

Brussels, 24 January 2008

Rural Development Plan for Scotland

Region profile:

- Includes the convergence programme for the Highlands and Islands of Scotland and the Competitiveness programme for lowland and upland Scotland.
- Rural areas account for 98% of land mass and 19% of population.
- Primary sector accounts for 11% of employment.
- Agricultural land covers 80% of Scottish territory but harsh climate, poor soils and mountainous terrain limits land use. 85% classified LFA and most is rough grazing. Only 10% of the UAA is used for crops, fallow and set-aside.
- Average farm size 101 ha. However, 39% of holdings are less than 5 ha, particularly in the North and West where the "crofting" system¹ is important.
- Forest covers 17.1% of Scotland, a substantial proportion of which is under state ownership.
- 2.2% of the total workforce in Scotland (5% of the rural workforce) is employed in agriculture.
- 1.2% of the total workforce is employed in food manufacturing.
- Tourism plays an important role in the Scottish rural economy.

Chosen strategy corresponding to the profile

- Support business viability, add value to the rural economy and facilitate increased market orientation.
- Support a coherent and integrated approach to meet environmental objectives.
- Encourage private enterprise and entrepreneurship, improve services and infrastructure at local level & support Scotland's cultural opportunities.
- Support capacity building and innovation.

Overall budget and share of EU funding

A financial aid of **€ 2,133.3 million** of which **€ 676.3 million** is EU financed, including € 317 million from voluntary modulation (47%), has been allocated to the Rural Development Programme for Scotland for the period 2007- 2013.

¹ The "croft" usually provides grazing rights in an area of common grazing shared with a number of other crofts. In 2005, there were around 17 800 crofts in Scotland and 14 000 crofters.

Axis	Total Public Expenditure (in €)	Share of EAFRD (in %)	EAFRD Contribution (in €)
Axis 1	305 951 943	31.54	96 497 745
Axis 2	1 468 678 865	31.54	463 223 724
Axis 3	247 767 585	31.54	78 146 303
LEADER	107 544 354	35	37 640 524
Technical assistance	3 338 592	25	834 648
Total	2 133 281 340	31.7	676 342 944

* EAFRD: European Agricultural Fund for Rural Development

Overall aim of RD programme

- Support business viability, add value to the rural economy and facilitate increased market orientation and co-operation.
- Support a coherent and integrated approach to meet environmental objectives, landscape and biodiversity, water quality and tackling climate change.
- Encourage private enterprise and entrepreneurship, improve services and infrastructure at local level & support Scotland's cultural opportunities.
- Support capacity building and innovation.

Axis 1 budget allocation and main priorities:

Total budget: € 305,951,943 - EAFRD contribution: € 96,497,745

Main priorities: Modernisation of agricultural holdings (32% of total public expenditure for axis 1), Adding value to agriculture and forestry products (26% of axis 1 total public expenditure) & vocational training (18% of total public expenditure). Other measures include: setting up of young farmers, use of advisory services, improvement of the economic value of forests, co-operation for the development of new products, infrastructure related to adaptation and development.

Axis 2 budget allocation and main priorities:

Total budget: € 1,468,678,865 - EAFRD contribution: € 463,223,724

Main priorities: Less Favoured Areas (42% of total public expenditure for axis 2); Agri-environment payments (30% of axis 2 total public expenditure) including organic farming and 1st afforestation of agricultural and non-agricultural land (16% axis 2 total public expenditure). Other measures include: non-productive environmental investments and forest environment payments.

Axes 3 budget allocation and main priorities:

Total budget: € 247,767,585 - EAFRD contribution: € 78,146,303

Main priorities: Encouragement of tourism activities (37% of axis 3 total public expenditure); Basic services for the economy and rural population (20% of axis 3 total public expenditure) & Diversification into non-agricultural activities (16% of axis 3 total public expenditure) and business creation and development (15% of axis 3 total public expenditure). Other measures include: Conservation & upgrading of the rural heritage, training and information, skills acquisition & animation.

Leader budget allocation:

Total budget: € 107,544,354 – EAFRD contribution: € 37,640,524

Leader may be used to deliver objectives across all 3 axes, but it is anticipated that it will mainly focus on axis 3.

See also: http://ec.europa.eu/agriculture/rurdev/index_en.htm