps are needed to stimulate:

- feedstock (including short rotation coppice, and possibly (subject to evaluation of research findings) short rotation forestry and (subject to EU eligibility criteria) Miscanthus and similar species; and
- the establishment of supply chains to ensure a viable and environmentally sustainable sector. The Carbon Trust's recent Biomass Sector Review²² found that lack of confidence in the reliability of the fuel supply chain is a significant barrier to the uptake of biomass generally.

21 European Commission (2005c)

22 Carbon Trust (2004)

Theme 2: Making Agriculture and Forestry More Competitive and Sustainable

44. The Sustainable Farming and Food Strategy is a comprehensive, long term plan for the future of the industry. It sets out how Government will work with stakeholders to secure a sustainable future for English farming and food industries, as viable industries contributing to a better environment and healthy and prosperous communities. Our priorities are therefore to:
- Further reform the Common Agricultural Policy and to continue to free farmers to meet the demands of the market as direct subsidy payments are decoupled from production, enabling them to focus on activities that will maximise returns from their assets and skills.
 - Yield benefits for society by reducing negative environmental impacts as subsidy payments are dependent on compliance with environmental standards, and farmers are rewarded for enhanced environmental performance.
 - Address climate change by mitigating emissions and adapting cropping to help the UK reduce emissions.
 - Support industry restructuring and development in line with EU and government objectives to bring agriculture and the food chain closer to domestic and world markets.
 - Adopt a targeted, investment led approach to Programme funding which means being more selective and targeted and less demand led.
45. The Mid Term Evaluation of the current England Rural Development Programme²³ indicated the importance of training, information facilitation and advice in helping to inform change. Investment in realising human potential is an important aspect of increasing the competitiveness of farm businesses. Delayed take-up of new technology by the farming sector has been identified²⁴ as a factor constraining productivity, and the Sustainable Farming and Food Strategy highlights the need to improve industry uptake of technology and entrepreneurial skills to achieve a more productive sector and environmental sustainability.
46. The England Forestry Strategy and subsequent work underline the importance of finding innovative solutions to support woodland management.

23 <http://www.defra.gov.uk/erdp/reviews/midterm/default.htm>

24 <http://www.defra.gov.uk/farm/itfreport/report.pdf>

47. To foster a more market driven and competitive business environment, our proposed **priorities** are therefore:

Skills and knowledge transfer where we propose an emphasis on:

- Business improvement tools and techniques, including benchmarking, for primary producers;
- Dissemination of information, particularly of successful innovations, technological improvements, more efficient use of resources, and environmental best practice;
- Increasing the capacity of the farming community to manage agricultural price risk;
- Developing the business skills of directors and managers of farmer controlled businesses;
- Increased access to resource protection training, targeting in particular farmers and others involved in land management;
- Training for farming and forestry businesses to exploit the biomass sector;
- Increased opportunities for training and knowledge transfer to improve animal health and welfare standards;
- Facilitating the development of new markets and business opportunities associated with woodland and with quality forest products, and improving the overall competitiveness of the forestry sector and wood supply chain;
- Support for woodland owners and managers to improve the capacity of woodland to provide environmental and social benefits and yield renewable products;
- Fostering woody biomass production from existing woods and forests as a source of renewable energy; and
- Raising awareness of the potential of woods on farms.

Innovation where we propose an emphasis on:

- Improving agricultural and forestry industry uptake of technology and entrepreneurial skills, including a greater awareness of market opportunities, to achieve a more competitive sector and environmental sustainability and to add value;
- Promotion and encouragement of greater collaboration and co-operation between producers, and between producers and the rest of the supply chain, to help businesses reduce unnecessary costs and improve their efficiency and competitiveness;

- Encouraging the development of new markets and new added value products such as renewable energy products, non-food crops and high value food products, including regional quality products;
 - Strengthening the business performance of the farming industry by reducing waste and improving efficiency throughout the food chain;
 - Exploiting opportunities for new enterprises and employment from the recreational, environmental and educational value of farmland and woodland, and support innovative business and employment opportunities associated with woodland and forest products;
 - Developing and 'mainstreaming' new technology for both combustion and harvesting of wood fuel, and orchestrating the supply from fragmented local woods;
 - Foster on-farm renewable energy projects for heat generation and liquid fuel production; and
 - Find solutions to help small woodland owners and managers access specialist harvesting, transport and processing equipment that is cost-effective and causes minimal disturbance. These should focus on activities such as converting woody material to chips for combustion where this has environmental benefits or supports community renewable energy projects that would otherwise not be viable.
48. In designing the new Programme, we commit to ensuring that we do not duplicate what other funding arrangements can achieve, for example, "mainstream" training provided by the Learning and Skills Councils. We will also ensure that in allocating resources, we will take account of the particular challenges facing upland farmers.

Question 9: Do you agree that the priorities listed under this theme are the right ones for the programme?

Question 10: If not, what is missing or superfluous? (Please provide evidence for any suggested answers to this question)

Question 11: What other developments might shift the priorities under this theme in the course of the programme?

Question 12: What would best enable delivery of this theme to be joined-up with delivery of other themes?

Theme 3: Enhancing opportunity in rural areas

49. Rural Strategy 2004 recognised that many rural areas are an economic success. However, in a minority of rural areas we need to tackle structural economic weaknesses and accompanying poor social conditions and disadvantage, and respond to the fact that even within prosperous rural areas, some groups and individuals are disadvantaged.
50. The background is growing convergence between economic characteristics in urban and rural areas. Yet, whilst income levels for those *living* in rural England are higher on average than urban areas, the median hourly pay of those *working* in the most rural districts is over 10% lower than the English median: the most rural areas have the lowest median hourly wage rates. The maps in Annex B show the geographical distribution of low pay in rural areas. In particular, there is a link between areas with high concentrations of low pay and consistently under-performing districts that we are using to monitor progress against our Public Service Agreement²⁵.
51. Map 2 shows the *numbers* of low earners in each rural district²⁶ and the geography of rural disadvantage. This shows that, whilst average income levels in many rural districts are relatively high, there are large numbers of low earners in the rural economy, across all districts²⁷. High concentrations of low earners do not always correlate with areas that contain high absolute numbers of low earners.
52. When comparing workplace based figures with average residence based earnings in the same District, the strong impact of commuting is apparent²⁸. This is significant because local (non-commuting) low earners living in high income areas can be at a disadvantage: not only because of low incomes, but also because they may, for example, be unable to afford local housing.
53. Our **proposed priority** is to enhance economic opportunity in rural areas through increased investment in skills, enterprise and innovation by targeting support to:
 - Those on low pay or without regular employment.

25 Further information about Defra's Public Service Agreement targets can be found at <http://www.defra.gov.uk/corporate/busplan/psa2004.htm>

26 Using the new Rural-Urban Local Authority District Classification system published by Defra in 2005 and available at http://statistics.defra.gov.uk/esg/rural_resd/rural_definition.asp

27 The map is illustrative and it is important not to over-interpret differences between absolute numbers of low paid workers between districts, not least as these figures are not adjusted for district population levels, which vary considerably from the smallest predominantly rural district (Teesdale, with a working population of 8,600) to the largest (East Riding of Yorkshire, with a working population of 89,300). The Significant Rural district of Doncaster has a working population of 113,600.

28 For example, the ONS Annual Survey of hours and earnings 2003/04 shows that Winchester District rates highly (median average) for residence based earnings (£22,600 per year) but relatively less well on average (median average) for workplace based earnings (£16,600 per year: in the 3rd quartile of Local Authority Districts). In part this reflects significant numbers of people (11,500) earning less than £6.32 an hour (workplace based) in the district.

- Economically lagging areas with high concentrations of low paid jobs.
 - Upland communities where, for example, remoteness and sparse populations create particular difficulties.
54. Resources under the new Programme must deliver benefits in addition to the existing economic regeneration activities, including those that Regional Development Agencies deliver through their 'Single Pot'²⁹. Equally importantly, public investment must be targeted to address specific market failures, and not displace investment that could be financed privately. Reflecting this, we propose to foster:
- Micro-enterprise³⁰ start-ups, and growth of existing micro-enterprises, through investment and innovation, particularly, but not exclusively, in areas with high concentrations of low paid work.
 - Innovative farm diversification and woodland enterprises, particularly, but not exclusively, in areas with high concentrations of agricultural and forestry employment and associated low paid work and targeted at farm businesses with smaller asset bases.
 - Improved skills in the rural workforce, particularly for those on low pay and other disadvantaged groups through provision of:
 - Learning opportunities that are not offered by other programmes and mainstream services.
 - Access to mainstream learning opportunities.
 - Effective participation in the labour market for women and young people.
 - Innovative and sustainable enhancement of rural heritage assets that add value to the rural economy including:
 - Access to good quality premises.
 - Generating employment in the built heritage sector.
 - Sustainable tourism strategies and plans.
55. As a further objective we also propose to tackle social disadvantage through steps to support fair access to services where this will ensure the continued viability of rural communities and provide access to employment opportunities. In particular we want to help to:
- Sustain and develop viable rural enterprises, including social enterprises, that provide key services to local communities and stepping stones to increased economic activity.

29 Defra is contributing £72 million per annum to the Single Pot over the next three years

30 Micro businesses are defined as those employing 10 or less people: a substantial proportion of rural businesses are micro-businesses.

- Support groups, that for practical reasons such as lack of transport, lack of access or skills in ICT or lack of childcare services, find it difficult to access jobs or training.

56. **Key challenges** for this theme include:

- Finding creative ways to harness the economic value of environmental quality for rural communities through, for example, attracting both visitors and entrepreneurs to locate in rural areas.
- Enabling competitive, environmentally sensitive agriculture and forestry businesses to enhance opportunity in rural areas, whilst recognising that a more market driven agriculture may mean less direct employment in the industry. We should support those seeking new employment opportunities by ensuring access to training and re-skilling opportunities.
- Improving competitiveness in the rural economy, reflecting Lisbon Agenda commitments and UK policies to improve productivity³¹, with a strong emphasis on targeting resources in areas where low pay is concentrated, and where groups facing disadvantage are dispersed more widely (including areas with high average incomes that mask low local wages that lag behind those of the commuting population).
- Adopting a strategy-led approach, in order to achieve effective targeting of resources, clearly focused on addressing market failures, and not displacing private investment.
- Ensuring that communities benefit from higher bandwidth connectivity.

Question 13: Do you agree with the priorities listed under this theme?

Question 14: If not, what alternatives do you suggest and what evidence supports your suggestion?

Question 15: How do we balance focus on specific areas experiencing particular concentrations of low pay with this problem in wider society?

Question 16: How do we ensure that delivery of objectives under this theme are mutually supportive of those under other themes?

31 Productivity in the UK, HMT, 2000.

The Leader Approach in the New Programme

57. Leader is a community based ‘bottom-up’ approach that provides opportunities for local communities to identify their needs and devise appropriate, sustainable solutions. This is achieved by building local capacity and supporting cooperation and innovation. The approach reflects the Government’s commitment to devolving decision-making and resources locally, as set out in the Rural Strategy 2004, and in ‘Delivering the Essentials of Life’.
58. Leader will cease as a separate programme and become an integrated element in the new Programme³² to support the themes in this Strategy. It will be led by Regional Development Agencies. In line with EU requirements we propose:
- An emphasis on integrated development, enabling the Leader approach to be used across all proposed themes (the EU ‘Axes’). We expect significant application in support of ‘enhancing opportunity in rural areas’ (Axis 3) but the approach can be used to support the priorities set out under all, or any combination, of themes.
 - Not to specify geographic targets. Flexibility is important because a disadvantaged area can benefit from action in a nearby market town. However, we expect targeting to take account of the evidence of lagging economic performance and the social and environmental problems that this creates, including low pay and to support groups that have particular difficulty or potential to contribute to this agenda, for example the older, retired generation who often have significant underutilised skills and the time to put them to good use in community related schemes and economic regeneration.
 - An emphasis on innovation, for example, to foster sustainable energy through local heat and power projects using timber from local woodlands or energy crops to supply heat to local schools and housing.
 - Locally driven private/public partnerships (Local Action Groups³³) to represent locally based business and voluntary groups with at least half of those involved in decision-making selecting projects for funding representing these interests. Partnerships will drive co-operation between local sectors, prepare Local Development **Strategies** for the area, and define projects to support strategy objectives. This ‘bottom-up’ decision-making process will remain a key to the Leader approach.

32 The current LEADER+ Programme is funded from EU structural Funds. It is funding 25 partnerships of local organisations and people (local action groups) to develop a strategy for their area and undertake projects to deliver that strategy: a key output delivered to the end of 2004 under the Programme is the creation or safeguarding of 1300 jobs [Defra 2004 annual report to the European Commission on LEADER+]. Further information about the LEADER + Programme can be found at: <http://www.defra.gov.uk/rural/leader/default.htm>

33 Local Action Groups under the new Programme can either be groups created under the LEADER II or LEADER + programmes, operating according to the LEADER approach, or be new groups. There is no guarantee that existing Leader groups will continue.

- The EU requires that the **strategies** apply to “well-identified sub-regional rural territories”. Current guidelines suggest that Local Action Groups should generally cover populations of 10,000 to 100,000 based on the draft EU implementing regulation published in February, we expect similar criteria to apply to the new Programme.
- Projects financed under Local Development Strategies have potential to include cooperation with other groups in England, the UK and other EU Member States.
- Local authorities are important in the current LEADER+ programme³⁴. They should continue to be so, given their experience in community led regeneration. They offer continuity of experience and a means for local integration with other programmes such as market town initiatives, quality parishes and Local Strategic Partnerships.

Question 17: Do you agree with the regional flexibility outlined here?

Question 18: What is the Leader approach best placed to deliver?

³⁴ Over 50 local authorities in England already have direct experience in working with the Leader approach

Delivery Arrangements for the New Programme

59. In Rural Strategy 2004, the Government committed to improved rural delivery and devolving decision-making which is to be achieved by:
- Creating Natural England by merging English Nature and large parts of Countryside Agency and the Rural Development Service into a single agency with a new, broader sustainable development driven remit;
 - Aligning Natural England and Forestry Commission England activity, for example by creating a single entry point and system for the agri-environment and forestry grants; and
 - Delivering social and economic regeneration through Regional Development Agencies which will work in close partnership with local authorities and others. This will include management of the Leader approach.
60. These reforms mean that the new Programme will be delivered as follows:
- Theme 1 (Axis 2) will be routed through Natural England and Forestry Commission which will deliver this in partnership through a single Environmental Land Management Fund; and
 - Funding under Themes 2 and 3 (Axis 1 and Axis 3) will be delivered through Regional Development Agencies which will also oversee delivery of the Leader approach.
61. In accordance with EU requirements³⁵ Programme delivery will be guided by:
- A Defra led Managing Authority to ensure that programme management, implementation, monitoring and evaluation is in accordance with EU regulatory requirements;
 - The Rural Payments Agency (RPA) as the single accredited paying agency for rural development funds in England, with responsibility for making payments to beneficiaries and undertaking EU compliance inspections;
 - A Monitoring Committee comprising representatives from local, regional and national stakeholder organisations. The Committee will regularly review progress and advise the Managing Authority on changes necessary to improve Programme efficiency and effectiveness; and
 - A National Rural Network required by the EU to develop and disseminate best practice amongst groups, organisations and administrations involved in rural development.

³⁵ Further detail of management and controls to govern the new programme and specific roles and responsibilities for organisations involved will be provided in the documentation we will submit to the European Commission for approval in summer 2006.

62. Programme performance will be assessed by reference to:

- EU agreed performance indicators and regular appraisal of practical results, guided by the Monitoring Committee and Managing Authority;
- Regional Rural Delivery Frameworks led by Government Offices in the Regions to help secure necessary integrations between objectives;
- Strategic, investment led targets set for social and economic elements with delivery generally through sub-regional arrangements to align resources with others deployed regionally and locally, and designed to engage local communities in development planning; and
- Local authority led Local Area Agreements to ensure we bring together funding and partnerships at local level.

Question 19: Do you agree with the balance between national strategy and co-ordination on the one hand and regional flexibility on the other?

Question 20: Do you have suggestions for adjusting the model proposed?

63. Delivery arrangements will also be guided by the principles of:

- The Defra Rural Funding Review³⁶ which committed to streamlining Defra sponsored funding;
- The Hampton³⁷ report on the scope for reducing administrative burdens on business and more efficient approaches to regulatory inspection and enforcement;
- The report published by the Better Regulation Task Force on “Regulation – Less is More: Reducing Burdens, Improving Outcomes³⁸”.

64. Defra and its delivery partners are committed to making applications for funding under the Programme as straightforward as possible consistent with EU and national auditing, monitoring and control requirements. A Regulatory Impact Assessment will be prepared, in parallel with development of the Programme, to consider the impact the Programme is likely to have on business.

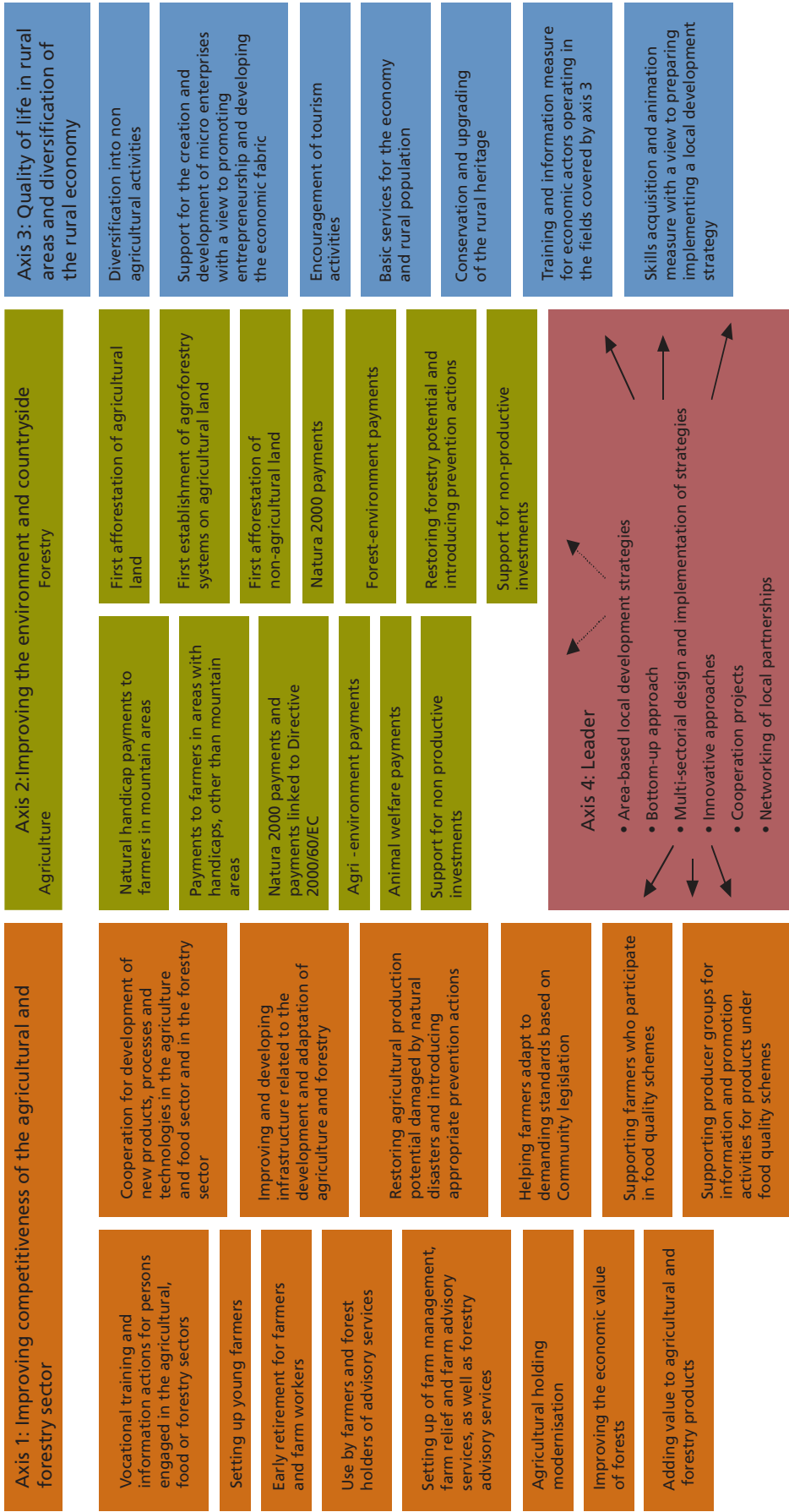
36 Defra (2003)

37 HM Treasury (2005)

38 Better Regulation Task Force (2005)

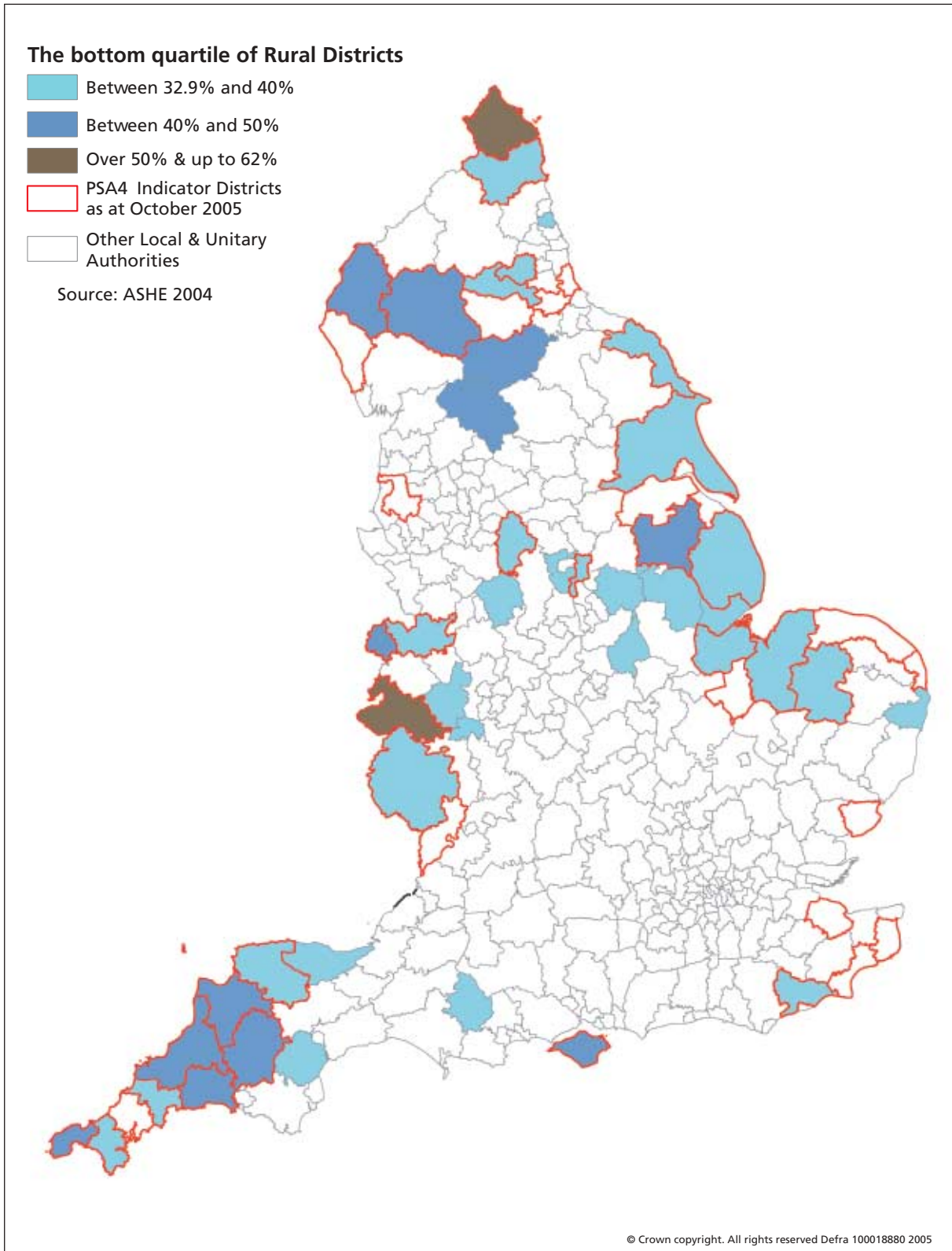
ANNEX A:
European rural development regulation: axes and measures

Axes and measures

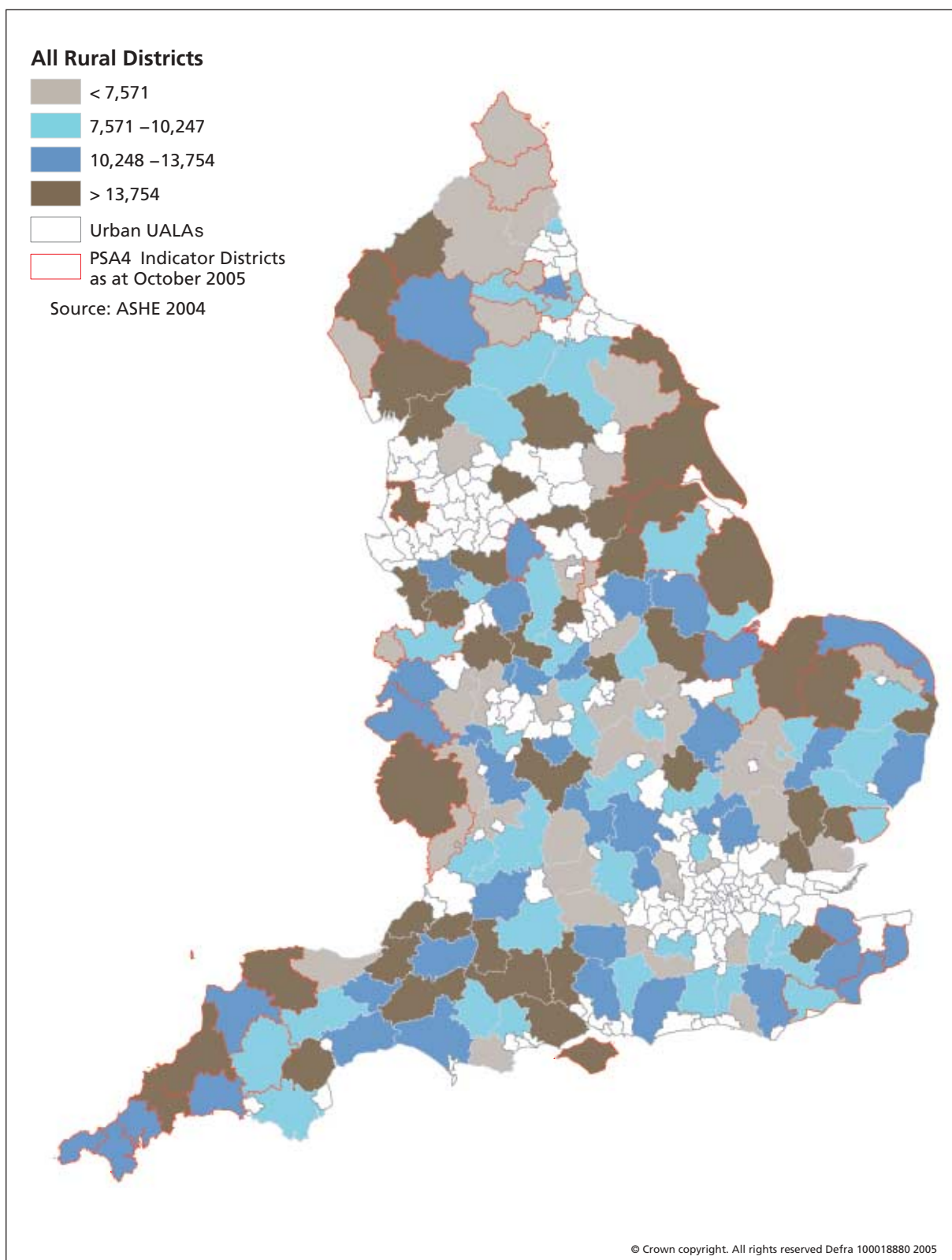


**ANNEX B:
Maps**

Map 1: Proportion of Workplace-based Employees paid less than 2/3rds of the English Median



Map 2: Number of Workplace-based Employees paid less than $\frac{2}{3}$ ds of the English Median



ANNEX C:
Measures we propose to exclude from the new programme

Measure	Reason for exclusion from the Programme
<p>Setting up of young farmers (Article 20(a))</p> <p>Early retirement of farmers and farm workers (Article 20(a))</p>	<p>In 2004 ADAS reported to Defra on entry to and exit from farming. In 2000 5.2 percent of 'agricultural' holders were under 35 years old compared to 7.4 percent in 1990. Between 1999-2004 the entry rate was 2% of farming population and the exit rate 18%, mainly because of a decline in the total number of farmers and farm businesses. The report identified no evidence of major barriers to entry that justified policy intervention and no evidence of significant market failure in the processes of entry to and exit from farming. The research found that entry and exit decisions are rational and driven by strong market forces and personal motivations and that financial inducement to affect the rate of entry or exit would be expensive and ineffectual.</p> <p>Any use of financial incentives to facilitate entry to and exit from farming risks "deadweight" i.e. that many would enter farming in any case - the majority of those entering farming do so through the family farm. The most common reason given for the low rate of entry to farming was the expectation of relatively low incomes. This cannot be addressed through a start up grant as envisaged in the Rural Development Regulation but rather through our objective to develop a competitive, viable and sustainable farming sector.</p> <p>Most of those entering the retirement scheme would have retired anyway (as only 2% of farmers who want to retire say that they are unable to do so due to financial reasons). The Curry Commission found little value for money in the proposition of a retirement incentive scheme but rather advocated other measures including advice and support.</p> <p>It should be noted that Defra is supporting the industry-led initiative 'Fresh Start' which encourages new entrants into farming whilst at the same time stimulating existing farmers to think how they will respond to CAP reform, such as expanding their business, diversifying or even retiring. Such choices create opportunities for new entrants.</p>
<p>Helping farmers adapt to demanding standards based on Community legislation (Art 20(c)(i))</p>	<p>This measure provides compensation for income foregone and costs incurred through having to comply with new legislation. The payments can be made on a degressive basis for up to five years. Possible applications in the UK include animal welfare. However, on equity grounds the measure could only realistically be introduced on an England-wide basis and would provide little public benefit (additionality) because it does not require farmers to observe higher standards than the legislative floor – which they have to do anyway.</p>
<p>Supporting farmers who participate in food quality schemes (Art 20(c)(ii))</p>	<p>This measure provides for an annual incentive payment (for a maximum of five years) to farmers who participate in specified Community food quality schemes, or those recognised by Member States. The specified Community food quality schemes include the various protected food names schemes and that for quality wines. National schemes that might meet the criteria set for this measure include higher tier assurance schemes such as LEAF and Freedom Food and quality schemes such as those run by EBLEX for beef and lamb. It is possible that some baseline assurance schemes might also be able to satisfy the criteria for this measure, though this is uncertain.</p> <p>Farmers who participate in food quality schemes generally do so either with a view to obtaining a price premium (in which case their participation is rewarded through the market) or because they need to do so in order to sell to a specific market (which is often the case with baseline assurance schemes). Given this, and the high proportion of farmers who already belong to assurance schemes, there would be relatively little public benefit (additionality) in adopting this measure. There would also be issues of equity if payments for participating in schemes that operated on a national basis were available only to farmers in certain areas.</p>

Annex C:
Measures we propose to exclude from the new programme

Measure	Reason for exclusion from the Programme
<p>Measures targeting the sustainable use of agricultural land through.... Natura 2000 payments and payments linked to the Water Framework Directive.</p> <p>Measures targeting the sustainable use of forestry land through... Natura 2000 payments (Articles 36(a) and (b))</p>	<p>This measure provides compensation for income foregone and costs incurred through having to comply with certain area-based environmental requirements. It is expected that vulnerable agricultural sites will continue to be targeted through Environmental Stewardship, which encourages land managers in those areas to provide higher standards than the legislative floor. Similarly, forestry will be targeted towards maintaining and enhancing areas of high environmental value, including Natura 2000 areas.</p> <p>The Government's working assumption is that it will not be necessary to use these purely compensatory mechanisms in order to secure commitments going beyond the legal requirements faced by land managers.</p>
<p>Animal welfare payments (Article 36(a)(v))</p>	<p>This measure allows Member States to grant payments to farmers who make on a voluntary basis animal welfare commitments. Payments can only be made for commitments that go beyond the relevant mandatory standards.</p> <p>The Government recognises the importance of good animal health and welfare standards in the farming industry. As the European Commission noted in 2002, "research has shown that both farm animal welfare and product quality improves when the people who care for, transport and handle the animals are well-trained, have a positive attitude towards their jobs and the animals, treat the animals with care, and are attentive to their needs. It is therefore important to educate and inform these professionals". It is felt that this strikes the right note and properly records the importance of extending good animal health and welfare beyond the farm gate. One of the priority areas for support under axis 1 is "increased opportunities for training and knowledge transfer to improve animal health and welfare standards." Given this focus, the Government believes that ongoing payments for animal welfare (normally for between five and seven years under the Regulation) is not the right approach, and in particular would represent a significant diversion of funds away from other priorities.</p>

**ANNEX D:
References**

Below is the list of references referred to in the text and supplementary evidence which has formed the basis of this consultation document.

Specific references in the consultation document

ADAS Consulting Limited and SQW Limited (2003) "The Mid-Term Evaluation of the England Rural Development Programme"
<http://www.defra.gov.uk/erdp/reviews/midterm/default.htm>

Biomass Task Force (2005) "Report to Government"
<http://www.defra.gov.uk/farm/acu/energy/biomass-taskforce/btf-finalreport.pdf>

Carbon Trust (2004) "Biomass Sector Review"
http://www.thecarbontrust.co.uk/carbontrust/about/publications/Biomass_Sector_FINAL.pdf

Defra (2002) "The Strategy for Sustainable Farming and Food"
<http://www.defra.gov.uk/farm/sustain/newstrategy/strategy.pdf>

Defra (2002a) "Working with the Grain of Nature – a biodiversity strategy for England"
<http://www.defra.gov.uk/wildlife-countryside/biodiversity/biostrat/index.htm>

Defra (2004) "Delivering the Essentials of Life – Defra's five year strategy"
<http://www.defra.gov.uk/corporate/5year-strategy/5year-strategy.pdf>

Defra (2004a) "The First Soil Action Plan for England"
<http://www.defra.gov.uk/environment/land/soil/sap/index.htm>

Defra (2004b) "The Learning, Skills and Knowledge Review"
<http://www.defra.gov.uk/rural/lsk/default.htm>

Defra (2004c) "The Rural Strategy 2004"
<http://www.defra.gov.uk/rural/strategy/default.htm>

Defra (2005) "Biomass Task Force – final report to Government, October 2005"
<http://www.defra.gov.uk/farm/acu/energy/biomass-taskforce/index.htm>

Environment Agency (1998) "Aquatic eutrophication in England and Wales – A proposed management strategy" http://www.environment-agency.gov.uk/commondata/acrobat/eaeutrophication_doc.pdf

European Commission (2001) " Presidency conclusions Göteborg European Council 15 and 16 June 2001"

European Commission (1992) "Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora"
http://www.europa.eu.int/eur-lex/en/consleg/pdf/1992/en_1992L0043_do_001.pdf

European Commission (2004) " Directive of the European Parliament and of the Council concerning the Quality of Bathing Water COM(2002)581"

European Commission (2005) "Working together for growth and jobs"

European Commission (2005a) " Council Regulation (EC) No 1698/2005 of 20 September 2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)"

European Commission (2005b) "Proposal for a Council Decision on Community Strategic Guidelines for Rural Development (Programming Period 2007-2013)"
http://www.defra.gov.uk/rural/pdfs/development/final_text.pdf

European Commission (2005c) "Biomass Action Plan"
http://europa.eu.int/comm/energy/res/biomass_action_plan/doc/2005_12_07_comm_biomass_action_plan_en.pdf

European Community (2000) "Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy"
http://europa.eu.int/eur-lex/pri/en/oj/dat/2000/l_327/l_32720001222en00010072.pdf

European Community (1992) "Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora"
http://europa.eu.int/eur-lex/en/consleg/pdf/1992/en_1992L0043_do_001.pdf

European Community (1980) "Council Directive of 17 December 1979 on the protection of groundwater against pollution caused by certain dangerous substances (80/68/EEC)"

Forestry Commission (1998) "England Forestry Strategy – A new focus for England's Woodlands"
<http://www.forestry.gov.uk/forestry/hcou-4ucf8j>

HM Government (2005) "Securing the Future – delivering UK Sustainable Development Strategy"
<http://www.sustainable-development.gov.uk/publications/uk-strategy/uk-strategy-2005.htm>

HM Treasury (2000) "Productivity in the UK : The evidence and the Government's approach"

<http://www.hm-treasury.gov.uk/media/A72/61/81.pdf>

HM Treasury and Defra (2005) "A Vision for the Common Agricultural Policy"

<http://www.defra.gov.uk/farm/capreform/vision.htm>

Home Office (2005) "National Community Safety Action Plan"

<http://www.crimereduction.gov.uk/ncsp>

Office for National Statistics (2004), Annual Survey of Hours and Earnings, 2003/04

<http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=13101>

United Nations Environment Programme (2003) "Kyiv Biodiversity Resolution"

<http://www.unep.ch/>

Evidence, information and background documents for the proposed strategy

The themes and priorities for this proposed strategy have been developed in response to a range of strategies and utilise an extensive evidence-base. The list below lists a number of sources referred to in the consultation document or used as evidence to support the proposals. Although, in some cases sources have been allocated to the main themes detailed in this consultation document, in practice many relate to more than one theme.

Information relating to the current England Rural Development Programme

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

Information relating to the next Rural Development Programme (2007-2013)

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

Information relating to the theme: Enhancing the Environment and Countryside

Biodiversity, Landscape, Access:

<http://www.defra.gov.uk/wildlife-countryside/index.htm>

<http://www.ukbap.org.uk/2002OnlineReport/mainframe.htm>

Indicator data for the Biodiversity Strategy:

<http://www.defra.gov.uk/wildlife-countryside/biodiversity/biostrat/indicators/index.htm>

Reports on status of Sites of Special Scientific Interest:

<http://www.english-nature.org.uk/special/sssi/reportIndex.cfm>

English Nature – State of Nature reports:

<http://www.english-nature.org.uk/pubs/publication/PDF/SONmarSum.pdf>

<http://www.english-nature.org.uk/pubs/publication/PDF/SONlow.pdf>

<http://www.english-nature.org.uk/special/ssi/reportIndex.cfm>

English Nature homepage:

<http://www.english-nature.org.uk>

Natural Resource Protection

Defra's Natural Resource Protection pages:

<http://www.defra.gov.uk/wildlife-countryside/natres/>

Environment Agency State of the Environment Report 2005:

http://www.environment-agency.gov.uk/yourenv/1088978/?version=1&lang=_e

Environment Agency pages on agriculture:

<http://www.environment-agency.gov.uk/business/444304/1224648/>

Environment Agency homepage:

www.environment-agency.gov.uk

Woodlands and Forestry in England

England Forestry Strategy:

<http://www.forestry.gov.uk/forestry/hcou-4ucf8j>

Forestry Commission homepage:

<http://www.forestry.gov.uk/england>

Information relating to the theme: Making Agriculture and Forestry more Competitive and Sustainable

Sustainable Farming and Food and The Common Agricultural Policy:

<http://www.defra.gov.uk/farm/farm-policy.htm>

Economic and statistical analysis, including environmental impacts:

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

The June Agriculture Census

http://www.defra.gov.uk/esg/work_htm/publications/cs/farmstats_web/default.htm

Information relating to the theme: Enhancing Rural Opportunity

Recent contributions to Defra's evidence base:
<http://www.defra.gov.uk/rural/research/default.htm>

Annex B of the Rural Strategy 2004 summarises the evidence base
http://www.defra.gov.uk/rural/strategy/annex_b.htm

Information relating to sustainable energy

Energy Efficiency: The Government's Plan for Action:
<http://www.defra.gov.uk/environment/energy/review/>

The report of the Biomass Taskforce and related background is at:
<http://www.defra.gov.uk/farm/acu/energy/biomass-taskforce/>

**ANNEX E:
Organisations invited to respond**

This is a public consultation and we welcome responses from any individual or organisation. However there are a number of organisations which, due to their interest in this area, have been contacted to make them aware of the consultation's launch. The organisations contacted include those listed below.

List of organisations contacted

Action with Communities in Rural England
Advantage West Midlands
Affordable Rural Housing Commission
Agricultural Industries Confederation
Association of Independent Crop Consultants
Association of Chief Executives of Voluntary Organisations
Association of Drainage Authorities
Association of Local Government Archaeological Officers
Association of National Parks Authorities

British Agrochemicals Association
British Association for Shooting & Conservation
British Crop Protection Council
British Ecological Society
British Egg Industry Council
British Free Range Egg Producers Association
British Horse Society
British Institute of Agricultural Consultants
British Pig Association
British Poultry Council
British Trust for Conservation Volunteers
British Trust for Ornithology
British Veterinary Association
British Waterways

Campaign for the Protection of Rural England
Central Association of Agricultural Valuers
Centre for Ecology and Hydrology
Centre for Environment and Rural Affairs
Chartered Institution of Water and Environment Management
Council for British Archaeology
Council for National Parks Authorities
Country Land and Business Association
Countryside Agency
Countryside Alliance
Crop Protection Association

Annex E:
Organisations invited to respond

Dairy UK
Development Trust Association
Dry Stone Walling Association of Great Britain

East of England Development Agency
East Midlands Development Agency
English Heritage
English Nature
English Tourist Board
Environment Agency
Environmental Services Association
Eurogroup for Animal Welfare

Family Farmers Association
Farm Animal Welfare Council
Federation of Rural Community Councils
Federation of Small Business
Forestry & Timber Association
Forestry Commission
Forum for Rural Children and Young People
Friends of the Earth
Farming and Wildlife Advisory Group
Farmers Retail and Markets Association

Game Conservancy Trust
Government Office Region for the East of England
Government Office Region for the East Midlands
Government Office Region for the North East
Government Office Region for the North West
Government Office Region for the South East
Government Office Region for the South West
Government Office Region for the West Midlands
Government Office for Yorkshire & Humber
Grain & Feed Trade Association
Green Alliance
Greenpeace
Groundwork

Historic Houses Association
Horticultural Development Council
Horticultural Trades Association

Institute for European Environmental Policy
Institute of Rural Health
Institute of Arable Crops Research

Institute of Ecological & Environmental Management

Joint Nature Conservation Committee

Landscape Institute

LANTRA

LEAF

Local Government Association

London Development Agency

Meat & Livestock Commission

Milk Development Council

Moorland Association

National Association for Areas of Outstanding Beauty

National Association of Local Councils

National Beef Association

National Council for Voluntary Organisations

National Farmers Union

National Federation of Young Farmers Clubs

National Pig Association

National Sheep Association

National Rural Enterprise Centre

National Trust

Natural Environment Research Council

North West Development Agency

One North East

Open Spaces Society

Organic Farmers and Growers Ltd

Organic Food Federation

Planning Officers Society

Plantlife

Plunkett Foundation

Ponds Conservation Trust

Ramblers Association

Renewable Energy Association

Rare Breeds Survival Trust

Royal Agricultural College

Royal Forestry Society

Royal Agricultural Society of England

Royal Institution of Chartered Surveyors

Royal Town Planning Institute

Annex E:
Organisations invited to respond

Royal Society for the Protection of Birds
Royal Society for the Prevention to Cruelty to Animals
Rural Development Service
Rural Payments Agency
Rural Stress Information Network

Small Business Service
Small Farms Association
Society for the Protection of Ancient Buildings
Soil Association
South East England Development Agency
South West Regional Development Agency
Sustain

Tenant Farmers Association
Tree Council

Water UK
Wildfowl & Wetlands Trust
Wildlife and Countryside Link
Wildlife Trusts

Women in Rural Enterprise
Women's Food & Farming Union
Woodland Trust

Yorkshire Forward

**ANNEX F:
Summary of consultation questions**

The full list of questions including where they can be found in the document is below:

The proposed four core principles for the strategy for the next England Rural Development Programme:

- Question 1: Do you agree with these four principles. If not please suggest alternatives?
- Question 2: Are there any other overarching principles that should apply?
- Question 3: Do you agree that the proposals in this document support these?

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Proposals for complementing and co-ordinating with other EU funding instruments

- Question 4: Do you agree with the proposals for ensuring that Rural Development spending complements other policies and funding streams, in particular the EU Structural Funds and the European Fisheries Fund

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Theme 1: Enhancing the Environmental and Countryside:

- Question 5: Do you agree that the challenges and priorities listed under this theme are the right ones for the programme?
- Question 6: If not, what is missing or superfluous? (Please provide evidence for any suggested answers to this question)
- Question 7: What should the balance between priorities be?
- Question 8: What would best enable delivery of this theme to be joined-up with delivery of other themes?

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Theme 2: Making Agriculture and Forestry More Competitive, and Sustainable

- Question 9: Do you agree that the priorities listed under this theme are the right ones for the programme?

- Question 10: If not, what is missing or superfluous? (Please provide evidence for any suggested answers to this question)
- Question 11: What other developments might shift the priorities under this theme in the course of the programme?
- Question 12: What would best enable delivery of this theme to be joined-up with delivery of other themes?

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Theme 3: Enhancing opportunity in rural areas:

- Question 13: Do you agree with the challenges and priorities listed under this theme?
- Question 14: If not, what alternatives do you suggest and what evidence supports your suggestion?
- Question 15: How do we balance focus on specific areas experiencing particular concentrations of low pay with this problem in wider society?
- Question 16: How do we ensure that delivery of objectives under this theme are mutually supportive of those under other themes?

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The Leader Approach in the New programme

- Question 17: Do you agree with the regional flexibility outlined here?
- Question 18: What is the Leader approach best placed to deliver?

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Delivery Arrangements for the New Programme

- Question 19: Do you agree with the balance between national strategy and co-ordination on the one hand and regional flexibility on the other?
- Question 20: Do you have suggestions for adjusting the model proposed?

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