

**Dyddiad:** Dydd Mercher 28 Mawrth 2001  
**Amser:** 2.00pm - 5.05pm  
**Lleoliad:** Ystafell Bwyllgora, Adeilad y Cynulliad Cenedlaethol

**CYNLLUN DATBLYGU GWLEDIG AR GYFER CYMRU 2000 – 2006**  
**Adroddiad Blynyddol 2000**

**Diben**

1. Gwahoddir y Pwyllgor i nodi'r adroddiad blynyddol amgaeedig ar y Cynllun Datblygu Gwledig ar gyfer blwyddyn galendr 2000.

**Crynodeb / Argymhelliad**

2. O dan Erthygl 48(2) Rheoliad y Cyngor (EC) NO 1257/1999, rhaid cyflwyno adroddiad blynyddol yn nodi'r hyn a gyflawnwyd dros y flwyddyn galendr flaenorol i'r Comisiwn Ewropeaidd erbyn 30 Ebrill bob blwyddyn.

**Cefndir**

3. Cytunodd y Comisiwn Ewropeaidd i'r Cynllun Datblygu Gwledig ym mis Hydref 2000. Mae'r adroddiad blynyddol cyntaf hwn yn rhoi manylion y gweithgareddau a gynhaliwyd a'r taliadau a wnaed yn ystod y cyfnod hwnnw. Mae rhai gweithgareddau wedi parhau o flynyddoedd blaenorol; mae eraill yn newydd, a chyfyng fu'r hyn a wnaed ac a gyflawnwyd o ganlyniad.

**Cydymffurfio**

4. 4. Gan mai papur i'w nodi gan y Pwyllgor yw hwn, mae Swyddog Cydymffurfio'r Cynulliad yn fodlon nad oes unrhyw faterion cydymffurfio.

**Themâu Traws-bynciaol**

5. Mae themâu cyfle cyfartal a datblygu cynaliadwy yn allweddol i'r egwyddorion a'r mesurau a gynhwysir yn y Cynllun Datblygu Gwledig.

**Gweithredu ar gyfer y Pwyllgor Pwnc**

6. Nodi a derbyn yr adroddiad blynyddol amgaeedig.

**Yr Iaith Gymraeg**

7. Adroddiad ar gyfer y Comisiwn Ewropeaidd yw hwn ac nid oes angen ei gyfieithu.

**Cyswllt**

8. Anne Rowlands, CPSD5 WEFO, Est 5728

***DRAFT***

**RURAL DEVELOPMENT PLAN**

**FOR WALES 2000 - 2006**

**2000 ANNUAL REPORT**

<b>CONTENTS</b>	<b>Page</b>
Introduction	4
<b>Section A SOCIO-ECONOMIC TRENDS</b>	<b>6</b>
1. Physical Data	6
2. Agricultural Incomes	6
3. Restructuring	7
4. Market Forces	7
5. Food Processing	8
<b>Section B PROGRESS ON MEASURES AND PRIORITIES</b>	<b>10</b>
1. Natura 2000	10
2. Nitrate Vulnerable Zones	10
3. Investment in Agricultural Holdings	11
4. Training	11
5. Hill Livestock Compensatory Allowances(HCLAs)	12
6. Agri-environment	13
7. Processing and Marketing	13
8. Forestry	14
9. Article 33 – Promoting the Adaptation and Development Of Rural Areas	15
10. Notes to Tables	15
<b>Section C ACTION TAKEN TO ENSURE HIGH QUALITY AND EFFECTIVE IMPLEMENTATION</b>	<b>17</b>
1. Management Implementation	17
2. Monitoring and Evaluation	17
3. The Monitoring Committee	17
4. Ex-Ante Evaluation	18
5. Financial Circuits	18
6. Annual Progress Reports	18
7. Mid Term Evaluation	18
8. Ex Post Evaluation	19

**Section D MEASURES TAKEN TO ENSURE COMPATIBILITY  
WITH COMMUNITY POLICIES 20**

1. Compliance with community policies	20
2. Objective 1 and Objective 3	20
3. Leader +	20
4. Objective 2	21

**TABLES**

Table 1	Total Income From Farming	6
Table 2	Indices of Net Farm Incomes	6
Table 3	Gross Domestic Product and Income by County 1996.	8
Table 4	Employment in Food Production and Related Activities, Wales 2000	9

<b>ANNEXES</b>	
<b>Annex 1</b>	European Commission Approval Letter
<b>Annex 2</b>	Tables required by the European Commission (not available in electronic format)
<b>Annex 3</b>	Financial Circuits
<b>Annex 4</b>	Compliance with Community Policies

## INTRODUCTION

1. The Rural Development Plan for Rural Wales 2000-06 was prepared by the National Assembly for Wales (the competent authority designated by the Member State in accordance with Article 41 of Council Regulation 1257/1999), and submitted under Council Regulation 1257/1999 and Commission Regulation 1750/1999. It was approved by a decision of the European Commission dated 11 October 2000 (Annex 1). It will apply to the whole of Wales except for those parts which are clearly urban and developed and will make available EUR 149.57 million from the EAGGF Guarantee section.
2. All administrative areas in Wales include some parts that exhibit rural characteristics and problems. Because there is no distinct boundary separating the urban and rural areas of Wales, for statistical purposes we have used data at an all-Wales level for the unitary authorities which are predominantly rural, namely the current local authority areas of Anglesey, Gwynedd, Conwy, Denbighshire, Powys, Ceredigion, Pembrokeshire, Carmarthenshire and Monmouthshire. There is no presumption that the issues identified in the plan are confined to the areas listed above.
3. Article 48(2) of Council regulation (EC) No 1257/1999 requires that an annual progress report covering the previous calendar year be submitted to the Commission by 30 April of each year. Article 41 of Regulation 1750/1999 requires that each report should contain the following information:

Section A. Any change in the general conditions of relevance to implementation of the measure; major socio-economic trends; changes in national, regional or sectoral policies;

Section B. The progress of measures and priorities in respect of their operational and specific objectives, expressed as quantitative indicators;

Section C. The action taken by the management authority and the monitoring committee, if any, to ensure high quality and effective implementation, in particular monitoring measures, financial control and evaluation, including data collection procedures; and a summary of the major problems encountered in managing the measure and any steps taken;

Section D. Measures taken to ensure compatibility with Community policies.
4. The Agriculture Department of the National Assembly for Wales has overall responsibility for the implementation of the Rural Development Plan, with Welsh European Funding Office having responsibility for monitoring and evaluation.

## SECTION A SOCIO-ECONOMIC TRENDS

5. Since the writing of the Rural Development Plan the financial position of the agriculture sector in Wales has continued to worsen, slipping further into crisis. There are several reasons for this and the following paragraphs outline the main changes that have occurred since the Rural Development Plan was written.

### 1. Physical Data

6. Despite the declining returns to agriculture, the average numbers of holdings and average size of holdings appear to be relatively static. The distribution of the various farm types has shown only marginal change, with a trend developing towards increasing average stocking rates.

### 2. Agricultural Incomes

**Table1: Total Income from Farming**

Year	Current Prices (£m)	Annual Change (%)
1998	69	
1999	58	16
2000 (f)	-3	n/a

(f) = forecast

Source: Aggregate Agricultural Output and Incomes in Wales 2000

7. The latest available information shows that agriculture contributed to around 1.4 % of Welsh GDP. 2000 was the first year ever that (forecast) Total Income From Farming (TIFF) has been negative (see table 1). This indicates that the total value of agricultural output, including subsidies, was less than the total cost of producing that output, even before allowing a return to farmers for their labour and capital inputs.

**Table 2: Indices of Net Farm Incomes**

Farm type	1997/98	1998/99	1999/2000	2000/01 (f)
Dairy	87	49	48	25
LFA Cattle & Sheep	93	45	31	38
Lowland Cattle & Sheep	22	-16	-8	-10

(f) = forecast

Source: Estimates of Farm Incomes in Wales  
data is only available for financial years (1April to following 30 March)

8. Forecasts of Net Farm Income for 2000/01 show that average levels of income per farm are expected to have fallen by just under 37% from 1998/99, continuing the trend of declining incomes from their historically high levels seen in

the mid 1990's. The relative importance of subsidies continues to grow with direct subsidies forecast to have accounted for over 420% of Net Farm Income and over 90% of Cash Income in 2000/01<sup>1</sup>.

9. The weakness of the Euro relative to sterling has had a considerable impact on subsidies paid to farmers. The levels of subsidies that are paid on products in Wales have fallen by over £60m since 1998. A large part of this is attributable to the exchange rate position.

### 3. Restructuring

10. Data from the June 2000 Census of Agriculture and Horticulture shows that between 1998 and 2000 employment within the agricultural sector contracted by 10%. This has reflected the difficult position faced by UK agriculture over the last few years, described above. The loss of jobs in agriculture is an obvious cause for concern, both in its own right and because of the impact on the wider rural economy. However, the improvements in productivity associated with the reduction in labour input should contribute to a more prosperous future for the remaining businesses.

### 4. Market Forces

11. In the latter part of 2000 a major adverse decision was made about the location of packaging activities by one of the major dairy companies in Wales. This will lead to around 500 redundancies in the value-added sector of the rural economy. As this has only recently been announced it is difficult to estimate the effect on the rural economy. Whilst it is clearly a setback to the strategy of increasing agricultural value-added in rural Wales, it should be noted that the activities involved packaging, rather than processing, and does not therefore relate to the core elements of the strategy.

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<sup>1</sup> [Net Farm Income is defined as the return to the principal farmer and spouse for their manual and managerial labour and on the tenant-type capital (crops, marketing and livestock) of the business. It makes allowances for rent (on a notional basis if the farmer is an owner-occupier) and for depreciation. Cash Income is defined as the cash return to the group with an entrepreneurial interest in the business for their manual and managerial labour, and their return on all their investment in the business].



**Table 3: Gross Domestic Product and Income by County, 1996**

	GDP / Head £	GDP / Head UK=100	Household Disposable Income, 1995 UK=100	Unemployment rate (claimant count) %	Persons over Pensionable Age %
Dyfed & Powys	7,957	74.3	91.7	7.5	22.1
Gwynedd	7,621	71.2	95.9	9.7	22.0
<b>Dyfed &amp; Powys &amp; Gwynedd</b>	7,844	73.2	93.2	8.2	22.1
<b>Wales</b>	8,900	83.1	91.1	8.1	19.9
UK	10,711	100.0	100.0	7.4	18.1

12. Unemployment has fallen throughout rural Wales, but the fall has been less marked than across all Wales or the UK as a whole.
13. The latest GDP figures are for 1996 and show that GDP per head has increased more in rural Wales than across all Wales, though the growth has been less than across the UK as a whole. Farming income contributes minimally to GDP figures.

#### 5. Food Processing

14. Table 4, below, provides data on the number of jobs in food production and related activities in Wales. It should be noted that the data source excludes plants with employment of ten or less, so the figures will be, to some extent, an underestimate. It is apparent that only some of the jobs in the Table are dependent on Welsh agriculture, and a broad estimate might be that around half of the total jobs, perhaps 10,000 in total, are generated by activities that use the products of the Welsh agricultural industry. (It should be noted that agriculture purchases inputs from Welsh industries, so jobs input-producing activities will also be dependent on Welsh agriculture).

**Table 4: Employment in food production and related activities, Wales 2000**

<b>SIC 92</b>	<b>Activity</b>	<b>Employment</b>
15810	Manufacture of bread, fresh pastry goods and cakes	4,032
15132	Other meat and poultry meat processing	3,973
15511	Liquid milk and cream production	1,489
15820	Manufacture of rusks and biscuits, and of preserved pastry goods and cakes	1,420
15512	Butter and cheese production	1,108
15330	Processing and preserving of fruit and vegetables n.e.c	922
15111	Slaughter of animals other than poultry and rabbits	798
15960	Manufacture of beer	792
15131	Bacon and ham production	755
15841	Manufacture of cocoa and chocolate confectionery	628
15612	Manufacture of breakfast cereals and cereals-based food	611
15710	Manufacture of prepared feeds for farm animals	596
15120	Production and preserving of poultry meat	584
15842	Manufacture of sugar confectionery	537
15980	Production of mineral waters and soft drinks	509
15892	Manufacture of other food products n.e.c	484
15310	Processing and preserving of potatoes	381
15520	Manufacture of ice-cream	329
15320	Manufacture of fruit and vegetable juice	328
15870	Manufacture of condiments and seasonings	298
15862	Production of coffee substitutes	100
15513	Manufacture of other milk products	80
15611	Grain milling	70
15201	Freezing of fish	50
Various	Other	258
Total employment in food processing and related activities		21,132
<i>As percentage of total employee jobs in Wales</i>		2

Source: Welsh Register of Manufacturing Employment

## SECTION B

### PROGRESS ON MEASURES AND PRIORITIES

#### **GENERAL**

##### 1. Natura 2000

15. Natura 2000 sites are a network of sites made up of Special Protection Areas (SPAs) and Special Areas of Conservation (SACs) selected for habitats and species considered to be of outstanding international significance
16. At the end of December, 13 SPAs wholly or partly in Wales had been transmitted to the Commission. A further 5 sites are under consideration for classification as SPA and will be submitted where appropriate as soon as outstanding consultation or scientific issues have been resolved.
17. By the end of December 2000, 81 candidate SACs wholly or partly in Wales had been 'transmitted' to the Commission by the UK Government for the Commission to consider if they should become Community sites of Importance. If they do, Member states can designate the areas as Special Areas of Conservation. A further eleven sites are under consideration for designation as candidate SAC, and will be submitted where appropriate as soon as outstanding consultation or scientific issues have been resolved.
18. The Countryside and Rights of Way Act 2000 gained Royal Assent in 2000. It will provide, from 30 January 2001, stronger protection to Sites of Special Scientific Interest (a designation that will be applied to all terrestrial SACs in Wales).
19. Additional resources have been provided to the Countryside Council for Wales over the next three years to enhance the management and monitoring of full or proposed candidate Natura 2000 sites.

##### 2. Nitrate Vulnerable Zones (NVZs)

20. There are two small designated NVZs in Wales, one in the north-east and the other in the south-east. However, as a result of the first review of NVZs and the UK's acceptance of a wider interpretation of the Nitrate Directive a consultation exercise will take place later this year on proposals to designate further NVZs.
21. The Nitrate Vulnerable Zone (NVZ) Farm Waste Grant Scheme was introduced in 1996 under SI 1996/908 to provide help to farmers in NVZs who are installing or improving farm waste facilities. The Scheme was introduced to implement one of the mandatory Action Programme Measures established as a result of the EC Nitrate Directive which required Member States to designate high nitrate areas as NVZs. SI 1996 No 908 requires that expenditure under the present Scheme is incurred on or before 16 April 2003.

22. No applications for grant aid have been received.

## ***MEASURES***

### **3. Investment in Agricultural Holdings**

23. As set out in Section 9.5 of the Plan, there will be three schemes targeted at different types of activity, which will operate at different grant rates to reflect the nature of the activity being supported. For the Farm Improvement Grant, which essentially seeks to improve the physical infrastructure of the holding and animal welfare, the rate will be 20%. For the Farm Enterprise Grant and the Small Food Processors Grant, where farmers are being encouraged to diversify, the rate will be 30%. For young farmers these grant rates will be increased by 10%, to 30% and 40% respectively.
24. The National Assembly and its partner bodies have undertaken extensive work on these grant schemes since October 2000 and the application and guidance documents are approaching their final draft stage with implementation, assessment and monitoring processes also well developed. Subject to the laying of the necessary secondary legislation and the stabilisation of the Foot and Mouth outbreak, the schemes will be made available from May 2001. NAWAD will operate the Farm Improvement Grant and the Farm Enterprise Grant schemes and, given their remit under the Agri Food Strategy to assist the development of added value processing in Wales, the WDA will operate the Small Food Processors Scheme.
25. To ensure that farmers across Wales have access to this type of support, identical schemes, operating to the same standards and criteria (i.e. fully compliant with Regulations 1257/1999 and 1750/1999), are being developed under the Objective 1 Programme.

### **4. Training**

26. The key delivery mechanism for training, best practice dissemination, technology transfer and other items indicated in Section 9.6 will be Farming Connect. Farming Connect is a wide ranging scheme which will incorporate the provision of training, information and advisory services, access to grants for diversification and farm improvement and a technology transfer mechanism in Wales geared to providing practical information to farmers at a local level linked to demonstration farms and groups.
27. Farming Connect is a complicated structure consisting of several elements and in order to maximise the use of the skills and expertise available, these elements are being developed separately under the guidance of a steering group chaired by the National Assembly. Key partners in this work are the FRCA, the WDA, Lantra (the National Training Organisation for the land-based sector), the Training and Enterprise Councils (TECs) and the Farm Development Strategy Group. The individual elements will be recombined prior to the introduction of Farming Connect later this year with the day to day management of Farming Connect being undertaken by the WDA supported by NAWAD.

28. As with the grant schemes, to ensure that farmers across Wales have access to this type of support, Farming Connect is also being implemented under the Objective 1 Programme, using the same standards and criteria as are set under the Plan (i.e. fully compliant with Regulations 1257/1999 and 1750/1999).
29. As indicated above, Farming Connect will play a key role in accessing the grant schemes being implemented under Section 9.5 of the Plan as anyone wishing to apply for support under the schemes will be required to have had a farm business review undertaken. This service will be provided free of charge as an integral part of Farming Connect in the Objective 1 area, and through a National Assembly funded scheme in the non-Objective 1 area. An application for State Aid approval has been made has been sought and this is expected shortly.

#### 5. Hill Livestock Compensatory Allowances (HLCAs)

30. HLCAs compensate farmers in recognition of the permanent natural handicaps that make farming in Less Favoured Areas (LFAs) more difficult. It also aims to maintain population levels and conserve the hill and upland environment. HLCAs are currently paid according to the number of breeding cattle and sheep kept annually on hill and upland farms within the designated LFAs of Wales. The LFA comprises of Severely Disadvantaged Areas (SDA) and Disadvantaged Areas (DA) classified according to climatic, demographic and topographical criteria. Payments have been made to successful Suckler Cow Premium Scheme (SCPS) 1999 claimants (cattle) and Sheep Annual Premium Scheme (SAPS) 2000 claimants (sheep).
31. As set out in Section 9.7 of the RDP, the Tir Mynydd Scheme replaced this mechanism as of 1 March 2001. Tir Mynydd consists of two elements. Element 1 comprises LFA land area payment whilst Element 2 provides for enhancements for confirmed environmental practice. To qualify for Tir Mynydd payments a producer must have at least six hectares of eligible LFA land (including common land), a minimum stocking rate of 0.1 livestock units per hectare and submit an IACS Area Aid Application along with SAPS and/or SCPS claim.
32. A supplementary claim form, accompanied by an explanatory booklet, was sent to all IACS 2000 applicants who had at least six hectares of LFA forage area providing an opportunity to apply for Tir Mynydd enhancements. The application for Tir Mynydd 2002 will be the IACS Area Aid Application.
33. Processing of Element 1 payments started on 2 March 2001. As of 21 March, payments totalling £34.8 million have been made to over 10,000 applicants.

#### 6. Agri-environment

##### *Tir Gofal*

34. Tir Gofal is a whole farm agri-environment scheme that is available throughout Wales. It encourages farmers to revert to traditional extensive methods of farming in order to protect the countryside and its wildlife habitats.
35. Since the scheme's approval in September 2000 by the Commission as part of the Rural Development Plan for Wales, the domestic legislation necessary to allow it to open has been laid and the scheme subsequently opened to applications in January 2001. As at 31 December 2000, no payments had been made to farmers.

#### *The Organic Farming Scheme*

36. The Organic Farming Scheme is a whole farm agri-environment scheme that is available throughout Wales. It encourages farmers to convert to organic production by directly compensating them for the loss of productivity incurred during conversion.
37. Since the scheme's approval in September 2000 by the Commission as part of the Rural Development Plan for Wales, the domestic legislation necessary to allow it to open has been laid and the scheme subsequently opened to applications in November 2000. As at 31 December 2000, no payments had been made to farmers.

#### 7. Processing and Marketing

38. Following approval of the RDP in October 2000, work commenced with National Assembly partners to develop and implement the measures to improve the processing and marketing of agricultural products. The key elements will be the Processing and Marketing Grant (PMG), which is set out in Section 9.9 of the Plan and which will primarily attract larger companies, and the Small Food Processors Grant which will operate on the same principles but which will be targeted at smaller companies and at projects costing less than £40,000 (the minimum cost threshold for PMG).
39. A great deal of progress had been made, drawing on the expertise available to the National Assembly and the WDA, and draft application forms, guidance notes for applicants and assessment and administration guidance for both schemes have been produced and are currently under consideration. The WDA will operate the schemes, in line with their remit under the Agri Food Strategy to assist the development of added value processing in Wales, with assistance from NAWAD on assessment and monitoring.
40. To ensure that this type of support will be available across Wales, identical grants are being implemented under the Objective 1 Programme, using the same standards and criteria as are set under the Plan (i.e. fully compliant with Regulations 1257/1999 and 1750/1999). Subject to the laying of the necessary secondary legislation and the stabilisation of the Foot and Mouth outbreak, the schemes will be made available from May 2001.

#### 8. Forestry

*Afforestation - Farm Woodland Premium Scheme (FWPS)*

41. Approvals under the Farm Woodland Premium Scheme (FWPS) had been on hold since 1 January 2000, pending the European Commission agreement to the RDP. Applications were processed to approval stage and approval letters have subsequently been issued. The actual figures for 2000 are less than the forecasted figures because of the delay in receiving RDP approval.

*Forestry - Woodland Grant Scheme*

42. The Woodland Grant Scheme has evolved into the main funding package available to encourage both planting and management of existing woodland. The scheme includes Woodland Improvement Grants, location supplements and Challenge funding for specific types of management, and planting. Challenge funding (usually in the range of 60 to 80% of costs) is on a three-year trial and has generally proved to be successful in increasing planting and bringing neglected or inaccessible woodlands under management.
43. The Forestry Commission continues to deliver the targets for forestry within the RDP via this scheme. This delivery mechanism is likely to be reviewed in the light of the Assembly's Wales Woodland Strategy, which is due for publication in early summer 2001.
44. The Forestry Commission is also working on the implementation of a range of measures under the Objective 1 Programme to complement the activities being provided through the Plan.

## 9. Article 33 - Promoting the Adaptation and Development of Rural Areas

45. The analysis of the current economic situation in rural Wales has identified weaknesses in the economy that the broader measures set out in Article 33 aim to address. The relatively low GDP of Rural Wales is largely attributed to a combination of low productivity employment and low activity rates. The agriculture and tourism sectors are characterised by low wage rates and seasonal employment. Although, compared to other parts of Wales, economic activity rates are generally above the average; they are low relative to other, similar parts of the United Kingdom.
46. Support under Article 33 will focus on those measures that increase participation in community life, assist in establishing and expanding community-led initiatives and maximise the contribution to the economic, social, environmental and cultural regeneration of rural areas in Wales, as follows:
- Basic services for the rural economy and population (5)
  - Renovation and development of villages and protection and conservation of the rural heritage (6)
  - Diversification of agricultural activities and activities close to agriculture to provide multiple activities or alternative incomes (7)
  - Encouragement for tourist and craft activities (10)
  - Protection of the environment in connection with agriculture, forestry and landscape conservation as well as with the improvement of animal welfare. (11)
47. Work is underway to finalise proposals for the implementation of the indents that the National Assembly has decided to support. To summarise, it is currently proposed that indent 7 will be implemented by NAWAD, indent 10 by the Wales Tourist Board and that indent 11 by the Countryside Council for Wales, as a counterpart to the Tir Gofal scheme. Proposals for indents 5 and 6 still require further consideration although they may be allocated for implementation through the Local Partnerships established under the reformed Structural Funds.

## 10. Notes to Tables

48. The detailed tables required by the European Commission are Annex 2.
49. As the Plan was not approved until October 2000, the proposals for implementing most of the non-accompanying measures were not in place during the period of this report. This being the case, the returns for the following measures for 2000 are nil and provisional forecasts have been provided for future years:
- Investment in Agricultural Holdings
  - Training
  - Processing and Marketing of Agricultural Products
  - Article 33 - diversification of agricultural activities and activities close to agriculture to provide multiple activities or alternative incomes



Calculations relating to the geographical breakdown of LFA and Agri-environment monies are ongoing and should be completed prior to the final submission of the report.

50. As indicated in the paragraphs relating to the individual measures, the implementation of these measures will take place during early 2001 and more meaningful forecasts will be provided in the 2001 annual report.
51. The figures in Tables (h) Afforestation of agricultural land and (i) Other forestry measures relate to schemes approved since the 1<sup>st</sup> January 2000, but not necessarily claimed. The figures for new woodland (afforestation) for the period was 497 hectares, and for woodland improvement 974 hectares.

## **SECTION C ACTION TAKEN TO ENSURE HIGH QUALITY AND EFFECTIVE IMPLEMENTATION**

### 1. Management implementation of the RDP

52. The National Assembly for Wales Agricultural Department and The Welsh European Funding Office (WEFO) an executive agency of the National Assembly, share responsibility for managing and implementing the Rural Development Plan. WEFO is responsible for preparing and submitting annual reports to the European Commission.
53. An Assembly Secretary will answer to the Assembly on the organisation's work and will approve its corporate and operational plans. WEFO will produce separate accounts which will be subject to scrutiny by the relevant Assembly Committees and the Audit Committee, and an Annual Report which will be laid before the Assembly.
54. WEFO's detailed responsibilities include administering the plan in accordance with the operational and other requirements, consistent with the documents agreed by the European Commission; and providing the Committee with any services associated with or complementary to those functions. It will also provide administration for the Monitoring Committee, once established, and carry out any other activities delegated to it by the Monitoring Committee or the Assembly; and promote actively with the partnership at national, regional and local level, the preparation and delivery of packages, projects and initiatives.

### 2. Monitoring and evaluation

55. The Assembly proposes to collate a comprehensive set of baseline indicators for rural Wales, where available, based on 1999-00 data, against which the overall impact of its rural development policies will be measured. Monitoring and evaluation will regularly assess progress towards achievement of identified targets.

### 3. The Monitoring Committee

56. In line with Article 48(3) of Regulation 1257/1999 the National Assembly proposes that a Rural Development Plan Monitoring Committee should be established, comprising 15 members and a Chairperson provided by the Assembly. The First Minister has agreed arrangements and the appointment of members will be made soon.
57. It is likely that, once established, the Monitoring Committee will undertake the following tasks:
- confirming the physical and financial indicators to be used to monitor the implementation of the RDP;
  - reviewing progress made towards achieving the specific objectives of the RDP;
  - examining the results of implementation, particularly the achievement of the targets set for the different measures and the mid-term evaluation;

- considering and approve the annual progress reports before they are sent to the Commission;
- considering and approving any proposal to modify the RDP.

#### 4. Ex-ante evaluation

58. Article 43 of Regulation 1750/1999 requires that an ex-ante evaluation should be carried out to identify the disparities, gaps and potentials of the current situation and to assess the consistency of the proposed strategy with that situation. The ex-ante evaluation is also required to assess the expected impact of the selected priorities for action, and to verify the proposed arrangements for implementation and consistency with other policies. As required by Article 43(2), the ex-ante evaluation, which has been prepared by independent consultants appointed by the National Assembly, forms an integral part of the RDP.

#### 5. Financial Circuits

59. This information is contained in Annex 3.

#### 6. Annual progress reports

60. The annual progress reports required under Article 41 of Regulation 1750/1999 will be prepared by the National Assembly and submitted to the Commission not later than 30 April of the following year. Reports will contain information relating to major socio-economic trends; progress with priorities and measures; action taken to ensure effective implementation; and measures taken to ensure compatibility with Community policies.

#### 7. Mid Term Evaluation

61. In accordance with Article 44(2) of Regulation 1750/1999, the National Assembly, in co-operation with the Commission, will arrange for an independent mid term evaluation of programme progress, to be completed by 31 December 2003. It will measure the initial achievements of the programme, including a critical analysis of the data collected through monitoring, including those forming part of the annual reports. It will measure the extent to which the objectives pursued and the targets are gradually being attained, explain any discrepancies, and forecast the results of the operation. It will also express a view about the extent of progress.

#### 8. Ex post evaluation

62. The ex post evaluation, to be completed by 31 December 2008, will be arranged by the National Assembly in co-operation with the Commission, in accordance with Article 44(2) of Regulation 1750/1999. It will examine in particular the utilisation of resources and the effectiveness and efficiency of the assistance provided and its impacts.

## **SECTION D MEASURES TAKEN TO ENSURE COMPATIBILITY WITH COMMUNITY POLICIES**

### 1. Compliance with Community Policies

63. As set out in sections 12 and 15 of the RDP (the relevant paragraphs are included in Annex 4), the National Assembly will ensure that measures undertaken in the RDP comply with the provisions of the Treaties and with their related instruments, and are compatible with other Community policies.

### 2. Objective 1 and Objective 3

64. Article 12 of Regulation 1260/1999 stresses the importance of compatibility between the measures financed by the Structural Funds (or those that receive assistance from the European Investment Bank) and this will be achieved as follows. The management of the Objective 1, Objective 3, LEADER+ and RDP programmes is the responsibility of WEFO, and when individual projects are approved, due consideration is given to preventing duplication, thus ensuring complementarity.
65. The various Programmes are targeted at specific geographic areas of Wales and this also contributes to the prevention of duplication. Some projects which address the same activities in different geographical areas will, of course, appear across Programmes.
66. Where there are All Wales support mechanisms under the RDP these are specifically declared and care has been taken to ensure that similar schemes are not proposed under any other Programme.

### 3. LEADER+

67. The National Assembly for Wales has submitted its Single Programming Document for LEADER+ and the Commission logged it as 'being receivable' on the 20th November. This means that the document will not require significant amendments and that the Commission will negotiate and approve the SPD within 5 months of the 20 November date.
68. The SPD was prepared by the Assembly working in conjunction with a Partnership Group consisting of representatives of public, private and voluntary sector organisations involved in rural development. The SPD will be implemented by the EAGGF team within WEFO. This will ensure complementarity with the Objective 1 programme for West Wales and the Valleys, Objectives 2 and 3 programmes for East Wales, and the RDPn. LEADER+ will enable Local Action Groups to implement innovative projects which test new approaches to rural development, with successful projects being mainstreamed in due course.

### 4. Objective 2

69. The Objective 2 Programme will not be formally agreed by the Commission until March 2001. There was, therefore, no spending or outputs for the Programme for calendar year 2000; all money allocated for 2000 has been rolled forward to 2001 and now forms part of the 2001 financial allocation.
70. Aspects of the Objective 2 programme, particularly priorities 1 and 2, compliment activity in the RDP. The Objective 2 SPD provides support for the diversification measures not directly linked to agriculture and forestry, including non-related on-farm activities and activities related to primary products but carried out 'beyond the farm gate' by any eligible actor. Support will also be provided for a broad range of rural community development activities complementary to and going beyond those supported under Article 33 of the Rural Development Regulation.
71. Care has been taken to ensure that there is no duplication between the Objective 2 programme, which is ERDF only, and the RDP. It is envisaged that, once established, the Objective 2 Programme Monitoring Committee and the Programme Monitoring Committee for the Wales Rural Development Plan will liaise to ensure there is no duplication or overlap between measures supported by the respective grant regimes. This will include cross-membership of the respective committees.

**COMMISSION DECISION****of 11-10-2000****approving the rural development programming document for Wales (UK) for the 2000-06 programming period**

(Only the English text is authentic)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 1257/1999 of 17 May 1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF) and amending and repealing certain Regulations<sup>1</sup>, and in particular Article 44(2) thereof,

Whereas:

- (1) Articles 41 *et seq.* of Regulation (EC) No 1257/1999 lay down the conditions for drafting the rural development plans that form part of the rural development programming referred to in Article 40(3).
- (2) Article 41(1) of Regulation (EC) No 1257/1999 lays down that the Member States are to submit to the Commission rural development plans, the contents of which are specified in Article 43 of that Regulation and in the Annex to Commission Regulation (EC) No 1750/1999 of 23 July 1999 laying down detailed rules for the application of Council Regulation (EC) No 1257/1999<sup>2</sup>.
- (3) Pursuant to Article 44(2) of Regulation (EC) No 1257/1999, the Commission appraises the proposed plans to determine whether they are consistent with that Regulation. On the basis of those plans, it approves the rural development programming documents.
- (4) On 23 December 1999, the United Kingdom authorities submitted the rural development plan for Wales. The plan includes the elements referred to in Article 43 of Regulation (EC) No 1257/1999 and in the Annex to Regulation (EC) No 1750/1999 and in particular a description of the measures proposed to implement the plan and an indicative overall financial table summarising the national and Community resources provided for each rural development measure submitted under the plan. Following negotiations between the Commission and the United Kingdom authorities, a final

<sup>1</sup> OJ L 160, 26.6.1999, p. 80.

<sup>2</sup> OJ L 214, 13.8.1999, p. 31.

version of the rural development plan was sent to the Commission on 19 September, 2000.

- (5) In accordance with Article 35 of Regulation (EC) No 1257/1999, Community financial support for the rural development measures proposed in the rural development plan is funded by the EAGGF Guarantee Section. The contribution is a percentage of the eligible expenditure in accordance with the rates of part-financing for each measure laid down in the approved programming document.
- (6) Article 6 of Commission Regulation (EC) No 2603/1999 of 9 December 1999 laying down rules for the transition to the rural development support provided for by Council Regulation (EC) No 1257/1999<sup>3</sup> lays down the criteria for determining the date from which expenditure is eligible, namely 1 January 2000 if the rural development plan was submitted before that date or the date of submission of the plan if it was submitted after 1 January 2000. The date from which expenditure pertaining to the programming document is eligible should therefore be laid down.
- (7) Article 5(2) of Council Regulation (EC) No 1259/1999 of 17 May 1999 establishing common rules for direct support schemes under the common agricultural policy<sup>4</sup> provides that the amounts resulting from the modulation which may be carried out by Member States under Article 4 of that Regulation remain available to the Member State concerned as additional Community support for accompanying measures. The United Kingdom authorities have stated their intention of making use of that modulation as indicated in the table in Annex III
- (8) This Decision does not prejudice the Commission's position on State aid within the meaning of Article 87(1) of the Treaty included in the programming document and not yet approved by the Commission.
- (9) In accordance with Article 52 of Regulation (EC) No 1257/1999, State aid intended to provide additional financing for rural development measures for which Community support is granted and included in the programming document is approved by the Commission under this Decision.
- (10) In accordance with Article 37(3) of Regulation (EC) No 1257/1999, the measures contained in the programming document are consistent with measures implemented under the other instruments of the common agricultural policy. That consistency must be ensured throughout the implementation of the programming document. In accordance with Article 31(3) of Commission Regulation (EC) No 1750/1999, the rural development plan proposes exceptions as referred to in the first indent of the second subparagraph of Article 37(3). This Decision approves these exceptions.
- (11) This Decision covers the plan and annexes 1 – 4 of the plan. It does not cover the appendices to the plan.
- (12) The measures provided for in this Decision are in accordance with the opinion of the Committee on Agricultural Structures and Rural Development.

<sup>3</sup> OJ L 316, 10.12.1999, p. 26.

<sup>4</sup> OJ L 160, 26.6.1999, p. 113.

HAS ADOPTED THIS DECISION:

*Article 1*

The programming document based on the rural development plan for Wales (UK), sent to the Commission of the European Communities in its final version on 19 September 2000, is hereby approved, as well as the intention of the UK authorities as stated in Annex III.

*Article 2*

1. Public expenditure on the measures proposed to implement the rural development plan shall be EUR 534.24 million for the whole period and the maximum contribution from the EAGGF Guarantee Section shall be EUR 149.57 million.
2. The total amount given in the indicative overall financial table contained in Annex I shall also cover:
  - a) expenditure incurred by the EAGGF Guarantee Section on accompanying measures under Council Regulations (EEC) No 2078/92, (EEC) No 2079/92 and (EEC) No 2080/92<sup>5</sup> from the 2000 budget year. In accordance with Article 7 of Commission Regulation (EC) No 296/96<sup>6</sup>, account shall be taken in the 2000 budget year of payments made by paying agencies from 16 October 1999;
  - b) other rural development operations approved before 1 January 2000 and included in the new programming under Article 4(2) of Regulation (EC) No 2603/1999.

*Article 3*

1. Expenditure shall be eligible from 1 January 2000.

The final date for the booking by the EAGGF Guarantee Section of payments made by paying agencies under the programming document shall be 31 December 2006.

*Article 4*

State aid intended to provide additional financing for rural development measures for which Community support is granted as shown in the table in Annex II is hereby approved.

<sup>5</sup> OJ L 215, 30.7.1992, pp. 85, 91 and 96.

<sup>6</sup> OJ L 39, 17.2.1996, p. 5, as last amended by Regulation (EC) No 2761/1999 (OJ L 331, 23.12.1999, p. 57).



12. OCT. 2000 16:05

UKREP BRUSSELS

NO. 3253 P. 7

*Article 5*

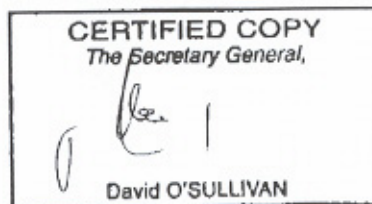
This Decision is addressed to the United Kingdom.

Done at Brussels, 11 -10- 2000

*For the Commission*

*Member of the Commission*

**Franz FISCHLER**



**ANNEX I**

**Indicative financial table in accordance with point 8 of the Annex to Regulation (EC) No 1750/1999**

(EURO million)

TABLE 8.1: INDICATIVE FINANCIAL PLANNING TABLE: RURAL DEVELOPMENT PLAN FOR WALES

	Year 1		Year 2		Year 3		Year 4		Year 5		Year 6		Year 7		Total	
	Public Cost	EU Contribution	Public Cost	EU Contribution	Public Cost	EU Contribution	Public Cost	EU Contribution	Public Cost	EU Contribution	Public Cost	EU Contribution	Public Cost	EU Contribution	Public Cost	EU Contribution
<b>Priority 1</b>																
Investment in agricultural holdings	0.62	0.16	0.62	0.16	0.62	0.16	0.62	0.16	0.62	0.16	0.62	0.16	0.62	0.16	4.34	1.09
Afforestation of agricultural land	0.42	0.21	0.86	0.69	1.36	0.86	1.86	0.93	1.86	0.93	1.86	0.93	1.86	0.93	10.12	5.05
Other forestry measures	0.00	0.00	0.12	0.11	0.21	0.11	0.27	0.13	0.34	0.17	0.40	0.20	0.40	0.20	1.74	0.87
(p) Diversification	0.12	0.06	0.19	0.09	0.19	0.09	0.19	0.10	0.19	0.09	0.19	0.10	0.19	0.09	1.26	0.62
(s) Tourist & craft activities	0.22	0.12	0.35	0.17	0.35	0.18	0.35	0.17	0.35	0.18	0.35	0.17	0.35	0.18	2.32	1.17
<b>Priority 2</b>																
Training	0.16	0.09	0.16	0.08	0.31	0.16	0.47	0.23	0.62	0.31	0.78	0.39	0.94	0.47	3.44	1.72
Processing & marketing of agricultural products	0.62	0.29	1.25	0.62	1.25	0.62	1.25	0.62	1.25	0.62	1.25	0.62	1.25	0.62	8.12	4.03
<b>Priority 3</b>																
Agri-environment: Objective 1	2.86	2.24	2.99	2.24	3.14	2.36	3.57	2.68	4.32	3.24	5.42	4.07	6.30	4.72	28.72	21.53
Agri-environment: non-Objective 1	2.96	1.48	2.99	1.50	3.14	1.57	3.57	1.79	4.30	2.15	5.42	2.71	6.30	3.15	28.68	14.35
Less favoured areas	61.98	8.56	61.59	8.56	58.41	8.56	54.21	8.56	42.54	8.57	42.54	8.57	42.54	8.57	363.81	59.95
(n) Basic services	0.22	0.11	0.35	0.17	0.35	0.18	0.35	0.17	0.35	0.18	0.35	0.17	0.35	0.18	2.32	1.16
(c) Renovation of villages	0.22	0.11	0.35	0.17	0.35	0.18	0.35	0.17	0.35	0.18	0.35	0.17	0.35	0.18	2.32	1.16
(l) Protection of environment	0.27	0.09	0.54	0.13	0.81	0.20	1.08	0.27	1.22	0.31	1.35	0.34	1.48	0.37	6.75	1.71
<b>Total</b>	<b>70.79</b>	<b>13.51</b>	<b>72.38</b>	<b>14.38</b>	<b>70.57</b>	<b>15.06</b>	<b>68.14</b>	<b>15.97</b>	<b>58.31</b>	<b>17.09</b>	<b>60.88</b>	<b>18.59</b>	<b>62.93</b>	<b>19.82</b>	<b>463.94</b>	<b>114.42</b>
<b>Evaluation</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Ongoing contracts:</b>	11.10	5.55	10.94	5.47	10.94	5.47	10.46	5.23	9.26	4.63	7.34	3.67	5.82	2.81	65.85	32.93
Agri-environment	1.80	0.90	1.15	0.58	0.74	0.37	0.32	0.16	0.22	0.11	0.10	0.05	0.10	0.05	4.44	2.22
Forestry																
<b>Total ongoing contracts</b>	<b>12.90</b>	<b>6.45</b>	<b>12.10</b>	<b>6.05</b>	<b>11.68</b>	<b>5.84</b>	<b>10.78</b>	<b>5.39</b>	<b>9.48</b>	<b>4.74</b>	<b>7.44</b>	<b>3.72</b>	<b>5.92</b>	<b>2.96</b>	<b>70.30</b>	<b>35.15</b>
<b>Total Programme</b>	<b>83.69</b>	<b>19.96</b>	<b>84.48</b>	<b>20.43</b>	<b>82.19</b>	<b>20.90</b>	<b>78.92</b>	<b>21.36</b>	<b>67.79</b>	<b>21.83</b>	<b>68.32</b>	<b>22.31</b>	<b>68.85</b>	<b>22.78</b>	<b>534.24</b>	<b>149.57</b>

**ANNEX II**

**State aid referred to in Article 52 of Regulation (EC) No 1257/1999**

TABLE 8.2: INDICATIVE FINANCIAL PLANNING TABLE: RURAL DEVELOPMENT PLAN FOR WALES: NATIONAL TOP-UPS

	(EURO million)															
	Year 1		Year 2		Year 3		Year 4		Year 5		Year 6		Year 7		Total	
	Public Cost	EU Contribution	Public Cost	EU Contribution	Public Cost	EU Contribution	Public Cost	EU Contribution	Public Cost	EU Contribution	Public Cost	EU Contribution	Public Cost	EU Contribution	Public Cost	EU Contribution
<b>Priority 1</b>																
Investment in agricultural holdings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Afforestation of agricultural land	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other forestry measures	0.00	0.00	0.12	0.00	0.21	0.00	0.27	0.00	0.34	0.00	0.40	0.00	0.40	0.00	1.74	0.00
(p) Diversification	0.20	0.00	0.20	0.00	0.25	0.00	0.30	0.00	0.35	0.00	0.40	0.00	0.46	0.00	2.06	0.00
(s) Tourist & craft activities	0.50	0.00	0.50	0.00	0.55	0.00	0.55	0.00	0.55	0.00	0.55	0.00	0.64	0.00	3.89	0.00
<b>Priority 2</b>																
Training	0.00	0.00	0.50	0.00	0.80	0.00	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00	5.30	0.00
Processing & marketing of agricultural products	0.26	0.00	1.60	0.00	1.80	0.00	2.00	0.00	2.00	0.00	2.00	0.00	2.00	0.00	11.86	0.00
<b>Priority 3</b>																
Agri-environment: Objective 1	2.00	0.00	3.25	0.00	4.50	0.00	5.75	0.00	7.25	0.00	8.00	0.00	9.86	0.00	40.61	0.00
Agri-environment: non-Objective 1	2.00	0.00	3.25	0.00	4.50	0.00	5.75	0.00	7.25	0.00	8.00	0.00	9.86	0.00	40.61	0.00
Less favoured areas	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(n) Basic services	0.50	0.00	0.50	0.00	0.55	0.00	0.55	0.00	0.55	0.00	0.55	0.00	0.64	0.00	3.89	0.00
(o) Renovation of villages	0.50	0.00	0.50	0.00	0.55	0.00	0.55	0.00	0.55	0.00	0.55	0.00	0.64	0.00	3.89	0.00
(t) Protection of environment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>5.96</b>	<b>0.00</b>	<b>10.42</b>	<b>0.00</b>	<b>13.71</b>	<b>0.00</b>	<b>16.72</b>	<b>0.00</b>	<b>19.84</b>	<b>0.00</b>	<b>21.45</b>	<b>0.00</b>	<b>25.50</b>	<b>0.00</b>	<b>113.85</b>	<b>0.00</b>

**ANNEX III**

**Application of the appropriations resulting from modulation**

TABLE 8.3: RURAL DEVELOPMENT PLAN FOR WALES: APPLICATION OF THE APPROPRIATIONS RESULTING FROM MODULATION

	(EURO million)															
	Year 1		Year 2		Year 3		Year 4		Year 5		Year 6		Year 7		Total	
	Public Cost	EU Contribution	Public Cost	EU Contribution	Public Cost	EU Contribution	Public Cost	EU Contribution	Public Cost	EU Contribution	Public Cost	EU Contribution	Public Cost	EU Contribution	Public Cost	EU Contribution
Agri-environment (Objective 1)	0.00	0.00	5.34	4.00	6.38	4.78	7.44	5.58	7.35	5.51	9.70	7.27	9.67	7.25	45.86	34.41
Agri-environment (Non-Objective 1)	0.00	0.00	5.34	2.67	6.38	3.19	7.44	3.72	7.35	3.88	9.70	4.85	9.67	4.83	45.86	22.94
Afforestation of agricultural land	0.00	0.00	0.80	0.40	1.04	0.52	1.20	0.60	1.42	0.71	1.22	0.61	1.30	0.65	6.98	3.49
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>11.47</b>	<b>7.07</b>	<b>13.79</b>	<b>8.49</b>	<b>16.08</b>	<b>9.90</b>	<b>16.12</b>	<b>9.90</b>	<b>20.61</b>	<b>12.73</b>	<b>20.63</b>	<b>12.73</b>	<b>98.70</b>	<b>60.84</b>

12. OCT. 2000 16:04

UKREP BRUSSELS

NO. 3253 P. 3



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 11 -10- 2000

**C(2000) 2932 final**

NOT TO BE PUBLISHED

COMMISSION DECISION

of 11 -10- 2000

approving the rural development programming document for Wales (UK) for the  
2000-06 programming period

(Only the English text is authentic)



**EAGGF PAYMENT FLOWS FOR PROGRAMMES RUN BY**

**NATIONAL ASSEMBLY FOR WALES**

<b>COMMISSION EC ACCOUNT</b>			
<b>HMT/BANK OF ENGLAND ACCOUNTS</b>			
<b>NAfW ACCOUNTS BRANCH</b>			
<b>WEFO SUSPENSE A/C</b>			
<b>PROGRAMME SUB ACCOUNTS</b>			
<b>Local authorities</b>	<b>Voluntary organisations</b>	<b>Other public bodies / authorities</b>	<b>Small business developments</b>

## COMPLIANCE WITH COMMUNITY POLICIES

### EXTRACTS FROM SECTION 12

#### Controls and Sanctions

12.56. National audit procedures, checks and controls to prevent the occurrence of irregularities and to detect them and their perpetrators, are applied also to co-financed programmes including the Rural Development Plan.

#### Financial control and irregularities

12.57. Checks may be carried out in accordance with Article 47 of Regulation 1750/1999 to ensure that funds are being spent in accordance with the objectives laid down, the rules in force and the principles of sound financial management. The checks must enable the verification of records to ensure that all expenditure charged to assistance has actually been incurred and is correct, eligible and regular. The Member State and the Commission will exchange immediately all relevant information concerning the results of these checks in accordance with Article 38 of Commission Regulation No 1260/99 concerning irregularities and the recovery of sums wrongly paid in connection with the financing of the structural policies.

12.58. Verification will take the form of administrative and on-the-spot checks, in a form to be defined by the National Assembly, and will, where appropriate make use of relevant Integrated Administration and Control System (IACS) records. On-the-spot checks will cover at least 5% of beneficiaries each year, spread across the year and across all the measures implemented under the plan.

#### Reduction, suspension and cancellation of assistance, and recovery of sums wrongly paid

12.59. In accordance with Article 48 of Regulation 1750/1999 the National Assembly will determine a system of penalties to be imposed in the event of breaches of the obligations entered into by beneficiaries.

12.60. The Member State and the beneficiaries will ensure that the Community finance is used for the purposes intended. If an operation or measure appears to justify only part or none of the assistance allocated, the Commission may reduce or suspend the assistance and the Member State will then recover the sums due as provided for in Regulation 1260/1999. The authority responsible for repaying to the Commission sums wrongly paid is the authority designated by the Member State. In disputed cases, the Commission will undertake a suitable examination of the case in the framework of the partnership, in particular requesting the Member States or other authorities designated by it to implement the operation to submit their comments within two months.

#### Information and Publicity

12.61. The Monitoring Committee will be responsible for developing a strategy for publicising the plan and the actions emanating from it. The preparation of the plan has already received considerable publicity, partly as a result of extensive public consultation. The version submitted to the Commission and that subsequently agreed with the Commission will be made widely available in electronic and/or print form to all partner organisations including the social partners, the voluntary sector, and organisations with responsibility for equal opportunities and the environment. Widespread details of all aspects of the programme will be provided on the National Assembly's website.

12.62. Detailed information on application procedures will be provided to a wide range of partners by the Programme Executive. Successful project sponsors will also be required to provide public information about the Community's contribution to their particular projects.

## **SECTION 15**

15.1. The National Assembly will ensure that measures undertaken under this plan comply with the provisions of the Treaties and with the instruments adopted pursuant thereto, and are compatible with other Community policies.

### **Other instrument under the Common Agricultural Policy**

15.2. The Assembly, which administers the measures implemented under other instruments of the Common Agricultural Policy, will ensure consistency between rural development measures and other measures implemented under the common market organisations and agricultural quality and health measures. It is the Assembly's view that the measure proposed in the Plan are consistent with the Common Agricultural Policy.

15.3. The Assembly will also ensure consistency between the different rural development support measures themselves. It has already taken steps to ensure that where schemes contribute to the same or similar objectives, the arrangements for funding such measures take account of any potential for double funding or for inconsistencies in interpretation, and that the implementation arrangements eliminate such difficulties.

### **Protection of the Environment**

15.4. Measures must abide by the principles and objectives of sustainable development as laid down in the Community programme of policy and action in relation to the environment and sustainable development included in the Council Resolution of 1 February 1999. They must also comply with Commission legislation on the environment. Priority must be given to achieving the objectives set out in that legislation insofar as it is connected with the regional development envisaged. It is intended that the Tir Gofal Scheme should not simply comply with the principles and legislation relating to the environment but should make a very significant positive contribution to achieving environmental objectives, including those of the UK Government's Biodiversity Action Plan.

## Competition Policy

15.5. For the measures under indents 6,7 and 10 of article 33 of Council Regulation (EC)No 1257/1999 of 17 May 1999 on support for the development from the EAGGF and amending and appealing certain

Regulations, which fall outside the scope of Article 36 of the EC Treaty and for which the UK does not intend to apply the de minimis rule (OJ C 68,6.3.1996,p.6), the UK will respect State aid procedures under Articles 87,88 and 89 of the EC Treaty.

## Award of contracts

15.6. Implementation of measures must comply with Community policy directives for the award of contracts. Notices sent for publication in the Official Journal of the European Communities pursuant to those directives must specify the projects in respect of which Community assistance has been applied for or granted. Application for assistance in respect of major projects must include a complete list of contracts already awarded and the relevant written reports when these are required under the public contracts directives. In the case of other projects, in particular those whose total value is above specified thresholds, the written report on each contract awarded, when provided for in the public contracts directives, will be made available to the Monitoring Committee and sent to the Commission if it so requests.

## Equal Opportunities

15.7. The integrated approach to the delivery of the policy objectives of the plan extends also to the key cross-cutting objective of integration between women and men. The measures part-financed by the Rural Development Regulation should comply with, and where appropriate contribute to, Community policy and legislation on equal opportunities for men and women. In particular, the opportunity should be taken to consider the possibilities for investments and training which facilitate the return to the labour market of people with children. These key requirements are discussed in Section 6.1 and underline the individual measures in the plan, which will be applied in accordance with the requirements.

15.8. Equal opportunities has been identified as a key horizontal theme for European structural funding for the period 2000-2006. This is the direct result of the 1997 Amsterdam Treaty (Article 141), which expanded the scope of EU Equal Opportunities policy, implementing a new employment strategy in which equality is a fundamental component, and extending the principles to include measures to combat discrimination based on racial or ethnic origin, religion or belief, disability, age or sexual orientation. Thus the concept set out in Article 119 of the Treaty of Rome, which called for "equal treatment of men and women in matters of employment and occupation, including the principle of equal pay for equal work or work of equal value" has now been extended to other excluded sectors of the community. The National Assembly has itself emphasised the need to consider gender, race and disability issues as priorities in the development of inclusive practice in Wales.

## Other Community Policies

15.9. Measures must comply with the other Community policies provided for in the Treaties, in particular the establishment of a space without internal borders, the common agricultural policy in all its aspects including any exclusions set out in Regulation (EC) No 1750/99, the common fisheries policy in all its aspects, of the Council social exclusion policy, including equal opportunities for disabled persons, industrial policy, policy in favour of SMEs and the craft sector, policies concerned with energy, transport, telecommunications and information techniques, trans-european networks and research and development.

15.10. Productive investment in the field of processing and marketing of products indicated in Article 12 of Regulation (EEC) No 866/90 will respect the selection criteria laid down in Commission decision 94/73/CE, if they come within the field of intervention of the EAGGF Guidance section.