

S E E R A D

DRAFT RURAL DEVELOPMENT REGULATION

Consultation Paper: AXIS 3

SUBMISSION BY

SCOTTISH ESTATES BUSINESS GROUP

4 October 2004



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1. Background

- 1.1 SEBG represents a group of progressive land-based estates with significant agricultural and rural business interests. It aims to promote a modern business approach in the management of Scotland's land resource in ways which deliver social, economic and environmental benefits. The group seeks to secure a sustainable and prosperous future for rural areas.
- 1.2 Estates are proven business models that assist the development of smaller rural businesses, and landowners and estates have a vital role to play in the ongoing and future development and prosperity of Scotland.
- 1.3 SEBG is committed to rural economies and its members work hard across Scotland to stimulate enterprise and economic development, whether through small localised initiatives, or through larger schemes such as the Group's recent conference with Scottish Enterprise and Highlands and Islands Enterprise on providing broadband to rural areas.

2. General Strategy

- 2.1 The SEBG welcomes the proposed approach by the EU Commission to allow EU co-financing for rural development to be based on commonly-agreed priorities, because it offers the prospect of a level playing field across Europe, whilst at the same time allowing flexibility at the Member State or regional level, in order to take account of local circumstances and opportunities.
- 2.2 We are concerned to note, however, that the Commission has proposed more detailed and structured monitoring and evaluation rules than currently apply. The prospect of on-going evaluation in addition to the existing ex-ante, mid-term and ex-post evaluations will add another layer of bureaucracy to a system already overburdened with paperwork.

2.3 Strategic approach - responses to questions posed

- Q. Do we need both EU and national strategy documents?*
- Q. Should we have a Scottish strategy document?*
- Q. How closely should the EU strategy define the UK and /or Scottish strategy?*

An EU outline on which a national approach can be built would allow a consistent approach to be developed across Member States. A national strategy could then set out the way in which the EU outline was to be implemented.

The most important aspect of any strategy for Scotland is that it is designed to take account of and cater for the needs of Scotland's diverse rural and remote communities. It should encourage and support initiative, entrepreneurship and local partnership without adding unnecessary bureaucratic hurdles and administrative costs, if it is to work effectively to develop and promote development and sustainability.

3. Programming - responses to questions posed

- Q. Should the Rural Development Regulation (RDR) complement national i.e. Scottish policies as well as Community ones and if so, which?*
- Q. Is the proposed distribution of resources to each axis the right distribution, and if not, what should the distribution be?*
- Q. Should a minimum level of funding be set for the LEADER axis, and if so, what should that be?*

The RDR should be a loose framework which underpins the development of rural development policy at a national level and ensures a consistent approach in a consistent way across Member States. As such it should not be prescriptive but should allow for implementation as appropriate to regional and local circumstances and needs.

With 85% of Scotland designated LFA, and with preserving the landscape a priority – both Axis 2 – the SEBG welcomes recognition of the importance of land management in support for rural areas. We suggest, however, that the 25% minimum be increased to 30% to reflect the relative importance of such activity. This would produce the following minima and maxima:

- Axis 1: 15% - 55%
- Axis 2: 30% - 70%
- Axis 3: 15% - 55%

Since there will be pressure for LEADER funding from groups across the rural scene, then a minimum allocation would ensure that a proportion of bids were successful.

4. Rural Development Priorities - AXIS 3

- 4.1 The SEBG welcomes the proposal to include support for the creation and development of micro-enterprises, defined as those with 10 or fewer employees, or annual turnover of less than €2million. As diversification from traditional agricultural industries increases, it is essential that new businesses and ventures be supported to ensure not only their own sustainability but that of the communities in which they develop.

4.2 As LEADER has been very successful in targeting support to local groups, we also welcome the proposal to build the principles of the LEADER approach more widely into mainstream rural programming. This bottom-up approach has already been proved to encourage the development and implementation of local strategies, co-operation, networking and the acquisition of skills. The inclusion of a LEADER 'axis' within each programme, with its own separate funding, should encourage wider uptake.

4.3 **The Axis approach – responses to questions posed**

Q. Is the approach and allocation of measures to strategic axes relevant and appropriate?

Whilst SEBG welcomes the prospect of greater simplicity of implementation of measures under which Axis support may be available, we suggest that the prescription of 34 measures under which support will be available is not as flexible as it might be. The identification of priorities for support would be a more flexible alternative that would be better able to accommodate innovative and appropriate approaches to developments at the local level.

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