

Explanatory Memorandum to The Rural Development Programmes (Wales) Regulations 2014

This Explanatory Memorandum has been prepared by the Department for Natural Resources and is laid before the National Assembly for Wales in conjunction with the above subordinate legislation and in accordance with Standing Order 27.1

Minister's Declaration

In my view, this Explanatory Memorandum gives a fair and reasonable view of the expected impact of The Rural Development Programmes (Wales) Regulations 2014.

Rebecca Evans
Deputy Minister for Farming and Food, under authority of the Minister for Natural Resources, one of the Welsh Ministers

9 December 2014

1. Description

The instrument is required to enable the implementation of the Wales Rural Development Programme (RDP) 2014 - 2020. Without the instrument no powers would be available to the Welsh Ministers to receive, pay or recover any financial assistance under the programme.

2. Matters of special interest to the Constitutional and Legislative Affairs Committee

In order to implement the reform of the Common Agricultural Policy a new suite of EU legislation has come into force, within which there are Regulations that inform how assistance is to be granted from the European Agricultural Fund for Rural Development (EAFRD). It is necessary to make secondary legislation supplementing the new EU legislation in order to provide a domestic legal framework for the operation of the EU legislation in Wales.

The instrument is a preparatory technical step required to enable the implementation of the Wales Rural Development Programme (RDP) 2014 - 2020. Without the instrument no powers would be available to the Welsh Ministers to receive, pay or recover any financial assistance under the programme.

3. Legislative background

The Welsh Ministers are designated for the purposes of section 2(2) of the European Communities Act 1972 in relation to the common agricultural policy of the European Union by virtue of S.I. 2010/2690.

The Welsh Ministers make these Regulations in exercise of the powers conferred by section 2(2) of, and paragraph 1A of Schedule 2 to the European Communities Act 1972.

The instrument is subject to the negative procedure.

4. Purpose & intended effect of the legislation

The instrument itself does not frame public policy but rather is a facilitation to allow the implementation and administration of a policy programme that utilises European Union funding.

This instrument will allow the Welsh Ministers to:

- approve operations for the receipt of financial assistance;
- pay financial assistance to beneficiaries from the European Agricultural Fund for Rural Development (EAFRD);
- revoke, withhold or recover financial assistance paid to a beneficiary;
- authorise persons to exercise powers of entry and enforcement; and
- demand interest on sums due.

The instrument also makes provision in relation to the transfer of holdings. Where there is a transfer of a holding to which an operation has already been approved, the period within which the transferee must inform the Welsh Ministers of the transfer and request payment of the aid and/or support is 30 days.

Without the instrument the Welsh Government would be unable to draw down European funding under the EAFRD for the 2014-2020 Programming period, which could provide £953m of European and Welsh Government funding to rural Wales to help:

- increase the productivity, diversity and efficiency of Welsh farming and forestry businesses, improving their competitiveness and resilience, reducing their reliance on subsidies;
- improve the Welsh environment, encouraging sustainable land management practices, the sustainable management of our natural resources and climate action in Wales; and
- promote strong, sustainable rural economic growth in Wales and encourage greater community-led local development.

5. Consultation

There has been substantial consultation on the RDP itself:

- The initial consultation, *CAP Reform and the Way Forward in Wales*, was open from 19 December 2011 until 31 March 2012.
- A consultation on the strengths, weaknesses, opportunities and threats (SWOT) facing rural Wales ran from 4 October 2012 to 24 November 2012.
- Two stakeholder consultation events were held in October 2012.
- A consultation on the *Rural Development Plan for Wales: Next Steps* ran from 31 January 2013 to 23 April 2013.
- Four consultation events were held on the opportunities for closer integration and harmonisation between the RDP and the European Structural Funds in January 2013. Four consultation events were held for third sector stakeholders. Three consultation events covering the themes of competitiveness, environment and community were held in July 2013.
- A consultation on the final proposals of the Wales Rural Development Programme 2014-2020 ran from 17 February 2014 to 14 April 2014.
- Two stakeholder consultation events on the final proposals for the new programme took place in March 2014.

These processes addressed the policy aspects of the RDP but also allowed comment on implementation matters that are the subject of this instrument.

6. Regulatory Impact Assessment (RIA)

We have considered the need for an RIA.

We have carried out extensive consultation and incorporated a significant amount of stakeholder advice into the programme.

The instrument facilitates the operation of the Rural Development Programme (Wales) 2014 – 2020. Participation in the programme is discretionary, so the instrument will not impose costs or savings on the public, private or charities and voluntary sectors.

The instrument has no impact on statutory duties (sections 77 -79 Government of Wales Act 2006) or statutory partners (sections 72-75 GOWA 06 Government of Wales Act 2006).

As a result we have not conducted an RIA.