

11 Designation of competent authorities and bodies responsible

1. In accordance with the requirements in article 74(2) of Regulation (EC) No. 1698/2005, the following authorities have been designated for the Rural Development Programme for England 2007-2013:

a) Managing Authority

Department for the Environment, Food & Rural Affairs (Defra)
Nobel House
17 Smith Square
London
SW1P 3JR

b) Accredited Paying Agency

Rural Payments Agency (RPA)
Kings House
33 Kings Road
Reading
RG1 3BU

c) Certifying Body

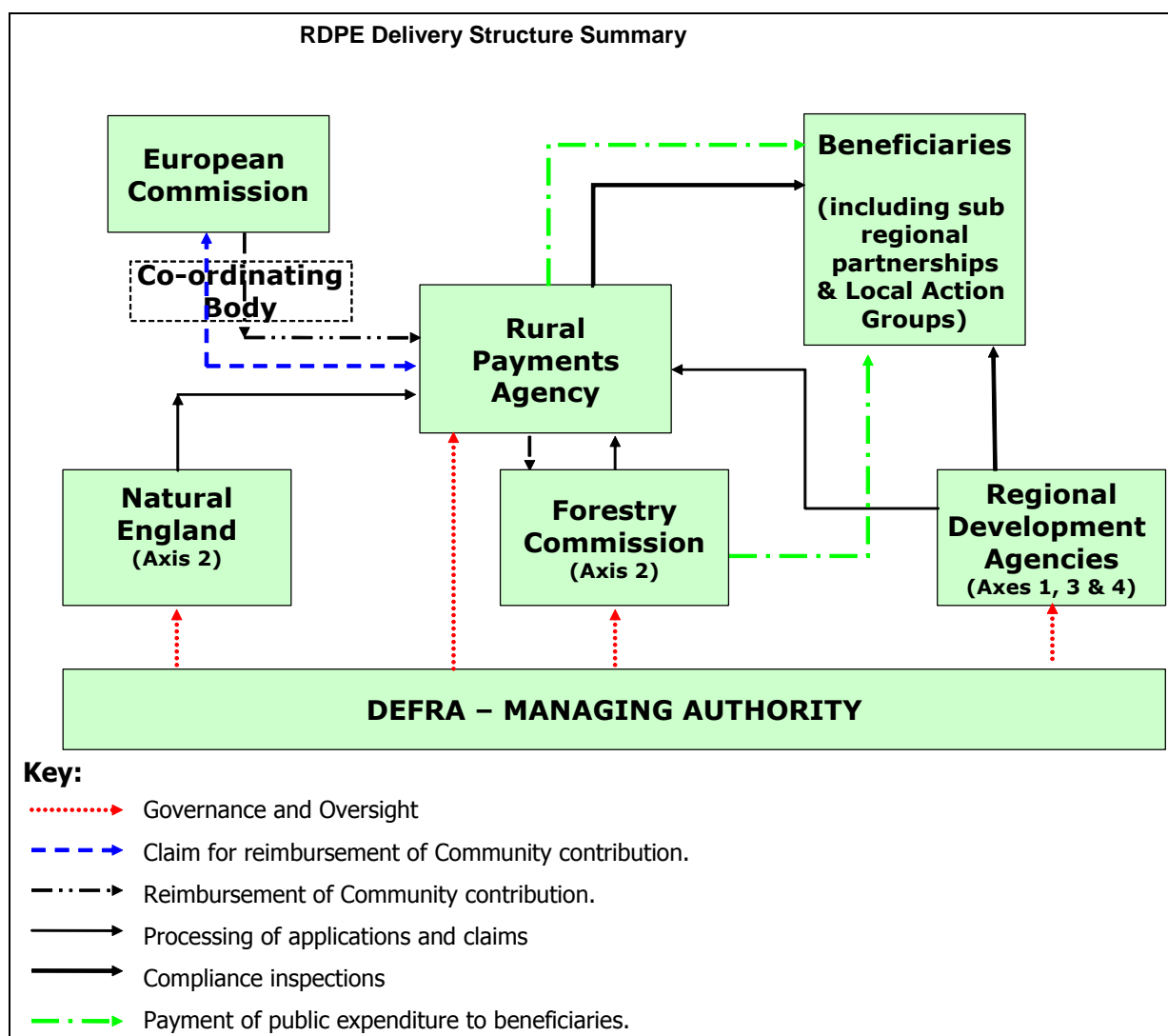
National Audit Office (NAO)
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Programme Delivery Structure

2. The diagram below provides a summary of Rural Development Programme for England (RDPE) delivery arrangements. The RPA will be the single, designated paying agency for the RDPE - responsible for all the tasks specified in Article 6 of the CAP financing regulation (1290/2005). The responsibility for claiming the Community reimbursement from the EAFRD will rest with RPA and will not be delegated. Overall responsibility for the legality and regularity of all rural development transactions will reside with RPA, even when these tasks are delegated to other bodies. Where paying agency tasks are delegated, detailed arrangements for managing this delegation will be established in formal service level agreements.

3. EAFRD funds for England during 2007-2013, including those relating to voluntary modulation deductions applied in accordance with Council Regulation (EC) No 378 of 2007, will amount to approximately €3.2 billion (£2.2 billion). In accordance with the minimum expenditure per axis rules set out at article 17 of the Rural Development Regulation (1698/2005), just over 10% of this sum will be targeted to support under Axis 1, and just over 10% to Axis 3 (approximately €350 million (£240million) for each). The remainder, close to 80%, of EAFRD funds will be spent on measures under Axis 2 (€2.4 billion or £1.7 billion).

4. These EAFRD funds will also be co-financed with national money – see Chapters 6 and 7 for further information.



Axes 1 and 3 (socio-economic projects) Delivery

5. RPA will delegate to Regional Development Agencies (RDAs) (see Chapter 2 for further information) the responsibility for the following tasks under Axis 1 and Axis 3 of the Programme (excluding the small amount of Axis 1 funds to be used for the Energy Crops Scheme and the small amount of Axis 3 funds to be used to support elements of Environmental Stewardship) :

- selecting the projects;
- contracting the aid with the beneficiary;
- controlling the implementation of projects; and,
- authorising RPA to effect payment of claims.

6. Article 2 (h) of the Rural Development Council Regulation (1698/2005) defines a beneficiary as being “an operator, body or firm, whether public or private, responsible for implementing operations or receiving support”. Accordingly, RDAs will contract Axis 1 and Axis 3 funds to a broad range of beneficiaries all within the scope of this definition including:

- individual farmers or farm/rural businesses and/or other appropriate organisations;
- Local Action Groups (LAGs) as defined under the Leader approach (see below for Axis 4 delivery detail);
- sub-regional partnerships – organisations similar in nature to LAGs who will be responsible for implementing rural development operations.

7. The 8 RDAs (one for each Government Office region of England, excluding London) will authorise payment claims received from beneficiaries and these will be passed to RPA who will execute the payment. RPA will apply the relevant controls, execute payment, declare the public expenditure to the Commission and seek reimbursement in accordance with the timetable laid down in article 16 of Commission Regulation 883/2006. The RDAs will be responsible for ensuring that all detailed transactional level information underpinning rural development payments is captured and held in the required format. In fulfilling the requirements from Annex 11(c) of Regulation 885 of 2006, the RPA will ensure that the RDAs devise effective systems for ensuring that they fulfil their responsibilities in a satisfactory manner; and will regularly review the basis upon which its functions are delegated to the RDAs to confirm that the work performed is in compliance with Community rules.

Axis 4 Delivery

8. The RDAs will be responsible for managing delivery through the Leader approach in line with the EU regulations. Under the Managing Authority’s oversight, they will be responsible for ensuring that the 5% minimum Programme spend criterion is met. In accordance with Article 17 (2) of 1698/2005, this amount will contribute to the minimum percentage allocations for the other Axes, primarily Axis 1 and Axis 3. To help achieve an integrated approach to Programme delivery, Natural England and the Forestry Commission will engage with the delivery of the Leader approach in each region. The RDAs will be responsible for:

- selecting LAGs and approving their local development strategies (this will be carried out with other delivery partners and in partnership with other relevant organisations such as elected local authorities reflecting the integrated nature of the approach);
- contracting the aid with the LAG;
- monitoring performance against the local development strategy;
- authorising payment claims received from LAGs and passing payment requests to RPA.

Axis 2 Delivery

9. Natural England (NE) will deliver agri-environment schemes - processing applications and authorising claims on RPA's behalf, with RPA executing payment. NE was formed from three existing organisations, one of which – the Rural Development Service (RDS), held responsibility for delivering agri-environment schemes under the England Rural Development Programme 2000-2006 (ERDP). Agri-environment spending will constitute approximately 75% of total expenditure over the Programme. NE inherited RDS scheme management IT systems as well as the automatic system interfaces developed between RDS and RPA for the purpose of automatically cross-checking land data and submitting authorised claims to RPA for payment. These automatic system interfaces will enable RPA to physically hold all the detailed

underlying transactional data. Consequently, the administration and delivery of agri-environment schemes, the majority of rural development expenditure, from October 2006 has largely been 'business as usual', even though a new organisation has taken on the responsibility of processing applications and claims on behalf of RPA under delegated arrangements. NE will also be responsible for delivering energy crop establishment grants under Axis 1.

10. The Forestry Commission, (an accredited paying agency during 1995-2006) will be responsible for processing applications and authorising claims under forestry schemes. For at least EAFRD year 2007 and 2008, the Forestry Commission (FC) will continue to make payments of public expenditure to beneficiaries on behalf of RPA, and will ask the RPA to reimburse the Community contribution element of the public aid paid. After the relevant controls, the RPA will reimburse that amount, declare the public expenditure to the Commission and request reimbursement in accordance with the timetable laid down in article 16 of Commission Regulation 883/2006. For 2007, the FC will hold all the detailed underlying transactional data, but will make it available to RPA as required. This will not create any undue risk to the Community Fund because the FC was recently a fully accredited paying agency and was therefore subjected to the full panoply of EU accreditation requirements. Consequently, it already has the requisite structures, systems and procedures in place for committing and disbursing Community aid. They will however fulfil these responsibilities under delegated arrangements with the RPA who retain overall responsibility for all EAFRD transactions as the single accredited paying agency.

11. As soon as is practicably possible, forestry payment claims will be authorised by the FC, but will be directed through a system interface to the RPA, who will then execute the payment to beneficiaries. Once this interface has been built, it will allow the RPA to physically hold all the detailed underlying transactional data relating to rural development forestry payments.

12. For 2007, 2008 and 2009, support for Less Favoured Areas (LFAs) will be managed by the RPA itself so there will be no delegation of functions for this measure. After 2009, it is expected that uplands support will be integrated into the Environmental Stewardship Scheme, which will be managed by NE under delegated arrangements from RPA.

Accounting, X Tables and Annual Certification of Accounts

13. The RPA, as the paying agency, will retain responsibility for the underlying transactions, the production of the accounts and the production of the X Tables. Where appropriate they will draw data from those bodies responsible for effecting the payment e.g. FC in England for at least 2007.

Management and Controls

14. The RPA have drawn up separate, formal Service Level Agreements (SLA) with NE, RDAs, and the FC to govern those paying agency functions have been formally delegated to those bodies in accordance with the requirements of annex 1, section 1 (c) of Commission Regulation 885/2006. As Managing Authority, Defra is a party to each of these agreements. These SLAs clearly define the roles, responsibilities and obligations of the bodies involved in rural development delivery, with particular focus on the control and verification of compliance with Community rules, especially Commission Regulation 1975 of 2006.

15. As the Managing Authority, Defra will be responsible for the operational implementation and management of the programme in an efficient, effective and correct way. In order to achieve this, it will work closely with the RPA and the three delivery organisations involved.

Certifying Body

16. The Certifying Body for all UK paying agencies is currently the National Audit Office (NAO), appointed on behalf of the UK Competent Authority¹ by the UK Co-ordinating Body in its joint role as Secretariat to the UK Competent Authority.

17. Delivery of the services provided by the NAO is managed under the terms of a SLA between the Co-ordinating Body (acting as Secretariat to the Competent Authority) and the NAO (acting in a lead capacity on behalf of a consortium consisting of the NAO, Audit Scotland, the Northern Ireland Audit Office, and the Wales Audit Office - Office of the Auditor General for Wales). The SLA defines the respective responsibilities of all parties; records the arrangements made between the Co-ordinating Body and the Certifying Body for the provision of detailed services; and, establishes service standards and monitoring and reporting requirements. The objectives of the SLA are to ensure that: the annual certification of the UK's EAGF/EAFRD accounts is undertaken to an appropriate professional standard with due regard to the UK's Community obligations; regulatory and other defined deadlines and agreed instructions are observed; and services are delivered by the Certifying Body to an agreed annual cost (including adjustment as necessary to reflect the cost of work not foreseen at the time the original forecast costs are drawn up) and the timely delivery of certain key deliverables.

18. The SLA is reviewed formally every three years and subject to ongoing amendment by mutual agreement.

¹ The UK Competent Authority comprises the Secretary of State for Environment, Food and Rural Affairs, the Scottish Ministers, the National Assembly for Wales and the Department of Agriculture and Rural Development (for Northern Ireland).