



**An Roinn Talmhaíochta,  
Bia agus Mara**  
Department of Agriculture,  
Food and the Marine

## **Review of Expenditure under the Rural Development Programme (RDP) 2014 -2020**

**June 2018**



**The European Agricultural Fund  
for Rural Development: Europe  
investing in rural areas**



**Ireland's European Structural and  
Investment Funds Programmes  
2014-2020**

**Co-funded by the Irish Government  
and the European Union**



### **1. What is the Rural Development Programme 2014-2020?**

The [Rural Development Programme \(RDP\)](#) is part of the Common Agricultural Policy (CAP) through which the European Union (EU) co-ordinates support for European agriculture. Ireland's RDP contains a broad range of supports and schemes that are beneficial for the environment, climate change and the development of rural areas. The Programme is co-funded by the EU's European Agricultural Fund for Rural Development (EAFRD) and the national exchequer. The Department of Agriculture, Food and the Marine is the Managing Authority for Ireland's RDP.

### **2. How does Ireland compare to other Member States in delivering the RDP 2014 -2020?**

Ireland leads other Member States in terms of our implementation of the Rural Development Programme ("the Programme") and currently has the second highest rate of draw-down of EU funds among all Member States. The average EU financial rate for draw down of funds up to 31st May, 2018 was **33%** whereas Ireland's execution rate was **53%**; we are one of only two countries with over 50% of funds drawn down.

### **3. Will the entire budget under the RDP 2014 -2020 be used and if so by when?**

Yes, based on current up-take and projections, the entire budget allocation of some €4 billion for the Rural Development Programme will be spent which will result in the entire €2.19 billion of EU co-funding being drawn down. Current projections are that the 2014-2020 RDP will require €104.9 million of transitional funding from the next Programme, additional to the €4 billion, if implementation of schemes continues at their current level.

It is expected that almost all of the entire €4bn budget will be spent by the end of 2020, with some spend in 2021. Under EU regulations governing the Programme, funds for multi-annual commitments entered into by the end of 2020 may be claimed up to the end of 2023. RDP spending is also subject to the annual estimates process and budgetary rules, but this should not affect the overall spend and any funds unspent in a year are carried forward to subsequent years.

Table 1 below outlines current projections versus allocations for Schemes and supports as contained in the RDP. The acronyms are explained in the [List of Abbreviations](#). The footnotes explain differences between the original scheme allocations and the current allocations as contained in the amended RDP. The allocations for future years represent best estimates at the time of forecasting and are indicative. The Department will continue to review the Programme on an on-going basis to ensure that the entire budget is used and that re-allocations of funds are made where necessary.

**Table 1: RDP 2014 -2020 Current Projections versus Allocations**

<b>Scheme</b>	<b>Total Scheme Allocation</b>	<b>Total Expected Spend</b>	<b>Total Expected Spend v Allocation</b>
<b>Measure 1</b>			
Knowledge Transfer Group	99,700,000 <sup>1</sup>	<b>69,000,000</b>	-30,700,000
GLAS Training	12,000,000	<b>12,000,000</b>	0
BDGP Training	14,100,000	<b>10,672,374</b>	-3,427,626
<b>Measure 2</b>			
CPD for advisors	2,000,000	<b>2,000,000</b>	0
TASAH Advisory	6,000,000	<b>3,529,239</b>	-2,470,761
Setting up POs	300,000	<b>300,000</b>	0
<b>Measure 4</b>			
TAMS II	381,700,000	<b>387,623,003</b>	5,923,003
TAMS I (transitional)	13,300,000	<b>7,376,986</b>	-5,923,014
AEOS (transitional)	30,000,000	<b>15,770,046</b>	-14,229,954
<b>Measure 7</b>			
GLAS Traditional Farm Buildings	6,000,000	<b>6,000,000</b>	0
<b>Measure 10</b>			
GLAS	920,450,630 <sup>2</sup>	<b>1,082,664,382</b>	162,213,752
Burren Programme	12,855,000 <sup>3</sup>	<b>12,855,000</b>	0
REPS/AEOS (transitional)	316,800,000	<b>313,719,632</b>	-3,080,368
BGDP	280,900,000	<b>271,725,801</b>	-9,174,199
<b>Measure 11</b>			
OFS	56,000,000	<b>65,764,417</b>	9,764,417
<b>Measure 12</b>			
Old Natura AEOS/REPS (transitional)	73,250,000	<b>46,741,992</b>	-26,508,008
<b>Measure 13</b>			
ANC incl Island	1,250,660,377 <sup>4</sup>	<b>1,284,937,085</b>	34,276,707
LFAs/DAS (transitional)	194,339,623	<b>207,857,524</b>	13,517,902
<b>Measure 14</b>			
Sheep Welfare Scheme	100,000,000 <sup>5</sup>	<b>78,775,546</b>	-21,224,454
<b>Measure 16</b>			
General EIPs	4,000,000	<b>4,000,000</b>	0
Locally Led HH and FWPM	35,000,000	<b>35,000,000</b>	0
Locally Led Env and Climate	20,000,000	<b>20,000,000</b>	0
Collaborative Farming	3,000,000	<b>2,206,000</b>	-794,000
<b>Measure 19</b>			
LEADER	250,000,000	<b>250,000,000</b>	0
<b>Measure 20</b>			
Tech Assistance	8,145,000	<b>6,450,032</b>	-1,694,968
ERS (transitional)	9,207,547	<b>7,689,728</b>	-1,517,819
<b>Total</b>	<b>4,099,708,177</b>	<b>4,204,658,787</b>	104,950,610

<sup>1</sup> €300,000 reallocated to allow for the introduction of the Beef Producer Organisations Scheme

<sup>2</sup> €70m reallocated to allow for the introduction of the Burren Programme and the Locally Led EIPs

<sup>3</sup> The Burren Team is funded under Measure 20 Technical Assistance.

<sup>4</sup> €75m additional national financing increases the ANC allocation (€25m per annum for 2018-2020)

<sup>5</sup> €100m additional national financing allocation for the Sheep Welfare Scheme

Transitional funding arrangements are also put in place between RDPs to ensure continuity in delivery and to support multi-annual schemes. Schemes introduced under the RDP 2007-2013 which continued past programme closure were supported under this RDP, as shown at point 6. below (entitled Transitional Funding). While the legislative arrangements for the next programme are still under development, it is expected that transitional funding arrangements will be put in place between this Programme and the next.

#### **4. Can money be re-allocated between Schemes under the RDP 2014 -2020, and are there plans to do so?**

Yes, money can be re-allocated between Schemes in the Rural Development Programme 2014-2020. In some cases such re-allocation would require an amendment to the RDP e.g. re-allocation of funds between Measures<sup>6</sup>.

The implementation of the programme is reviewed on an on-going basis and any necessary adjustments/reallocations will be made to ensure that all objectives are met and that all EU funding is fully drawn down. Such adjustments to the RDP Financial Plan would normally occur towards the end of the Programme, when there is more certainty on actual spend, although some re-allocations have already taken place, as described in footnotes 1 and 2 to Table 1.

#### **5. Can schemes be re-opened for new entrants/investments?**

While there is the possibility of re-opening Schemes, this is dependant, among other things, on the availability of funding within the Programme. As the RDP funding is fully committed and expected to be spent, new investments/schemes or entrants into existing schemes cannot be considered.

#### **6. Transitional Funding**

##### **6a. Is money from the current RDP budget being spent on schemes from the previous RDP?**

Yes, in line with the Transitional Regulation 1310/2013, we are funding commitments from the previous RDP 2007-2013. Funding for the following measures was exhausted by 1st January, 2014 and the transitional arrangement is used to pay for them under the current RDP:

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<sup>6</sup> DAFM runs the programme on the basis of Schemes, whereas as set out in the EU regulations, the Rural Development Programme is organised on the basis of Measures (see Table 1 – several Schemes or part Schemes may fall under one Measure).

**Table 2: RDP Transitional Funding**

<b>Transitional Scheme</b>	<b>Allocation</b>	<b>Expected Spend</b>	<b>Expected Spend v Allocation</b>
<b>Measure 4</b>			
TAMS I (transitional)	13,300,000	<b>7,376,986</b>	-5,923,014
AEOS (transitional)	30,000,000	<b>15,770,046</b>	-14,229,954
<b>Measure 10</b>			
REPS/AEOS (transitional)	316,800,000	<b>313,719,632</b>	-3,080,368
<b>Measure 12</b>			
Old Natura AEOS/REPS (transitional)	73,250,000	<b>46,741,992</b>	-26,508,008
<b>Measure 13</b>			
LFAs/DAS (transitional)	194,339,623	<b>207,857,524</b>	13,517,902
ERS (transitional)	9,207,547	<b>7,689,728</b>	-1,517,819
<b>Total</b>	<b>636,897,170</b>	<b>599,155,908</b>	-37,741,262

All of these commitments, with the exception of the LFA Scheme, were entered into before 1st January, 2014 and only on-going commitments are being met. The LFA annual scheme commitment was entered into in 2014. The indicative carryover from the previous RDP was €637 million and there are several reasons for this including:

- The highly successful AEOS scheme was introduced in 2010, following on from the CAP Health Check in 2009.
- It was re-opened in 2011 and late 2012 to meet pent-up demand from farmers who had exited the REPS scheme (which closed in 2009) and who were anxious to continue their participation in an agri-environment scheme.
- Its late introduction in the Programme meant that there was a strong likelihood of a carryover, but as it is normal practice for transitional arrangements to be put in place for such a carryover between programmes this was not a concern.
- The somewhat late approval by the EU Commission of the new RDP in May 2015 meant that the LFAs Scheme was continued in 2014 so that those farmers in disadvantaged areas would not be at a loss.
- Farmers who had made commitments to invest under the Targeted Modernisation Scheme I and those farmers in the Early Retirement Scheme and REPS also had to be paid.
- The decision to allow farmers to enter into these commitments was made in the context that the Department had a reasonable expectation that the EU budget and the exchequer would be able to meet these financial obligations and this, in fact, was the case.

**6b. Will a funding obligation from this RDP be carried into the next Programme and will it be the same as the carryover into this Programme?**

Based on current projections there will be a funding obligation in the region of €105 million carried into the next Programme. In addition, it is likely that the annual ANC commitment of €227 million in the year 2021 will also be covered bringing the total obligation to €332 million. This is of course dependant on these projections being realised and could be subject to change. It is also dependant on legislative arrangements being put in place to cover transitional funding.

In view of the challenges now facing the EU budget post-2020 it would not be prudent to increase the current estimated carryover into the next Programme. The recently published Multi Financial Framework Proposal (2021 -2027) indicates a cut to the CAP budget, under the impact of Brexit and competing priorities. Brexit involves significant risks to the Irish agri-food sector and to the Irish economy generally and committing to future exchequer liabilities in such an uncertain environment must be sensitive to this fact. The shape and scope of the new Delivery Model being proposed for the next CAP, which proposes one CAP Strategic Plan covering both Pillar 1<sup>7</sup> and Pillar 2<sup>8</sup> also means that the transition to the next period could be different to that which obtained between Rural Development Programmes previously.

**7. What is the confirmed commitment to the Green Low-Carbon Agri- Environment Schemes (GLAS) scheme?**

When GLAS opened it was announced that 50,000 farmers would be allowed into the Scheme. The indicative spend of approx. €1.4bn included a sum of €390 million for the commitments arising from agri-environment measures in the 2007 - 2013 RDP. The performance target for GLAS, as contained in the RDP, is 50,000 farmers and this was reached in 2017 when the final GLAS 3 participants entered into the scheme.

The maximum payment under GLAS is €5,000 per annum with an additional top-up of up to €2,000 available to those who deliver exceptional environmental benefits. As is the norm with a voluntary scheme, the GLAS payment varies according to the holding and based on the some 50,000 farmers now in the Scheme the total projected spend over its lifetime is €1.08 billion (excluding GLAS Training).

The total projected spend for GLAS and the transitional agri-environment measures is expected to be €1.4 billion as originally budgeted, and is shown in table 3 below.

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<sup>7</sup> Fully EU funded income support to farmers (Basic Payment Scheme/Greening) and financing of market measures

<sup>8</sup> Co-funded (EU and national exchequer) rural development measures under the RDP

While the expected spend exceeds the current allocation, it is anticipated that this will be covered by reductions in spend in other measures (see Table 1) and by transitional funding from the next Programme (see point 6b).

**Table 3: Allocation V Projections for GLAS and Transitional Agri-Environment measures**

<b>Scheme</b>	<b>Original Allocation</b>	<b>Current Allocation</b>	<b>Expected Spend</b>
<b>Measure 10</b>			
GLAS	990,450,630*	920,450,630*	<b>1,082,664,382</b>
REPS/AEOS (transitional)	316,800,000	316,800,000	<b>313,719,632</b>
<b>Measure 12</b>			
Old Natura AEOS/REPs (transitional)	73,250,000	73,250,000	<b>46,741,992</b>
<b>Total</b>	<b>1,380,500,630</b>	<b>1,310,500,630</b>	<b>1,443,126,006</b>

\*€70m moved to Burren Programme and Locally Led EIPs

#### **8. Will TAMS spend its entire allocation?**

While there were savings in the annual budget for the TAMS II scheme in the early years, there are significant outstanding commitments to farmers from DAFM which must be provided for until they lapse or the applicant completes the investment and applies for payment. This situation will be significantly clearer in late 2018 as the first three year approvals under the scheme expire. Approvals issued since January 2017 are for the shorter time period of one year. Uptake has been significant with over 18,300 applications and over 14,700 approvals issued. Expenditure is currently running at an average of €1m per week and €58m has issued to date. It is expected that the allocation of €70m for 2018 will be fully spent. The estimated cost of outstanding approvals issued amounts to €134m. TAMS II will continue to open to new applicants and DAFM is currently working on the assumption that the entire allocation of €395 million will be fully spent over the full lifetime of the scheme.

#### **9. Will LEADER spend its allocation?**

It is anticipated that the full LEADER allocation of €250 million will be spent over the duration of the programme. LEADER is implemented by the Department of Rural and Community Development.

#### **10. Which Schemes will not spend their full RDP allocation?**

As is normal in demand-led voluntary schemes, some are expected to underspend as follows:

- KT - The commitment at the launch of the scheme provided a budget of €100m over the lifetime of the Programme. Based on current levels of take up for 19,000 farmers, the total expenditure under the Scheme is expected to be €69 million.

- TASAH – The allocation in the RDP financial Plan is €6m. However, the spend is expected to be less due to the reduced incidence of BVD and a revised focus of the Johne’s Disease Programme.
- BDGP - The commitment at the launch of BDGP provided a budget of €300 million. Based on current levels of take up for 24,600 farmers, the total expenditure (M1 BDGP Training and M10 BDGP) is expected to be €290m (including ICBF costs).
- Sheep Welfare Scheme - The allocation for the Sheep Welfare Scheme is €25 million per annum or €100m over four years. Based on current up-take the total projected spend is €20m each year i.e. 20,000 applicants with 2 million ewes. Note: **This is considered a new scheme as it was introduced as new during the lifetime of the current RDP and not at the beginning.**
- Transitional - The allocation in the RDP Financial Plan for transitional schemes (AEOS, REPS, TAMSII, ERS, LFAs/DAS) was €637m. Based on current projections, the actual spend on transitional schemes is expected to be €599m.

#### 11. Which Schemes will exceed their allocation and how will that be met?

The following schemes are expected to exceed their indicative allocation; this will be met from savings in other schemes and from transitional funding:

- **ANC** - The original allocation in the RDP financial Plan was €1,370m, which included LFAs Scheme transitional funding. The additional budget of €75m<sup>9</sup> (€25m/annum for the years 2018 -2020) has increased the allocation to €1445m. Based on current projections, total spend is expected to be €1,493m, which exceeds the allocation by €48m: €34m of which is attributable to ANC, €14m to LFAs. The ANC and LFAs scheme are annual schemes which are demand driven. The number of eligible applicants in the last few years equates to a total annual payment greater than that provided for in the Financial Plan and this is projected to continue to the end of Programme.
- **OFS** - The allocation in the RDP Financial Plan is €56m over the lifetime of the Programme to achieve 62,000 hectares under organic production. Based on current projections, the total spend under the scheme is expected to be €66m with approximately 72,000 hectares of land under organic production.
- **GLAS** – see answer to point 7. above.

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<sup>9</sup> This is on foot of a Programme for Partnership Government commitment to increase ANC funding. It is subject to EU Commission approval.

## List of Abbreviations

AEOS	Agri-Environment Options Scheme
AHW	Animal Health and Welfare
ANCs	Areas of Natural Constraints
BDGP	Beef Data and Genomics Programme
BVD	Bovine Viral Diarrhoea
CAP	Common Agricultural Policy
CPD	Continuous Professional Development
DAFM	Department of Agriculture, Food and the Marine
DAS	Disadvantaged Areas Scheme
DRCD	Department of Rural and Community Development
EAFRD	European Agricultural Fund for Rural Development
EIP	European Innovation Partnerships
ERS	Early Retirement Scheme
EU	European Union
FWPM	Fresh Water Pearl Mussel
GLAS	Green Low-Carbon Agri-Environment Scheme
HH	Hen Harrier
KT	Knowledge Transfer
LFAs	Less Favoured Areas
OFS	Organic Farming Scheme
RDP	Rural Development Programme
REPS	Rural Environment Protection Scheme
TAMS	Targeted Agricultural Modernisation Schemes II
TASAH	Targeted Advisory Service on Animal Health and Welfare