EAFRD 2014-2020: OPERATIONAL UPDATE

Decisions required

1. None.

Background

2. The Rural Development Operational Committee (RDOC) met in October. Following this meeting, the following information has been taken forward to the JPMC:

- Scheme update on commitments and achievements (Annex A)
- Annual Implementation Report: Summary for Citizens (Annex B)
- Ex-post evaluation of 2007-2013 (Annex C)
- Scottish Rural Network Action Plan (Annex D)

Scheme Update

3. Annex A presents an up to date view of the amounts of funding committed under each EAFRD scheme.

Annual Implementation Report 2014 and 2015: Summary for Citizens

4. In line with the regulatory requirements the Annual Implementation Report (AIR) for the SRDP 2014 – 2020, covering calendar years 2014 and 2015 was submitted to the European Commission in June 2016 and has been accepted without comment.

5. To accompany the AIR, a Summary for Citizens document has been prepared to capture key information from the full report, including the progress against the performance indicators. The document has been designed to bridge the difference between the reporting requirements of the EC (in measures and focus areas) and the delivery mechanisms (schemes). It is published at http://www.gov.scot/Resource/0050/00506974.pdf.

Ex post evaluation

6. The Ex-post Evaluation of SRDP 2007 - 2013 is expected to be completed within the next few weeks and the report submitted to the European Commission before the end of December 2016. EKOS, who have been contracted to undertake the evaluation has prepared a progress report which is attached. The full report will be circulated to the RDOC and JPMC. Initial comments from the JPMC are welcomed.

Scottish Rural Network Action Plan

7. Article 54(1) of European Regulation 1305/2013 requires each Member State to establish a National Rural Network under their Rural Development Programme for 2014-20 and each Rural Network to develop an Action Plan, and an annual Work Programme which details the specific activities of the Network Support Unit. The SRN Action Plan is attached for information along with a link to an animation prepared by the SRN to illustrate the role of the SRDP 2014 – 2020
https://www.ruralnetwork.scot/funding/scottish-rural-development-programme

JPMC Secretariat
30 November 2016

Scheme Update table

Colour Code Guide	Scheme:	LFASS	AECS, BES & ECAF	Forestry	KTIF, New Entrants Start-Up, Farm Advisory Service, Young Farmers Start-Up & New Entrants Capital Grants	CAGS, NECG & SFGS	LEADER

Support Mechanism		Indicative Budget	Total Applications Receiveed (H&I)	Total Approvals	Total Value committed	Rejections includes incomplete/ineligible applications	
Agri-Enviroment Climate Scheme		£324m	2145 (H&I - 956)	563 (H&I - 253)	£79m (H&I - 85)	369 (H&I - 85)	
	ACES Slurry Stores	£10m	0 (0)	0 (0)	£0 (0)	0 (0)	
	ACES peatland restoration	£10m	134 (68)	23 (11)	£2m (£301k)	111 (57)	
Beef Efficiemcy Scheme		£45m	2364 (H&I 735)	2138 (H&I - 683)	£6.1m (H&I - £2.2m)	226 (H&I - 52)	
Broadband		£9m	0	0	0	0	
Crofting Agricultural Grant Scheme		£12 (£2m per year)	958	666	£2.676m	202	
Enviroment Co-operative Action Fund		£10m	41	16	0.8m	25	
Food Processing Marketing & Co-op		£70m	85 (19)	46(9)	£17546 (£2509)	34 (10)	
Forestry Grant Scheme		£252m	3385 (1477)	2918 (1386)	114.172 (56)	3 (1)	
Improving Public Access		£6m	94 (H&I - 34)	18 (H&I - 8)	£931,372.00	9 (H&I - 3)	
Knowledge Transfer and Innovation Fund		£12m	13(1)	12(1)	£4.3m (£268k	1	
New Entrants: Capital Grants		£12 (£2m per year)	347 (107)	178 (51)	£3.131m (£759k)	59 (25)	
New Entrants: Start-up Grants		£2m	77 (H&I - 24)	20 (H&I - 8)	€0.3m (£0.25m) (H&I - €0.12 (£0.1))	57 (H&I - 16)	
Small Farm Grant		£6m (£1m	57 (20)	42(14)	£112k (£57k	33 (12)	

Introduction

This is a summary of the first annual implementation report on the 2014-2020 Scotland Rural Development Programme (SRDP) covering the calendar years 2014 and 2015. The full report can be accessed here.
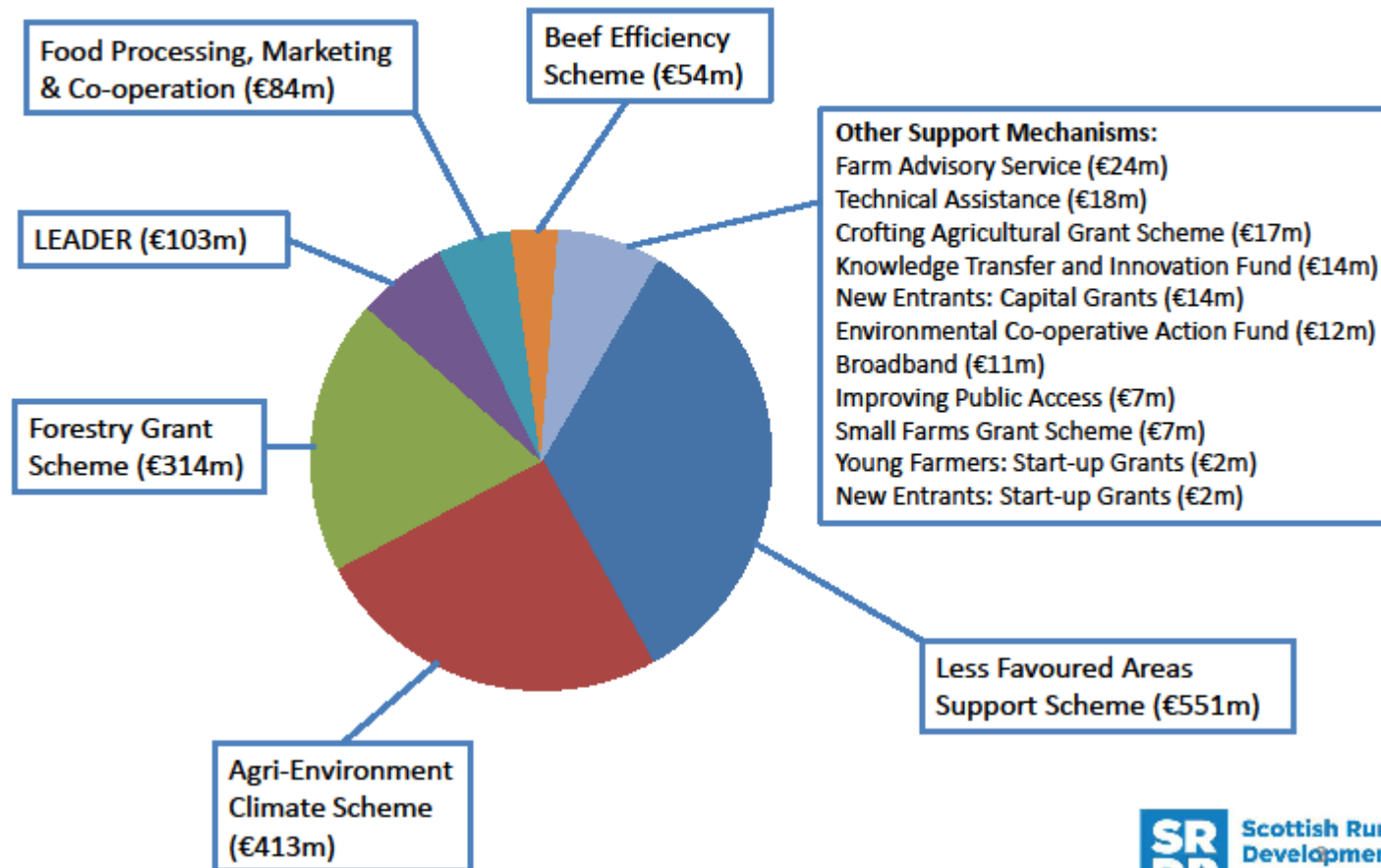
The SRDP delivers Pillar 2 of the EU Common Agricultural Policy (CAP). It funds economic, environmental and social measures for the benefit of rural Scotland. The key purpose of the SRDP 2014-2020 is to help achieve sustainable economic growth in Scotland's rural areas and the key priorities are:

- Enhancing the rural economy;
- Supporting agricultural and forestry businesses;
- Protecting and improving the natural environment;
- Addressing the impact of climate change; and
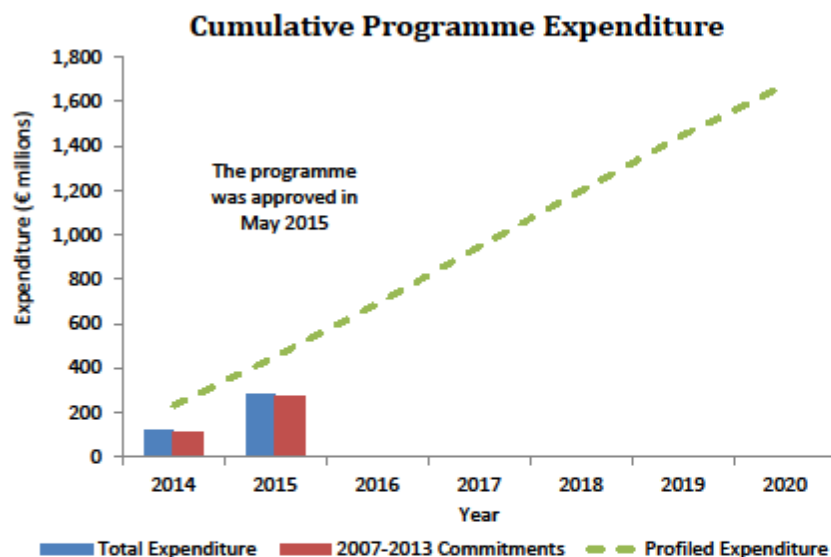- Supporting rural communities.

The indicative budget for the SRDP is €1,694.8 million, with funding coming from the EU (€841.5 million) as well as from the Scottish Government (€853.4 million). The EU contribution consists of funding from the European Agricultural Fund for Rural Development (EAFRD) (€477.8 million) and a transfer from Pillar 1 of CAP (€363.7 million). Due to delays in EU legislation 2014 was a transitional year and the majority of support was limited to on-going commitments from the previous programme period. The first schemes under the 2014-2020 programme opened from January 2015 onwards.

The outcome of the EU Referendum on the 23rd June 2016 and the UK Government's decision to leave the EU, has created significant uncertainty over the future funding of EU programmes. On the 13th August 2016 the UK Government announced that it would guarantee the funding of all projects with signed contracts or funding agreements in place, or due to be signed in the ordinary course of business before the UK Autumn Statement. However, the Scottish Government is seeking further guarantees over the funding of contracts entered into, after the Autumn Statement, as this is estimated to affect around €300 million of SRDP funding.

SR DP Scottish Rural Development Programme

Structure of SRDP 2014-2020

Food Processing, Marketing & Co-operation (€84m)

Beef Efficiency Scheme (€54m)

Other Support Mechanisms:
Farm Advisory Service (€24m)
Technical Assistance (€18m)
Crofting Agricultural Grant Scheme (€17m)
Knowledge Transfer and Innovation Fund (€14m)
New Entrants: Capital Grants (€14m)
Environmental Co-operative Action Fund (€12m)
Broadband (€11m)
Improving Public Access (€7m)
Small Farms Grant Scheme (€7m)
Young Farmers: Start-up Grants (€2m)
New Entrants: Start-up Grants (€2m)

LEADER (€103m)

Forestry Grant Scheme (€314m)

Less Favoured Areas Support Scheme (€551m)

Agri-Environment Climate Scheme (€413m)

Scottish Rural Development Programme

Programme Expenditure

Cumulative Programme Expenditure

The programme was approved in May 2015

Legend: Total Expenditure | 2007-2013 Commitments | Profiled Expenditure

The total public expenditure (EU and Scottish Government funding) incurred and paid during 2014 and 2015 was €282.9 million, including commitments made under SRDP 2007-2013 and in the transition year 2014.

Almost a third of the expenditure has been on Less Favoured Areas Support Scheme (LFASS) (€89.4 million), with a further 26% of expenditure on the Agri-Environment-Climate Scheme (€71.1 million) and 22% on the Forestry Grant Scheme (€60.0 million).

There was also expenditure on four other SRDP schemes (Crofting Agricultural Grants Scheme (CAGS), Food Processing, Marketing and Co-operation, Knowledge Transfer and Innovation Fund and LEADER).

As the new programme was only approved in May 2015 (nearly 1½ years into the programme), only LFASS and the CAGS were able to receive and fund new applications during the first two years of the programme. The rest of the expenditure, excluding running costs for LEADER and Technical Assistance, which includes the costs of the Scottish Rural Network, were for on-going commitments made under the previous programme.

SR DP Scottish Rural Development Programme

Summary of Progress

The table below shows a summary of the SRDP progress in 2014 and 2015:

Support Mechanism	Holdings/ Beneficiaries supported	Actions/ Operations/ Projects Supported	Co-operation Operations Supported	Area Supported (Ha)	Jobs Created	Numbers Advised	Numbers Trained	Population Benefiting from Improved Services/ Infrastructure	Expenditure in 2014 and 2105 (€ million)
Agri-Environment Climate Scheme	290	359		1,211,806					71.1
Beef Efficiency				NCR					NCR
Broadband		NCR						NCR	NCR
Crofting Agricultural Grant Scheme	669	916	NCR						3.5
Environmental Co-operative Action Fund			NCR						NCR
Farm Advisory Service						NCR			NCR
Food Processing, Marketing & Co-operation		33	1						12.9
Forestry Grant Scheme	1,305	550	NCR	119,660					60
Improving Public Access		NCR						NCR	NCR
Knowledge Transfer and Innovation Fund			11				8,933		1.5
LEADER [1]		198	29		Nil			Nil	10.6
Less Favoured Areas Support Scheme	11,258			2,304,849					89.4
New Entrants: Capital Grants	NCR	NCR							NCR
New Entrants: Start-up Grants	NCR	NCR							NCR
Small Farms Grants	NCR	NCR							NCR
Young Farmers: Start-up Grants	NCR	NCR							NCR

Notes:

1: All LEADER projects were on-going commitments from the 2007-2013 programme. Jobs created are reported under the 2007-2013 programme and population data were not required for the 2007-2013 reports.

NCR: No claims received and paid in 2014 or 2015.

Greyed out cells indicate that the measure is not applicable to that support mechanism.

With the programme having only been formally approved in May 2015 it is expected that levels of expenditure will increase from 2016 onwards compared to the expenditure levels seen in 2014 and 2015, as new projects are approved and claimed for. This in turn will see the level of outputs being generated, as shown in the table above, also increasing.

SR DP Scottish Rural Development Programme

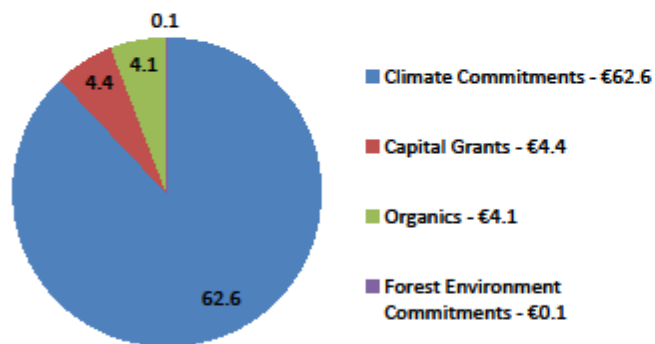## AECS and FGS Scheme Updates

Agri-Environment & Climate Scheme

- Indicative scheme budget of €412.8 million
- €71.1 million spent in 2014 and 2015
- Number of applications: 904
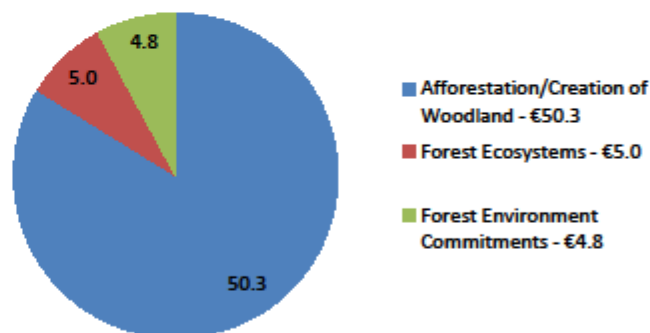- Number of applications approved: 540

Forestry Grant Scheme

- Indicative scheme budget of €314.4 million
- €60.0 million spent in 2014 and 2015
- Number of applications: 527
- Number of applications approved: 519

Expenditure in 2014 and 2015 (€ millions)

- Climate Commitments - €62.6
- Capital Grants - €4.4
- Organics - €4.1
- Forest Environment Commitments - €0.1

Expenditure in 2014 and 2015 (€ millions)

- Afforestation/Creation of Woodland - €50.3
- Forest Ecosystems - €5.0
- Forest Environment Commitments - €4.8

The majority of expenditure on the AECS and the Forestry Grant Scheme during the 2014-2020 SRDP will be on multi-year contracts. In 2014 and 2015, most of the expenditure on both of these schemes has been on multi-year contacts that were on-going commitments from the 2007-2013 SRDP.

SRDP Scottish Rural Development Programme

Performance Framework Indicators – Performance Reserve

There are specific targets set against the EU Priorities, which are further broken down into Focus Areas, that have to be delivered by the end of 2018.

The 2018 targets, against Priorities and Focus Areas, and progress to date are shown in the table below.

Priority	Indicator	2014 and 2015	Total Programme Period	Target 2023	Milestone Target 2018	Milestone Target 2018 Percentage	Achieved Percentage of 2023 Target
2 - Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests	Total Public Expenditure (€m)	65.39	65.39	352.54	141.02	40%	19%
	Number of agricultural holdings with support for investment in restructuring or modernisation (Focus Area 2A) + holdings with supported business development plan/investment for young farmers (Focus Area 2B)	1,310	1,310	8,696	3,478	40%	15%
	Area supported under LFASS/ANC (ha)	1,152,425	1,152,425	1,400,000	1,260,000	90%	82%
3 - Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture	Total Public Expenditure (€m)	18.38	18.38	93.15	27.94	30%	20%
	Number of supported agricultural holdings receiving support for participating in quality schemes, local markets/short supply circuits, and producer groups (Focus Area 3A)	7,878	7,878	8,127	3,251	40%	97%
	Number of operations supported for investment (Focus Area 3A)	35	35	115	35	30%	30%
4 - Restoring, preserving and enhancing ecosystems related to agriculture and forestry	Total Public Expenditure (€m)	162.44	162.44	817.02	326.81	40%	20%
	Agricultural land under management contracts contributing to biodiversity (ha) (Focus Area 4A) + improving water management (ha) (Focus Area 4B) + improving soil management and/preventing soil erosion (ha) (Focus Area 4C)	1,192,567	1,192,567	1,263,000	505,200	40%	94%
	Area supported under LFASS/ANC (ha)	1,152,425	1,152,425	1,400,000	1,260,000	90%	82%
5 - Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors	Total Public Expenditure (€m)	13.37	13.37	289.16	115.67	40%	5%
	Agricultural and forest land under management to foster carbon sequestration/conservation (ha) (Focus Area 5E) + Agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions (ha) (Focus Area 5D)	2,435	2,435	202,600	81,040	40%	1%
6 - Promoting social inclusion, poverty reduction and economic development in rural areas	Total Public Expenditure (€m)	17.42	17.42	124.96	43.74	35%	14%
	Population covered by LAGs	2,100,000	2,100,000	2,100,000	2,100,000	100%	100%
	Number of operations supported to improve basic services and infrastructures in rural areas (Focus Areas 6B and 6C)	1,095	1,095	1,058	370	35%	103%

Progress against the targets has been subject to the variance of scheme availability and the levels of on-going commitments from the 2007-2013 programme.

SR DP Scottish Rural Development Programme

Communications and Scottish Rural Network

Communications:

Communications in 2014 focussed on transitional arrangements and the support that was available, along with progress with the development, submission and negotiations on the SRDP 2014-2020.

The Information and Publicity Strategy was in place in early 2015, prior to the approval of the SRDP and alongside the launch of the first schemes. The key aim of communications through 2015 was raising awareness of the launch of each of the schemes, the procedures of applying, selection criteria, process and the timetables for approvals and payments.

Avenues for engaging with customers included: a series of roadshows; engagement with agents; staff training; the launch of a new Rural Payments and Inspections website; engagement at the Royal Highland Show; and customer mailings.

Scottish Rural Network (SRN):

A Network Support Unit, based within Scottish Government, has been set up to provide a dedicated staff resource for the successful delivery of the National Rural Network's Action Plan and individual activities and an annual planning cycle has now been established to help identify priorities for the annual work programme.

The activities undertaken by the SRN have included; working with LEADER LAGs on co-operation and communication Working Groups; helping to deliver the first Scottish Rural Summit; contributing to the work of European Network for Rural Development; and launching a new website, which enables registered users to add their own news articles, blogs, events, cooperation offers and contact details.

SRDP Scottish Rural Development Programme

Developments in Quarter 1 of 2016

During 2016, all the SRDP support mechanisms will be open for applications and the Farm Advisory Service will be launched.

In anticipation of the transition from Less Favoured Areas (LFAs) to Areas of Natural Constraint (ANC), the Scottish Government commissioned a desk-based evaluation of the Less Favoured Area Support Scheme (LFASS). The aim was to establish how LFASS currently meets the goals of the Rural Development Regulation and ANC working guiding principles, and to review the evidence and provide proposals for the development of the new ANC scheme. (The review report has now been published.)

The Ex Post Evaluation of the 2007-2013 has been taking place during 2016, consisting of both desk based research as well as primary research into the impact of the programme. The evaluation will be completed before the end of 2016.

In May 2016 the Scottish Government commissioned a multi-year monitoring and evaluation contract of the Agri-Environment Climate Scheme. This will build on the results from previous monitoring activity and examine the environmental benefits resulting from management under the 2014-20 SRDP Agri-Environment Climate Scheme.

A Monitoring and Evaluation Steering Group was established in 2015 and has continued to meet during 2016. The Steering Group was established to oversee the range of monitoring and evaluation activity which will help ensure that information is available in a timely fashion to not only meet the reporting requirements of the EU, but to inform future decisions on the programme. The Steering Group consists of officials from the Scottish Government as well external stakeholders and delivery partners. Further information can be found on the on the Monitoring and Evaluation Steering Group webpage.

SRDP Scottish Rural Development Programme

SRDP Ex-Post Evaluation Progress Report

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SRDP Ex-Post Evaluation – Progress Report

The Ex Post Evaluation of the Scotland Rural Development Programme (SRDP) 2007–2013 was commissioned by the Scottish Government in December 2015 and was undertaken by EKOS Ltd in collaboration with the Rural Development Company, P&L Cook and Partners, and Bill Slee.

The entire research material for secondary and primary research has been designed in line with the existing RDP - Ex Post Evaluation guidance and the established CMEF system. All research material has been agreed with the client beforehand.

SRDP Ex Post Evaluation Stages and Tasks	Progress at 11-Oct 2016
Stage 1 Inception Meeting	
Inception Report	completed
Stage 2 Desk-based Research	
Design Research Templates for desk-based research	completed
Review and summary of previous SRDP research	completed
Review and Analysis of SRDP Monitoring Data	completed
Re-review of final Monitoring Data (finance + performance indicators)	completed
Analysis of SRDP processes and procedures	completed
Interim Paper 1	completed
Stage 3 Primary Research	
Design Primary Research Fieldwork Material	completed
Consultations with SRDP Scheme Managers and Strategic Stakeholders (20 targeted - 51 achieved)	completed
Online Beneficiary Survey (focusing on Measure 321)	completed
Case Studies Revisited (10 - 8 achieved)	completed
Thematic Focus Groups (5) - balanced - a total of 41 participants	completed
Interim Paper 2	completed
Write Up of Online Beneficiary Survey	completed
Stage 4 Analysis and Reporting	
Socio-Economic Impact Assessment	In process and to be completed by the end of October
Triangulation of Research Findings for each Evaluation Question (Effectiveness, Efficiency; Success Factors, Lesson's Learned, Best Practice)	
Impact Assessment on Community Priorities &CEQs	
Draft Report	
Learning Workshop	
Final Report and Presentation	

The secondary research incorporated a number of tasks, including:

- Review of monitoring data (finance and performance indicators);
- SRDP Annual Reports;
- SRDP Ex Ante 2014-2020 evaluation findings; and
- Thematic research studies and evaluations.

The desk-based research findings were reported in the first Interim Report in the form of Axis-based Topic Guides designed in line with the RDP Ex Post Evaluation Guidance.

The primary research of the study involved the following activities (which are all completed):

- Workshop with SRDP staff and scheme managers (20);
- Workshop with LEADER co-ordinators (26);
- Telephone consultations with a range of stakeholders and managers (12);
- Case studies of funded projects across all Axes (8);
- Five MAPP events with a mix of stakeholders and beneficiaries (41 participants); and
- Two top-up surveys, one involving individuals who could not participate in the MAPP events and the other targeted at beneficiaries of Measure 321.

The second Interim Report provided an overview of the various research findings with a focus on the workshop findings and case studies.

Next Steps

The analysis and triangulation of findings across all primary research findings and in relation to the desk-based research of monitoring data undertaken will be the focus of the next study stage.

Following the draft report, we will hold a learning workshop with the client to reflect on the findings and draft recommendations.

Following the iterative drafting process of the draft final report we will amend the report and produce the Final Report to the exact specifications of the client.

Initial Findings

Whilst it is too early to provide detailed feedback on the various findings, in general the following general observations can be made:

Evaluation Heading	Preliminary Findings
Relevance of Strategy	• Significant impact of economic downturn in 2008 which influenced programme up-take, availability of domestic funding (which was drastically reduced); and strategic emphasis. Having said this, agriculture showed some resilience to the crises until more recent events. • The SRDP had a significant emphasis on supporting agri-environmental investment to improve biodiversity etc. in line with overall Government objectives. • The focus on supporting farm and forestry holdings and rural businesses was relevant and appropriately focusing on supporting diversification and growth. • There are questions raised over the basis for the adaption of the programme over the period, i.e was the strategy developed in response to changing needs, financial considerations, delivery issues etc.?
Effectiveness and Achievements	Based on the experience of consulted stakeholders, positive achievements include: • Food & Drink is the stand out success over the programme period but this may also be a case of the sector receiving substantial political support, the impact is nevertheless thought to be significant. • The Skills Development Scheme secured good private funding leverage and delivered some very successful skills development/knowledge transfer initiatives often involving third parties, e.g. a renewables development initiative and a Crofting Training Programme delivered by the Scottish Crofting Federation as well as the successful Monitor Farm Programme (with a relatively small budget). • A report on SRDP efficacy by SNH (November 2015)[1] suggested that management under Rural Priorities (RP) has contributed positively to improving feature condition on designated sites compared to features without these in place. • There were thought to have been significant agri environmental gains which can be clearly attributed to SRDP interventions. • There have also been improvements in specific designated sites which have gone from experiencing negative to positive impacts. • In terms of biodiversity and landscapes, the results of monitoring under the last programme have provided some evidence that where RP options were targeted, both at the holding and landscape scale, and where options were tailored to deliver the desired outcomes, then they worked well (however, actual measurement of effects was in most cases not possible). • Land Manager Options (LMO) was seen to have performed satisfactorily for a broad and shallow scheme both in terms of allocation of funds and in terms of spatial disbursement of these funds across a wide geographic reach.

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[1] http://www.snh.gov.uk/docs/A1885780.pdf

Second Progress Report – SRDP Ex Post Evaluation: The Scottish Government

	• The attempt at regionalisation through the Regional Proposal Assessment Committees (RPACs) was not universally liked or successful but was thought to reflect a positive policy principle and had started to improve the awareness of the integrated approach. • While LEADER funding was small (5% of SRDP funding; €107m at the beginning of the programme and €66m after the adjustment to the economic downturn) participating communities and local partnerships developed well, and a lot of effective community-based initiatives were implemented. There are many good examples where the integrated approach to rural development worked very well.
Efficiency	• Apart from LFASS (the largest scheme based on farm qualifying criteria only), the bureaucracy of the SRDP was perceived as a key obstacle and challenge for most applicants/beneficiaries. • The complexity of the application forms (often needing consultants) may have resulted in certain categories of potential applicant being excluded e.g. crofters, small farmers – and for some of the intended learning effects to miss their target audience (the farm and forestry holding/rural businesses rather than the consultants). • Some of the new and promising implementation mechanisms such as the geographically focused RPAC bodies, and the RP scheme were largely deemed unsuccessful by many stakeholders, partly due to their complexity (RP), or governance/appraisal/empowerment issues (RPAC). • One of the main points about RPACs was that the regional targeting and specificity was largely lost as those who selected the regional priorities did not want to close options to secure funding for their regions, this significantly diminished its effectiveness. • A number of stakeholders feel that the LEADER management costs issue is more nuanced, an interaction of the rather rigid application / interpretation of RDP level rules by national auditors resulting in a heavy burden which in turn placed demands on staff capacity. • In terms of LEADER many lessons have been learned during the programme period regarding shortcomings in the availability of guidance for LAGs, clarity of eligibility criteria and project expenditure. Audit issues created some considerable upset in some LAGs. • One of the key lessons learned regarding LEADER was that the management of LEADER requires more resources than were available, particularly for the LAGs operating in a smaller LEADER area.
Results	• Monitoring data for results indicators are generally far below target. Some of this could potentially be explained by challenges in reporting on results indicators via monitoring processes. • Particular challenges were associated with a widespread collection of GVA result indicator due the complexities of the CMEF formula to be applied. Having said this, the MA commissioned a number of annual surveys to alleviate these difficulties and to be able to have some insight into achievements. • The analysis of monitoring data, shows that there was a great variation in the

	extent to which final targets of outputs and results indicators were achieved. In a number of cases they were so much overachieved that the target setting and/or interpretation of the performance indicator and subsequent measurement have to be questioned, in other cases a substantial under-achievement is reported.
	• Particularly with regard to the output performance, there are variations in the unit costs which were achieved against those which must have been assumed at target setting. This created in a number of areas where more widespread, but less intensive projects must have been supported, i.e. more beneficiaries have been supported than anticipated, but less hectares/results were achieved.
Impacts	• Still to be assessed – in progress
Monitoring Systems	• Agri environmental monitoring was rather limited and was not proportionate to the scale of the investment but is understood to be improving.
	• A number of studies were commissioned to fill gaps in knowledge and system capacities to deal with monitoring of outputs and results.
	• While there was little time to address failings during the programme period, the evaluation team and stakeholders feel that lessons have been learnt and that the new SRDP is currently benefiting from a new system and better guidance.
	• Regarding targets one of the main issue was the basis and realism of the targets, this was acknowledged but never fully resolved. The issue was therefore as much about the targets as the performance itself.
	• There were a number of issues surrounding eligibility of LEADER expenditure, which were addressed during the programme period. These lessons have informed the new SRDP and better guidance, budgets, and support is now in place for the new programme.
Finance Review	• The overall budget for the SRDP reduced from an anticipated public spending value of €2.133 billion when approved in 2008 to €1.425 billion, a reduction of 33%.
	• Following the Scottish Government Spending Review in response of the economic downturn in 2008, there were reductions across Axis 1 to 4, with Axis 2 being reduced by 26% (€ 381m); Axis 3 reducing most by 52% (€127m reduction); but Axis 5 increasing in value by 61% (€2m increase).
	• However, EAFRD spending was achieved as planned. The percentage of EAFRD drawn down even increased from the original budget, due to changes in the intervention rate.
	• The actual spend intervention rate was 47.6%, slightly ahead of the final budget figure of 47% (the more dramatic changes of the intervention rate occurred in 'smaller' Axes and measures).

Scottish Rural Network Action Plan 2014-2020

Background

Article 54(1) of European Regulation 1305/2013 requires each Member State to establish a National Rural Network under their Rural Development Programme for 2014-20.

Article 54(3) of the same Regulation requires each Rural Network to develop an Action Plan. The Action Plan is supplemented by an annual Work Programme which details the specific activities of the Network Support Unit.

Key Purpose and Priorities for SRDP 2014 – 2020

The key purpose of the Scottish Rural Development Programme (SRDP) 2014 - 2020 is to help achieve sustainable economic growth in Scotland's rural areas . The main priorities are:
- Enhancing the rural economy
- Supporting agricultural and forestry businesses
- Protecting and improving the natural environment
- Addressing the impact of climate change
- Supporting rural communities

Aims of the Scottish Rural Network (SRN)

As required by European Regulation, the SRN will aim to:
1. increase the involvement of stakeholders in the implementation of rural development;
2. improve the quality of implementation of the rural development programme;
3. inform the broader public and potential beneficiaries on rural development policy and funding opportunities;
4. foster innovation in agriculture, food production, forestry and rural areas.

Specific SRN objectives

Seven specific objectives have been developed for the SRN:
1. Support the effective delivery of LEADER Local Development Strategies
2. Communicate the impacts and benefits of SRDP funding
3. Engage stakeholders to help improve implementation of the SRDP and rural policy

4. Promote innovative approaches to achieving rural development priorities
5. Promote cooperation as an effective tool for Rural Development
6. Promote the SRN as the 'network of networks'
7. Collaborate at UK and European level to enhance learning and share best practice amongst NRNs

Please see Intervention Logic at Annex A, which sets out how it is anticipated that the activities of the SRN will contribute towards achieving the objectives.

Governance and Sign-off

The Head of the Scottish Rural Network has strategic oversight of the SRN and the Network Support Unit (NSU), as well as managing the Network Manager who has day-to-day responsibility for the work of the NSU.

The EU Rural Development Policy Team in Scottish Government operates as the Managing Authority (MA), with responsibility for signing off the work programme as well as monitoring delivery and performance. The governance model for the SRN is set out in Annex B

This Action Plan will be presented to the JPMC and RDOC for clearance. The annual Work Programme together with the Communications Plan and Monitoring and Evaluation framework will be presented to the JPMC and RDOC to note and provide comments and feedback where appropriate.

In should be noted that the activities of the annual Work Programme contribute towards the SRDP Information and Publicity Strategy and the SRDP Annual Communications Plan and communication activities have been developed jointly.

Membership

There is no formal membership and the Network is open to all parties with an interest in rural development.

Delivery

A ring-fenced Network Support Unit (NSU) in Scottish Government provides a dedicated staff resource for the successful delivery of the Action Plan and individual activities. The NSU has 7.3 full-time equivalents:

- Head of unit (0.5 FTE)
- Network Manager
- Event Coordinator

- Website and Social Media Officer
- Communications Officer
- Development Officer (LEADER cooperation)
- Development Officer (non-LEADER cooperation) (0.8 FTE)
- Finance and Business Manager

The NSU has the skills and expertise to facilitate programme networking and communications, supplemented by a flexible resourcing policy to enable specialists to be contracted in or seconded.

The NSUs of England, Scotland, Wales and Northern Ireland collaborate on a UK level in networking priorities and participation in the European Network for Rural Development.

Work Programme Planning Cycle

The SRN activities in the annual Work Programme are driven by the legal requirements, the intervention logic (see Annex A) and also stakeholder needs identified through stakeholder engagement and workshops as outlined in the annual work programme planning cycle (Annex C).

Budget and Finance

The budget for the SRN is £4m over the 2014-20 programme period, funded through SRDP Technical Assistance, with approximately half of the budget utilised on staffing costs for the NSU. The remaining budget will be used to fund the additional costs of delivering SRN activities and the contracting of external specialists, where the necessary skills or knowledge do not exist in the core NSU team.

The budget is supplemented by additional staff-time funded by Scottish Government, as necessary. The salary for Head of the Scottish Rural Network is met by Scottish Government, rather than through Technical Assistance.

Where applicable, each SRN activity will have a budget agreed by the Head of Unit or the Network Manager.

Payments and Claims

The costs of running the SRN are claimed back from the SRDP Technical Assistance budget on a quarterly basis. Desk instructions setting out the rules and processes for procurement and for paying and claiming back costs are used by the NSU to ensure adequate controls are in place.

Monitoring and Evaluation

Performance indicators
A range of indicators will be used to monitor and assess progress towards the SRN objectives. Data on the SRN activities will be collected through a combination of online tools (e.g. Eventbrite, Survey Monkey and Google Analytics). This information will be captured or uploaded to a database which has been specifically designed for the SRN. SRDP Scheme-specific information will also be collected where appropriate.

Annual Self-Assessment and Report
The NSU will undertake an annual self-assessment as part of the development process for the annual Work Programme. The self-assessment will include a review of the indicators and targets and an online survey to gauge user satisfaction and any changes in needs/priorities.

As part of the SRDP Annual Implementation Report (each June reporting on the preceding calendar year), the SRN will provide the following output indicators:
- Number of thematic and analytical exchanges set up with the support of SRN
- Number of SRN communication tools
- Number of ENRD activities in which the SRN has participated

It will also provide descriptive information on the progression of activities included in the annual work programme.

Evaluation and Enhanced Report
An enhanced Annual Implementation Report on the SRDP is required in 2017 and 2019. These reports will both ask the question "To what extent has the NRN contributed to achieving the objectives laid down in Article 54(2) of Regulation (EU) No 1305/2013?"

It is anticipated that two independent evaluations will be undertaken on the SRN, to help answer the above question and feed into the 2017 and 2019 reports.

Information is also expected on the above evaluation question as part of the Ex Post Evaluation, which is expected to take place in 2020.

Communications Plan

The NSU will produce an annual Communications Plan, setting out the communication objectives, channels and activities planned each year to support the annual Work Programme. This will also support the delivery annual SRDP Communications Plan.

Annex A

SRN 2014-20 - Intervention Logic

The four **overall objectives** for the Scottish Rural Network (SRN) are set out in Article 54 of European Regulation 1305/2013:
5. increase the involvement of stakeholders in the implementation of rural development;
6. improve the quality of implementation of rural development programmes;
7. inform the broader public and potential beneficiaries on rural development policy and funding opportunities;
8. foster innovation in agriculture, food production, forestry and rural areas.
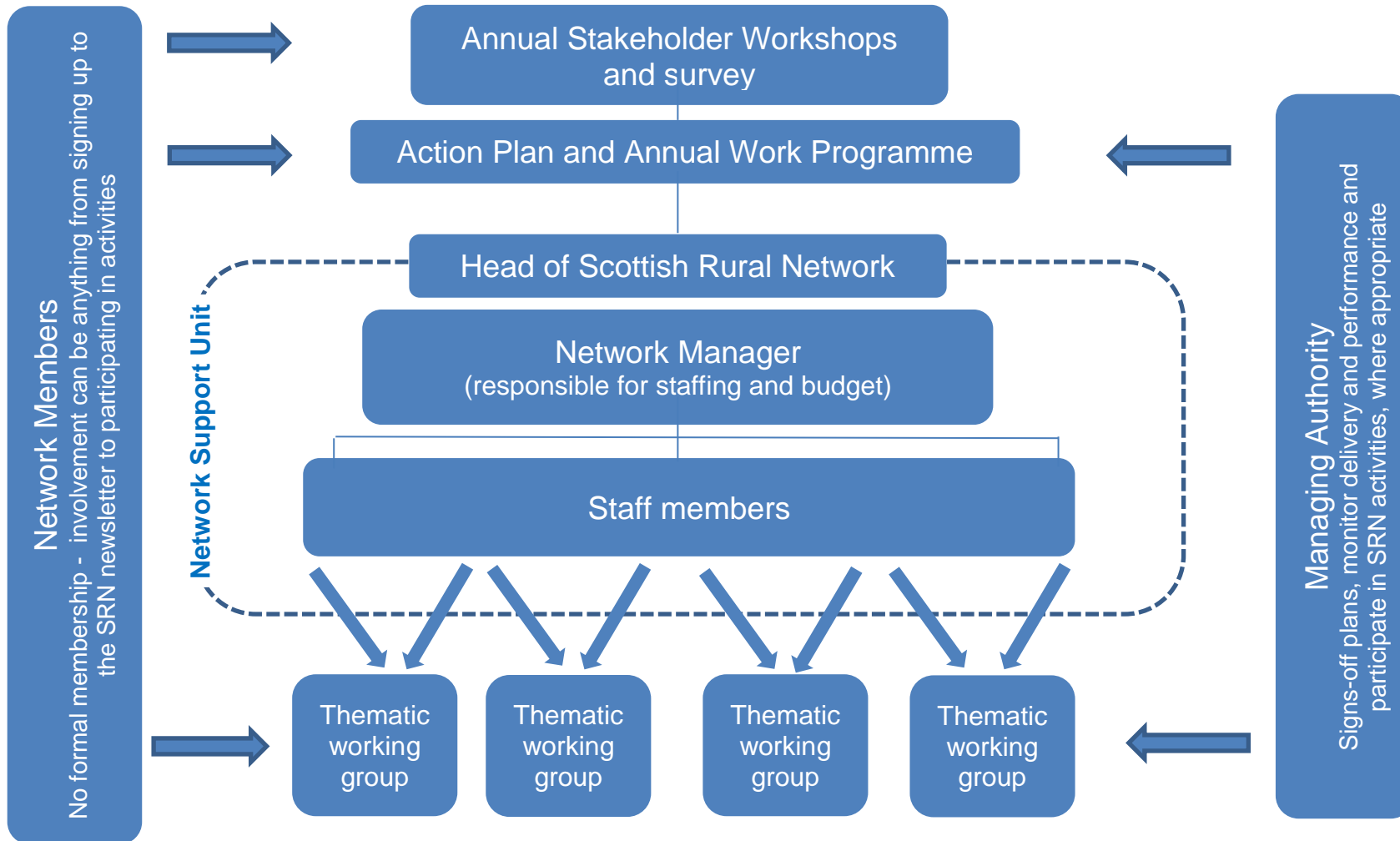
The objectives in the following table are specifically for the Scottish Rural Network, with the related overall objectives indicated by numbers 1-4.

Specific SRN objective	Types of Activities	Outputs	Results
1. Support the effective delivery of LEADER Local Development Strategies. 1,2	Regular exchanges of information, disseminate good practice and project examples, support to develop cooperation ideas	Monthly LEADER newsletter, project case studies, cooperation project proposals, Summaries of Local Development Strategies. LEADER conference.	Informed and knowledgeable Local Action Group (LAG) staff and members. Strong connections between LAGs allow successful information sharing. LEADER viewed positively by rural communities as an effective mechanism for community led local development. Benefits of cooperation projects widely known and understood.
2. Communicate the impacts and benefits of SRDP funding 1,3	Develop and disseminate materials to support communication.	Weekly Rural Network newsletter. 3D graphics and animation, presentations at events and agricultural shows. Case studies and films. Presentations at events.	Wide public awareness of the different opportunities offered by SRDP funding.
3. Engage stakeholders to help improve implementation of the SRDP and rural policy. 1,2,3,4	Online consultations/surveys, workshops with stakeholders and beneficiaries. Develop a series of focus years to target activity in key rural development areas. Develop thematic groups linked to focus years.	Reports summarising results from thematic groups, surveys and events. Issues to be included in modifications to the SRDP. Use of the annual work programme planning cycle to collect stakeholder views and prioritise issues. Consider and agree range of submitted	Stakeholders are engaged with the SRDP and contribute effectively to its implementation and to wider rural development. Expertise is utilised through thematic groups. Current issues are targeted and solutions identified. The annual work programme planning cycle is viewed as a transparent and robust tool for data

		work programme proposals. Specific support for ANC development (events/roadshows).	collection. The activities of the annual work programme accurately reflect the needs of rural stakeholders. Work proposals to the SRN are dealt with swiftly and prioritised according to the agreed work programme.
4. Promote innovative approaches to achieving rural development priorities 2,4	Develop an Innovation Support Service that will facilitate the development of Operational Groups linked to the aims of EIP to address identified issues and invite solutions.	KTIF 're-fresh' launch, enhanced guidance produced, series of promotional events. Series of workshop events and/or EOI process to link stakeholders with common interests to form OG's ; provide support and secretariat to OGs once established; disseminate findings including those from wider EIP network.	Faster and wider use of innovative solutions in agricultural productivity and sustainability; enhanced uptake and effectiveness of innovative solutions; links developed between research and practical farming. Increase in quality, targeted applications to KTIF. Opportunities of Horizon 2020 realised.
5. Promote cooperation as an effective tool for Rural Development 2,4	Match-making service to find potential LEADER and other cooperation project partners. Develop a strand within the Innovation Support Service that will support Measure 16 cooperation activity.	Films/case-studies Events designed to find and link project partners Cooperation offers published on website Cooperation guidance and forms for LEADER ECAF workshops.	Successful national and trans-national LEADER cooperation projects being undertaken in every LEADER area. Successful cooperation projects under ECAF and FPMC. Cooperation seen as an integral and natural method of working across rural development.
6. Promote the SRN as the 'network of networks' 1,3	Presence at national and European events. Website/social media.	Website and social media reports on a broad range of rural issues. Weekly newsletter. Networking events to strengthen and develop links between stakeholders. Dissemination of information from Europe and elsewhere. Facilitation at national and international events (eg. Rural Parliament)	SRN seen as an information hub and prime 'go to' organisation for all those with an interest in rural development. Extensive list of internal and external stakeholders who consider themselves part of the SRN. Continued increase in website subscribers and Twitter followers.
7. Collaborate at UK and European level to enhance learning and share best practice amongst NRNs. 2,3,4	Attendance at ENRD events. Secretariat UKNRN.	Sharing of case studies and guidance with NSUs and ENRD. Presentations at ENRD meetings. Content for ENRD website and publications. Summaries from UK NRN meetings.	All National Rural Networks (NRNs) actively seek out opportunities to engage with and learn from each other. The SRN makes high quality contribution to events at UK and European level. Interaction between UK NRNs seen as model for other regional Networks.

Annex B   **Governance and Delivery Model**

Network Members

No formal membership - involvement can be anything from signing up to the SRN newsletter to participating in activities

Annual Stakeholder Workshops and survey

Action Plan and Annual Work Programme

Network Support Unit

Head of Scottish Rural Network

Network Manager
(responsible for staffing and budget)

Staff members

Thematic working group

Thematic working group

Thematic working group

Thematic working group

Managing Authority

Signs-off plans, monitor delivery and performance and participate in SRN activities, where appropriate

Annex C   **Work Programme Planning Cycle**

Dec-March
NSU assessment of 'live' work programme

Jan/Feb
stakeholder workshops/draft programme

March
Proposed work progamme approved by MA

April
New work programme submitted to RDOC

April to March
NSU delivers new work programme