



Briefing on E-NGO decision to withdraw from ARIOB and the PDG

Summary

Representatives of leading environmental organisations have written to the First Minister resigning with immediate effect from two key government-initiated farming policy groups – the Agricultural Reform Implementation Oversight Board (ARIOB) and the Policy Development Group (PDG).

The letter cites failures in both the policy development process and the farming policy decisions government is making.

The individuals attending meetings have worked constructively over the last four years to encourage government to introduce farming policy that will help farmers and crofters play their part in tackling climate change and nature loss. Little progress has been made and the E-NGOs are now calling for a major re-set.

Background

Leaving the EU and, with it, the Common Agricultural Policy (CAP) required Scotland to introduce its own replacement farming policy. The Scottish Government took the decision initially to continue with the majority of CAP schemes and payments in order to give farmers and crofters a period of 'stability and simplicity'. The Agriculture (Retained EU Law and Data) (Scotland) Act 2020 was passed to enable this continuation of schemes and giving Ministers powers to '*simplify, improve or update relevant CAP legislation*'.

While providing for some continuity of schemes and payments, the need for changes to the farm support system was also recognised. During 2019 and 2020 a number of different groups and organisations¹ produced policy papers and recommendations on what needed to come next.

These contributions to policy thinking had some commonalities but also very many differences and areas of disagreement, representing different approaches and schools of thought. Without fully acknowledging these differences, or seeking to build on areas of consensus, the Scottish Government made some early policy decisions and embarked on a future policy design process that has hampered progress ever since.

¹ These included Farmer Led Group reports, [Farming for 1.5](#), two SE LINK policy papers, in [2017](#) and then revisited in [2020](#). Many other organisations produced their own contributions. A draft report of a failed, government-initiated, Farming and Food Production-Future Policy Group only came into the public domain following an EIR request.



ARIOB and the PDG: a failure of process

In 2021, the Scottish Government established ARIOB and the related PDG. ARIOB's terms of reference were stated as assisting the Scottish Government by:

... 'providing advice on how it can deliver the Vision to support agriculture in becoming more economically and environmentally sustainable.'

The Terms of Reference continued stating: *'The Scottish Government is committed to take early action on nature restoration and on implementing measures to reduce greenhouse gas emissions from agriculture to address the twin crises of climate and nature/loss of biodiversity.'*

Encouraged by this clear commitment to prioritise environmental improvements, E-NGOs hoped that ARIOB and the PDG would be a process through which positive changes to farming policy could be achieved. This has not proved to be the case. Our concerns with the process include the following:

- The lack of transparency about ARIOB and the PDG and its ways of working to other stakeholders and those not directly involved, thereby contributing to general uncertainty and mistrust.
- There is no coherence to work plans or clarity as to why ARIOB and PDG are being asked to discuss certain issues at certain points in time and goalposts keep moving.
- While having an advisory function, it is not clear how views expressed in meetings are reflected in subsequent decisions made by government and have been taken into consideration, even if subsequently discounted.
- The process is being presented as one of policy co-design even when many members have voiced concerns about proposals on the table.
- Evidence, including from the supporting Academic Advisory Panel and the government's own analysis, is frequently overlooked or ignored in the decision-making process.
- Repeated requests for greater clarity about end points, future policy destination and timelines are not met.

Policy decisions: too little, too late

In the early days of policy development, before some foundational principles and policy needs had been identified, the government cut across its own stakeholder initiatives. It announced that it intended to retain direct payments but increase the level of conditionality applying to them. This excluded other potential policy options from consideration early on and created a path-dependency that has been unhelpful ever since.

The government's [own analysis](#) (Annex A) highlights problems with direct payments, including that, *'...direct payments had little environmental benefit, and in some cases may have had a negative*



impact.’ and that ‘Greening and Less Favoured Area Support Scheme have been found not to deliver as effectively as possible on their stated objectives.’ Some 81% of farm funding is allocated to such payments and the distribution of funding is heavily skewed to larger businesses with more land that can yield better market returns. Of the farm businesses that claim payments, the top 10% of farms capture 41% of the total funding while the bottom 30% receive just 3%. At the same time, the analysis noted that, ‘Some small schemes, such as Agri-Environment Climate Scheme, have been found to have a positive impact, though limited by budget or uptake.’

Notwithstanding concerns about direct payments, E-NGOs accepted the Scottish Government’s proposed [four tier framework](#) on pragmatic grounds and have worked with officials and via ARIOB and the PDG to identify ways in which this could support action for nature and climate. But changes have been minor and little progress is being made.

We argued for faster progress to be made developing Tiers 3 and 4 but were told that the initial focus would be on Tiers 1 and 2. Ministers then announced that the majority of farm funding (70%) would remain allocated to Tiers 1 and 2 and would be split 70/30 between them. This is the same as under the CAP. Since the Less Favoured Area Support Scheme (LFASS) is now being presented as a Tier 1 measure, the reality is that 81% of the farm budget is allocated to Tiers 1 and 2. We have been told these budget splits are not set in stone but have been given no clear indication as to when they will change. Until then, this leaves minimal funding for the Agri-Environment-Climate Scheme including supporting organic farming and for farm advisory services, amongst other things. The distribution of farm payments remains as described above and payments are not effective in supporting farmers and crofters to take environmental action. Simply supporting agricultural activity is not, in itself, sufficient to achieve positive outcomes for nature and climate.

Early discussions regarding Tier 2 offered some promise but this has not materialised. Citing IT and other factors as constraints, the Scottish Government reverted to the existing Greening Payment and has sought to add further conditions to the receipt of that payment. The changes being made from 2026 and 2027 could have some positive impacts for nature but are minimal and only apply to some farmers in receipt of this payment and to limited areas and types of land. Finding options to further increase conditionality is proving challenging and timelines likely to be long.

Government has committed to retaining the Agri-Environment-Climate-Scheme in the next few years. This is welcome and supports agricultural land management critical for many species and habitats, for which Scotland is important. The Scheme needs significant improvement and increased funding however to ensure it is attractive to farmers and crofters and delivers for nature and climate.

This all amounts to far too little and at too slow a pace to deliver any significant emission reductions or begin the process of restoring nature on farmland even although these are supposed to be central objectives for farming policy. This all amounts to far too little and at too slow a pace to deliver any significant emission reductions or begin the process of restoring nature on farmland even though these are supposed to be central objectives for farming policy. As noted earlier, when ARIOB and the



PDG were established, the government committed to ‘take early action’ to restore nature and reduce greenhouse gas emissions. There is little sign of this being prioritised.

If further evidence is needed of the lack of delivery by the Scottish Government, two documents provide it. The first is the draft Climate Change Plan (CCP) that is currently laid before the Scottish Parliament. There is little content in the Agriculture section that gives confidence the required reductions in greenhouse gas emissions from this sector will be achieved, with the proposed reductions being lower than advised by the Climate Change Committee. The second is the forthcoming Rural Support Plan. This is a requirement of the Agriculture and Rural Communities (Scotland) Act 2024 and must be laid before Parliament. It should set out the government’s farming policy intentions for the next five years and give greater clarity on how it intends to achieve its Vision for Sustainable and Regenerative Agriculture. As seen to date, it fails to do this and, for the most part, simply sets out the current situation regarding retained CAP schemes and the minor changes that have been made to those.

E-NGO asks for future farming policy

We have called consistently for a more ambitious approach to farming policy, and faster progress, for a just transition. Looking ahead, we want government to commit to:

- An increased level of ring-fenced, multi-annual farm funding, subject to this funding being spent in ways that are better designed to deliver the Vision and objectives for agriculture. At least 75% of farm funding should be allocated to Tiers 2, 3 and 4 in the framework with a clear timeline for how funding will shift, compared to now.
- Reducing the Tier 1 budget and focusing remaining funding on smaller farms and crofts and producers with the greatest economic need. Various policy mechanisms exist by which this could be achieved e.g. front-loading payments and capping payments to larger businesses.
- Designing and implementing a completely new and adequately funded Tier 2 Enhanced – not based on direct payments or on greening – that offers all farmers and crofters options for taking action for nature and climate and rewards and incentivises accordingly.
- Developing a revised and improved Agri-Environment-Climate Scheme offering in Tier 3, (to build on Tier 2) and introduce a new collaborative action fund to support landscape-scale nature and climate action and a new offering to support the development of shorter supply chains.
- Investing in improved advisory services, training and knowledge transfer to help farmers and crofters improved business profitability and take action for nature and climate.



What next?

The letter to the First Minister, copied to Mairi Gougeon MSP Cabinet Secretary for Rural Affairs, Land Reform and Islands and Jim Fairlie MSP, Minister for Agriculture and Connectivity, suggests the next Scottish Government, post election, should draw a line under this failed process and start again. We include a suggestion for external mediation to help the government navigate what is a challenging policy space. This would seek to build understanding and to find the areas of agreement and common ground. Examples include the EU's [CAP Strategic Dialogue](#) and, closer to home, the 'Common Ground on Sustainable Upland Deer Management', now the [Common Ground Forum](#). Many of the basic principles and foundations required to develop future farming policy that is fit for purpose, were not established at the start. This has hindered the process ever since.

E NGOs wish to remain constructive. We will continue to engage with the Scottish Government, Scottish Parliament and respond to consultations and calls for evidence in the normal course of policy development. We cannot however remain part of ARIOB and the PDG and this agriculture policy development process as long as it continues in this vein; it needs a major reset.

Scottish Environment LINK and RSPB Scotland, December 2025

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