

Cynulliad Cenedlaethol Cymru | National Assembly for Wales
Y Pwyllgor Newid Hinsawdd, Amgylchedd a Materion Gwledig | Climate
Change, Environment and Rural Affairs Committee
Cyllideb Ddrafft Llywodraeth Cymru 2019–20 – Barn Rhanddeiliaid y Pwyllgor
Newid Hinsawdd, yr Amgylchedd a Materion Gwledig | Welsh Government
draft Budget 2019–20 – CCERA Stakeholder Views
Bud 09
Ymateb gan : Undeb Cenedlaethol yr Amaethwyr Cymru
Evidence from : National Farmers' Union Cymru

Thank you for your e-mail of the 10th October seeking our views on the WG Draft Budget 2019-2020. Our apologies for not responding to the e-mail sooner. Our work in recent weeks has very much been taken up in responding to the WG Brexit and Our Land Consultation. We have had a look through the proposals today and one area we believe that the Committee should seek clarification is around the RDP, we refer to the extracts below from the detailed proposals and beneath that is our views which I hope you will find helpful:-

Rural Development Programme:

2.39 We are supporting the sustainable development of our rural communities through the Rural Development Plan (RDP), a multi-year demand-led budget funded by the European Union. Our co-financing domestic budgets need to be flexible and we must ensure that we maximise spending to lever in EU contributions over the programme period 2014-2020. The RDP revenue budget, based on forecasts, is £26.5m in 2019-20. Capital funding of £10.3m in 2019-20 and £9.4m in 2020-21 has been allocated over the two-year period to match the expected RDP capital profile and ensure full drawdown of European match funding.

In the Strategic Impact Assessment it says:

57. The delivery of the Rural Development Programme, an investment of £26.5m revenue in 2019-20 and £19.7m capital over 2019-2021, is through engagement, co-production and collaboration. The seven year investment programme supports a wide range of activities which contribute to fostering the competitiveness of agriculture; ensuring the sustainable management of natural resources and climate action; and achieving a balanced territorial development of rural economies and communities including the creation and maintenance of employment.

NFU Cymru welcomes the opportunity to respond to the National Assembly for Wales Climate Change, Environment and Rural Affairs Committee short consultation on the Welsh Government draft Budget 2019-2020 – Outline proposals. We note reference under para 2.39 to support the sustainable development of rural communities through the Rural Development Programme (RDP), the multi-year demand-led budget funded by the European Union. This includes a match funding obligation imposed upon Welsh Government when RDP funds are drawn down. We would highlight that the RDP (2014-2020) has a very significant contribution to make to the vitality of farm businesses in Wales. This is particularly so in the context of the Ministerial decision to apply the maximum rate (15%) of pillar transfer between Pillar 1 and Pillar 2 in 2014. This means that RDP funding in Wales is a more significant component of CAP funding than elsewhere with the result that expectations from the farming community are much higher than for previous programmes.

At the point of approval with the Commission, the total RDP budget stood at £957m and included domestic co-financing of £400m. The subsequent modification of the

RDP resulted in a reduced rate of Welsh Government co-financing to £255m over the programming period. In terms of spend to date, this was reported as £229m (EU and domestic funds combined) at the last meeting of the Programme Monitoring Committee with levels of funds committed to individual projects standing at 69%. We welcome the commitment through the draft Budget to retain flexibility in domestic budgets to ensure spend can be maximised to lever in EU contributions. We note the financial commitment of £26.5m revenue in 2019-20 and £19.7m capital over 2019-21.

In terms of the RDP spend profile, this would appear to be lower than anticipated given we are almost at the end of the fifth year of a seven year programming period. We acknowledge that N+3 provisions will allow spending to continue to the end of 2023 subject to the provisions of HM Treasury Guarantee. We seek clarification on the total value of domestic co-financing spent in the current RDP to date. We seek assurances that levels of spend to date are on profile to ensure that the full revised value of the RDP is deployed during the programming period and that the total element of domestic co-financing of £255m will be made available in full.