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Cynulliad Cenedlaethol Cymru

The National Assembly for Wales

**THE RURAL DEVELOPMENT PLAN FOR WALES 2000-2006:
A FURTHER CONSULTATION PAPER**

October 1999

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CONSULTATION PAPER**

The purpose of this consultation paper, which supplements the earlier consultation exercises referred to below, is to seek comments **by 22 November** on a number of specific issues, and on respondents' views of the relative priority to be attributed to the very broad range of measures which can potentially be supported under the new Rural Development Regulation.

Consultation arrangements

A number of specific questions on priorities for funding under this Regulation are detailed on pages 11 to 17 of this consultation paper:-

Views are invited on the priorities for "Accompanying Measures" throughout Wales.

For East Wales:

Views are invited on the priority given to the measure aimed at improving the processing and marketing of agricultural products.

Views are invited on the priorities for funding measures available under "Article 33" of the Regulation to promote the adaptation and development of rural areas.

Views are invited on the possible targeting of measures promoting the adaptation and development of rural areas.

Views are invited on the proposed measure for the management of woodland, afforestation on non-agricultural land, marketing and forestry products and the priority given to that measure.

Overall:

Respondents to this consultation paper are also invited to comment on the proposed selection of priority measures under the Rural Development Regulation, their relative priority and the balance of funding between measures.

The ways in which the sustainable development of rural Wales might be promoted, using the menu of actions envisaged under the Rural Development Regulation, have already been the subject of a number of comprehensive consultation exercises. The Rural Partnership – an advisory group of 27 separate rural interests representing a wider list of over 150 bodies – was established in November 1998. It presented its priorities in the document *Rural Wales*, a statement to the National Assembly, in July 1999. *Farming for the Future*, also published in July 1999, initiated an extensive consultation exercise centred on the Agenda 2000 Common Agriculture Policy (CAP) reforms and on many of the key options included in the Rural Development Regulation. Separate consultation has also taken place on the future direction for Hill Livestock Compensatory Allowances and on the commodity regimes following CAP reform.

The results of all these consultations, together with views expressed on this paper, will be taken into account in determining the relative priority to be ascribed to different measures in the Rural

Development Plan which will be presented to the Commission at the end of this year.

Scope of the Regulation

The agreement of the Heads of Government on the Agenda 2000 reforms in March 1999 included provision for a new Rural Development Regulation on support for rural development. The Regulation (1257/1999) came into force on 3 July. It requires a Rural Development Plan, consistent with the Regulation and the accompanying Implementing Regulation (1750/1999), to be submitted to the European Commission for consideration by 3 January 2000.

The new Regulation, which is intended to simplify and integrate the approach to rural development included in nine former regulations, now provides for the possible implementation of a wide range of schemes, which will be available throughout Member States - not just in areas designated under the European Union Structural Funds regime. The Regulation complements reforms in the agriculture sector by fostering an integrated approach to rural development and by recognising the wider contribution made by farming to rural communities.

The administration of the Rural Development Regulation is based around a menu of possible measures. The source of European funding and the planning framework for these measures will vary according to whether the measures are being applied in an Objective 1 area, an Objective 2 or transitional area or in an undesignated area.

The Rural Development Regulation provides a mechanism for supporting a number of different methods by which to help achieve sustainable development in rural Wales. These tools include four "accompanying measures" which, if adopted, would operate throughout Wales. These measures are:

- Support for early retirement from farming
- Compensatory allowances for farming in less favoured areas
- Support for agri-environment schemes
- Support for the afforestation of agricultural land

Of these measures, only the agri-environment schemes are mandatory; the Member State has discretion on whether to implement the other measures.

As well as these all-Wales accompanying measures, European funding for rural development in *West Wales and the Valleys* will come within the scope of the Objective 1 Single Programming Document.

In *East Wales*, Rural Development Regulation measures will complement those set out in the Objective 2 Single Programming Document. These additional "non-accompanying" measures available under the Regulation are:

- Investment in agricultural holdings
- Setting up aid for young farmers

- Vocational training for farmers and other persons involved in agricultural and forestry activities
- Improving the processing and marketing of agricultural products
- Forestry (sustainable forest management and development of forestry, maintenance and improvement of forest resources, and extension of woodland areas)
- Promoting the adaptation and development of rural areas.

The Assembly has discretion as to whether each of these measures is adopted within the Rural Development Plan.

Funding

European support for the four accompanying measures throughout Wales will be partly financed from the Guarantee section of the European Agricultural Guidance and Guarantee Fund (EAGGF), as will most Rural Development Regulation measures in East Wales (although there is some scope for Objective 2 resources to support certain rural development activities). The UK share of the fund is 154 million euros (some £100 million) per annum. The EAGGF funds require co-financing from the National Assembly for Wales and from other partners.

The allocation for Wales is yet to be decided, but it is already clear that the scope for rural development under the new Regulation will be limited and the pressures on the available funds will be intense. It will not be possible to support all the available measures and the Assembly will have to determine what the priorities should be. On the other hand, it is important to recognise that Rural Development Regulation measures form only a small part of the overall support available for the development of rural Wales through European and domestic programmes.

Agriculture

The analysis underpinning *Farming for the Future* made clear that the farming industry, in Wales as elsewhere, is beset by significant economic and structural problems. There is a long-run trend for total income from farming in Wales to decline, both in real terms and as a share of Gross Domestic Product (GDP). Income from farming is also volatile, reflecting both the fact that it incorporates an element of profit, and agriculture's susceptibility to changes in the exchange rate and in natural factors. The number of agricultural holdings in Wales is in long-term decline, reflecting the move towards larger-scale, more economic production. And the age structure of farmers is seriously imbalanced, with 40% of Welsh farmers aged 60 or over in 1995.

The relative decline of the agricultural sector has been exacerbated in recent years by a combination of negative developments, including:

- the high value of sterling against other currencies;
- the export ban on British beef;
- increased beef imports which have depressed domestic prices;
- decreasing lamb and cattle prices;
- decreasing milk prices and increasing collection costs;

Nevertheless, the agricultural sector is still important in the rural areas of Wales. Over 53,000 workers are directly employed in agriculture in Wales, and in areas such as Powys, Ceredigion, Carmarthenshire, Pembrokeshire and Gwynedd the role of agriculture in providing employment is significant. Furthermore, published studies estimate an employment multiplier of around 1.4, implying that a further 21,000 people could be dependent for their employment on the Welsh farming industry. In addition, agriculture provides benefits beyond its economic value, especially in terms of its contribution towards meeting environmental and social objectives. The landscape of Wales - one of its key assets - is the product of current and past patterns of farming, and agriculture will continue to play a key role in maintaining this environment.

Tourism

Tourism is vital to rural Wales: it helps to support the environment and sustains communities and culture. It provides support for local services and facilities which, without tourist patronage, would not be viable; and it creates a positive and distinctive image for the region.

Tourism also provides a key source of income and employment, particularly in coastal and rural areas. It also offers an alternative source of income in areas which have been subject to major restructuring. The industry provides a large number of jobs. However, employment is subject to seasonality and low pay levels. Tourism visitor expenditure to Wales is estimated at over £1.1 billion per annum, or about 4% of Welsh Gross Domestic Product (GDP). If day visitors are included, estimates indicate expenditure of around £1.9 billion or 7% of GDP.

Forestry

Forests and woods cover 13% of the land area of Wales and forest industries support approximately 4,500 jobs. As with other rural sectors, forestry is under economic pressure; its future is inextricably linked to world markets and with the strong pound and competition from East European producers, the difficulties it faces are likely to continue. Over the last two years timber prices have fallen by over 30%, and they are unlikely to recover in the short term. All parts of the industry are affected (from grower, contractor, haulier, sawmiller to processor). The maintenance and management of woodlands are adversely affected and this in turn will have a detrimental affect on conservation, environment and biodiversity.

Forestry has a key role to play in laying the foundations for a healthier and sustainable future; these benefits are applicable to both rural and urban areas of Wales. Nevertheless, trees grow slowly and many of our woodlands still reflect the policies that were being pursued at the time they were planted. Although priorities have changed, from the need to build a strategic supply of timber, following the two World Wars, to the current and much broader needs of sustainable woodland management, much still needs to be done to restructure our woodlands and wood based industries to reflect the current and future aims and needs of society. Subject to the views expressed during the forthcoming consultation on the Wales Woodland Strategy, it is envisaged that these will include:

- planting a broader range of species, appropriate to local ground conditions and local needs;

- the development of new markets and products;
- assisting businesses to adapt, and adding value to timber much nearer to woodlands and local communities;
- managing woodlands for the benefit of recreation, tourism and the environment.

Broad objectives for rural development in Wales

The increased levels of European funding which are in prospect must be used to deliver a step change in the economy of rural areas of West Wales and the Valleys and contribute along with other funds to spreading prosperity, raising overall GDP and delivering sustainable development throughout rural Wales. The Assembly's programmes, supported by a range of European support, including EAGGF funding under the Rural Development Regulation, must be tailored to do so in a way which is sensitive to both the environmental and social fabric of the region. They will be aimed at developing the skills, attitudes and economic infrastructure necessary to allow the region to compete as a modern advanced economy.

Action under the Rural Development Plan will flow from the framework set by the National Economic Development Strategy and will be underpinned by challenging strategic objectives for sustainable development, increases in GDP, enhanced levels of economic activity and productivity, and greater social and economic cohesion in rural Wales. Meeting these objectives will require increased levels of economic growth, so that GDP per head rises towards Welsh, UK and EU averages by the end of the programme period. However it must be recognised that convergence with these levels of prosperity will take considerably longer than the 7 years of the programming period.

These overall aims reflect the challenges facing rural Wales. The difficulties confronting our rural communities, such as the structural changes necessary to resuscitate the agricultural and forestry sectors, and geographical disadvantages relating to peripherality, require a coherent package of measures to address the needs of these areas. These measures will be set within a co-ordinated framework of European assistance: the Rural Development Plan will provide a coherent basis for actions taken under the Objective 1 programme in West Wales and the Valleys, the Objective 2 programme in parts of East Wales, and the Objective 3 programme in the whole of East Wales.

Rural Wales - the statement presented to the Assembly by the Rural Partnership in July 1999 - set out seven priority areas for action:

- promoting business development;
- spreading economic prosperity;
- developing skills to match business needs;
- strengthening communities;
- improving access to rural services;
- investing in the rural infrastructure;
- enhancing the rural environment.

The issues raised have been the subject of extensive consultation during the course of preparation of the National Economic Development Strategy, the Single Programming Document for Objective 1 and the Operational Programming Document for Objective 3, and the Rural Development Regulation measures. Key points are summarised below.

Promoting business development

The priorities for business development will be to increase the competitiveness of existing companies, to increase the rate of formation of new firms and to ensure that all enterprises follow paths towards a sustainable future in the coming Information Age while ensuring that there is continued inward investment that is both sustainable and appropriate.

Increased emphasis is required on developing innovation in rural Wales. Technological change is both the most important influence on economic change in the region and its most important opportunity. In particular the use of Information and Communications Technology (ICT) can help address problems of peripherality and help firms increase internal efficiency, training and marketing efforts. The adoption of new technologies also provides important opportunities for raising productivity and the value of output.

The programme will address all industrial sectors but will have particular importance for those industries which have traditionally provided the backbone of the economy of rural Wales, particularly agriculture, forestry and tourism. The programme will support efforts to provide more focused, high quality products that will assist them in becoming more viable in increasingly competitive markets. Support for agricultural change will aim to sustain farming families whilst diversifying their sources of income and encouraging entry into higher value product ranges (such as organic produce). The programme will also support increased food processing undertaken in the region. The key strategic priorities for *agriculture and forestry* are:

- to improve efficiency through encouraging the adoption of new business methods
- to improve the marketing of agricultural and forestry products from the region
- to diversify enterprises
- to improve market links by promoting co-operation between producers and processors
- to increase the added value to primary produce
- to conserve the natural environment through positive management
- to help land based industries in the region become more sustainable environmentally and ecologically
- to consider the opportunities presented by cultivating 'energy' crops.

The appeal of **tourism** in rural Wales is based in part on landscape and physical environment and in part on culture, heritage and built environment. The sector faces two key challenges: how to increase economic benefits without adversely affecting the environment that makes much of the region attractive to visitors in the first place, and how to adapt the nature of the tourism packages offered to fast changing patterns of demand.

The key priorities for the tourism sector are:

- marketing initiatives to raise the profile of the region's tourist potential;
- maximising the potential for ICT developments;
- support for the development of key niche markets including eco-tourism;
- action to attract larger numbers of overseas visitors;
- extension of the full range of business support services to the tourism sector;
- maximising the tourism potential of arts and cultural activities;
- improving professionalism and innovation through development of higher skills levels;
- provision of tourism infrastructure and tourism information facilities.

There is also a need to try and extend the tourism season which would help provide both economic and environmental benefits. A longer season would serve to reduce over-crowding and in tandem with more effective tourism management practices will put less pressure on the environment and improve the quality of experience for the visitor. There needs to be a concerted and coordinated programme of marketing Wales throughout the year to achieve this. Festivals, the arts and sporting events can all play a major role in this and an annual programme of 'calendar events' could help with the planning and promotion of events throughout the year. This could promote a wider distribution of activity throughout the year with better opportunities for developing packages, linking in events with accommodation and ticketing and transport deals.

Spreading economic prosperity

It is vital that the benefits of European and domestic programmes are better spread across the region, especially to the most deprived and peripheral areas. The economic development and continued viability of much of rural Wales will require support for diversification and modernisation of traditional industries, especially land-based ones. Steps are also needed to preserve the high quality environment in much of rural Wales and promote the achievement of maximum levels of natural resource efficiency. In seeking to achieve a better spread of prosperity in rural Wales, priorities will be:-

- the creation of more sustainable economic opportunities, particularly for the young;
- a broader representation of economic activities;
- the development of production chains, adding value to primary products;
- an enhanced tourism sector;
- a more developed Green technology sector, including renewable energy;
- extended use of ICT links;
- support for the social economy;

Developing skills to match business needs

The development of a skilled, enterprising and adaptable workforce is essential to the future prosperity of rural Wales. The programme's success depends above all on the ability of people to develop the skills and attitudes required for them to benefit from the processes of economic change. Action is needed to develop the aspirations of individuals and raise skill levels both of those in the workforce and also of

those currently excluded from the labour market. The growth of the economy of rural Wales, and particularly of those sectors that can bring sustained growth while raising environmental quality, requires a skilled and adaptable workforce. The achievement of this ambition requires a focus on four strategic actions for human resource development in the region:

- measures to encourage the economically inactive into employment or training;
- measures to enhance the skills of the working population in both generic and vocational skills;
- measures to equip all those completing education or training for the world of work;
- measures aimed at the promotion of an entrepreneurial culture.

Many people, particularly women, have caring responsibilities, which prevent them from getting and holding down jobs or from participating in further education or training. The rural economy will benefit from making full use of the skills of people who want to work but are prevented from doing so by inadequate care arrangements. Comprehensive action is required to break down these barriers.

Rural Wales has traditionally been seen as one whose culture valued both social solidarity and securing greater access to learning. However, this did not always extend to all members of society and there are particular groups who have not been able to access the opportunities available to the majority. The programme must promote equal access to education, training and employment for all. Where necessary specific measures will be taken to tackle barriers to employment – including self-employment – learning or training, based on gender, disability, ethnicity, language or culture. The programme recognises that people have an equal right to be considered as participants in all parts of the rural economy – as employers and self-employed business operators as well as key elements in the labour market.

Strengthening communities

The success of the programme depends on the creation and development of vibrant, resourceful and enterprising communities. Many rural communities have suffered a range of problems as a result of economic deprivation. A key element of the programme must involve empowering communities to lead their own local development and to regenerate their areas in a sustainable manner. The traditions of self-help which are widely prevalent in the region must be drawn upon to drive the programme.

Welsh is one of the most vibrant of the European Union's minority languages; according to the 1991 census, the number of Welsh speakers was just over half a million – nearly 19% of the population. The main traditional strongholds of the language fall within rural west Wales. Given that there is a strong link between the language and the well-being of those rural communities which have traditionally been its strongholds, the decline of the language in some parts of rural Wales, as a result of a number of inter-related socio-economic factors, is a cause of concern.

The key priorities for community development are:

- to develop the capacity of community organisations to determine local needs and build effective partnerships to address local development needs;

- to support the expansion and development of enterprises in the social economy, building on past good practice including LEADER;
- to provide support for targeted initiatives that allow people unable to take advantage of mainstream services - including the long term economically inactive - to enter training or employment;
- to ensure that all communities have access to high-quality ICT facilities.
- to promote equal opportunities and develop and use the culture of many rural areas to enhance local prosperity.

Improving access to rural services

Access to local services such as the village shop, pub, community centre, GP and public transport is declining for many rural communities. In sparsely populated areas the small number of service users means that there is rarely scope for economies of scale whilst at the same time services face higher costs, particularly for transport.

It is important that the higher costs of providing accessible rural services, as well as offering support for marginal private and voluntary sector services, are recognised so that access to services for people living in rural areas fully meets their needs. It is also important to recognise that rural services are important sources of employment and income in rural communities.

The providers of rural services must be encouraged to improve access by building on established good practice. There is considerable scope for expanding the co-ordination and integration of rural services to maximise both the use of resources and the quality of service delivery, together with scope for strengthening liaison and co-operation between public, private and voluntary sector providers, including the development of multi-purpose community facilities and the co-location of services.

Investing in rural infrastructure

Rural Wales suffers from very varied infrastructure provision in terms of transport and telecommunications provision. While some rural areas along the north and south coastal strips enjoy good road links and adequate narrow-band telecommunications infrastructure, the pattern of provision in most rural areas is far less developed, and all areas need better access to two way broadband facilities.

Investment in infrastructure will need to be targeted at addressing peripherality, particularly where clear economic benefits can be identified. One of the most potent methods to reduce peripherality is the continued development of ICT links, which will allow the economy of rural Wales to develop into new areas of business.

Enhancing the rural environment

The natural environment is one of rural Wales' major assets and has a major impact on the perceived quality of life for resident, consumer, tourist and investor. There is also a valuable wildlife resource of species and habitats, varied and attractive landscapes and a network of paths, commons and National Parks for quiet recreation and enjoyment of the countryside. Over 60% of the Welsh coastal waters are

subject to European conservation designations, and the coast supports internationally important populations of seabirds. The protection and enhancement of the environment is therefore important in terms of securing long-term sustainability and supporting economic development.

Those working in the countryside need access to resources to allow them to promote environmentally sustainable management of land where this sustains and creates local jobs. However there are still many pressures on the natural environment; the key challenges are:

- to improve the management of countryside access to protect the environment while promoting the enjoyment, awareness and interest of the public;
- to encourage a greater degree of integration in land use management
- to reduce and manage the waste generated in the countryside and coast;
- to promote the sustainable use of the coast's resources for economic, environmental, and social benefit and to enhance the quality of the coastal environment and the wildlife it supports;
- to promote all forms of onshore and offshore renewable energy schemes together with energy conservation programmes.
- There are no specific fisheries measures included in the Rural Development Plan. Inland fisheries will however benefit from other measures in the plan, particularly the Tourism and Agri-Environment measures. There are separate Objective 1 and 2 Plans for sea fisheries and port improvements etc. These plans will also offer grants for fish farming and will provide an opportunity for rural interests to diversify into this activity.

Priorities for the use of EAGGF Guarantee funding under the Rural Development Regulation

As indicated above, Regulation 1257/1999 provides a menu of ten possible measures.

- Investment in agricultural holdings
- Setting up aid for young farmers
- Vocational training for farmers and others involved in agricultural and forestry activities
- Support for early retirement from farming
- Support for less favoured areas and areas with environmental restrictions
- Support for agri-environment schemes
- Improving the processing and marketing of agricultural products
- Support for the afforestation of agricultural land
- Support for forestry (sustainable forest management, maintenance and improvement of forest resources, extension of woodland areas)
- Support for the adaptation and development of rural areas.

It is proposed that EAGGF Guarantee funding supports, *throughout Wales*:

- **agri-environment schemes**

- **compensatory allowances for farming in Less Favoured Areas**
- **the afforestation of agricultural land.**

In *East Wales*, in addition to the all Wales measures, it is proposed that priority should be given to:

- **improving the processing and marketing of agriculture products.**
- **the adaptation and development of rural areas**
- **support for forestry and forestry products**

The Assembly will also consider further whether priority should be given to support for young farmers to enter the industry, in the light of its consideration of all the priorities following the outcome of the budget planning round.

These priorities have been developed in the light of the responses to the consultation processes referred to above, but *further views are now invited on the priority which has been given to the measures provided for under the Rural Development Regulation.*

The following paragraphs give further details of the strategy proposed for taking forward each of the proposed priority areas.

(A) All Wales measures

Agri-environment

Tir Gofal provides an integrated all-Wales agri-environment scheme. The scheme will become a key element in implementing the strategy of increasing the environmental and ecological sustainability of Welsh farming. Tir Gofal has the potential to make a major contribution to conserving and creating landscapes and wildlife habitats as well as contributing to social sustainability by helping family farms to adapt and survive.

The Organic Farming Scheme, introduced in October 1999, complements Tir Gofal by providing support for farmers during the process of conversion to organic methods of production. To the extent that organic farming encourages a return to traditional mixed farming systems, it can also make a real contribution to environmental sustainability. The fact that a farm is organic will help gain entry to Tir Gofal.

The Assembly will consider the appropriate level of funding, set against other budget priorities, for Tir Gofal and the Organic Farming Scheme as part of its budget planning round.

Compensatory allowances for farming in less favoured areas:

Under the Agenda 2000 agreement Hill Livestock Compensatory Allowances, which are currently paid on a headage basis, have to be reformed into area-based payments. The main benefit attributed to the existing system of headage payments is that, by slowing the trend towards fewer and larger farms, they

have contributed to the social sustainability of the Welsh uplands. It has, however, contributed towards environmental problems in some upland areas, and a re-orientation towards area-based payments could bring clear agri-environmental benefits.

Previous consultation on the reform has included options for securing environmental benefits under a reformed scheme, and responses to the consultation have been helpful in allowing consideration of the options to be taken forward. Nevertheless, it is anticipated that the primary contribution of Hill Livestock Compensatory Allowances will continue to be social rather than environmental in nature.

Afforestation of Agricultural Land

The majority of EU funding for forestry is delivered through the Forestry Commission's Woodland Grant Scheme (WGS). Afforestation (the planting of new woodlands) on agricultural land provides a number of opportunities for farmers and in addition the potential to enhance the landscape and environment. The key aims of woodland creation on agricultural land are: -

- to increase the production of wood;
- to provide jobs and improve the economy of rural areas;
- to improve the landscape;
- to provide habitats for wildlife;
- to offer opportunities for recreation and sport;
- to provide a complimentary land use for agriculture.

The nature of woodland and forestry expansion will vary from area to area. For example, new well-designed productive woodlands will be encouraged where appropriate on the better quality land where agriculture is the main current use. Alternatively, on semi-natural agricultural land there will be the potential to create and extend native and semi-natural woodlands.

Early Retirement

It is not proposed that priority should be given to support for early retirement from farming.

Views are invited on the priorities for "Accompanying Measures" throughout Wales.

(B) East Wales

Improving the processing and marketing of agricultural products

The key objective of building a stable, sustainable long-term future for Welsh agriculture requires farmers to gain a greater share of the price that consumers pay for food. The industry Action Plans for the lamb and beef, dairy and organic sectors, published by the Agri-Food Partnership in March 1999, envisage collaboration between farmers aimed at gaining a market for premium, branded products with a positive environmental image. Although the Welsh Development Agency will lead on the implementation of the Action Plans, the farming industry itself will continue to steer the strategy, through the Welsh Agri-Food Partnership.

It is intended that funding for agri-food developments should be available through Objective 1 in West Wales and the Valleys, and from EAGGF Guarantee resources in other parts of Wales. It will, however, be necessary for a coherent, all-Wales approach to be taken towards implementation of the strategy.

It is expected that particular emphasis will be given to developments in the organic sector, where the opportunity to gain premium prices is obvious and where, as indicated above, conversion to mixed farming systems can bring environmental benefits. The Organic Farming Scheme offers enhanced grant rates to offset profit foregone during the period of conversion.

Clear potential exists for a similar action planning approach to be taken to the development of other sectors, including horticulture, alternative crops and aquaculture. Further work is, however, necessary to assess the extent of the contribution which these sectors can make, and the Assembly and the Welsh Development Agency have this work in hand.

Views are invited on the priority given to the measure aimed at improving the processing and marketing of agricultural products

The adaptation and development of rural areas

Article 33 of the Regulation provides for a menu of 13 possible measures in East Wales to promote the adaptation and development of rural areas:-

- land improvement;
- reparation;
- setting up of farm relief and farm management services;
- marketing of quality agricultural products;
- basic services for the rural economy and population;
- renovation and development of villages and protection and conservation of the rural heritage;
- diversification of agricultural activities and activities close to agriculture to provide multiple activities or alternative incomes;
- agricultural water resources management;
- development and improvement of infrastructure connected with the development of agriculture;
- encouragement for tourist and craft activities;
- protection of the environment in connection with agriculture, forestry and landscape conservation as well as with the improvement of animal welfare;
- restoring agricultural production potential damaged by natural disasters and introducing appropriate prevention instruments;
- financial engineering.

In rural East Wales it is proposed that the Rural Development Plan gives priority to measures that aim to increase participation in community life and activities, to assist in establishing and expanding community led initiatives and to maximise their contribution to economic, social, environmental and cultural regeneration.

A "bottom-up" community approach is the key to economic, social and environmental regeneration and renewal. People in communities can develop their own responses to the needs that they identify and, working as equal partners with other agencies and local businesses, can make a real contribution to the design and implementation of regeneration strategies and projects, and to their long-term sustainability. The fruits of those strategies – whether they are physical and environmental improvements, new buildings, services or facilities, or improved business facilities – are better used, better cared for and better maintained.

This measure would build on Wales' successful participation in the two LEADER programmes, taking advantage of the expertise gained by these models of grass-root rural development across Wales. The measure would be provide support complementary to the innovation and pilot projects of the new LEADER+ programmes and would not duplicate any Structural Fund provision in Objective 2 areas.

The main aim of the adopted measures will be to support community-led initiatives which help to provide sustainable solutions to local economic, social or environmental problems, specifically:-

- To support community led projects which assist in improving the physical environment of villages and conservation of the rural heritage and provide openings for future economic development including tourism and craft activities.
- To support community led projects which widen access to mainstream services for the rural economy and population al or marginalised communities

Views are invited on the priorities for funding measures available under "Article 33" of the Regulation to promote the adaptation and development of rural areas.

This measure is intended to complement equivalent programmes of action in the Objective 1 and Objective 2 areas of Wales. To make best use of the overall resources available in East Wales, priority for any EAGGF Guarantee Funding Rural Development Plan could be targeted on those rural communities located in areas which fall outside the Objective 1 and 2 boundaries.

Views are invited on the possible targeting of measures promoting the adaptation and development of rural areas.

Management of woodland, afforestation on non-agricultural land, marketing and forestry products

The principles on afforestation listed under the All-Wales measures above equally apply here. However, this measure goes further as it also includes woodland management, on all land, funded under the Forestry Commission's Woodland Grant Scheme and also has the potential to support timber marketing and processing.

Sound woodland management is the mechanism through which woodland owners will be able to produce sustainable woodlands of the future, for a wide variety of goals, including: -

- Creating productive woodlands, providing good quality timber to added value markets;
- enriching habitats for fauna and flora;
- improving the landscape;
- offering opportunities for access, recreation and sport.

Woodland management links naturally with many of the objectives contained in the Tir Gofal scheme, which has been designed to work hand in hand with the Woodland Grant Scheme. Well-managed woodlands will assist in the achievement of UK bio-diversity targets.

New markets and businesses close to the woodlands and local communities are needed. The recently formed Welsh Timber Forum is a good example of how small and medium businesses are working together to develop and promote the use of Welsh timber. These businesses, by using the timber produced, will act as a stimulus to owners to improve the quality of their trees, by better woodland management. Key aims include: -

- development of added value businesses near to woodlands and communities with local processing, branding and marketing;
- development of supply chains and mutually beneficial collaborative working;
- modernisation of the forest harvesting equipment base with emphasis on machinery rings and shared facilities;
- improving business and transferable skills including business start ups, marketing, wildlife management and countryside interpretation skills;
- encouraging research and development into new products and methods of ‘technology transfer’;
- development of wood and wood residues for renewable energy;
- training in forest industry related skills courses including on-site and on the job training;
- improved networking between all parts of the industry and the raising of professional standards.

Views are invited on the proposed measure for the management of woodland, afforestation on non-agricultural land, marketing and forestry products and the priority given to that measure.

Respondents to this consultation paper are also invited to comment on the proposed selection of priority measures under the Rural Development Regulation, their relative priority and the balance of funding between measures.

Responses

Organisations and individuals wishing to respond to this further consultation paper should do in writing to:

Rhodri Burrige,

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Or by e-mail to:

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by 22 November please.

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