

SOUTH WEST REGIONAL IMPLEMENTATION PLAN

2007 - 2013

15th December 2006

RURAL DEVELOPMENT PROGRAMME FOR ENGLAND



South West of England
Regional Development Agency



**GOVERNMENT OFFICE
FOR THE SOUTH WEST**



**Department for Environment
Food and Rural Affairs**



Foreword

The new Rural Development Programme 2007 - 2013 provides a major opportunity to focus on protecting and enhancing the region's natural environment and ensuring the long-term sustainability of our rural communities and businesses. Since the reform of the Common Agricultural Policy, the Programme has played an increasingly important role in supporting rural areas to meet the economic, social and environmental challenges of the 21st century.

To build a sustainable future for our rural areas we will need to support a move towards living within our environmental limits and take seriously the challenges of climate change and one planet living. This means putting the principles of sustainable development right at the heart of the Programme's design and delivery.

With this challenge comes opportunity. By protecting and enhancing our natural environment we have the capacity to achieve long-term social and economic benefits too. The physical and cultural landscape underpins much of the business activity within the South West and provides the key to sustainable development of our rural economies. We will support activity that brings social, economic and environmental benefits.

The Programme budget is limited in size, but expectations are high. To make a distinctive and significant impact we will focus resources on a small number of priority areas. We will support action that will add most value and provide a catalyst for future activity.

Stakeholders across the region have made it clear we must build on what works well. We want to ensure that activity is delivered in the most appropriate way for the end beneficiary, including acting on good practice and utilising existing local delivery arrangements.

Funding for rural development is part of a package of EU programmes. To make the most of this funding coming into the South West, it is critical these programmes align and avoid duplication. We also want to ensure complementarity between the new Programme and other activities, such as Local Area Agreements, and other sources of funding.

This document sets out the priorities and a strategy for delivering the next Rural Development Programme within the South West. It has been developed by delivery partners in consultation with partners and stakeholders from across the region.

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Chairman,
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Contents

	Page
1 Introduction	6
2 The rural South West: characteristics, issues and development opportunities	8
3 Principles and priorities for the SW RIP within the South West	13
4 Delivery strategy	21
Socio-economic funding: Axis 1 and 3	23
Funding to improve the environment and countryside: Axis 2	26
Community led development: Axis 4	29
5 Rural Development Regulation measures to achieve priorities	33
6 Co-ordination with other programmes and initiatives	37
7 South West Regional Implementation Plan governance arrangements	44
8 Climate Change	46
9 Ensuring equality and diversity	47
10 Communication strategy	48
Annexes: These sections can be viewed online at: www.southwestrda.org.uk/what-we-do/regeneration/eafrd/introduction.shtm	
1 Evidence base, socio-economic and environmental analysis of South West	
2 Equality and diversity	
3 Rural Development Regulation measures excluded from the national programme	
4 Glossary	
5 Stakeholder list	

1. Introduction

- 1.1 The Rural Development Programme for England (RDPE) runs from 2007 to 2013. It is the 2nd pillar of the Common Agricultural Policy and aims to support the creation of genuinely sustainable farming, forestry and food sectors, whilst also bringing wider benefits for the economy, the environment and rural communities. It provides the major financial vehicle for protecting and enhancing the environment and securing a range of public benefits for society.
- 1.2 There are three axes that focus the delivery of this Programme:
 - **Axis 1** - Improving the competitiveness of the farming and forestry sectors.
 - **Axis 2** - Improving the environment and the countryside.
 - **Axis 3** - Rural quality of life and the diversification of the rural economy.
- 1.3 The Regional Development Agencies (RDAs) lead on the delivery of Axes 1, 3 and 4, and Natural England and the Forestry Commission on Axis 2. In addition, a minimum of 5% of the Programme will be delivered through a local community led LEADER approach. This will potentially cut across the three main Axes, and is referred to as Axis 4.
- 1.4 Environmental Stewardship will be at the heart of the next Programme. The Government has reaffirmed its commitment for Entry Level Stewardship to be open to all farmers, and to continue with Higher Level Stewardship. Subject to approval by the European Commission, the English Woodland Grant Scheme will also continue under the new Programme. Sustaining this commitment to Environmental Stewardship will mean close to 80% of the overall budget will be delivered through Axis 2. Budgets for Axis 1 and 3 will be at or near to the minimum spends of 10% required under the Regulation.
- 1.5 The Government is considering how best to support upland farmers for the environmental benefits they provide. The existing Hill Farm Allowance will continue until the end of 2007. An announcement regarding 2008 onwards will be made by the end of 2007, once options for the future uplands rewards structure have been considered in light of the consultation that ran until May 2006. The successor to the Energy Crop Scheme, which closed in the summer of 2006, is also under consideration.
- 1.6 There is currently uncertainty around the overall funding available for the next Rural Development Programme. Budgets are subject to ongoing discussion by the European Commission and within Government. The outcome of these decisions will have an impact on the level of funding available to support activity under all the Axes.

- 1.7 Cornwall and the Isles of Scilly will have Convergence status from 2007 and will receive a ring-fenced amount of money in this Rural Development Programme to support delivery of the Regional Implementation Plan in the area.
- 1.8 This document (the South West Regional Implementation Plan) sets out how the Rural Development Programme for England will be used in the South West. It has been developed within a framework of national principles and priorities and builds on extensive work already carried out to develop South West Regional Strategies. In particular, it reflects the key issues identified in the Regional Economic Strategy, the Sustainable Farming and Food Delivery Plan, Cornwall's Strategy and Action, the South West Rural Delivery Framework, the Regional Environment Strategy and the South West Regional Woodland and Forestry Framework. The South West Regional Implementation Plan has, in turn, informed the development of the England Strategy for Rural Development.
- 1.9 In the early stages of delivery of the South West Regional Implementation Plan, provision will need to be made for the financial commitments resulting from agreements entered into under the previous (2000-2006) England Rural Development Programme. This will inevitably have an impact on the region's ability, initially, to support significant levels of new activity in line with the South West Regional Implementation Plan. It is clear that much of the work carried forward from the previous programme will be consistent with the priorities identified for the new programme period, but where priorities have changed, allowance will be made to honour existing contractual commitments.

2. The Rural South West

2.1 Summarised below are the key characteristics of, and issues facing, the Region's rural areas. Throughout this section a number of development opportunities are highlighted which the South West Regional Implementation Plan seeks to address. Annex 1 of this document provides a more detailed analysis of the evidence base and the issues that are of importance. The capacity to address all the rural issues in the South West through this programme is limited by the scope of the EU Regulation and the level of the funding available. The Programme should be seen as making a contribution towards sustainable rural development alongside other funding streams and activities.

2.2 Land area

2.2.1 With a land area of 23,829 km², the South West is the largest of the nine English regions. It measures approximately 350km in length, from the South West tip of Cornwall to the eastern borders of Gloucestershire and Wiltshire. The South West has the highest percentage of 'rural' land of any English region, with over three quarters of the total land area being part of an agricultural land holding.

2.3 Environment

2.3.1 **Protecting and enhancing the environment** for the benefit of current and future generations is among the biggest challenges facing this region. Our Environment: Our Future, a Regional Strategy for the South West Environment sets out priorities for the protection and enhancement of our environment, and identifies opportunities for the future, as well as some significant threats. To view this document visit: www.southwest-ra.gov.uk/media/SWRA/Environment/ENV-strat-main.pdf.

2.3.2 The South West's **rich and diverse environment** is recognised as being one of the region's greatest assets. With 60% of England's protected coastline, over one third of the land nationally designated for its landscape quality including two National Parks, the largest concentration of built heritage in the country, four World Heritage Sites, internationally important wildlife sites, and a host of locally distinctive features, the region's **rural environment is a major driver of the region's economy**. Protection and maintenance of this valuable resource is crucial.

2.4 Climate Change

2.4.1 Climate warming in the South West is predicted to be of similar magnitude to the global rise in temperature, but with warming slightly greater in summer than winter. The magnitude of change is predicted to vary little across the region, although the wide variation in existing climates will result in different impacts on habitats and businesses that

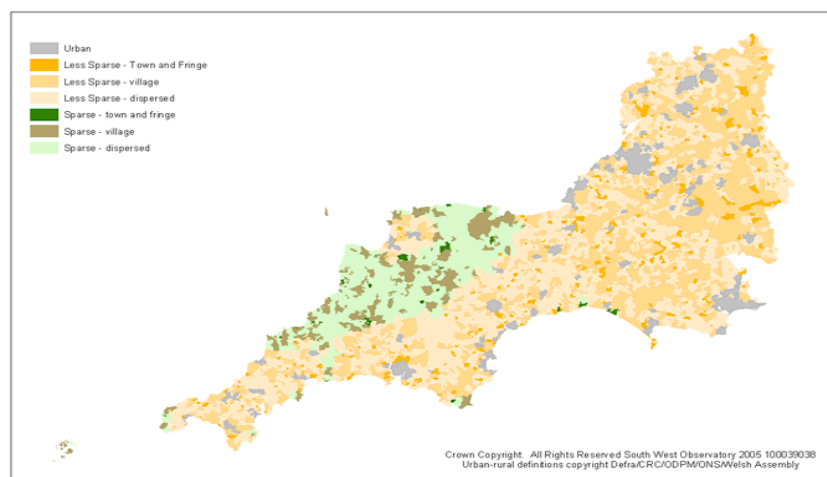
rely upon primary production across the region. The change in climate is likely to have a profound impact on many aspects of the region's environment, economy and communities, presenting both challenges and opportunities. It will present the opportunity to grow new types of food and non-food crops. However, warmer winters are likely to increase the survival and development of diseases and pests, affect our wildlife, and increased storminess is expected to result in greater risk of soil erosion and flooding to communities. It is crucial that this Programme supports efforts by the South West **to mitigate the causes and adapt to the changes of climate change.**

2.5 Population

2.5.1 The South West has a higher proportion of rural residents than the other English regions with approximately 56% of the five million people living in rural Districts. The population of the 31 rural Districts increased by 17% between 1984 and 2004, more than twice the percentage growth of the South West's urban areas (8%). Thriving rural communities bring opportunities, for example, **to exploit high value local markets and assets.**

2.5.2 The South West has one of the lowest population densities in the country. Figure 1 demonstrates the particularly low population density across West Somerset, North Devon, Torridge, West Devon and North Cornwall.

Figure 1. Urban/rural Classification of Rural Area



Source: South West Observatory 2005

2.6 Sustainable rural communities

2.6.1 The region has the highest percentage of people of retirement age and above. Approximately 38% of South West residents were aged 50 or over in 2004, compared to 34% nationally. With a smaller proportion of young people in the region (60% compared to the England average of 62%) **the South West's working age population is the smallest in the country.**

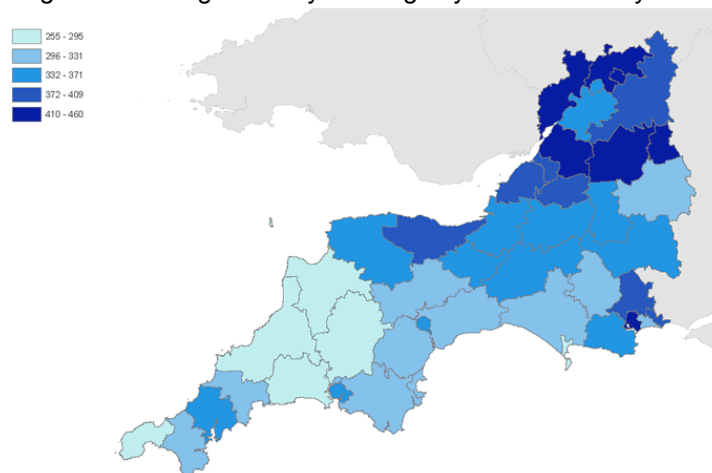
2.6.2 Population projections suggest that the number of people aged 50 and over living in the South West could increase by 305,000 (or 16%) between 2004 and 2014, increasing their percentage of the population to 41%. The impacts of population ageing are therefore likely to be particularly felt in the region, raising **concern over future economic growth** as well as access to services. Changes in the demographics bring with them the challenge of **maintaining strong and inclusive rural communities**.

2.6.3 Evidence suggests that the region, including the rural South West, has a **shortage of affordable housing**. The key issues for housing in the region are described in the South West Regional Housing Strategy 2005 – 2016. To view this document visit: www.southwesthousingbody.org.uk/pdf/strategy.pdf. Provision of **efficient and effective transport links** is also seen as critical to the health and success of rural businesses and communities across the region. Housing and transport issues are not within the remit of the SWRIP but they are covered by other national, regional and local programmes and initiatives. These issues are explored further in the South West Rural Delivery Framework. This document is available at: www.gos.gov.uk/gosw/envrural/rrpolicy/swrdf/.

2.7 Rural economy

2.7.1 The South West has one of the smaller but fastest growing economies of the English regions. However, parts of the region remain dependent on agriculture and tourism, traditionally seen as the region's principal industries. Many of these areas suffer from both low wages, particularly towards the West of the region (see Figure 2), and a seasonal job market. Opportunities exist to broaden the base of the rural economy, for example by stimulating alternative use of existing assets.

Figure 2. Average Weekly Earnings by Local Authority



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Source: South West Observatory 2004

- 2.7.2 Overall, the region has an impressive record of employment growth. Only London exceeded the South West's rate of job creation between 1997 and 2005. Levels of economic activity are high in the South West with 82% of the population of working age being economically active compared with a level of 79% for England as a whole. Businesses in key sectors, like food and drink, have found it increasingly **difficult to recruit and retain staff**. This problem has been offset, to some extent, by an increase in the number of migrant workers to address staffing shortages. The Regional Economic Strategy for South West England 2006 – 2015 sets out the priorities for growing the South West economy. For more information visit: www.southwestrda.org.uk/what-we-do/policy/res-review2005/draft-res.shtm.
- 2.7.3 The challenges facing rural areas in the region include **social exclusion and poor access to services**. Action is needed to reverse the negative trends of economic and social decline in rural areas and address the gap between the most and least successful parts of the region.
- 2.7.4 In the South West there are estimated to be 5,500 social enterprises with 2,200 of these generating at least 25% of their income from a trading activity. Of these 16% are located in rural areas. **Social enterprises are an effective way of delivering and maintaining services, maintaining employment and providing local solutions to local problems.**

2.8 Land based sectors

- 2.8.1 Agriculture is a vital element of the region's rural economy. However, the importance of the agricultural sector within the region goes far beyond its contribution to the South West's Gross Domestic Product (GDP). The sector is an integral part of the region's food supply chain, providing raw material to the region's many food and drink businesses, which together contribute £5 billion per year to the regional economy. The agricultural sector is also responsible for the management and stewardship of 80% of the land in the region. Through this, it plays an important role in conserving the environment, which is essential for the quality of life of people living and working in the region and vital for the region's tourism industry.
- 2.8.2 The **South West has the highest area of fully organic and in-conversion land of all the English regions**, as well as the highest percentage of total land area that is organic. In January 2005, 5.3% of the agricultural area of the region was being farmed organically, which compares with the national average of 2.8%. The total number of hectares farmed organically in the region has more than doubled from a base of 2.3% in 1999.

- 2.8.3 The sector is undergoing significant structural change, due in part to the reform of the Common Agricultural Policy in 2005, which transferred support from production to payments in support of rural development and environmental land management. This has created both opportunities and challenges for the region's farmers and growers. The need for **improved competitiveness through skills development and knowledge transfer, greater collaboration and adding value to produce** are widely recognised and reflected in the Region's Strategy for Sustainable Farming and Food, which contains actions that support the changes in the industry. To view this document visit: www.swcore.co.uk/pdf/Making_a_Difference_SW_SSFF_Delivery_Plan_2004.pdf.
- 2.8.4 Woodland and forests are significant natural assets covering 9% of the land area in the region. Research has demonstrated that timber production, processing and woodland recreation contribute £500m to the region's economy each year, which represents 1% of GDP. In common with the agricultural sector, the value of the woodland and forestry sector extends beyond its contribution to the region's economy.
- 2.8.5 The region's woodlands have the potential to provide **additional economic, social and environmental benefits**. For example, by maintaining the landscape and biodiversity through good **woodland management, the use of wood fuel as a renewable energy source and increased leisure and tourism**. The Regional Woodland and Forestry Framework identifies the key actions needed to secure the best outcomes from the woodland sector in the region. This document is available at: www.forestry.gov.uk/forestry/infd-6rmgdp.

2.9 Non-food crops

- 2.9.1 The area of land under schemes used to produce non-food crops in England is estimated to have grown by at least 75% between 2003 and 2005, with corresponding overall values of crops produced rising by approximately 99%. During this time the number of farms growing non-food crops has increased by 20%.
- 2.9.2 Non-food crops, including bulk commodity products such as fibres, oils, starch/carbohydrates, bio-fuels and crops grown for the extraction of high value speciality chemical constituents, together with flowers and bulbs, are of **major importance for future growth**.

2.10 Tourism

- 2.10.1 The tourism industry provides over 66,000 jobs and contributes £5.5 billion to the region's economy. Taken together, the agriculture, food and drink and rural tourism sectors contribute approximately 15% to the region's annual GDP.

2.10.2 The tourism industry in the South West is almost entirely dependent on the high quality of the region's natural and built environment. A study undertaken on behalf of the National Trust in Cornwall, Devon, Wiltshire, Gloucestershire, Dorset and Somerset entitled 'Valuing our environment' indicated that 78% of all holiday trips to the South West are motivated by conserved landscape. There is **potential to build on this by improving the quality and value of rural tourism and lengthening the season**. 'Towards 2015' sets out a strategic approach to developing a high quality sustainable tourism industry in the region. This document is available at www.towards2015.co.uk.

3. Principles and priorities for the South West Regional Implementation Plan within the South West

3.1 Guiding Principles for the South West

3.1.1 The focus of the South West Regional Implementation Plan is set by the Rural Development Regulation and the priorities set out in the Rural Development Programme for England. In addition, the following 'Overarching Principles' underpin everything that the Regional Implementation Plan seeks to achieve. There are also a number of 'Programme Principles' that will underpin the way in which the South West Regional Implementation Plan is delivered.

3.1.2 Overarching Principles

- The achievement of sustainable development in rural areas through the integration of environmental, social and economic objectives.
- Respecting the limits of the region's environment, natural resources and biodiversity.
- Maintaining and enhancing the natural asset base of the region.
- Working towards a low carbon economy.
- To support the region's efforts to mitigate and adapt to climate change.
- Support sustainable growth in the rural economy.
- The promotion of sustainable communities through encouraging local and integrated solutions.
- Meet the needs of a diverse rural population and ensure equality of opportunity.
- Exploit and encourage the benefits of links between rural areas and urban centres.

3.1.3 Programme Principles

- Promote activities that encourage innovation.
- Minimise the bureaucratic burden for project applicants.
- Maximise the integration of funding streams to deliver relevant support across the region.

3.2 Priorities for the South West

- 3.2.1 Under each of the Axes there are a series of Measures. These Measures set out activity eligible for funding. The South West Regional Implementation Plan has been developed to take account of these Measures and, within the framework of National priorities and themes set out in the consultation document for the Rural Development Programme for England.
- 3.2.2 At a national level, the decision has been taken not to adopt some of the Measures. This is because they do not offer the best approach to addressing many of the challenges facing our rural areas or they cover activities already supported under separate initiatives. Chapter 5 describes the Measures that will be used to deliver the RDPE in the South West. Annex 3 sets out Measures excluded from the England Programme.
- 3.2.3 Where possible, the South West priorities have been developed to ensure they are interlinked and provide benefits to all three of the areas of the Programme: the economy, the environment and the quality of life in rural areas.
- 3.2.4 The following priorities for the South West have emerged from existing Regional Strategies, as suggested in 1.8. These priorities have been identified following extensive consultation and dialogue with regional stakeholders:

Summary of priorities for the region

- **Improving business efficiency and enabling business transformation**
- **Developing the supply chain and adding value**
- **Managing resources efficiently**
- **Making the most of our rural environment**
- **Enhancing landscapes and biodiversity**
- **Developing and maintaining strong and inclusive rural communities**

3.3 Improving business efficiency and enabling business transformation

- 3.3.1 There is scope for many farming, food and rural businesses to improve their productivity and become more profitable. Support can be provided to help businesses develop new skills and access knowledge, to innovate, to develop new markets and improve overall efficiency.
- 3.3.2 **Skills:** Skills are at the core of improving business productivity and competitiveness. We need to ensure businesses and their employees have the right skills and the ability to access training to acquire them. Access to training and development, in particular generic management

skills and practical, technical and business skills, particularly for those working in land based sectors, will be critical if rural businesses are to develop.

3.3.3 Business advice: Businesses can benefit from integrated specialist advice, or support through mentoring, to become more profitable. For examples agricultural and forestry may benefit from access to best practice: in environmental management, renewable energy opportunities, resource efficiency and technical business advice.

3.3.4 Knowledge transfer: Businesses frequently fail to make the most of their potential to innovate. This could be because of a lack of awareness or access to the latest technological knowledge and breakthroughs. Knowledge transfer networks and partnerships can make the necessary connections between businesses, research establishments, higher education and other organisations, helping them to innovate and improve overall performance.

3.3.5 Collaboration: By working together smaller and medium sized businesses can increase their potential to grow. Pooling resources can offer better access to markets, advice and training, and provides wider environmental and social benefits for rural communities. The South West Regional Implementation Plan will look to support collaboration and cooperation on:

- 1) the development of new products, processes and technologies in the agriculture, food, and forestry sector and other rural businesses;
- 2) training, information and knowledge transfer;
- 3) re-structuring and adaptation of agricultural holdings;
- 4) improving the economic, environmental and social value of woodlands;
- 5) a group approach to environmental enhancement; and
- 6) commodity sourcing and supply.

3.4 Developing the supply chain and Adding Value

3.4.1 Development, and creation, of supply chains is central to improved productivity. Efforts to remove barriers to their development and improved integration will help ensure that they are operating successfully; delivering benefits back to South West primary producers.

3.4.2 Investments will also need to address specific environmental issues such as reducing packaging, reducing transport distances, re-use of waste products (including by anaerobic digestion) and other products and processes which mitigate or help adaptation to climate change. A strong focus will be placed on projects that can demonstrate innovation, develop markets in growth areas, and will result in sustainable and better-paid jobs. Possible indicative actions include innovative value added land based products and marketing, with a particular focus on the following sectors:

- 3.4.3 **Renewable energy:** The Government's Renewables Innovation Review identifies the importance of Biomass, which includes wood fuel, in meeting carbon reduction targets. To make the most of this potential in the region we need to stimulate the development of regional and local markets in wood fuel, biogas (e.g. using waste from agriculture in anaerobic digestion) and other energy crops, as well as improving the efficiency of fuel harvesting and supply. Allied to this is the potential for the promotion and development of micro-generation for both communities and rural businesses.
- 3.4.4 **Wood:** The SW Regional Woodland and Forestry Framework sets out the aim of increasing the volume, quality and sustainability of wood and wood products consumed and grown within the region. To do this we need to encourage, promote and expand the use of locally grown timber in the region and expand the business potential of woodlands for their owners.
- 3.4.5 **Food and drink:** The Strategy for Sustainable Farming and Food aspires to have successful market-orientated farm businesses, greater integration within the supply chain and greater collaboration and cooperation between farmers, and between farmers and the supply chain, by 2009. The South West Regional Implementation Plan will support systems based on quality food production from a quality environment.
- 3.4.6 **Non-food crops:** Are of major importance to the South West. The development of the sector is covered by the strategy for 'non-food crops and uses', which identifies four priority sectors that show the most potential for competitive sustainable growth as being:
- bio-energy (for heat and power and transport fuels)
 - plant based pharmaceuticals;
 - renewable construction materials;
 - renewable chemicals

3.5 Managing resources efficiently

- 3.5.1 Management of soil, water, energy and waste, especially by the farming industry, is a major environmental issue for the region. More efficient management of resources reduces business costs and environmental impacts, and also helps contribute to mitigation of climate change. Through this priority the South West will approach resource efficiency in two ways:
- 1) **training and knowledge transfer** to bring about improved resource efficiency;
 - 2) approaches to **land management** that conserve soils and water resources, and reduce contamination of water supplies; and support to improve soil management, energy (including energy sourcing), waste reduction, re-use and re-cycling, and water saving. This approach will include measures that support the reduction of greenhouse gas emissions from the land based sector.

3.6 Making the most of our rural environment

- 3.6.1 The environment is one of the South West's greatest assets, and a key driver for the regional economy, including the tourist economy which makes an important contribution to the region's GDP. Evidence suggests that a large proportion of all holiday trips to the South West are motivated by the conserved landscape. We need to ensure that the maximum economic and social benefits can be secured, while protecting and, wherever possible, enhancing the quality of the environment. This includes promoting educational aspects as well as the health and well-being benefits that a high quality environment provides. Our aim is to capitalise on some of the many opportunities the rural environment offers for business, social and community development. The SWRIP offers opportunities to support the development of sustainable tourism and leisure uses of the countryside, by focussing on:
- 3.6.2 Linking **tourism with the environment**, for example links to marketing of food and other primary products, and activity holidays;
- 3.6.3 Adopting measures that derive **sustainable socio-economic benefit from the coast, the moors, managed and other woodlands and other high value landscapes**. We will ensure that the environmental aspects of the European Fisheries Fund will align and work with the South West Regional Implementation Plan. An example might be where improved catchments lead to opportunities for shell fish growers in the estuaries.
- 3.6.4 Supporting the creation and improvement of appropriate **recreational access**, especially in areas of highest demand, for example on the rural-urban fringe, along long distance routes (especially SW Coast Path) and within coastal and the protected landscapes; and,
- 3.6.5 Enhancing and **interpreting historic and other environmental features**.

3.7 Enhancing landscapes and biodiversity

- 3.7.1 Conserving and enhancing the quality of landscapes and biodiversity in the South West and enabling people to enjoy them is an important part of what the programme aims to achieve. Landscape and biodiversity priorities for the South West will focus on the following:
- 3.7.2 **Maintaining, enhancing and promoting the character of the countryside, its local distinctiveness, its historic and cultural landscapes and features, and concentrations of priority habitats and species**. The programme will seek to:
- 1) improve the status and condition of the priority habitats and species identified in the England Biodiversity Strategy and Action Plan that are present within the region, especially on nationally and

internationally important sites including Sites of Special Scientific Interests and Natura 2000 (European wildlife) sites;

- 2) improve the status and condition of distinctive, protected and historic landscapes, important buildings and features, including those in the South West National Parks, Areas of Outstanding Natural Beauty and World Heritage Sites; and,
- 3) Conserve cultivated plant and farm animal genetic resources. For example, native grazing, livestock breeds, orchard tree varieties and thatching straw cereal varieties.

3.7.3 Realising the potential of the region's woodlands to further enhance the natural environment of the South West. This will include:

- 1) enhanced management of more of the region's woodlands, including those on farms;
- 2) realising the potential of woodlands, wooded landscapes and woodland heritage to offer environmental, economic and social benefits; and,
- 3) improving the robustness of woodland ecosystems in the face of climate change by encouraging their management and also semi-natural habitat creation and maintenance in appropriate areas.

3.7.4 Supporting pastoral systems that help maintain high quality natural environments. The programme will support sustainable grazing systems and production associated with locally distinctive landscapes and high quality environments, in both lowlands and uplands, using a variety of approaches that are appropriate to the situation.

3.7.5 Maintaining and improving the management and enjoyment of the extensive coastline of the South West. In particular, we will:

- 1) contribute towards integrated coastal zone management and sustainable management of the region's coastal environment;
- 2) increase the semi-natural habitat and key species along coastline;
- 3) enable enhanced and sustainable public access; and,
- 4) maintain and enhance the cultural heritage of the coast.

3.7.6 Improve the robustness of the South West rural environment in the face of climate change. This will include:

- 1) initiatives that work towards large-scale adaptation and expand or restore ecosystems to function in a way that will support wildlife (using the SW Regional Biodiversity Partnership's 'Nature Map' and Forestry Commission's Ancient Woodland Mapping as a spatial framework to help guide); and,
- 2) appropriate renewable energy, including the use of wood from existing woodlands.

3.8 Developing and maintaining strong and inclusive rural communities

3.8.1 Sustainable rural communities are essential for the development of the rural economy; to remain vibrant these communities need to have opportunities for economic growth and access to services. Ensuring that there is access to services, particularly for disadvantaged groups in rural areas, is essential and developing local capacity and social / community enterprises can help achieve this. The South West will approach this priority in the following ways:

3.8.2 **Rural business development:** The development and creation of rural businesses will help to strengthen the rural economy. This may include activities such as:

- 1) broadening the economic base, particularly in areas heavily dependant on traditional sectors, where wage levels are low or where job opportunities are otherwise limited;
- 2) innovative diversifications that create new market opportunities within growth sectors; and,
- 3) accessing new markets through targeted activities and further development of linkages to the value of the South West environment.

3.8.3 **Developing multi-use community facilities:** Village halls, and other community facilities, are valuable assets in rural area. Community led initiatives to develop sustainable multi-service facilities will be encouraged.

3.8.4 **Community development and social enterprise:** Achieving social cohesion and inclusion can be aided through participation in local planning processes, and involvement in decision-making at the local level. This is at the heart of creating thriving, vibrant and sustainable communities. Creating the opportunities for local participation, and developing the skills and capacity to support the development of local governance arrangements is central to this. This includes leadership programmes, training, collaboration and knowledge sharing for community groups and social enterprises. Volunteering and the volunteering infrastructure have a pivotal role to play in building capacity in community organisations.

4. Delivery strategy

4.1 The South West will adopt a strategic approach to the funding of rural development funding in the next Programme. We aim to maximise the benefits and impact from the region's Rural Development budget by providing greater integration that brings social, economic and environmental benefits and closer alignment with other policy instruments and sources of funding.

4.2 The following list sets out the delivery principles:

- Investments that are large enough to utilise economies of scale and will leave a legacy post 2013.
- All elements of the South West Regional Implementation Plan are assigned to the most appropriate organisation. A strategic investment approach will be used to ensure that all elements of the activities/projects/ themes are delivered. This approach will prevent "cherry picking" which leaves limited funding to deliver difficult and disjointed solutions.
- Collaboration between delivery partners is built into the process at the outset. The limited funding available means the South West must maximise the benefits and resources from other funding sources and delivery bodies.
- Delivery solutions do not confuse the market place. EAFRD will not fund solutions which lead to a proliferation of organisations and solutions.
- Quality is built into the delivery through quality standards, regular monitoring and robust feedback. A limited number of strategic projects will be significantly more efficient to administer and monitor than a large number of smaller projects.
- To meet diversity objectives, all investments should demonstrate, practically, how they will improve accessibility and provide services which are relevant particularly for excluded groups.
- Proposals will be expected to demonstrate how they will utilise existing local delivery mechanisms, wherever practicable.
- In order to manage the economy within 'environmental limits' all proposals must demonstrate their commitment to the principles of sustainable development in their delivery.
- We will aim for win - win - win investments which provide positive economic, social and environmental benefits and other public benefits.

4.3 A wide partnership has been involved in the development of the investment themes, which will move the priorities into action on the ground. The proposed investment themes are:

- 1) Skills development
- 2) Social Enterprise
- 3) Business support
- 4) Supply Chain & Adding Value
- 5) Resource Management
- 6) Sustainable Rural Tourism
- 7) Biodiversity and landscape
- 8) Community led development

4.4 Existing commitments from the 2000 -2006 programme will be carried forward to this Programme (2007-2013). These commitments will contribute to the performance of the programme across all the axes. For example, there are currently 4200 agreements for Environmentally Sensitive Areas in place and 3690 Countryside Stewardship agreements. These commitments, along with Environmental Stewardship (ES) and English Woodland Grant Scheme (EWGS), will be funded through the Axis 2 budget.

4.5 The following table shows the interrelationships between the strategic priorities and delivery.

Table 1. Mapping showing the integration between Investment Themes and Priorities

RIP Priority	Improving business efficiency and enabling business transformation	Maintaining and developing strong and inclusive rural communities	Developing the supply chain	Managing resources efficiently	Making the most of our rural environment	Enhancing landscapes and biodiversity
Skills Development	✓✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓	✓✓✓
Social Enterprise	✓✓✓	✓✓✓✓	✓	✓	✓✓✓	✓
Business Support	✓✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓	✓✓
Supply Chain and Adding Value	✓✓✓✓	✓✓	✓✓✓✓	✓✓✓	✓	✓✓✓✓
Resource Management	✓✓✓	✓	✓✓	✓✓✓✓	✓	✓✓✓✓
Sustainable Rural Tourism	✓✓	✓✓✓✓	✓	✓	✓✓✓✓	✓✓✓✓
Biodiversity and Landscape	✓✓	✓	✓	✓✓	✓✓✓	✓✓✓✓
Community Led Development	✓✓	✓✓✓✓	✓	✓	✓✓	✓

Key:

- ✓✓✓✓ - Very High correlation between Investment Theme and the RIP priority
- ✓✓✓ - High correlation between Investment Theme and the RIP priority
- ✓✓ - Medium correlation between Investment Theme and the RIP priority
- ✓ - Low/ indirect correlation between Investment Theme and the RIP priority

4.6 The following section provides further detail on the Investment Themes.

4.7 Skills Development

4.7.1 Investments in skills development, through this programme, will ensure the land based and food sectors and rural social enterprises have the right skills necessary to support the development of a sustainable rural economy.

4.7.2 Investments will be targeted in areas which will facilitate the successful delivery of all of the investment themes. These investments will enable businesses associated with the agriculture, forestry and food and drink sectors and social enterprises to share best practice through virtual networks, skills academies, flexible delivery, knowledge transfer and close linkages with providers. Investments will also support collaborative approaches which integrate with key organisations such as Sector Skills Councils, Higher Education and Further Education establishments, Learning and Skills Councils, South West Food and Drink Skills Network and Business Link.

Measures to be used
111 Vocational training and information actions, including the diffusion of scientific knowledge and innovative practices for persons engaged in agriculture food and forestry
331 A training and information measure for economic actors operating in the fields covered by Axis 3

4.8 Social Enterprise

4.8.1 Social enterprises are an effective way of delivering and maintaining services, maintaining employment and providing local solutions to local problems. The aim of this investment theme is to provide further support for the development of sustainable rural social enterprises to help improve access to services and opportunities in rural areas.

4.8.2 Investments through this theme will support the development of existing and new 'social enterprises' and for community projects making the transition to social enterprises, which are seeking to develop and strengthen the provision of sustainable basic services and create and develop economic activity in rural areas. Part of the challenge will be to assist small-scale, community focussed, social enterprises to move away from grant dependency through developing their asset base. The establishment and development of sustainable rural social enterprises will be supported through networking, knowledge transfer, and business advice, which include mentoring, workshops and peer-learning.

4.8.3 The delivery of this investment theme will integrate with the work of existing providers, and in particular RISE. RISE is currently developing a Regional Social Enterprise Service for the provision of Information,

diagnostic and brokerage to social enterprises across the region, which will be delivered through local partners and build on existing capacity. The South West Regional Development Agency is funding this development project, with a view to implementation in spring 2007.

Measures to be used
312 - Support for new business creation and development

4.9 Business support

- 4.9.1 Business support investments will improve the competitiveness of the land based sectors and rural businesses. This will be integrated with Business Link. It is important that the rural economic base is strengthened through both supporting the traditional sectors to remain viable and encouraging diversification.
- 4.9.2 Investments will support increased use of knowledge transfer, to encourage innovation and the adoption of best practice. The greater use of knowledge networks and the translation and accessibility of technology transfer and information will result in better and more informed business decisions.
- 4.9.3 Business support will enable rural businesses to collaborate, access knowledge and to innovate. The agricultural sector will also be assisted through investments supporting diversification into non-agricultural activities, which have growth potential.
- 4.9.4 This investment theme is only one of a number of business support mechanisms available in the region. Investments through this theme will be integrated with existing mechanisms and be guided by the appropriate Regional Strategies. Resources will be focussed on areas which will generate most return in terms of sustainable growth.

Measures to be used
312 - Support for new business creation and development
111 –Vocational training and information actions, including the diffusion of scientific knowledge and innovative practices for persons engaged in agriculture food and forestry
124 co-operation for the development of new products processes and technologies in agriculture food and forestry
311 diversification into non agricultural activities

4.10 Supply Chain and Adding Value

- 4.10.1 There is considerable potential for farmers and foresters in the region to improve profitability and competitiveness through greater collaboration within the supply chain and through adding value. These developments must address market needs and deliver sustainable benefits back to the South West’s primary producers.

4.10.2 Supply chain development for the priority sectors of food, non food crops, renewables and forestry products offers the opportunity for producers to increase efficiencies and capitalise on new markets and marketing opportunities, creating better paid jobs in the region.

4.10.3 This theme will support investments which have direct links to the land based sectors. There will be a focus on innovation, best practice and investments which benefit rural communities and the environment. Support will facilitate the development of new products, processes and markets.

4.10.4 Investments will address specific environmental issues such as: reducing packaging, reducing transport distances, re-use of waste products (including by anaerobic digestion) and other products and processes which mitigate or help adaptation to climate change.

Measures to be used
122 Improvement of the economic value of forests
123 Adding value to agriculture and forestry products
124 Cooperation for the development of new products, processes and technologies in the agriculture and food sector and in the forestry sector.
125 Improving and developing infrastructure related to the development and adaptation of agriculture and forestry.

4.11 Resource Management

4.11.1 This investment theme will support integrated resource management initiatives that target areas, sectors and practices of high environmental risk. Support will fund advice, guidance, technical support and small-scale capital investments which improve business efficiency and have a beneficial environmental impact.

4.11.2 Particular emphasis will be given to providing support to farmers and growers for innovative solutions that help in managing resources more efficiently. This approach will involve looking at sustainable resource management in its widest sense, including support for:

- waste management according to the “reduce, reuse, recycle” hierarchy, plus the commercial use of waste by-products
- energy conservation
- wise use and protection of soils and water.
- addressing air quality issues.

4.11.3 Priority will be given to collaborative actions, commercial applications for resource management techniques, and support for businesses which can act as demonstration pilots within the region. Priority sectors include intensively managed farming systems, particularly intensive dairy, pig and poultry enterprises and horticulture.

4.11.4 Support will include business advice and diagnostic techniques, leading to practical assistance with solutions. Support will also include complementary capital investments which encourage best practice and innovation. This should directly result in more efficient use of resources.

Measures to be used
111 Vocational training and information actions, including the diffusion of scientific knowledge and innovative practices for persons engaged in agriculture food and forestry
121 Modernisation of agricultural holdings

4.12 Sustainable Rural Tourism

4.12.1 The rural environment is one of the region’s greatest assets, and a key reason why many visitors are attracted to the South West region, and the impact of their spending power is of considerable importance for the rural economy. We need to ensure that the maximum economic and social benefits can be secured, while protecting and, wherever possible, enhancing the quality of the environment. This includes promoting educational aspects as well as the health and well-being benefits that a high quality environment provides.

4.12.2 The main aims of this investment theme are to support the development of sustainable rural tourism that delivers social, economic and environmental benefits in rural areas and a high value experience, and which links investment with benefits to the natural, built and historic environment.

4.12.3 The delivery will focus on a small number of bespoke projects. It is envisaged that resources will be spatially targeted towards areas of high environmental value.

Measures to be used
313 Encouragement of tourism activities
323 Conservation and upgrading of the rural heritage

4.13 Biodiversity and landscape.

4.13.1 The financial instruments Environmental Stewardship and the England Woodland Grant Scheme will deliver both of these investment themes. Natural England will have responsibility for the delivery of Entry Level Stewardship, Organic Entry Level Stewardship and Higher Level Stewardship, as well as legacy commitments for Environmental Stewardship agreements, Countryside Stewardship agreements and Wildlife Enhancement Scheme, often delivered through projects in partnership with a wide range of organisations. The Forestry Commission will have responsibility for the delivery of the English Woodland Grant Scheme and legacy schemes including the Farm Woodland Premium Scheme.

4.13.2 Environmental Stewardship

- 1) There are currently over 6000 Environmental Stewardship agreements, including 578 Organic Entry Level Stewardship and 167 Higher Level Scheme (HLS) agreements, across the region. This marks considerable progress towards achieving the Government's target of 60% Entry Level Stewardship (ELS) coverage of all available farmland by the end of 2007. Indeed, over 60% of eligible land is already under agri-environment agreement in the SW. Ongoing and future agreements under Environmental Stewardship are likely to represent between 75% and 80% of Axis 2 funding.
- 2) ELS will remain open to all those farming across the region. It will reward good land management and address some of the environmental issues affecting the wider countryside, including diffuse pollution, soil erosion and the conservation of farmland birds. Proportionately compared to other English regions, organic farming remains a very important sector. Therefore, Organic Entry Level Stewardship will continue to make a vital contribution to environmental management across the region.
- 3) HLS provides further support to deliver more significant environmental benefits, focusing on the more complex types of management where land managers need advice and support and where agreements will be tailored to meet national and regional priorities at the local point of delivery. There will be a strategic approach to the delivery of HLS, emphasising the special semi-natural character and distinctiveness of the countryside of the South West where people have strong affinities and associations. There are major opportunities for innovation and synergy between the Axes based on these environmental assets.
- 4) Over £358m of funding in the current programme period for this region, including existing commitments and new Environmental Stewardship agreements, will run into the new Programme. Axis 2 has to cover these commitments and as a consequence there may be limited opportunities for new HLS agreements, especially in the short term. As there is already a wide coverage of these agreements already in place across the region, upgrading and enhancement of these existing agreements presents a potential opportunity in terms of improving environmental outcomes.
- 5) Environmental Stewardship will become the principal measure under which hill farmers, and other farmers in less favourable areas, receive support for environmentally sustainable land management.

- 6) There is to be a limited review of HLS targeting statements during the winter of 2006 to refine priorities, with a more comprehensive review of Environmental Stewardship planned for 2007.

4.13.3 Pilot projects

- 1) Where possible we will seek to pilot and promote innovative approaches to land and woodland management and creation, which benefit the environment and people, whilst integrating with other axes and measures. Examples could include utilising the 'Special Project' element of the ES scheme for targeted spatial area and topic pilots. Pilot projects supported through Axis 2 will be dependent on the level of available funding during the life of the Programme.

4.13.4 English Woodland Grant Scheme

- 1) The English Woodland Grant Scheme provides incentives for farmers and landowners to create and manage woodlands to further enhance the natural environment of the South West.
- 2) In 2005, there were 2184 Farm Woodland Premium Scheme agreements and 441 Farm Woodland Scheme agreements in place across the region. The total value of these agreements in that year was just over £2.8m. These commitments will be carried forward into the new Programme and will support the aspirations of the Regional Implementation Plan. In addition over the course of the last ERDP period over 1000 other EU supported woodland schemes have been made with a total value of £15.5 million. The Woodland Creation Grants and Farm Woodland Payments for woodland creation are comparatively high within this region as compared to others with over 7000 thousand hectares of woodland having been created over the current Programme.
- 3) The English Woodland Grant Scheme and its components are part of a national scheme designed to deliver national priorities. Its delivery in the region is further refined to reflect the Regional Woodland and Forestry Framework and the particular issues within the region. For example, Woodland Improvement Grants have been further targeted towards Ancient Woodland Priority Areas and in woodland SSSIs. Targeting towards Ancient Woodland Priority Areas demonstrates a landscape scale approach which can be linked back to the regional priorities for landscape scale and climate change noted on page 13.
- 4) Other current examples of targeting within the region include Ancient and semi-natural woodland, woodlands offering public access, support of rural development pilots and SSSIs. The further development of targeting will reflect the final funds available and final details of intervention rates for the new Programme.

- 5) Within the South West there are a number of good examples of linking priorities across the measures within Axis 2. The new Programme presents good opportunities for greater synergies within Axis 2 and, perhaps more importantly, greater synergy between Axis 2 measures and the other Axes in order to ensure the socio-economic benefits are realised alongside environmental benefits.
- 6) Currently the Woodland grants offered under the European systems support management of approximately 15% of the region's private woodlands. In combination with non-EU funded mechanisms around 27% of the region's private woodlands are in some form of formal management. Increasing this proportion is a central aim of the Regional Woodland and Forestry Framework and therefore will be an aspiration for the new Programme.

Measures to be used
212 Payments to farmers in areas with other handicaps, other than mountain areas
214 Agri-environment payments
216 Support for non productive investments (agriculture)
221 First afforestation of agricultural land
222 First establishment of agri-forestry systems on agricultural land
223 First afforestation of non-agricultural land
225 Forest-environment payments
226 Restoring forestry potential and introducing preventative actions
227 Support for non-productive investments

4.14 Community Led Development

4.14.1 Community-led Development, working through Local Action Groups (LAGs), is seen as an effective way of delivering many of the priorities of the Programme. In particular a community led approach provides an effective mechanism for delivering a significant part of Axis 3 as it provides opportunities for local communities to identify their own needs and devise solutions to address those needs. At the same time, it offers significant opportunities to integrate activity across all of the Axes and Priorities of the Programme.

4.14.2 The new Programme will work closely with Creating: Excellence, the South West centre for sustainable communities, and will build on the successes of past community based initiatives, including

- previous LEADER programmes
- community planning activity
- the Market and Coastal Towns initiative
- the Rural Renaissance initiative
- best practice derived from urban community-led regeneration and renewal initiatives.

It will focus resources on the areas where impact will be greatest. Delivery will be through Local Action Groups, which will adhere to the 7 Key Features of LEADER delivery:

1. Area based local development strategies.
2. Networking.
3. Cooperation.
4. Innovation.
5. Integrated and multi-sectoral actions.
6. Local public-private partnerships: Local Action Groups.
7. Bottom-up elaboration and implementation of strategies.

4.14.3 With its distinctive community and area-based approach and emphasis on innovation, Community-led Development will contribute to improving the quality of life in rural areas and diversifying the South West rural economy. We see the following core objectives for Local Action Groups delivering this part of the Programme:

- Improving economic performance within lagging areas
- Improving access to services as a means of tackling disadvantage
- Harnessing wider economic value from sustainable environmental quality.

4.14.4 There will be a strong emphasis on sustainability as an operating principle.

4.14.5 As well as the core objectives, there will be a strong emphasis on sustainability as an operating principle. Local Action Groups will be expected to support the wider RDPE priorities for the South West and integrate activity from across the three Axes. They will, therefore, be required to take account of additional sources of local funding to achieve a balance between environmental, socio and economic considerations.

4.14.6 Within the next Programme the Community-led Development theme will:

- be driven by local partnerships that harness a wide range of interests;
- work within a clearly defined and coherent rural area (generally covering a population ranging from 5,000 to 150,000 people);
- be a partnership between the public, private and voluntary sector – at least 50% of the partnership must include non public sector representation;
- cut across a range of sectors and look to support objectives across all three Axes;
- seek to lever in additional sources of funding and contribute to the delivery of wider rural development objectives; and,
- encourage innovation, sharing of good practice and co-operation across the South West and wider EU regions.

4.14.7 As the delivery partnerships for this part of the Programme, Local Action Groups (LAGs) will be required to draw up and implement a local development strategy for the area. LAGs will be responsible for selecting projects to be funded under their strategy. The Regional Development Agency will be accountable for the funding of this part of the Programme.

4.14.8 Whilst Community-led Development is an effective way of delivering Axis 3 (and the intention is that a significant element of the funding for this Axis will be delivered through this mechanism) the requirements of Axes 1 and 2 put greater limitations on these as funding mechanisms. We will, however, be looking to optimise scope for integration across the Axes wherever possible.

4.14.9 LAGs, with support from the Regional Development Agency, Natural England and the Forestry Commission, will also want to identify links to other programmes and funding streams. In particular, as part of their Implementation Plans, LAGs will be required to identify how their approach will take account of sub-regional rural strategies and associated Local Area Agreements as well as local strategies such as those developed through the Market and Coastal Towns initiative and the Management Plans of Protected Landscapes.

4.15 Selection of local action groups

4.15.1 The procedures for selecting LAGs will be robust and transparent. The aim is to ensure genuine competition and selection of the best and most promising LAGs that can contribute towards national and regional objectives and address local rural development needs.

4.15.2 Given the time and resource required to bring together effective partnerships and develop plans, the South West will run a “light-touch” expression of interest exercise. This will be available to all potential local action groups.

4.15.3 The selection process is still under development. Regional selection criteria will include:

- Economic performance
- Provision and access to services
- Environmental Economy
- Local Governance

4.16 Funding local action

4.16.1 The RDR Regulation sets out a requirement for a minimum of 5% of the total budget to be delivered through local action. The minimum level of funding available to be delivered through this mechanism is not yet known.

4.16.2 Planning assumptions described in section 4 suggest the budget will support a limited number of LAGs across region. In particular we will want to ensure that there is a sufficient critical mass of activity for LAGs to operate effectively. The number of LAGs and the percentage of the region covered by local action will be clearer once the budget position of the Programme as a whole has been established.

Measures to be used
341 A skills acquisition and animation measure with a view to preparing and implementing a local development strategy
41 Implementing local development strategies
421 Implementing cooperation projects
431 Running the local action group, acquiring skills and animating the territory

5. Rural Development Regulation measures to achieve priorities

- 5.1 This section sets out which of the Rural Development Regulation (RDR) measures will be used to deliver both regional and national priorities and the balance of spend across the South West Programme.
- 5.2 The balance between measures has been informed by the Government's continued commitment to Environmental Stewardship as a scheme open to all eligible farmers. In practice this will mean close to 80% of the overall budget will be delivered through Axis 2 measures. The balance of measures have also been informed by the indicative financial allocation (EAFRD plus UK public funding) and planning scenarios for Axis 1, 3 and Local Action Groups set out in Table 2 below.

Table 2. Indicative Financial Allocations to Axes 1, 3 and 4

	Budget per annum		
	South West	Convergence scenario 1	Convergence scenario 2
Axis 1	£3.46 million	Planning budget £1million	Planning budget 2.5 million
Axis 3	£1.83 million	Planning budget £0.5million	Planning budget 1.25 million
LAGs	£1.83 million	Planning budget £0.5 million	Planning budget 1.25 million
Total	£7.12 million	£2 million	£5 million

- 5.3 The Indicative Cornwall budget is currently not known, figures shown in the table above are therefore planning scenarios.
- 5.4 Tables 3-5 below present the proposed proportion of funding to be allocated to each Measure.

Table 3 - Axis 1 Summary

Measure	SW %	Cornwall £2 M budget	Cornwall £5 M budget
111 Vocational training and information actions, including the diffusion of scientific knowledge and innovative practices for persons engaged in agriculture food and forestry	40	50	37
122 Improvement of the economic value of forests	3	2	3
123 adding value to agriculture and forestry products	32	21	37
121 Modernisation of agricultural holdings	4	15	9
124 co-operation for the development of new products processes and technologies in agriculture food and forestry	21	13	14
Total	100	100	100

Table 4 – Axis 2 Summary

Measure	%	%	%
212 Payments to farmers in areas with other handicaps, other than mountain areas	3	3	3
214 Agri-environment payments	78	78	78
216 Support for non productive investments (agriculture)	3	3	3
221 First afforestation of agricultural land	5	5	5
222 First establishment of agroforestry systems on agricultural land	1	1	1
223 First afforestation of non-agricultural land	1	1	1
225 Forest-environment payments	5	5	5
226 Restoring forestry potential and introducing preventative actions	1	1	1
227 Support for non-productive investments	3	3	3
Total	100	100	100

Table 5 - Axis 3 Summary			
Measure	%	%	%
311 Diversification into non agricultural activities	27	30	20
312 Support for business creation and development	36	3	17
313 Encouragement of tourism activities	22	30	29
331 A training and information measure for economic actors operating in the fields covered by Axis 3	3	4	3
323 Conservation and upgrading of the rural heritage	8	15	14
321 - basic services	4	18	16
Total	100	100	100

5.5 Cornwall and the Isles of Scilly

5.6 Cornwall and the Isles of Scilly have convergence status 2007-13. The local strategic partnership, Cornwall and the Isles of Scilly, Economic Forum has produced a vision for Cornwall, Strategy in Action 2007-2021. This document provides an over arching economic regeneration strategy for Cornwall and the Isles of Scilly. It is a platform for ERDF, ESF, EFF and EAFRD funding. The document had a robust and extensive consultation process. www.economicforum.org.uk.

5.7 The Convergence budget is £389 million. The significant funding available for Cornwall has resulted in a slightly different percentage allocation by measure. It is envisaged that in order to stimulate a vibrant and sustainable economy it is vital that the mix of investments, reflect local needs. Where clear gaps have been identified in the Convergence programme, the SWRIP has, where appropriate aimed to fill gaps in funding.

5.8 Rationale for different % allocations in Cornwall

+ **Tourism** – Cornwall and the Tamar valley has recently been awarded world heritage site status. It has significant landscape and environmental assets. It is unlikely that significant ERDF funding will be targeted at tourism investments.

+ **Modernisation of agricultural holdings**, to improve the resource efficiency, ERDF would not fund direct investments in agricultural holdings.

✦ **Basic services** – this is supporting facilitation of other EU funds into rural areas. The rest of the South West does not have the critical mass of EU funding.

▪ **Adding value** – this measure is linked to an investment theme which has a strong correlation with renewable energy, it anticipated that some elements of renewable energy investments could be funded through ERDF

▪ **Co-operation for the development of new products processes and technologies in agriculture food and forestry**, the convergence programme has a strong innovation focus and it is anticipated that significant funds will be targeted at developing a rural knowledge economy.

▪ **Support for business creation and development**, the convergence programme has an emphasis on enterprise, which will support high growth start up, this should complement rural investments e.g. diversifications of agricultural business.

(Note this section cannot be completed until the budget for Cornwall has been finalised).

6. Co-ordination with other programmes and initiatives

- 6.1 The European Regional Development Fund (ERDF), European Social Fund (ESF), and European Fisheries Fund (EFF) all share common objectives with the European Agricultural Fund for Rural Development (EAFRD). Each fund is guided by the cross cutting principles of Lisbon and Göteborg agendas of strong economic growth coupled with sustainable use of natural resources.
- 6.2 To ensure all European Programmes are aligned and delivery is better co-ordinated there will be a move towards greater strategic investment within the region. The South West principles for aligning European funding are as follows:
- **Measurable added value:** resources do not replace mainstream funding, or support activity for which other sources of funding are more appropriate.
 - **Transparency:** duplication of funding is avoided. Systems can guide the beneficiary to the most appropriate source of funding
 - **Co-ordination:** funding is coordinated at a regional, sub-regional and local level to provide maximum impact.
- 6.3 The Convergence and Competitiveness Operational Plans¹ are currently out for consultation. The Operational Plans will not be submitted until March 2007 at the earliest. **It will not be possible to finalise this section until the Operational Plans have been finalised.** This section remains draft until the Operational Plans have been completed. There are close working relationships between the development of the structural funds and the rural development programme in the South West.
- 6.4 The RDA will have responsibility for the delivery of Competitiveness and Convergence funding and the socio-economic elements of EAFRD and EFF. This will help to ensure alignment of the priorities and activities funded under European programmes across the whole region.
- 6.5 Governance arrangements for RDPE within the region will include a responsibility for ensuring alignment with arrangements for the Convergence, the Competitiveness and Employment Structural Fund programmes and the European Fisheries Fund.
- 6.6 Project applications and local development strategies will be required to demonstrate how proposals align with other programmes and funding within a given area. This includes implementing provisions to ensure that measures supported under RDPE do not duplicate those funded by structural funds.
- 6.7 Tables 6-8 below sets out the alignment of European programmes across the South West (excluding Cornwall and the Isles of Scilly).

¹ <http://www.southwestrda.org.uk/what-we-do/policy/european-funding-pos.shtm>

Table 6 - Axis 1 (South West (excluding Cornwall and the Isles of Scilly))

Measure	Competitiveness	EFF	Focus for EAFRD
<p>111 Vocational training and information actions, including the diffusion of scientific knowledge and innovative practices for persons engaged in agriculture food and forestry</p>	<p>Support to businesses which encourages growth and competitiveness</p> <p>Activities which improve connectivity</p> <p>Management and business skills</p> <p>High growth start up</p> <p>Note this section will be finalised on completion of Operational programme</p>	<p>1. Focus on specialist and technical subjects specific to the fisheries sector</p> <p>2. Focused on businesses employing less than 50 people.</p>	<ul style="list-style-type: none"> ▪ Focus on specialist and technical subjects specific to agriculture, food and drink linked to primary food and drink producers and the forestry sectors, ▪ focusing on businesses employing less than 10 people. ▪ Targeting skills and knowledge transfer which are needed to grow or re-structure the business, operate best practice in environmental and resource management, and vocational skills
<p>122 Improvement of the economic value of forests</p>	<p>Not applicable</p>	<p>Not applicable</p>	<ul style="list-style-type: none"> ▪ Adding value and developing the supply chain for the forestry sector
<p>123 adding value to agriculture and forestry products</p>	<p>Not applicable</p>	<p>Not applicable</p>	<ul style="list-style-type: none"> • Adding value and developing the supply chain for the forestry sector • Focused on sector needs which drive growth, re-structuring and environmental good practice for the following sectors <ul style="list-style-type: none"> • Land based • Forestry • Food and drink • Non food crops
<p>121 Modernisation of agricultural holdings</p>	<p>Not applicable</p>	<p>Not applicable</p>	<ul style="list-style-type: none"> • Focused on improving the resource efficiency of agricultural businesses
<p>124 co-operation for the development of new products processes and technologies in agriculture food and forestry</p>	<p>Note this section will be finalised on completion of Convergence Operational programme.</p>	<ul style="list-style-type: none"> ▪ Focus on specialist and technical subjects specific to the fisheries sector ▪ Focused on businesses employing less than 50 people. 	<ul style="list-style-type: none"> ▪ Focused on collaborative groups ▪ focusing on businesses employing less than 10 people. ▪ Innovations and the adoption of new technologies focused on the agricultural, forestry and food and drink businesses sectors

Table 7 - Axis 2 (South West (excluding Cornwall and the Isles of Scilly))

Measure	Competitiveness	EFF	Focus for EAFRD
212 Payments to farmers in areas with other handicaps, other than mountain areas	Not Applicable	Not Applicable	Support for farming in less favoured areas
214 Agri-environment payments	Not Applicable	Not Applicable	Environmental Stewardship
216 Support for non productive investments (agriculture)	Not Applicable	Not Applicable	Regional aspirations, including innovative use of ES Special Projects and other pilot projects.
221 First afforestation of agricultural land	Not Applicable	Not Applicable	Combined woodland creation elements of the new Programme and the annual payments for Farm Woodland Premium Scheme administered by the Forestry Commission
222 First establishment of agroforestry systems on agricultural land	Not Applicable	Not Applicable	Ongoing commitments under ES and EWGS
223 First afforestation of non-agricultural land	Not Applicable	Not Applicable	Combined woodland creation elements of the new Programme and the annual payments for Farm Woodland Premium Scheme administered by the Forestry Commission
225 Forest-environment payments	Not Applicable	Not Applicable	English woodland grant schemes
226 Restoring forestry potential and introducing preventative actions	Not Applicable	Not Applicable	Ongoing commitments under ES and EWGS
227 Support for non-productive investments	Not Applicable	Not Applicable	Ongoing commitments under ES and EWGS

Table 8 - Axis 3 (South West (excluding Cornwall and the Isles of Scilly))

Measure	Competitiveness	EFF	Focus for EAFRD
311 Diversification into non agricultural activities	Not Applicable	Focused on the fisheries sector	Focused on farm businesses.
312 Support for business creation and development	<p>Focused on high growth, developing a knowledge economy and developing sustainable communities:</p> <p>Support for developing sustainable communities will be focussed on:</p> <ul style="list-style-type: none"> ▪ Torbay ▪ Plymouth ▪ Bristol 	<p>Focus on specialist and technical subjects specific to the fisheries sector</p> <p>Focused on businesses employing less than 50 people.</p>	<p>Focused on rural social enterprises</p> <p>Focused on business support for diversified land based businesses</p>
313 Encouragement of tourism activities	Not Applicable	Focused on tourism activities specific to the sea fisheries sector	Focused on tourism activities linked to the natural environment and Axis 2 investments
331 A training and information measure for economic actors operating in the fields covered by Axis 3	Not Applicable	Focused on training activities specific to the fisheries sector	Focused on rural social enterprises
323 Conservation and upgrading of the rural heritage	Not applicable	Not Applicable	Focused on rural tourism activities which have direct links to Axis 2 investments
321 - basic services	Not applicable	Not applicable	Focused on facilitation

6.8 Tables 9-11 set out the alignment of European programmes in the convergence area - Cornwall and the Isles of Scilly. The European Fisheries Fund is not mapped here as its' alignment with the measures is already covered in Tables 6, 7 and 8.

Table 9 - Axis 1 (Convergence Area – Cornwall and the Isles of Scilly)

Measure	Convergence	Focus for EAFRD
<p>111 Vocational training and information actions, including the diffusion of scientific knowledge and innovative practices for persons engaged in agriculture food and forestry</p>	<p>Support to businesses which encourages growth and competitiveness</p> <p>Activities which improve connectivity</p> <p>Management and business skills</p> <p>High growth start up</p> <p>Note this section will be finalised on completion of Convergence Operational programme</p>	<ul style="list-style-type: none"> ▪ Focus on specialist and technical subjects specific to agriculture, food and drink linked to primary food and drink producers and the forestry sectors, ▪ focusing on businesses employing less than 10 people. ▪ Targeting skills and knowledge transfer which are needed to grow or re-structure the business, operate best practice in environmental and resource management, and vocational skills
<p>122 Improvement of the economic value of forests</p>	<p>Not applicable</p>	<ul style="list-style-type: none"> ▪ Adding value and developing the supply chain for the forestry sector
<p>123 adding value to agriculture and forestry products</p>	<p>Not applicable</p>	<ul style="list-style-type: none"> • Adding value and developing the supply chain for the forestry sector • Focused on sector needs which drive growth, re-structuring and environmental best practice for the following sectors: <ul style="list-style-type: none"> • Land based • Forestry • Food and drink • Non food crops
<p>121 Modernisation of agricultural holdings</p>	<p>Not applicable</p>	<ul style="list-style-type: none"> • Focused on improving the resource efficiency of agricultural businesses
<p>124 co-operation for the development of new products processes and technologies in agriculture food and forestry</p>	<p>Note this section will be finalised on completion of Convergence Operational programme.</p>	<ul style="list-style-type: none"> ▪ Focused on collaborative groups ▪ focusing on businesses employing less than 10 people. ▪ Innovations and the adoption of new technologies focused on the agricultural, forestry and food and drink businesses sectors

Table 10 - Axis 2 (Convergence Area – Cornwall and the Isles of Scilly)

Measure	Convergence	Focus for EAFRD
212 Payments to farmers in areas with other handicaps, other than mountain areas	Not Applicable	Support for farming in less favoured areas
214 Agri-environment payments	Not Applicable	Environmental Stewardship
216 Support for non productive investments (agriculture)	Not Applicable	Regional aspirations, including innovative use of ES Special Projects and other pilot projects.
221 First afforestation of agricultural land	Not Applicable	Combined woodland creation elements of the new Programme and the annual payments for Farm Woodland Premium Scheme administered by the Forestry Commission
222 First establishment of agroforestry systems on agricultural land	Not Applicable	Ongoing commitments under ES and EWGS
223 First afforestation of non-agricultural land	Not Applicable	Combined woodland creation elements of the new Programme and the annual payments for Farm Woodland Premium Scheme administered by the Forestry Commission
225 Forest-environment payments	Not Applicable	English woodland grant schemes
226 Restoring forestry potential and introducing preventative actions	Not Applicable	Ongoing commitments under ES and EWGS
227 Support for non-productive investments	Not Applicable	Ongoing commitments under ES and EWGS

Table 11 - Axis 3 (Convergence Area – Cornwall and the Isles of Scilly)

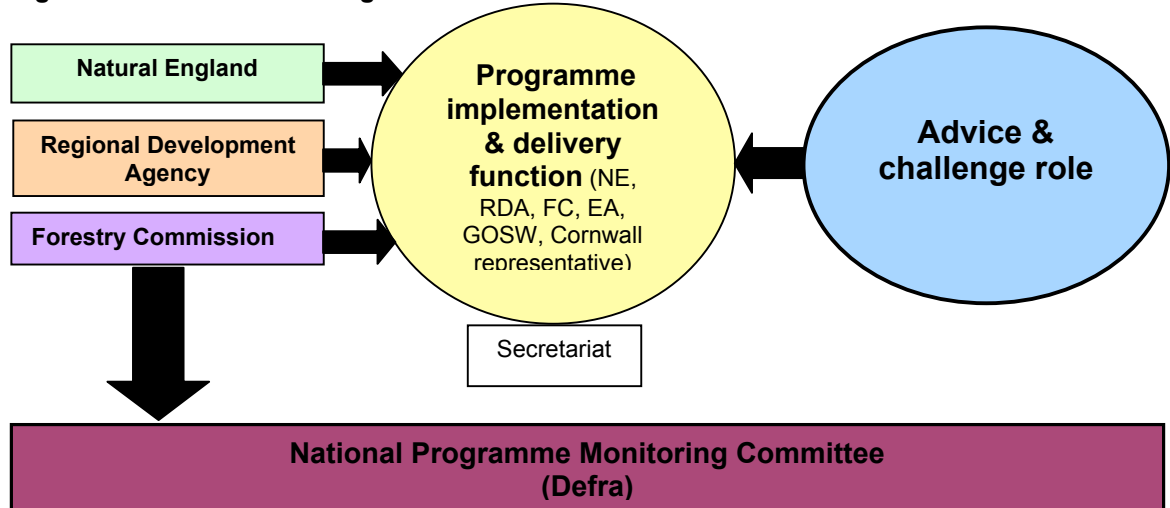
Measure	Convergence	Focus for EAFRD
311 Diversification into non agricultural activities	Support available for rural workspace	Focused on farm businesses
312 Support for business creation and development	This is one of the main thrusts of the convergence programme Due to the significant resources in the Convergence programme it is envisaged that all business support	Focused on rural social enterprises Focused on business support for diversified land based businesses
313 Encouragement of tourism activities	Not Applicable	Focused on tourism activities linked to the natural environment and Axis 2 investments
331 A training and information measure for economic actors operating in the fields covered by Axis 3	Not Applicable	Focused on rural social enterprises
323 Conservation and upgrading of the rural heritage	Not applicable	Focused on rural tourism activities which have direct links to Axis 2 investments
321 - basic services	Not applicable Note this section will be finalised on completion of Convergence Operational programme.	Focused on facilitation

7. RDPE Governance arrangements

- 7.1 Defra, which takes the lead on the co-ordination of EAFRD in England, will be the managing authority for this Programme. Defra will have responsibility for monitoring Regional Implementation Plans and leading a national monitoring committee for the Programme.
- 7.2 Given the recent changes to the rural delivery landscape, the creation of Natural England and increased responsibility for RDAs to deliver rural socio-economic funding, delivery partners will need to look at existing governance arrangements for rural issues at regional and sub-regional level to ensure they remain fit for purpose. RDPE governance will therefore need to be considered in light of a wider review of rural governance in the South West.
- 7.3 We expect the governance arrangements to build on experience of delivering rural and European programmes within the region.
- 7.4 The RDA will have accountability for Axis 1, 3 and 4, while Natural England and the Forestry Commission will have accountability for Axis 2. As part of the governance structure there will be a role to oversee implementation and delivery of the RIP. We expect this function to be carried out by the regional delivery bodies and by those organisations with a critical interest in the Programme. This group will:
- monitor implementation and delivery of RIP;
 - ensure synergy across the axes;
 - provide the interface between sub-regions, including local strategic partnerships;
 - ensure demarcation between other European programmes;
 - ensure equality of opportunity across the programme; and,
 - deliver regional communications strategy.
- 7.5 There will also be a need for an advisory/critical challenge function within the governance structure. This will include:
- providing advice on delivery of programme priorities and principles;
 - ensuring alignment with arrangements for the Convergence, the Competitiveness and Employment Structural Fund programmes and the European Fisheries Fund;
 - advising on links to other policies and programmes; and,
 - future proofing.

7.6 The diagram below sets out how the delivery bodies and governance functions are connected.

Figure 3. South West RDPE governance model



8. Climate Change

- 8.1 Regional Strategies recognise that Climate Change and the control of Green House Gas emissions are two of the major challenges facing the South West. Failure to respond to these challenges will not only affect the region's economic competitiveness and its' environment but also the quality of life of its residents.
- 8.2 Working towards a low carbon economy will result in multiple benefits in addition to the obvious environmental advantages. The South West EU Structural Fund Programmes and the Rural Development Programme offer a concrete opportunity to work towards a low carbon economy. Shared statement across all the EU funds in the South West to follow.

Note: This section is to be mirrored in the Operational Programmes of the following EU Structural Funds: European Fisheries Fund, European Social Fund and the European Regional Development Fund.

9. Ensuring equality and diversity

- 9.1 The Rural Development Regulation states that the Rural Development Programme for England shall promote equality between men and women and shall ensure that any discrimination based on gender, racial or ethnic origin, religion or belief, disability, age or sexual orientation is prevented during the various stages of the Programme. A commitment to equal opportunities will underpin the whole Programme and all its activities will comply with the relevant legislation on non-discrimination and equal opportunities. The South West Regional Implementation Plan will ensure that it adheres to all relevant equality and diversity legislation and regulation.
- 9.2 Full details relating to Equality and Diversity are to be found in Annex 4.

Note: This section is to be mirrored in the Operational Programmes of the following EU Structural Funds: European Fisheries Fund, European Social Fund and the European Regional Development Fund.

10. Communication strategy

10.1 This section sets out the details of stakeholder engagement in developing the South West Regional Implementation Plan and the strategy for communicating the Regional Implementation Plan, and its specific components, to stakeholders and beneficiaries across the region.

10.2 SW RIP Development – Stakeholder engagement

10.3 Working with regional stakeholders to develop the SW RIP has underpinned the development of a programme which meets the needs and aspirations of the region. To achieve this we have:

- **Used Regional Strategies and Plans.** Work to develop the SW RIP has drawn on a range of regional strategies and plans. Stakeholders have been extensively involved in developing these strategies.
- **Development of the SW RIP Priorities.** A series of bi-lateral meetings with stakeholders were held focused on the development of the priorities and also as an opportunity to provide information on the development of the SW RIP. (A list of all of the regional stakeholders who participated in the bi-lateral meetings is given in Annex 5).
- **Stakeholder Information Event.** An information event, held on 19th September, provided an opportunity to share some of the early drafting of the SW RIP. Views were sought on the clarity of the priorities and guiding principles and whether the document contained any omissions or ambiguities.
- **Investment Theme Task and Finish Groups.** Six task and finish groups were convened to develop proposals around Axis 1 & 3 strategic Investment Themes.
- **SW EU Programme Alignment and Consultation.** Two regional events were held on 23rd and 30th November 2006 to disseminate information and consult on the alignment and delivery of European Programmes, including EAFRD funding.

10.4 Future Communications

10.4.1 Aims

- To build awareness of the new SW RIP and ensure buy-in across the region.
- To ensure delivery partners, stakeholders, the media and the public have a clear understanding of the aims and scope of the SW RIP.
- To ensure end beneficiaries are fully aware of the SW RIP and know how to access support.

10.4.2 Protocol

- The delivery partners will take the lead on communications in the region about delivery of the SW RIP in liaison with the chair of the steering group.
- Natural England and the Forestry Commission will take the lead on communications relating to Axis 2.
- The South West of England Regional Development Agency will take the lead on communications relating to Axes 1, 3 and 4.
- Follow the established protocols for acknowledging EU and Defra support and the role of the delivery partners.

10.4.3 Plan

- The delivery partners will draw up and implement a communications plan.
- The methods of communication will include: e-bulletins and newsletters for stakeholders, and press releases for communication with the public.

10.5 Pre-launch activity

- Engagement with stakeholders in the development of the proposed Investment Themes and the delivery arrangements.
- Development of an integrated plan for communicating with key stakeholders.
- Implementation of the stakeholder communications plan.
- Creation and maintenance of SW RDPE web portal with links and access to all the relevant information and organisations. This will act as a conduit for the latest information and will provide sign posts to further advice and guidance.

10.6 Programme launch activity

- **Programme launch** – autumn 2007. This will be a high profile event with the aim of gaining media attention and a greater public profile for the new SW RIP within the region. The launch will be co-ordinated, where appropriate, with the launch of the other EU structural funding programmes.

10.7 Post-launch activity

- Use of the fortnightly convergence newsletter and e-bulletins to disseminate good news stories and information on current issues to stakeholders. A web presence will also be used to provide regional Programme information to stakeholders and other interested parties.
- Guidance notes will be available at the outset to all potential applicants to the Environmental Stewardship and English Woodland

Grant Schemes. Named contacts within Natural England and the Forestry Commission will be identified to be the primary points of contact for detailed advice and guidance.

10.8 **Branding** - Defra is currently exploring branding for the new Programme.

10.9 **Internal communications** - Communication between the delivery partners will be coordinated through the Steering Group. Communications within each delivery partner organisation will be managed through established communication channels within each organisation.