

## Briefing: Developing the Scotland Rural Development Programme 2014-2020

### Summary

The European Agricultural Fund for Rural Development (EAFRD) has explicit environmental objectives and remains the most significant funding stream through which the Scottish Government can secure the maintenance of, or changes in, land management practices for the benefit of Scotland's iconic wildlife, landscapes and cultural heritage.

In the development of the Scotland Rural Development Programme (SRDP) 2014-2020 Scottish Environment LINK wish to see sufficient importance placed on the environment. This should be reflected in the distribution of funds between the programme elements and via a commitment to the principles of public money for public goods and no environmental harm across the whole programme. Furthermore, LINK highlight the need in the next programme for better prioritisation of desired outcomes and improved targeting of funding to achieve these. The development of an effective advisory service to support delivery of the Programme is essential.

### Role of the Scotland Rural Development Programme (SRDP) 2014-2020

The European Agricultural Fund for Rural Development (EAFRD) has traditionally had a strong environmental focus and this continues in the latest Commission proposals. Notably, the proposals outline three cross cutting objectives for the fund, indicating the importance placed on securing environmental benefits across rural development programmes, and at the very least ensuring no environmental harm. These objectives are: competitiveness, **sustainable management of natural resources and climate action** and balanced territorial development of rural areas. The proposals also remove the existing Axis structure and redefine the fund's purpose around 6 Rural Development priorities, in which the environment features prominently: we draw attention to **Priority 4. Restoring, preserving and enhancing ecosystems;** and, **Priority 5. Promoting resource efficiency and transition to a low carbon economy,** alongside wider priorities for agricultural and rural development.

Furthermore, as outlined in the Common Strategic Framework 2014-2020, which identifies key actions for each of the European funds, **EAFRD, via country level Rural Development Programmes (RDPs), is the most important source of funding for achieving land based environmental objectives** and meeting the requirements of several key European Directives and Strategies, including the: Birds and Habitats Directive; EU Biodiversity Strategy; Water Framework Directive; Soil Thematic Strategy & proposed Soil Framework Directive; and, the European Landscape Convention to which the Scottish and UK governments are signatories<sup>1</sup>. It

<sup>1</sup> We would also wish to see better recognition of [Article 3.3 of the Lisbon Treaty](http://www.openeurope.org.uk/Content/Documents/PDFs/comparative.pdf) 'The Union shall work for the sustainable development of Europe based on balanced economic growth.....and a high level of protection and improvement of the quality of the environment.....It shall ensure that Europe's cultural heritage is safeguarded and enhanced.' (see hyperlink <http://www.openeurope.org.uk/Content/Documents/PDFs/comparative.pdf>)

also has a key role to play in achieving greenhouse gas emission reduction targets set by the Kyoto Protocol and national legislation. This is not the case for most other priorities, where other substantial funding streams exist. It is therefore essential that the SRDP 2014-2020 directs significant funds to achieving environmental objectives and ensuring the Scottish Government is able to meet its various international obligations and targets relating to the environment.

### **Scottish Environment LINK Recommendations for the Development of the SRDP 2014-2020**

We offer the following recommendations to help Scottish Government embed environmental considerations throughout the next SRDP.

#### *National and regional priorities*

Better prioritisation of desired outcomes, and improved targeting of funding to achieve such outcomes, is essential for the next SRDP. Scottish Environment LINK considers that the top national priorities for the next SRDP, in supporting the sustainable development of rural Scotland, should be: the maintenance and enhancement of Scotland's environment, including its biodiversity, soils, water and landscapes; and, the mitigation of, and adaptation to, climate change. These priorities can be met directly through measures such as agri-environment-climate and indirectly by, for example, funding advisory services or building markets for specialist products.

Scotland is not homogenous and different parts of the country face different challenges and have varying potential to contribute to nationally desired outcomes. We wish to see the overarching national priorities for the next SRDP translated into regional<sup>2</sup> priorities, in consultation with key stakeholders. We believe that nominally allocating budgets to regions would help to focus minds when it came to determining regional priorities, unlike the current situation. The process of determining regional priorities for the SRDP could be nested within a wider process of producing Regional Land Use Strategies, something that LINK has called for under the Scottish Government's Land Use Strategy. Such regional strategies should identify the economic, social and environmental situation in the region, assess the likely future trends and challenges and identify the priorities for Government action and targeting of funds. The objectives and principles of the Land Use Strategy, including the need to take an ecosystem approach to land use, should be used to guide their development.

*Areas of Natural Constraint (ANCs):* LINK welcomes agreement that the current Less Favoured Area Support Scheme (LFASS) must end and that the replacement scheme should give greater levels of support to areas facing greatest natural constraint. This should help to support those areas where High Nature Value (HNV) farming systems are predominant, redistributing funds to the north and west of Scotland (where soils, topography and climatic factors impose the greatest constraints). Carefully designed, a new ANC scheme could provide a vital layer of support - on top of Pillar 1 direct payments - to economically vulnerable farming systems, many of which deliver high levels of public benefits such as biodiversity, carbon storage, landscape quality and recreational opportunities. This can then be built on with targeted agri-environment measures and

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<sup>2</sup> This could be administrative regions as currently organised or bio-geographic regions; regions need not necessarily relate to existing RPACs but this is a useful scale to think of. Ultimately, the unit selected is less important than the process of articulating what the priorities for action and funding are in any given unit.

therefore starts to provide a meaningful package of support for those HNV systems that Scotland is so important for Europe wide.

Whilst an ANC scheme has a useful role to play within the overall SDRP, it is likely to be a relatively blunt instrument in terms of being able to incentivise positive land management practices than can deliver environmental outcomes. This is best achieved by agri-environment measures. But, an ANC scheme has the potential to soak up a large share of the overall budget (due to the extent of the area likely to be designated as ANC and proposed minimum payment rates). Care needs to be taken that the overall budgetary allocations are adequate to deliver the full range of sustainable development priorities.

#### **LINK ANC recommendations:**

- A new ANC scheme must help to support farming in the most environmentally important parts of Scotland (as highlighted by the HNV indicator). The likely environmental impacts of a new scheme must be considered carefully when setting any minimum stocking densities or other management based eligibility criteria;
- In designing the successor to LFASS, attention should be paid to the recommendation of the mid-term evaluation of the current SRDP that: *“The Scottish Government should consider developing a means of enhancing the environmental outcomes from LFASS, particularly those which could arise across a wider rural area at a landscape or catchment level.”*<sup>3</sup>
- Expenditure on a new ANC scheme should be controlled by the use of appropriate eligibility criteria and, as a guide, should not exceed the current LFASS budget.

**Rural Economy:** LINK welcome the integrated approach that rose to the surface in these discussions, recognising the role of environmental and social measures as well as economic ones in securing a sustainable rural economy. In the next SRDP, we wish to see much more innovative and transformational use being made of any funding allocated to rural economy measures and greater recognition that the rural economy is, and should be, much more diverse than farming and forestry. Under the current SRDP, the vast majority of Axis 1 and Axis 3 funding has gone to farm businesses, being used to fund agricultural restructuring or to help agricultural businesses diversify. For example, in Axis 1, some £123,413,949 has been spent on two options alone, ‘Restructuring agricultural businesses’ and ‘Manure storage’. Whilst we are not arguing against SRDP funding such options per se, we do have concerns that these have soaked up large amounts of money to the direct benefit of a small number of private individuals and not to the benefit of the wider rural economy and rural communities. The next SRDP must seek to redress the balance.

#### **LINK Rural Economy Recommendations:**

- The focus of investment in the rural economy must be to maximise public, as opposed to private, benefit;
- Funds allocated for rural economy measures should be used to stimulate the wider rural economy and help to support viable and sustainable rural communities, rather than focus primarily on agriculture.
- Funds must be directed to activities that truly offer some additional benefit and avoid dead weight i.e. avoid paying for activities that would have occurred in any case. The Mid

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<sup>3</sup> The Mid Term Evaluation of Scotland Rural Development Programme (2011), Section 7.2, Recommendation 16

Term Evaluation noted considerable dead weight in a range of existing measures e.g. payments for membership of farm assurance schemes.

**Agri-Environment-Climate:** As the most effective means of securing positive land management to achieve biodiversity, soil, water, landscape and climate change objectives, LINK believes the agri-environment-climate measures should be a major part of the SRDP. We welcome the identification of species, habitats, soils, water quality and climate change mitigation and adaptation as the priorities for agri-environment-climate funding in the future programme. The mid-term evaluation of the existing SRDP programme recommended that: *“consideration should be given to developing the means of supporting the facilitation of landscape, catchment or other wider level outcomes sought.”*<sup>4</sup> We therefore welcome the emphasis placed on securing co-operative or co-ordinated action in some areas, facilitating landscape scale approaches, as well as the desire to better prioritise and target agri-environment-climate spend. We are concerned that current Scottish Government proposals appear to ignore landscape, historic environment and access options that have been included in previous agri-environment schemes in Scotland.

#### **LINK Agri-Environment-Climate Recommendations:**

- At least 50% of SRDP funds should be committed to the agri-environment-climate measures. This is on the basis that SRDP represents the main source of funding for environmental objectives and that agri-environment represents the most effective mechanism within RDPs to deliver for the environment. Furthermore, these funds should be prioritised for targeted measures;
- Mechanisms should be introduced to facilitate co-operative or co-ordinated action to achieve landscape scale outcomes.
- The maintenance of HNV farming and crofting systems and ecological networks should be high level priorities for agri-environment-climate;
- The range of options and prescriptions necessary to achieve desired outcomes must be maintained – simpler schemes with fewer options are not necessarily effective schemes. However, we acknowledge the scope for some rationalisation of existing scheme structures and guidance and LINK can offer help with this process;

**Forestry:** LINK welcomes the focus on the wider benefits of trees, beyond commercial production, and their potential to deliver across a range of SRDP objectives. We believe there are opportunities for greater integration between farming and forestry, including supporting agro-forestry, and wish to see this encouraged. Such issues are raised in the Woodland Expansion Advisory Group report to the Scottish Government and need to be considered in the context of the next SRDP.

#### **LINK Forestry Recommendations:**

- LINK supports the principle of ‘The Right Tree in the Right Place’ and are concerned that some small woodlands up to 1.5ha can be established without consideration of other environmental or landscape impacts. Small-scale woodlands have the potential to offer many benefits but need to be sited appropriately. The quality and analysis of environmental impact assessments for larger woodlands is also, at times, poor;
- Inappropriate tree planting, currently encouraged by the National Targets in the Rural Priorities scheme, must be avoided.

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<sup>4</sup> The Mid Term Evaluation of Scotland Rural Development Programme (2011), Section 7.2, Recommendation 14

- Greater efforts should be made to integrate forestry and new tree planting with other elements of the SRDP and its objectives, rather than being dealt with in a relatively siloed fashion as compared to the rest of the programme. The growing impact of multi-species plant diseases on the environmental and economic health of rural Scotland, for example, shows that SRDP must function above and beyond individual sectors.

**LEADER:** LINK recognise the strengths of LEADER as a delivery mechanism but would be concerned to see it considered for whole sale delivery of land based activities under the SRDP. We see the merits of LEADER as a bottom up, community led initiative. We are aware of projects that have inventively and effectively used LEADER funds to carry out and facilitate co-ordinated land management activities for the benefit of the environment or develop markets for local niche products with low environmental impacts. We believe LEADER excels here because it is a versatile fund, responsive to local need, circumstance and appetite for change and as such would not wish to see the scope or ambition of LEADER restricted from these areas in the new programme. However, LINK does have concerns over the LEADER model being used as a delivery mechanism for tried and tested agri-environment measures where intervention should be well targeted, based on objective understanding of need, against centrally defined, locally elaborated priorities.

**LINK LEADER Recommendations:**

- LEADER should continue to be used as a local delivery mechanism for some elements of the SRDP, but not for the wholesale delivery of agri-environment-climate measures.
- The overall environmental scope or ambition of LEADER in the next programme should be expanded, recognising its potential for trialing innovative approaches to land based environmental issues and facilitating landscape scale approaches to these problems.

**Advisory Services:** LINK considers a well resourced and skilled advisory service to be fundamental to the effective delivery of the next SRDP. We welcome the proposal to strengthen support for an advisory service and the emphasis advisory services were given by all other working groups. This advisory support must include support for farmers in receipt of Pillar 1 Basic Farm Payments to help them comply with GAEC requirements, as well as for implementing SRDP measures and projects. LINK believes expenditure on an advisory service would represent value for money by increasing the likelihood of meaningful delivery of objectives.

**LINK Advisory Services Recommendations:**

- A new advisory service should be created making the best use of existing resources and expertise where they exist on the ground, and drawing on specialist NGO input where appropriate. Many LINK members already offer free specialist advice in targeted locations, at their own cost, and we would like to see this involvement strengthened and properly supported in the next programme;
- The advisory service must complement and facilitate the implementation of well designed schemes. This should include providing for return advisory visits, part-way through agri-environment agreements, and training for land managers as well as advisors;
- The new advisory service must be pro-active in targeting advice to key areas, in line with priorities, and in supporting co-operative ventures;
- Advisory services must be supported by the supply of environmental maps, whether online or paper at a sufficient scale to be used by individual farmers

- If the assessment of applications is to be carried out by non-experts then advisory input must be a compulsory part of the application process, whatever the value of agreement;
- Adequate resources must be allocated now and in the next programme to develop the advisory service and related web-based systems as well as training land managers, advisory and appropriate Scottish Government staff.

**Monitoring and Evaluation:** LINK welcomes the focus on establishing baselines and a greater understanding of the real impact of SRDP interventions in relation to objectives. We also welcome the recognised need to improve data capture and retrieval across the programme and believe that this in itself, if done in real time, would improve the delivery of programme objectives. LINK remains concerned that the proposed Common Monitoring and Evaluation Framework (CMEF) indicators do little to improve the situation with regards to the above issues and that Scottish Government agri-environment monitoring in particular has, to date, been insufficient.

**LINK Monitoring and Evaluation Recommendations:**

- The importance of effective monitoring and evaluation must be recognised and sufficient resources allocated to it;
- A monitoring and evaluation programme for the next SRDP must go beyond the minimum required by the CMEF in order to properly assess and demonstrate the benefits of the Programme and inform its future development. LINK members can offer expertise and data, in some instances, to assist with this.

Scottish Environment LINK  
Agriculture Taskforce  
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