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Richard Lochhead MSP  
Cabinet Secretary for Rural Affairs and the Environment  
Scottish Government  
St Andrew's House  
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16 December 2013


Dear Cabinet Secretary

### **CAP budget transfer and SRDP allocations**

Members of Scottish Environment LINK wrote to you on 25<sup>th</sup> November 2013 regarding decisions you have to make about CAP implementation. A number of us met you subsequently, along with other environmental representatives, on 11<sup>th</sup> December and urged you to take some bold decisions in order to meet the Government's environmental targets.

You have now issued a consultation on Pillar to Pillar CAP budget transfers and set out indicative proposals for expenditure within the next Scotland Rural Development Programme. We will respond formally to this consultation before the deadline of 16 December but wanted to write to you personally to express our disappointment and frustration at what has been proposed.

The proposal to transfer only 9.5% of Pillar I funds into Pillar II is a poor outcome for the environment, and for rural communities and the economy. We believe that no less than a full 15% transfer from Pillar I to Pillar II is required in order to deliver increased funding for agri-environment schemes and to ensure the new Programme can deliver across the full range of its ambitions. This proposal means that approximately £220 million of CAP funding will remain in Pillar I where it cannot be easily targeted at achieving environmental and rural development outcomes, at the expense of increased funding for Pillar II. We urge you to reconsider this decision.

Scottish Environment  The voice of Scotland's environment movement

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According to the illustrative budget allocations, agri-environment and climate will receive £365 million or 27.5% of the SRDP budget. This includes previously announced funds for peatland restoration which, whilst welcome, is not 'new' money. It also includes £10 million for a 'Cooperative Action Fund' which again, whilst welcome should, in our view, be additional to the agri-environment budget. Subtracting these amounts leaves £340 million or approximately £48.5 million per annum for agri-environment-climate measures. In our original letter, we stated that £60 million per annum is the very minimum we believe is required if you are to meet biodiversity, water quality and climate change targets. In addition, whilst £48 million per annum appears to be an increase, this is only taking agri-environment spend back to previous levels in the current programme, prior to cuts imposed by the Scottish Government.

At various turns, you have stated your commitment to maintaining expenditure on the Less Favoured Area Support Scheme (LFASS). You propose to spend £459 million (c. 35%) on this in the next SRDP. This proposal severely constrains the scope you have to fund other measures within the SRDP. This level of expenditure is also unnecessary since you could, if you wanted, ensure the move to regionalised payments in Pillar I provides increased support for the more disadvantaged parts of Scotland, at the expense of the more commercially viable and advantaged regions. It appears however that you are minded to favour the latter over the former. This makes little sense to us in either economic or policy terms. It is also rather ironic given that you have argued strenuously for convergence funds for Scotland but appear not to support the extension of that logic within Scotland i.e. to an evening out of support payments across the country.

We accept, in principle, the need to target support at the most economically disadvantaged and environmentally important farms within the uplands of Scotland – High Nature Value farming systems. However, we question the efficacy of the current LFASS in achieving this; the bulk of support goes not to such farmers but to the more productive parts of the LFA and, as such, is poorly targeted. EU rules make it difficult to add environmental conditions to LFASS payments and improve their environmental delivery. We believe this scheme will undergo severe scrutiny by the European Commission officials who will have to approve both the SRDP and the schemes within it.

Taken together, these proposals create even greater need for the 'green payment' in Pillar I, which will account for c£130 million per annum, to really deliver for the environment if you are to stand any chance of meeting biodiversity, site condition, water quality and GHG emission reduction targets. We welcome the process your officials have put in place to discuss the scope of this payment and will contribute to it. However, we are already concerned at comments by officials suggesting that a National Certification Scheme – which would implement an equivalence (and more ambitious) model for greening – is too complicated. It is potentially complicated (though no less so than the basic three measures) but this is no excuse for not choosing the approach which can deliver best value to the taxpayer who funds the CAP.

We have been forthright in our response to you Cabinet Secretary. You will, no doubt, hear equally forthright and opposing views from representatives of the farming industry. You may consider that charting the middle ground means you have got your decisions just about right. We believe now is

not the time for middle of the road decisions but for vision, boldness and leadership with regard to Scotland's environment. Without this, it will be extremely difficult for Scottish agriculture to demonstrate that it is truly 'clean and green'.

We urge you Cabinet Secretary to reconsider your proposals and transfer the full 15% from Pillar I to Pillar II and increase the budget for the agri-environment-climate measure to £445 million with an additional £15 million for peatland and £10 million for a Cooperative Action Fund. The remaining funds raised should be used to increase significantly support for advisory services, knowledge transfer and innovation and the development of sustainable rural businesses. Rural Scotland and the environment deserves no less.

Yours sincerely



Vicki Swales  
Convenor, LINK Sustainable Land Use Taskforce  
On behalf of the following LINK members:

Association for the Protection of Rural Scotland  
Ramblers Scotland  
Bumblebee Conservation  
Scottish Wild Land Group  
RSPB Scotland  
WWF Scotland  
Plantlife  
Butterfly Conservation  
Scottish Countryside Rangers Association  
Archaeology Scotland  
Badenoch and Strathspey Conservation Group  
Woodland Trust Scotland  
Scottish Ornithologists Club  
Scottish Campaign for National Parks  
Bat Conservation Trust  
Scottish Wildlife Trust

Buglife  
Soil Association Scotland  
Froglife  
Scottish Badgers