



Cyngor Sir  
**POWYS**  
County Council  
*Regeneration Services*

Response to the  
**Inquiry into the proposed reforms of the  
Common Agricultural Policy**

of the Common Agriculture Policy Task and Finish Group  
Environment and Sustainability Committee  
National Assembly for Wales

*4<sup>th</sup> November 2011*

### Introduction:

1. Powys County Council welcomes the inquiry as it offers the opportunity for a full debate in Wales at this early stage of the European Commission policy and programme proposal.
2. This contribution from Powys County Council addresses mainly the proposed EAFRD regulation (COM(2011) 627 final) but it takes into account the whole set of proposals on Common Agricultural Policy (CAP).
3. Powys County Council is one of the 22 local authorities in Wales, the largest by area and the most sparsely populated. It covers 5,181 Km<sup>2</sup> - around a quarter of the landmass of Wales; almost 90% of its territory is agricultural land, and it includes a large portion of the Brecon Beacons National Park. Powys has a population of about 130,000 people; with a density of around 26 people per Km<sup>2</sup> (Wales average is around 144) it is the most sparsely populated Council in England and Wales. Because of its geographical, demographic and economic characteristics Powys has a very important role to play in ensuring an effective delivery of EAFRD and CAP in general.
4. During the 2000-2006 programming period of the EU Structural Funds Powys was eligible under the "Objective 2" and "Objective 3" programmes. Under the current period 2007-2013 Powys is eligible for the "Regional Competitiveness and Employment Programme" (*Competitiveness*), and it is likely to be included under the same type of *Competitiveness* programme for the next 2014-2020 period. These are the programmes destined to the "more developed regions", i.e. with a GDP above 75% of the EU average and the level of EU funding available is limited. However many economic and social indicators put Powys in a situation comparable - and sometimes worse - to many authorities in Wales eligible for the "Objective 1" and "Convergence" programmes, which receive considerably higher levels of EU funding and can support a wider range of initiatives, due to their low economic performance.
5. The Council has recently launched a "Regeneration Strategy for Powys" to drive the regeneration and the development of the County. The strategy provides a framework within which the Council and its partners will ensure that regeneration is embedded into everyday practice, to deliver outcomes which will have a positive impact upon the physical, social, and environmental elements as well as promoting the economic and cultural attributes of the county. The priorities and themes of the strategy are aligned with many of the priorities outlined in the EAFRD proposal and are generally in line with the objectives of the "Europe 2020" strategy of the European Commission.
6. In the current Rural Development Plan for Wales (2007-2013) the County Council has acted as Lead Body in the implementation of Axis 3 and Axis 4 in Powys. In this role it has successfully supported local partnership engagement ensuring effective delivery on the ground and achievement of objectives which brought positive outcomes for the rural communities in Powys.

7. Over the years Powys County Council has successfully managed and implemented operations supported by European as well as Welsh Government funding programmes, as project leader or working in co-operation with other regional, national and European partners.

Main points:

8. We support the involvement of all relevant stakeholders in this and any future consultation process. We strongly advocate for a full, open and transparent engagement in Wales and in Europe of local and regional authorities in the preparation, implementation and monitoring of future EAFRD programme(s) in Wales.
9. We welcome the strong emphasis on the partnership approach that the proposal puts on the preparation and on the delivery of Rural Development Programmes. We would like to see this approach fully translated from Member State level to regional and local authority level.
10. We would also welcome the opportunity to discuss delivery mechanisms, including the possibility of designated local authorities to carry out the management and implementation of operations, as set out in the Article 73 (2) of the proposed regulation.
11. Powys County Council welcomes the European Commission (EC) proposals to align EAFRD with Cohesion Policy funding programmes (especially ERDF and ESF) through the creation of a Common Strategic Framework (CSF), as it gives a unique chance to combine in a coherent and effective way funding sources that have an important impact at territorial level.
12. Powys County Council is fully supportive of a “*new impetus in rural development*” and that it should be supported by synergies with Pillar I of CAP. The new proposed architecture of the CSF should provide new possibilities of programme implementation and we would welcome any integration of funding mechanisms and simplification of programme delivery. However, we call for clear and robust programme guidelines and apportionment mechanisms at local and regional level to ensure that EAFRD funds are allocated to support rural areas and their communities and that other EU funding can contribute to that aim.
13. Powys County Council welcomes the three objectives and the six priorities proposed, especially on innovation, competitiveness, resource efficiency and social inclusion, as these are broadly in line with the Council’s own priorities and activities and strengthen the alignment with Europe 2020 objectives. However, we are concerned that the majority of the EAFRD priorities do not have enough emphasis on Rural Development. In fact five out of the six priorities proposed are mainly about agricultural, forestry and farming sectors and only one is truly about Rural Development. We would favour a stronger emphasis on priorities and measures that help to addressing the issues faced by rural communities, and to stimulate and diversify the rural economy.
14. Powys County Council stresses that the measures supporting those priorities should be tailored to the rural characteristics and specific needs

- of the beneficiaries of the programmes, and do not replicate interventions suited for urban, industrialised or densely populated areas.
15. As primarily a rural authority, Powys County Council is fully aware of the issues affecting rural communities and rural economies, and of the challenges involved in delivering effective services to them; therefore we welcome the proposal outlined in Article 21 of supporting operations that aim to develop and improve local infrastructure and basic services in rural areas, including leisure, culture and tourism.
  16. The EAFRD proposal does not explicitly set financial allocations for each of the priorities. Powys County Council urges the Welsh Government and the EC to ensure that adequate resources are allocated to the Rural Development priorities and measures to enable a full attainment of the programme's targets and a successful achievement of the territorial cohesion objective.
  17. We welcome the possibility to allow for transfer of funding from Pillar I to Pillar II (similar to the modulation principle) and we would like this possibility to be translated in a concentration of funding on the rural development elements of the programme so that local communities and economies can implement substantial and sustainable operations to help them develop and thrive. At the same time we are alarmed by the possibility of a flexibility of transfer of funding in the opposite direction as this would potentially deprive Rural Development programmes of adequate resources. We call for the Welsh Government and other Welsh stakeholders to support the modulation from Pillar I to Pillar II to ensure consistency with the policy direction of CAP of the last decade. Any other "reverse modulation" would risk of undoing the progress achieved so far.
  18. Powys County Council welcomes the CAP proposals to cover a seven year funding period, which coincides with the recently proposed EU Multiannual Financial Framework (MFF). The length of the programming period enables stakeholders and delivery organisations to have an adequate time framework to ensure that operations are sustainable and objectives can be achieved successfully. We believe that any splitting of the programming period into one or more phases would be detrimental to the success of the programmes and we would favour a single seven year programming period to be reflected at regional level. We recognise however that not all operations would be able to start at the beginning of the period or need to run for its whole duration. We are also aware that some readdressing of the programmes may be needed during the seven years due to change of external circumstances. For these reasons we would advocate for a seven year rolling programme system where proposals for operations can be submitted at any time or at least at reasonably frequent intervals.
  19. Powys County Council would welcome the opportunity to contribute to the preparation of a "Rural Development Programme for Wales" should the UK chose this option. In particular we would be prepared to contribute to the ex-ante evaluation and the setting up of common indicators.

20. Powys County Council urges Welsh Government to obtain clarification about the proposed performance reserve, in particular considering the potential impact that such a reserve could have at local delivery level. Powys County Council is concerned that the performance measured at Member State level may affect managing authorities and delivery organisations on the ground. Moreover the release of the reserve at a late stage in the life of the programmes may have a reduced added value to running operations as well as risk of adding administrative challenges.
21. We welcome the recognition given to Leader and the tangible benefits that this approach can provide to the implementation of the programmes on the ground. We would welcome clarification from the Assembly and from Welsh Government on the spatial and financial implications of this and the implementation of the Leader model beyond the generic indication given in Article 65 (5) of a minimum of a 5% allocation.
22. We would welcome clarification on how “*rural area*” is going to be defined. We express concern about potential misalignment of definitions as in paragraph 39 of the preamble it is reserved to the Commission to set criteria based on population for the setting up of local development strategies. At the same time in Article 50, it is left to the Managing Authority to define “*rural area*”. We would strongly advise the inclusion of meaningful indicators, including population density, accessibility and availability of services, as well as economic, environmental and social indicators.
23. Broadband is a very important infrastructure for rural areas that would enable a better delivery of services and contribute to improving the quality of life. Powys County Council welcomes the recognition of the importance of ICT and broadband infrastructure for rural areas. We would welcome a stronger emphasis at priority and measure level to ensure that adequate resources are dedicated to achieve the proposed objective, in line with the Europe 2020 strategy. Moreover, we urge for significant investments and alignment from all the relevant funding programmes - including the Structural Funds and the newly proposed Connecting Europe Facility - to enable full and rapid deployment of much needed infrastructure and skills development.
24. Powys County Council welcomes the increased focus on innovation and the proposal for a European Innovation Partnership (EIP) for Agricultural Productivity and Sustainability. We believe that this Partnership should support the delivery of basic services and the development of local infrastructure, in order to achieve the growth potential of rural areas whilst ensuring their sustainability. We would welcome the EIP to facilitate the roll-out of super-fast broadband networks, a key issue for Powys as well as rural areas in Wales.
25. The proposal of “Sub themes” has some positive potential; whilst the delivery mechanisms are not fully outlined, it is important to emphasise the need to foresee sufficient flexibility in the programmes to ensure that local delivery at local level is effective and successful.

26. Co-operation, from local to European level is undoubtedly an important mechanism in the delivery of the programmes and it can certainly provide European added value to some operations. Delivery organisations however face constraints and demands to prepare and undertake operations on the ground under the normal running of the programmes. Co-operation elements – especially at local level - should not add an extra burden to that activity. Therefore we would welcome an enabling role of the managing authority - at regional or at local level - to ensure that appropriate mechanisms are in place to promote and support effective co-operation activities. We would also encourage mechanisms that can monitor and demonstrate the added value of co-operation.
27. Whilst we think that networking is necessary and useful both at national and European level, we are concerned about the number of networks proposed in the EAFRD regulations, especially at European level. We would suggest a strong co-ordination amongst them or even merging some of them to avoid duplication of functions and support a homogeneous approach.
28. Powys County Council welcomes the focus on renewable energy in the proposed priorities and themes. However we would recommend that the implementation plans should complement existing schemes, for instance providing support for local community plans which could help sustainability and provide environmental gains to rural communities.

### Conclusions

29. Powys County Council supports a broad definition of rural development policy for Wales which goes beyond agricultural policy, in order to encompass the wide and diverse range of drivers and constraints within rural areas, whether they are economic, environmental or social. It advocates for adequate resources to be allocated to future programmes and alignment with other funding programmes to enable successful achievement of local, national and European objectives.

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