



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



Department
for Environment
Food & Rural Affairs

United Kingdom - Rural Development Programme (Regional) - England

CCI	2014UK06RDRP001
Programme type	Rural Development Programme
Country	United Kingdom
Region	England
Programming period	2014 - 2020
Managing authority	Department for Environment, Food and Rural Affairs
Version	1.2
Version status	Decision OK
Last modification date	12/02/2015 - 09:40:18 CET

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1. TITLE OF THE RURAL DEVELOPMENT PROGRAMME

United Kingdom - Rural Development Programme (Regional) - England

2. MEMBER STATE OR ADMINISTRATIVE REGION

2.1. Geographical area covered by the programme

Geographical Area:

England

Description:

The United Kingdom consists of four constituent countries, England, Scotland, Wales and Northern Ireland. This programme covers England only.

England is the largest of the four countries and has a land area of some 50,301 square miles (130,278 km²), 54% of the total UK land area. It borders Scotland for 60 miles (95 km) and Wales for 150 miles (240 km), and has 5,325 miles (8,520 km) of coastline. The population of England in 2011 was 53.0 million, accounting for 83 per cent of the total UK population.

Overall population density in 2011 was 407 people per km² - making England one of the most densely populated countries within the European Union.

However, 85% of England's land area is regarded as rural - comprising of settlements below 10,000 people or open countryside and some areas are identified as being sparsely populated or remote.

Rural areas in England are home to some 9.3million people (17.6 per cent of the population), based on the UK Government's rural-urban classification. Details of the rural-urban classification are provided in Chapter 8.

2.2. Classification of the region

Description:

The following region is a less developed region:

UKK3 Cornwall and Isles of Scilly

The following regions are intermediate transitional regions:

UKD1 Cumbria

UKK4 Devon

UKE1 East Yorkshire and Northern Lincolnshire

UKD4 Lancashire

UKF3 Lincolnshire

UKD5 Merseyside

UKG2 Shropshire and Staffordshire

UKE3 South Yorkshire

UKC1 Tees Valley and Durham

3. EX-ANTE EVALUATION

3.1. Description of the process, including timing of main events, intermediate reports, in relation to the key stages of RDP development.

The evaluation commenced with an inception meeting between ICF GHK and Defra on 3 September 2012. Between this date and the end of the evaluation ICF GHK and Defra met 21 times in relation to the evaluation. This included 11 meetings to review the progress of the ex-ante evaluation and the preparation of the RDPE, 7 RDPE-related Defra workshops / stakeholder meetings, an inception meeting, and 2 meetings to discuss the SEA.

The full ex-ante evaluation report summarises RDPE-related meetings and workshops attended by ICF GHK evaluators since the start of the evaluation process. In addition to the meetings listed in the ex ante evaluation report, ICF GHK evaluators and Defra also held regular phone calls on (at least) a monthly basis to discuss the RDPE from the perspective of the ex-ante evaluation.

The evaluation questions included in the Commission guidelines (European Commission, 2012) provided the basis for the comments and recommendations provided by the evaluators to Defra. Regular written feedback, based on drafts of the RDPE programme document, was provided to Defra over the course of the evaluation. This included 8 sets of comments and recommendations about how the draft RDPE programme document could be added to and edited in line with the Commission guidelines. In addition to the notes, the evaluators also provided comments directly in draft programme documents.

The ex-ante evaluation of the SEA work for the RDPE was undertaken in the following steps. In June 2013, Defra decided to commission consultants (URS) to conduct the SEA work. The ex-ante evaluators reviewed the specification for the SEA work and attended the inception meeting in July 2013 between Defra and URS to ensure the programme and procedural requirements would be met. In August 2013, the ex-ante evaluators reviewed and provided comments on the draft SEA Scoping Report prepared by URS, making some recommendations for amendments to help meet the SEA Regulations. Consultation on the scope of the SEA took place between October-December 2013, and comments provided were considered and addressed in the final Environmental Report.

Following the scoping stage the ex-ante evaluators carried out an assessment of the SEA of the draft RDPE as it was being prepared. Prior to the URS and Defra finalising the Environmental Report, the ex-ante evaluators reviewed a number of draft versions of the report (and Non-Technical Summary (NTS)) against the requirements of the SEA Directive.

Consultation on the Environmental Report for the Draft RDPE 2014-2020 (March 2014) was undertaken between March-April 2014.

The Environmental Report was revised and a final version published on 12 June 2014 at:
<https://www.gov.uk/government/consultations/strategic-environmental-assessment-of-the-proposed-new-rural-development-programme-in-england>

3.2. Structured table containing the recommendations of the ex-ante evaluation and how they have been addressed.

Title (or reference) of the recommendation	Category of recommendation	Date
Recommendation 1	The SWOT analysis, needs assessment	30/01/2013
Recommendation 10	Programme implementing arrangements	15/01/2014
Recommendation 11	Programme implementing arrangements	15/01/2014
Recommendation 12	Programme implementing arrangements	15/01/2014
Recommendation 13	Programme implementing arrangements	15/05/2014
Recommendation 14	Programme implementing arrangements	15/05/2014
Recommendation 15	Programme implementing arrangements	15/05/2014
Recommendation 16	Programme implementing arrangements	15/05/2014
Recommendation 17	Programme implementing arrangements	15/05/2014
Recommendation 18	SEA specific recommendations	06/06/2013
Recommendation 19	SEA specific recommendations	31/03/2014
Recommendation 2	The SWOT analysis, needs assessment	15/01/2014
Recommendation 20	SEA specific recommendations	15/05/2014
Recommendation 21	SEA specific recommendations	15/05/2014
Recommendation 3	The SWOT analysis, needs assessment	15/01/2014
Recommendation 4	The SWOT analysis, needs assessment	15/01/2014
Recommendation 5	The SWOT analysis, needs assessment	15/01/2014
Recommendation 6	The SWOT analysis, needs assessment	15/01/2014
Recommendation 7	Construction of the intervention logic	30/01/2013
Recommendation 8	Establishment of targets, distribution of financial allocations	15/01/2014
Recommendation 9	Establishment of targets, distribution of financial allocations	15/01/2014

3.2.1. Recommendation 1

Category of recommendation: The SWOT analysis, needs assessment

Date: 30/01/2013

Topic: SWOT and needs assessment

Description of the recommendation

Improve the clarity of the SWOT and needs assessment.

How recommendation has been addressed or justification as to why not taken into account

This has been fully addressed in the final version of Chapter 4 of the RDPE.

The rationale for the specific recommendation made by the ex-ante evaluator is set out under Section 2.1.3 of the final Ex-ante evaluation (10 June 2014, ICF GHK).

The response is as follows:

2.1.3. Does the needs assessment describe why strengths and opportunities identified in the SWOT will / will not be addressed by the RDPE?

“The latest version of the RDPE includes a radically reworked treatment of the needs assessment based on advice provided by the ex-ante evaluators. This version does clearly describe why and how SWOT elements will be addressed. Because the SWOT refers explicitly to the RDP area of operation there are no elements which cannot be addressed”.

Does the needs assessment describe the strengths, opportunities, weaknesses and threats that will be addressed through other ESIF programmes?

“Following comments from the evaluators, the final draft of the programme document explains that elements which cannot be addressed by the RDPE are dealt with elsewhere within the ESIF funds.”

3.2.2. Recommendation 10

Category of recommendation: Programme implementing arrangements

Date: 15/01/2014

Topic: Targeting of NRN

Description of the recommendation

Clarify how the NRN will target its activities more effectively to achieve greater impact from the resources available.

How recommendation has been addressed or justification as to why not taken into account

This has been partially addressed in the final version of Chapter 17 of the RDPE.

The rationale for the specific recommendation made by the ex-ante evaluator are set out under Section 3.10.2 of the final Ex-ante evaluation (10 June 2014, ICF GHK).

Defra's response is detailed in the report as follows:

“Defra responded ... specifying how activities will be targeted, committing to the development of an elaborated intervention logic for the NRN in subsequent activities, and to undertake an evaluation of the NRN's impact in the 2007-2013 programming period and the needs for the 2014-2020 programme.”

Section 3.11 notes that “The evaluators are satisfied that the recommendations have been taken on board insofar as is possible in the space specified in the Commission's SFC2014 technical guidance.”

The way the NRN will target its activities will be set out in the draft Communications and Stakeholder Engagement Strategy and the proposed NRN Action Plan, which we will take to the first formal PMC meeting following approval of the RDPE.

3.2.3. Recommendation 11

Category of recommendation: Programme implementing arrangements

Date: 15/01/2014

Topic: Rationale for NRN

Description of the recommendation

Improve the rationale for the network and its expected activities, and how these are expected to enhance programme implementation.

How recommendation has been addressed or justification as to why not taken into account

This has been partially addressed in the final version of Chapter 17 of the RDPE.

The rationale for the specific recommendation made by the ex-ante evaluator are set out under Section 3.10.2 of the final Ex-ante evaluation (10 June 2014, ICF GHK).

Defra's response is detailed in the report as follows:

“Defra responded ... specifying how activities will be targeted, committing to the development of an elaborated intervention logic for the NRN in subsequent activities, and to undertake an evaluation of the NRN's impact in the 2007-2013 programming period and the needs for the 2014-2020 programme.”

Section 3.11 notes that “The evaluators are satisfied that the recommendations have been taken on board

insofar as is possible in the space specified in the Commission’s SFC2014 technical guidance.”

The way the NRN will target its activities to enhance programme implementation will be set out in the draft Communications and Stakeholder Engagement Strategy and the proposed NRN Action Plan, which we will take to the first formal PMC meeting following approval of the RDPE.

3.2.4. Recommendation 12

Category of recommendation: Programme implementing arrangements

Date: 15/01/2014

Topic: Monitoring and Evaluation of the NRN

Description of the recommendation

Specify the monitoring and evaluation arrangements, and the specific indicators that can be used to assess the effectiveness of and the impact of the NRN.

How recommendation has been addressed or justification as to why not taken into account

This has been partially addressed in the final version of Chapter 17 of the RDPE.

The rationale for the specific recommendation made by the ex-ante evaluator are set out under Section 3.10.2 of the final Ex-ante evaluation (10 June 2014, ICF GHK).

Defra’s response is detailed in the report as follows:

“Defra responded ... specifying how activities will be targeted, committing to the development of an elaborated intervention logic for the NRN in subsequent activities, and to undertake an evaluation of the NRN’s impact in the 2007-2013 programming period and the needs for the 2014-2020 programme.”

Section 3.11 notes that “The evaluators are satisfied that the recommendations have been taken on board insofar as is possible in the space specified in the Commission’s SFC2014 technical guidance.”

NRN monitoring and evaluations have been set out under Chapter 9 of the RDPE. Indicators will follow the standard indicators for measurement of NRNs set out in the fiche for Annual Implementation Reports, and we will use the Guidelines for the Evaluation of National Rural Networks 2014 – 2020 produced by the Commission to help us to undertake our assessment.

3.2.5. Recommendation 13

Category of recommendation: Programme implementing arrangements

Date: 15/05/2014

Topic: Human resources and administrative capacity

Description of the recommendation

Provide more detailed evidence of human and resource administrative capacity and its adequacy to the European Commission, if requested by them.

How recommendation has been addressed or justification as to why not taken into account

To be addressed, if required, by further discussions or evidence to be provided to the European Commission.

Section 5.1 of the final Ex-ante Evaluation notes that “the overall approach designed in the strategy document is logical and likely to be appropriate to meet the needs of the programme. There is insufficient detail for the evaluators to comment on the adequacy of the human and administrative capacity.”

They recommend that “Defra provides more detailed evidence of human and administrative capacity, and its adequacy, to the Commission should a more detailed implementation plan be requested”. The recommendation is thus partially addressed.

3.2.6. Recommendation 14

Category of recommendation: Programme implementing arrangements

Date: 15/05/2014

Topic: Control and verification

Description of the recommendation

Complete relevant sections of the Programme Document describing control and verification systems.

How recommendation has been addressed or justification as to why not taken into account

Text has been added to the document in the final version of **Chapter 18**.

The evaluators recommended that Defra provides further details on the implementation of control and verification systems to the European Commission, since a detailed appraisal of these is beyond the scope of the ex-ante evaluation. They also suggest that “the Commission may wish to discuss with Defra the specific measures identified as presenting challenges for control and verification, and Defra’s proposed approach to addressing these and managing associated risks.”

The recommendation is thus partially addressed.

3.2.7. Recommendation 15

Category of recommendation: Programme implementing arrangements

Date: 15/05/2014

Topic: Control and verification

Description of the recommendation

Provide further details on the implementation of control and verification systems to the European Commission, if requested by them.

How recommendation has been addressed or justification as to why not taken into account

Text has been added to the document in the final version of Chapter 18.

The evaluators recommended that Defra provides further details on the implementation of control and verification systems to the European Commission, since a detailed appraisal of these is beyond the scope of the ex-ante evaluation. They also suggest that “the Commission may wish to discuss with Defra the specific measures identified as presenting challenges for control and verification, and Defra’s proposed approach to addressing these and managing associated risks.”

The recommendation is thus partially addressed.

3.2.8. Recommendation 16

Category of recommendation: Programme implementing arrangements

Date: 15/05/2014

Topic: Assessment of risks

Description of the recommendation

Provide a more detailed assessment of delivery risks (e.g. relating to administrative arrangements and IT systems) with implementation plans, when these have been specified in more detail.

How recommendation has been addressed or justification as to why not taken into account

A risk assessment was provided to the ex-ante evaluators and this was considered to cover the likely major delivery risks.

Under Section 5.1 of the final Ex-ante Evaluation, the ex-ante evaluators note that “Defra has provided an overall risk assessment in a separate document. This covers a range of relevant risks related to policy design, delivery, implementation and administration. It describes each risk, assesses its potential consequences, and identifies mitigation and contingency measures.” Finally, it notes that the assessment

is “thorough and fit for purpose” and that the evaluators are “satisfied that the risk assessment is comprehensive and identifies the major relevant risks”.

3.2.9. Recommendation 17

Category of recommendation: Programme implementing arrangements

Date: 15/05/2014

Topic: Advisory services

Description of the recommendation

Provide a more general statement on the role of advisory services in supporting programme delivery, and on the adequacy of advisory capacity.

How recommendation has been addressed or justification as to why not taken into account

Under Section 6.4 of the final Ex-ante Evaluation, the evaluators note that Defra’s response to the recommendation was “to emphasise the provision of advice alongside programme activities rather than as a discreet description of advisory capacity” and that the “ex-ante evaluators are satisfied with this approach.”

3.2.10. Recommendation 18

Category of recommendation: SEA specific recommendations

Date: 06/06/2013

Topic: Integration between the SEA and preparation of the RDPE

Description of the recommendation

That the RDP programme document includes a brief statement describing how the SEA process was integrated into the process of preparing the RDPE.

How recommendation has been addressed or justification as to why not taken into account

Addressed in final version of Chapter 16 of the RDPE. Section 7.1 of the final Ex-ante Evaluation notes that in the draft version of the ex-ante report Defra were recommended to “include a brief statement describing how the SEA process was integrated into the process of preparing the RDPE” as while the SEA process and how it has been integrated with the RDPE preparation was clearly described in the Environmental Report, the draft RDPE did not refer to the SEA process. The evaluators note that “this

has now been addressed” in the final draft RDPE.

3.2.11. Recommendation 19

Category of recommendation: SEA specific recommendations

Date: 31/03/2014

Topic: Recommendations within the Environmental Report

Description of the recommendation

Six specific recommendations are set out in the Environmental Report.

How recommendation has been addressed or justification as to why not taken into account

Defra responses were as follows:

Biodiversity and nature conservation

1. Defra will evaluate the impact of Pillar 1 Greening on the natural environment during the programming period

Population and human health

2. As part of the new Programme’s evaluation plan Defra will evaluate support delivered under Pillar 2 for young farmers and new entrants

Countryside access

3. Defra will consider accessibility as part of the criteria for any access projects funded under the programme.

4. Defra will consider how it might assess proposals on a value for money basis if access is a part of the offer proposed by beneficiaries and undertake further analysis which will look at the impact of funding for access under the programme

Woodland

5. Defra will undertake further analysis which will look at non-RDP drivers for increasing woodland cover during the programming period

All

6. Defra is developing a scoring matrix for funding and will look to maximise cross cutting synergies through the environmental scheme and across the programme.

3.2.12. Recommendation 2

Category of recommendation: The SWOT analysis, needs assessment

Date: 15/01/2014

Topic: Use of CCIs

Description of the recommendation

Integrate the CCIs into the SWOT description rather than as standalone data.

How recommendation has been addressed or justification as to why not taken into account

Addressed in part in the final version of Chapter 4 of the RDPE.

Section 2.1.2: “the development of the SWOT analysis was not originally based on CCIs as supplied by the Commission, but on other information.” The evaluators noted that “EU CCIs are not comprehensively presented in the RDPE.”

In response, the evaluators note that “Defra has included the full list of CCIs, specifying which are used and not used, and the rationale for doing so. Defra has also included PSCIs, with a rationale for including them. CCI information has been added to the text where appropriate. In the absence of CCI data at the time when early drafts of the document were being prepared, it was appropriate for Defra to build the SWOT analysis around other available and more relevant data (i.e. England rather than UK level).”

It is the conclusion of the evaluators that the SWOT presented in the Draft RDPE is based on appropriate data to allow the SWOT elements to be supported.”

3.2.13. Recommendation 20

Category of recommendation: SEA specific recommendations

Date: 15/05/2014

Topic: SEA post-adoption statement

Description of the recommendation

Complete the SEA post-adoption statement as required by the SEA Regulations.

How recommendation has been addressed or justification as to why not taken into account

To be completed following formal agreement of the RD Programme document by the European Commission.

3.2.14. Recommendation 21

Category of recommendation: SEA specific recommendations

Date: 15/05/2014

Topic: Publicity of the RDP and SEA

Description of the recommendation

Make publicly available a copy of the RDP Programme Document alongside a copy of the Environmental Report and the SEA adoption statement and inform the public and consultation bodies.

How recommendation has been addressed or justification as to why not taken into account

To be completed following formal agreement of the RD Programme document by the European Commission. The Environmental Report was published on 12 June 2014.

3.2.15. Recommendation 3

Category of recommendation: The SWOT analysis, needs assessment

Date: 15/01/2014

Topic: Consistency of the SWOT and SEA

Description of the recommendation

Clarify that the SWOT and the SEA are consistent and cross-reference the SEA in the SWOT.

How recommendation has been addressed or justification as to why not taken into account

Addressed in the final version of Chapter 4 of the RDPE. The evaluators note under Section 2.2 of the final Ex-ante Evaluation that Defra has clarified the consistency between the two and are satisfied that the recommendation has been addressed.

3.2.16. Recommendation 4

Category of recommendation: The SWOT analysis, needs assessment

Date: 15/01/2014

Topic: Clarification of needs

Description of the recommendation

Clarify the need for and / or appropriateness for intervention to counter market failure.

How recommendation has been addressed or justification as to why not taken into account

Addressed in the final version of Chapter 4 of the RDPE.

Section 1.2.3 of the final Ex-ante evaluation notes that “the evaluators provided advice to Defra about the rationale for intervention and the specific market failures that the RDPE will address. Defra responded to the recommendations by strengthening the definition of market failures in the SWOT and needs assessment and including additional data where necessary.”

3.2.17. Recommendation 5

Category of recommendation: The SWOT analysis, needs assessment

Date: 15/01/2014

Topic: Articulation of needs not addressed

Description of the recommendation

More clearly articulate the needs that the RDPE will not be used to address.

How recommendation has been addressed or justification as to why not taken into account

Addressed in the final version of Chapters 4 and 5 of the RDPE. Section 2.1.3 of the final Ex-ante evaluation provides a description of the recommendation made by the evaluators and the response to it:

“Following the SWOT analysis, early drafts of the RDPE programme document provided a table showing 29 specific needs that are to be addressed (with the potential to link these with RD Priorities and focus areas ... These can be traced back to elements within the SWOT. However, there was no closely argued description of the rationale of why these had been selected or articulated in that form, nor why some weakness and threats were not being addressed ...

"The latest version of the RDPE includes a radically reworked treatment of the needs assessment based on the advice provided by the ex-ante evaluators. This version does clearly describe why and how SWOT elements will be addressed. Because the SWOT refers explicitly to the RDP area of operation there are no

elements which cannot be addressed.”

3.2.18. Recommendation 6

Category of recommendation: The SWOT analysis, needs assessment

Date: 15/01/2014

Topic: Description of the SWOT in ESIF

Description of the recommendation

Include a description of how described strengths, weaknesses, opportunities and threats will be addressed through other ESIF programmes.

How recommendation has been addressed or justification as to why not taken into account

Addressed in the final version of Chapters 4 and 5 of the RDPE.

Section 2.1.3 of the final Ex-ante evaluation (10 June 2014, ICF GHK) provides a description of the recommendation made by the evaluators and the response to it:

Does the needs assessment describe the strengths, opportunities, weaknesses and threats that will be addressed through other ESIF programmes?

Section 2.1.3 states that “Following comments from the evaluators, the final draft of the programme document explains that elements which cannot be addressed by the RDPE are dealt with elsewhere within the ESIF funds.”

3.2.19. Recommendation 7

Category of recommendation: Construction of the intervention logic

Date: 30/01/2013

Topic: Use of Commission ex-ante evaluation guidance

Description of the recommendation

Develop a logic which follows guidance provided by the Commission.

How recommendation has been addressed or justification as to why not taken into account

Partially addressed.

The ex-ante evaluators felt that the intervention logic presented was not what they had expected to assess and did not fit with the Commission's Guidelines on ex-ante evaluation, which the evaluators were using to assess the RDP.

In Section 3.5 of the final ex-ante evaluation, the evaluators note that "they have seen sound intervention logics at the scheme level which were discussed in a series of workshops" and "understand that it is not possible to present this detailed intervention logic in the RDPE document because SFC2014 only allows Defra to upload a specific table, generated by the system, that lists targets and the combination of measures linked to priority focus areas."

They added that they were "satisfied that the required intervention logics are in place and underpinned the design of the schemes. In addition, Defra has produced [a] 'Golden Thread' which links activities under measures to higher level objectives, RD priorities and EU 2020 objectives ... space limits prevent its inclusion."

3.2.20. Recommendation 8

Category of recommendation: Establishment of targets, distribution of financial allocations

Date: 15/01/2014

Topic: Clarity of financial and indicator information

Description of the recommendation

Revise the indicator section to separate financial inputs from outputs and result indicators and the comprehensive provision indicators.

How recommendation has been addressed or justification as to why not taken into account

This recommendation is fully addressed in the revised Indicator Plan. The initial draft included "zero" values where it was not clear to the evaluators these were in fact not programmed. Also, the indicators are driven in large part by the based on the indicators developed by the Commission and enshrined in the Implementing regulation and include a mixture of financial and output indicators, where the evaluators would have preferred to see such indicators focussed solely on outputs.

This was resolved to the satisfaction of the ex-ante evaluator: "in terms of assessing the expected contribution to the objectives, the evaluators conclude that all the measures are designed to have impacts that move the situation in the desired direction. They draw on experience of similar interventions in preceding periods and lessons learned [from] previous evaluations. Though there may be reservations about the efficacy of some measures ... the evaluators are content that there is the expectation that objectives will be approached."

3.2.21. Recommendation 9

Category of recommendation: Establishment of targets, distribution of financial allocations

Date: 15/01/2014

Topic: Inclusion of criteria to assess value added of LEADER

Description of the recommendation

Include specific indicators and / or monitoring and evaluation criteria that enable specific added value of the LEADER approach to be assessed.

How recommendation has been addressed or justification as to why not taken into account

Addressed in the final version of Chapter 9 of the RDPE.

Section 3.9.3 of the final Ex-ante evaluation notes that “the evaluators suggested that Defra include indicators or evaluation criteria that take account of the specificities of the LEADER approach and the value added. Defra responded to this recommendation and has included in the evaluation plan additional evaluation criteria related to the added value of the LEADER approach.”

3.3. Ex-ante Evaluation report

See Annexed Documents

4. SWOT AND IDENTIFICATION OF NEEDS

4.1. SWOT

4.1.1. Comprehensive overall description of the current situation of the programming area, based on common and programme-specific context indicators and other qualitative up-to-date information

This section provides an analysis of the current situation in rural England. It provides an overview of evidence on the performance of rural England with reference to the six priority areas and the three cross-cutting themes in the Rural Development Regulation. A more complete review of the evidence base and further details of data sources used are included in the ex-ante evaluation report. England benefits from a strong national statistical evidence base for rural development issues, which is publicly available through three key sources, each updated annually and referenced throughout this section:

- The Statistical Digest of Rural England[1]
- Agriculture in the United Kingdom[2]
- Forestry Statistics[3]

In addition, the online Defra Observatory publishes a series of indicators monitoring agricultural and associated environmental impacts in England[4]. Further, publication of the UK National Ecosystem Assessment (UK NEA) has provided an invaluable comprehensive assessment of the benefits the natural environment provides to society and continuing economic prosperity. The UK NEA has played a significant role in informing choice and design of the interventions programmed, to ensure they sustain and enhance key ecosystem services and increase environment resilience to climate change.

The analysis provided here should be read in the wider context of the UK Partnership Agreement for the European Structural and Investment Funds. The England Chapter of the Partnership Agreement sets out the priorities and high level intervention logic for investment of these funds, and the contribution of each Fund to the Thematic Objectives identified in the Common Strategic Framework. The analysis below relates to Thematic Objectives:

- 1 (Strengthening research, technological development & innovation);
- 2 (Enhancing access to, & use & quality of, information & communication technologies);
- 3 (Enhancing the competitiveness of SMEs, the agriculture sector (for the EAFRD) & the fisheries & aquaculture sector (for the EMFF));
- 4 (Supporting the shift towards a low-carbon economy in all sectors);
- 5 (Promoting climate change adaptation, risk prevention & management);
- 6 (Protecting the environment & promoting resource efficiency);
- 8 (Promoting employment & supporting labour mobility);
- 10 (Investing in education, skills & lifelong learning).

The Rural Development Programme for 2014-2020 has identified three main areas for activity, drawing on lessons learned from the current Programme. Our analysis of the situation in England and of Rural Development needs is structured around these as follows:

- Productivity and competitiveness of farming and forestry sectors (this addresses RD Priorities 1, 2, 3 and 5)
- Environment and climate change (RD Priorities 4 and 5)

- Socio-economic situation and rural growth (RD Priority 6)

Productivity and competitiveness of farming and forestry

Agriculture in England generates £7.2bn in Gross Value Added (GVA), which represents 0.6 % of national GDP[5]. It employs 228,000 people, 0.9% of total employment (Common Context Indicator (CCI) 13). Average labour productivity in agriculture is lower than the average productivity rate in most other sectors of the economy[6]. However, agricultural productivity and outputs vary substantially across the industry, not only between sectors but within sectors themselves, with one third of agricultural businesses in the UK providing 92% of the output of the entire sector[7]. This is due to a range of factors including geography, but it may also reflect farm size, training and skills, and the degree of uptake of new and existing innovative technologies.

In 2011, the agri-food sector in the UK accounted for £95billion or 7.3% of GVA. It employs 261,400 people in England, 1.1% of total employment (CCI13)[8]. It provides an important market for agricultural output. Labour productivity in the food industry is high (CCI16).

Although the GVA for forestry is relatively low (£238 million for England, £404 million for the UK), when the GVA associated with the wider forestry sector (sawmilling, primary and secondary processing and pulp and paper) is accounted for, this rises to £6.4 billion for the UK[9]. The forestry sector employs 14,900 people, 0.1% of total employment (CCI13)[10].

Imports dominate the feedstock for the processing market in the UK[11] with home-grown timber representing less than 20% of total wood use. However, only 53% of woodlands in England are in active management[12] with only about one third of the annual increment currently being harvested, suggesting that there is a greater potential for utilisation which could in turn lead to increased levels of public goods[13]. In support of the EU Forestry Strategy the UK is committed to sustainable forest management: The UK Forestry Standard, and supporting policy, encompasses the multifunctional role of forests.

Competitiveness of the agriculture sector

Industry productivity is a widely used indicator of competitiveness (CCI14)[14]. In the mid-1970s the UK's agricultural productivity (as measured by TFP) was above the EU average (for the then EU10), although still behind the leading EU countries and the US (Figure 4.1)[15].

UK agricultural productivity growth has been consistently poor relative to the US and other OECD countries since the early 1980s. Between 2002 and 2009 UK agricultural productivity grew at an average annual rate of 0.4%, falling further behind the US which grew at 1.7% per year[16]. There is evidence that a lack of expenditure on public research and development is one of the causes for this[17].

English agriculture has a large average farm size relative to the European average at 79.9ha utilisable agricultural area (UAA) per holding, with standard output (SO) per holding of €135,361 compared to an EU-27 average of €25,450 (CCI 17)[18].

Farm income between sectors

England performs well overall relative to other EU Member States on agricultural income (CCI 26), although strong recent performance is in part explained by exchange rates. However, Figure 4.2[19] shows there is considerable variation in income distributions between sectors. In the dairy and cereals sectors, nearly 40% of farmers made business incomes greater than £50,000 in 2012. These are also sectors in

which the UK fares well in international comparisons of production costs and yield[20]. However, in the grazing livestock, mixed and horticultural sectors more than 10% of farmers made losses, even after the inclusion of agricultural subsidies.

Education and skills

Evidence from the Farm Business Survey (FBS) indicates that of low performing farmers (bottom 25% in terms of ratio of value of output to input), more than 50% have no higher education, compared with less than 30% of high performing farmers. Evidence from the United Kingdom Commission on Employment and Skills (UKCES) indicates that a smaller proportion (43%) of employees working in agriculture, forestry and fishing received training in 2012 compared with the national all-sector average (52%), and recent evidence from the Labour Force Survey corroborates this[21].

Data on vacancies from the UKCES Survey[22] shows that the agriculture, forestry and fishing sectors in England have a higher level of Skills Shortage Vacancies (SSVs) [23] as a proportion of vacancies (25%) compared with the national average (22%). The same survey suggests that the result of this is increased costs, difficulties introducing new working practices, technologies, products and services.

The FBS indicates that farm businesses that undertake activities such as budgeting, financial monitoring and benchmarking are generally higher performers than businesses that do not undertake these activities. However, around half of farmers have indicated that they are not interested in employing business management practices and fewer than 20% of farmers carry out some form of benchmarking activity[24]. The number of farmers (heads of holding) currently engaged in Continuous Professional Development is relatively small.

In 2011 Lantra, the sector skills council for land-based sectors, identified skills issues and business needs in the UK forestry sector. Key areas were safety, skills loss through an ageing workforce, adapting to climate change, biosecurity, business planning and marketing[25].

Agricultural workforce and generational renewal

Defra's recent Future of Farming Review concluded that the low numbers of farmers retiring or exiting from agriculture is restricting the opportunities available for new entrants to enter and progress through the sector[26]. This may also be exacerbated by the CAP and other mechanisms, such as tenancy succession laws and the lack of sufficient and affordable housing. There appears to be a loose link between farmer age and a reduced willingness to continue training that may support the take-up of innovative practices and technologies[27]. Only 4% of farm managers are aged fewer than 35, compared with an EU-27 average of 7.5% (CCI 23).

Supply chains

Many of the barriers that apply to wider rural businesses also apply to the development of more robust and resilient food and woodland product supply chains. These include:

- lack of easy access to market (both physical markets and virtual markets through poor broadband coverage);
- poorer infrastructure provision;
- lack of access to hubs or relevant innovation[28] due to distance or poor connectivity; and
- The planning system, both to build new structures and extend or change the use of existing

buildings[29].

Risk management

The Farm Business Survey suggests that around 80% of farmers carry out some risk management practices. However, short-term or seasonal thinking is a common issue in the sector. Longer term measures, such as taking out crop or animal insurance or adopting more resource sustainable land management practices tend not to be taken up. The most common reason for not undertaking risk management practices is that the benefits are not clear to the farmer[30]. Evidence also suggests that European cereal farmers are much less likely than US or South African farmers to engage in futures markets in order to guarantee a price for their produce[31].

Genetic diversity in farmed and cultivated species

There are an estimated 134 native breeds of cattle, sheep, goats, pigs and equines in the UK, and 104 native poultry breeds. In addition, the UK's national fruit collection at Brogdale farm in Kent contains over 3500 named varieties of apple, pear, plum, cherry, bush fruit, vine and cob nut cultivars.

The UK Climate Change Risk Assessment[32] highlighted diversification of tree species as a key adaptation requirement to address both direct threats from climate change and from new pest and diseases associated with it.

Organic farming

In England there is currently an UAA of 13,952ha of organic land in conversion and 302,000 ha registered as fully organic. There has been an overall decline in the UAA that is organic from 2009 to 2013 from 378,764 ha to 315,610 ha. Similarly, the number of organic producers and processors has declined over the same period from 5,278 to 4,419[33].

Annual organic sales in the UK are around £1.8 billion[34] compared to £2.1 billion[35] in 2008/09, which is a decline of 14.3%. There may be a number of factors that have contributed to this. These include higher feed prices, fragility in the market with supermarkets reducing contracts and stock levels and a reduction in demand owing to the general economic downturn. However, other MS have seen an expansion of the sector. For example, sales in Germany and France rose by 7.2% and 6.7% in 2013 respectively continuing the positive trend experienced in 2012[36].

Organic farms obtain consistently higher revenues through Agri-environment schemes than non-organic farms. The revenue ranges from +£15/ha/year for Lowland beef and sheep farms to +£26/ha/year for arable farms and revenue for an LFA beef and sheep farm of +£79/ha/year[37].

Animal health and welfare

The UK possesses 10% of the EU's livestock units, with over 7.8million in England alone (CCI 21). This underlines the importance of measures to ensure the health and welfare of farm animals.

It is well recognised and acknowledged that sub-optimal health and welfare is responsible for reduced performance and that this is a significant cost to the livestock industry in England. The number of calves reared per cow and lambs reared per ewe is fundamental to the profitability and future viability of beef and sheep farms. The current national lamb rearing percentage is 119% (i.e. 1.19 lambs reared per ewe mated)[38].

Despite a trend of increasing productivity, with a 7% increase over the last 4 years, overall, the sheep industry continues to lose a large number of lambs estimated to be between 15 and 20% nationally between conception and sale. The average rearing percentage in English suckler herds is 89% (i.e. for every 100 cows put to the bull 89 calves are sold)[39]. The national average calf mortality from birth to weaning is 5%, with up to 10% calf losses in calves reared from the dairy herd[40]. Improvements in fertility, neonatal viability and health to weaning through targeted disease specific and more generic biosecurity measures will increase the numbers of animals born alive and sold on.

Environment and Climate Change

Between 1990 and 2011 total greenhouse gas emissions (GHG) from agriculture have fallen by 20%[41]. In 2011 agriculture accounted for 8.0% of total 2011 GHG in the UK (GHG) totalling 46.36 Mt CO₂e. This represented 8.0% of total 2011 GHG emissions in the UK [42]. In 2011 agriculture contributed 43% of total methane emissions, 84% of total nitrous oxide emissions and 0.9% of total carbon dioxide emissions.

Agricultural GHG emissions consist of nitrous oxide (57%), methane (35%) and carbon dioxide (8%) [43]. Agriculture is the UK's major source of both nitrous oxide and methane emissions accounting for 84% of total nitrous oxide emissions and 43% of total methane emissions. These mainly come from fertiliser application, enteric fermentation by livestock, agricultural combustion and agrochemical use. Significant reductions in the numbers of cattle and sheep and substantial reductions in the overall application rate for nitrogen fertilisers (particularly on grassland) have been the main drivers for the reductions in these emissions. Currently around 80% of England's peatlands are drained and used mainly for intensive farming in the lowlands and extensive farming and grouse moors in the uplands. These activities reduce the extent by which these lands may act as carbon sinks.

Funding through this Programme will provide an opportunity to make a significant investment in the environment. This expenditure will contribute to achieving a broad range of inter-connecting international; EU and domestic commitments and policy ambitions. These include:

- Internationally:
 - meeting significant legal obligations such as Directive 2009/147/EC on the conservation of wild birds and Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora: including delivery for those Annex 1 habitats and Annex 2 species prioritised for conservation action under the Prioritised Action Framework for Natura 2000;
 - Directive 2000/60/EC establishing a framework for Community action in the field of water in particular to be delivered through measures in the second round of River Basin Management Plans;
 - the Convention on Biological Diversity and the EU Biodiversity Strategy (through supporting the aims of Biodiversity 2020) including delivery for those prioritised for conservation action under the Prioritised Action Framework for Natura 2000;
 - Ramsar Convention and European Landscape Convention
- Domestic legislation on:
 - climate change adaptation and mitigation (Climate Change Act (2008));
 - delivery of Sites of Special Scientific Interest (Wildlife and Countryside Act 1981);
 - Implementing an action programme for nitrate vulnerable zones set out in the Nitrate Pollution Prevention Regulations 2008, as amended. This legislation is currently being reviewed; and
 - the sustainable use of Pesticides (UK National Action Plan for the Sustainable Use of Pesticides).

- UK government policy commitments in
 - the Natural Environment White Paper
 - the Forestry Woodlands Policy Statement of January 2013; and
 - the Water White Paper

In addition action Measure 10 (with contributions from a range of other measures) under the Rural Development Programme in England 2104-2020 will be the primary means by which the Programme contributes to these policy requirements. It will seek to bring about changes in agricultural practices to maintain and improve a range of biodiversity; water quality and other environmental outcomes and objectives. More detailed references to the relevant policy instruments and drivers are included there.

Land use in England

Agricultural land use in England covers 74% of land. UAA in England amounted to 9.0 million hectares in 2013. The total croppable area accounts for 54% of UAA with permanent grassland (including rough grazing) accounting for 42% of UAA[44]. Just less than 70% of UAA is subject to an agri-environment (Environmental Stewardship scheme) agreement. Between 2004 and 2010 the area of agricultural land farmed organically or in conversion in England gradually increased, peaking at 392,000ha. This has subsequently declined and in 2012 3.6% (323,939ha) of agricultural land was classified as either organic or in conversion[45].

Forestry covers 10% of the area of England. Although this figure has doubled in the last hundred years, the rate of increase has slowed in recent years and woodland coverage remains low compared with an EU average of 37%[46]. These forest areas are multifunctional serving economic, social and environmental purposes. The UK government has introduced the UK Forestry Standard (UKFS) as the reference standard for sustainable forest management in the UK, as recommended in the EU Forestry Strategy. It is based on applying criteria agreed at international and European levels, in particular the Forest Europe principles and associated Operational Level Guidelines. The preparation of management plans in accordance with the UKFS which address general forestry practice, biodiversity, climate change, historic environment, landscape, people, soil and water is recommended for all woodland areas.

Agricultural expansion and intensification has impacted on the ability of the natural environment to support wildlife and deliver a wide range of goods and services such as clean water, nutrient cycling, landscape character and flood regulation, as clearly documented in the National Ecosystem Assessment [47]. The abandonment of traditional management practices for example the cessation of grazing on calcareous grassland or absence of coppicing in woodland has similar effects. Some environmental trends are improving. For example, greenhouse gas emissions from agriculture are reducing. However, others such as phosphate and nitrate levels in rivers remain problematic and populations of pollinating insects are in decline [48].

Biodiversity

Biodiversity indicators show a mixed picture. More farmland and woodland is being managed for biodiversity under RDP schemes and the condition of protected areas is improving as a consequence of this targeted land management [49].

Domestic statutory protection is afforded to over 4,100 Sites of Special Scientific Interest (SSSIs) which cover around 8% of England's land area [50]. Over 70% of SSSIs by area are also designated as Natura 2000 sites under the EC Habitats and Birds Directives, accounting for 5% of the territory [51]. The vast majority (96%) of SSSIs are in recovery with the habitats and species they support judged to be in either

favourable condition or under management that will deliver this in time, described as “unfavourable recovering condition”[52].

However, many of the pressures on wildlife, for example from pollution or inappropriate land management, particularly in the wider countryside have not diminished. As a consequence associated species and habitat indicators continue to show long term declines. Populations of farmland and woodland birds displayed in figure 4.3 [53] (CCI 35) show a significantly greater decline than other bird species, with the farmland bird indicator in 2012 around half that of the 1970 value [54]. Further, 40% of priority habitats and 30% of priority species were still declining in 2008 [55].

Biodiversity 2020 [56] , the government’s strategy for wildlife and ecosystem services, sets out the government’s ambition to halt overall biodiversity loss by 2020; reflecting our international (Aichi Biodiversity Targets), EU (Habitats, Birds and Water Framework Directives, and EU Biodiversity Strategy) and domestic commitments in England. It builds on the findings of both the National Ecosystem Assessment and “Making Space for Nature” report [57] and vision of the Natural Environment White Paper.

The strategy seeks to deliver a step change in how we conserve, manage and enhance our biodiversity, so that we halt its overall decline and ensure that it is better able to adapt to pressures such as climate change. It sets out a series of outcomes and targets to reverse overall biodiversity decline which sustain good management and condition on the protected sites network, establish the coherent ecological networks required at the landscape scale and ensure the priority habitat resource is bigger, better managed and less fragmented. Interventions through the Rural Development Programme are recognized as the principle means of delivering the strategy on agricultural and forestry land.

Woodland

The forest area of England extends to 1.3 million hectares [58] of which 16% is state owned, the remainder being owned by a wide range of individuals and organisations. Overall, 26% of the forest area is ancient woodland with 16% other semi-natural (priority habitats), as shown in Table 4.1.[59] Table 4.2[60] shows the breakdown of protected forests, which account for about 12% of England woodland in total.

High Nature Value Farming

Presently in England, only the extent of Type 1 High Nature Value Farming (HNVF) farmland is reported against, i.e. that which supports a high proportion of semi-natural vegetation. During the programme period methodological development work will be undertaken to refine our understanding of management that is consistent with Type 2 (farm matrix) and Type 3 HNVF (farmland supporting rare species interests) through a combination of spatial analysis, structured surveys and analysis of surveillance data. The trends in farmland biodiversity described previously suggest that whilst there have been some successes in reversing specific declines through highly targeted action there remain significant challenges.

The extent of agricultural habitats judged as a national priority for protection and restoration is used as a proxy for defining the extent of Type 1 HNVF farmland. Available evidence suggests that just over 40% of such habitats have declined in extent[61] [62].

Soil Quality

Soil erosion by wind and rain significantly affects the productivity of land as well as impacting on water quality and aquatic ecosystems through silting up of watercourses. It has been estimated that around 2.9 million tonnes of topsoil is eroded annually in England and Wales[63]. Whilst quantitative evidence

suggests that soil erosion in England is relatively localised, with just 3.1% of the agricultural area affected, a recent survey[64] of farmers indicates the issue may be more widespread with half reporting that they have experienced soil erosion on their holding. Work in the South West has demonstrated that 38% of surveyed holdings have soil structural degradation to produce observable features of enhanced surface runoff in the landscape[65]. Compaction is also an issue as it reduces agricultural productivity and water infiltration, and increases flood risk through higher levels of run-off. Climate change is likely to add to this through increased flooding and more heavy rainfall events which will result in erosion and runoff. A recent study examining grassland compaction in England and Wales found approximately 10% of soils to be in poor condition [66]. Climate change is likely to add to this through increased flooding and more heavy rainfall events which will result in erosion and runoff.

Soil organic matter and carbon delivers a large number of important benefits to ecosystem services such as water storage (e.g. improved structure, nutrients, source of food for soil organisms). The loss of soil organic matter impacts on soil structure and the supply of nutrients affecting plant growth. It also represents a loss of soil carbon and soils with less organic matter hold less water[67]. The National Soil Inventory sites for arable cultivation and rotational and permanent grassland were sampled in 1980 and resampled between 1995 and 1997. This revealed a slight (but not significant) decline in the number of soils below threshold[68].

Soil degradation in England and Wales (erosion, compaction and loss of soil organic matter) is estimated to cost £0.9 - £1.4bn per year[69].

Water Quality and Use

Routine reviews, comprehensive assessments and detailed investigations have been conducted under WFD characterisation (Table 4.6) and classification and published in River Basin Management Plans. The majority of water body failures from agriculture and rural land management are due to diffuse pollution (phosphorus, nitrates, fine sediment, sanitary pollutants and freshwater eutrophication), followed by physical modifications and then abstraction and flow. The use of measures under rural development has intended to reflect this distribution focussing on the most significant reasons for not achieving good status.

Water Quality

Clean water is a vital resource provided through the natural environment. However, agricultural pollution continues to place the water environment and the uses of water on which people and wildlife depend (including drinking water and bathing water) under pressure (CCI 40). There are significant failures in Protected Areas objectives and achievement of Good Ecological Status for many water bodies as a result of diffuse water pollution from agriculture. The total annual cost of water pollution to river and wetland ecosystems and natural habitats in England and Wales is estimated to lie between £716million and £1,297million[70].

Across England and Wales, agriculture is estimated to account for 50-60% of nitrate in water bodies[71], 75% of sediment[72] and pesticides and 20-30% of phosphorus[73] [74].

Pollution from agriculture is cited as the likely cause in 31% of known failures to achieve Good Ecological Status (GES) for water bodies in England[75]. Only 29% of river SSSIs is in favourable condition with diffuse pollution being the most common cause of contamination. Climate change may add to this through increased flooding and more heavy rainfall events (erosion, runoff, etc.), whilst low flows and warmer water temperatures can concentrate pollutants and increase eutrophication.

Water Use

Levels of water abstraction are highly variable from year to year and are greatly influenced by annual rainfall, particularly during the growing season. Climate change is likely to exacerbate demand and lead to reduced availability. In 2010, the recorded agricultural abstraction rate in England was 72 million cubic metres. A report by the Environment Agency concluded that current levels of water abstraction in some areas are already harming nature and are unsustainable, although agricultural uses accounted for just 0.7% of recorded water abstraction in England and Wales in 2011; the majority was used in the south and east of England where there are greater demands for water due to the crops grown in these areas.

Air Quality

In the UK there has been a long-term decline in the emissions of sulphur dioxide, ammonia and nitrous oxides. These emissions can cause the acidification of soils and rain and the eutrophication (nutrient enrichment) of soils and water bodies, with detrimental impacts on biodiversity and habitats[76]. Despite the declines in emissions, ninety-seven per cent of sensitive habitats exceeded the critical load for eutrophication from air pollution in the period 2006-2008.

The total UK deposition of nitrogen is currently equally derived from emissions of nitrous oxides (NO_x) and ammonia (NH₃). In the UK, 86% of ammonia emissions were attributed to agriculture in 2011, compared with 93% in 1990. Ammonia pollution from agriculture has declined by 24% over the same period. Emissions from synthetic fertilisers have reduced by 38%, fallen by 14% from cattle and reduced by 87% from field burning (see CCI45 for details).

Landscape and Historic Environment

Around 28% of the land surface of England is covered by SSSI, AONB and/or National Park designation on account of its national significance.

In 2013, there were circa 3,265 (16.5%) Scheduled Monuments considered by English Heritage to be at high risk[77].

Climate change mitigation in agriculture

Between 1990 and 2011 total greenhouse gas emissions (GHG) from agriculture have fallen by 20%[78]. In 2011 agriculture accounted for 8.0% of total GHG emissions in the UK (46.36 Mt CO₂e) [79]. Agricultural GHG emissions comprise of nitrous oxide (57%), methane (35%) and carbon dioxide (8%)[80]. Agriculture is the UK's major source of both nitrous oxide and methane emissions accounting for 84% of total nitrous oxide emissions and 43% of total methane emissions. These mainly come from fertiliser application, enteric fermentation by livestock, and agricultural combustion and agrochemical use respectively. Significant reductions in the numbers of cattle and sheep and substantial reductions in the overall application rate for nitrogen fertilisers (particularly on grassland) have been the main drivers for the reductions in these emissions.

Currently around 80% of England's peatlands are drained and used mainly for intensive farming in the lowlands and extensive farming and grouse moors in the uplands. These activities reduce the extent by which these lands may act as carbon sinks.

In 2013 the total net energy derived from agricultural biomass was 2,925 ktoe. This included electricity generated by anaerobic digestion (232 ktoe). There has been a 7-fold increase in the total net energy

derived from agricultural biomass between 2007 and 2013. There were 171 AD plants in operation at the end of 2013; 94 were electricity only and 16 were heat only [81].

The use of slurries for anaerobic digestion (AD) has a significant GHG reduction potential, far outweighing that from improved storage of slurries and manures. The significant start-up and running costs have led to very low levels of uptake. In 2014, just 1% of all farms processed slurries for AD which is little changed from 2008 [82].

Climate change adaptation in agriculture and the natural environment

The *Climate Change Risk Assessment (CCRA)* [83] contains detailed information on threats and opportunities for a range of UK sectors including impacts on agriculture, water, soil, biodiversity and ecosystems. Impacts include increased flooding, changing rainfall patterns, higher temperatures, increased incidence of pests and diseases and shifts or reductions in species' appropriate habitats. Identification of threats and opportunities is provided in the SWOT with further information available in the CCRA. The National Adaptation Programme (NAP) [84] sets out actions to address the priority risks. For agriculture these are primarily through effective water and soil management, increasing resilience to pests and disease and through embedding adaptation in innovation and evidence. The NAP includes commitments to embed adaptation in the design and implementation of the Rural Development Programme focussing action where the risks are greatest, supporting skills development and knowledge exchange, and ensuring RDPE investments continue to offer good value for money. Commitments are also made for forestry measures, livestock production systems and agri-environment schemes to support adaptation and resilience. For the Natural Environment the NAP focusses on building ecological resilience, preparing for inevitable change and valuing the role of ecosystems in increasing resilience to climate change. A number of these focus areas are supported by the RDPE. The CCRA identifies floods, changing rainfall patterns, increased temperature and new and increased incidence of pests and diseases as the major threats to the rural economy and agriculture. Work on developing Flood Risk Management Plans (FRMPs) as required by the Flood Risk Regulations 2009 (which transpose the EU Floods Directive) has commenced. The 2012 floods have been estimated by the Environment Agency [85] to have cost the UK economy close to £600million.

Climate change mitigation in forestry

The report *Combating Climate Change - a role for UK forests*[86] sets out the forestry sector's potential contribution to climate change mitigation through carbon sequestration in growing biomass (particularly that associated with new woodland), carbon storage in harvested wood products and through wood products substituting for materials with high embodied carbon and woodfuel substituting for fossil fuels directly. Currently, woodlands in England remove 2.2 million tonnes CO₂ equivalent[87], although this is projected to decline over the next 20 years as a result of the age profile of forests and the relatively low level of woodland creation in recent years compared with the 1950s to 1970s[88]. Woodland creation levels are still low (circa 1,800 ha in 2012-13), but have increased since 2010, largely as a result of support through the Rural Development Programme for England 2007-2013.

Climate change adaptation in forestry

The UK Climate Change Risk Assessment highlighted the threat of pests and diseases, drought, changes in the suitability of forestry tree species and risk of wildfire as the key threats posed by climate change. Key adaptation measures include:

- improved silvicultural knowledge to allow informed species choice when planting new or re-stocking existing woodland;

- species diversification (to address threats from both climate change and pest and diseases);
- uptake of low impact silvicultural systems of management;
- upgrading of forest infrastructure (roads, paths, drains) to cope with extreme events; and
- Bringing more woodland under management to allow adaptation measures to be implemented.

The National Adaptation Programme and the Adaptation Sub-Committee both note the contribution that targeted woodland creation can make to adaptation in other areas, including flood alleviation, improvement in water quality, provision of riparian and urban shade (and cooling), extension of habitats to aid species migration and the protection of soil resources.

Access to the natural environment

The National Ecosystem Assessment and the Marmot Review, *Fair Society, Healthy Lives*, describe the positive impact that nature has on mental and physical health[89]. There is evidence that playing in the natural world provides a range of physical and mental health benefits to children[90] and teenagers[91] and growing evidence of the physical and mental health benefits of access to the environment to the population as a whole[92].

Existing Environmental Stewardship support has increased access infrastructure, providing 2,620 kilometres of permissive routes and opening up 4,267 hectares of permissive open access, usually in conjunction with other RDP funded improvements to environmental management on these holdings. In 2008/09 the scheme funded 8,037 school and group visits and supported 100,000 children in visiting the natural environment.

However findings from the most recent surveys monitoring engagement with the natural environment indicate a general downwards shift in the overall number of visits in England from 2006 to 2011[93].

Socio-economic and rural situation[94]

Population demographics

The rural population is on average older than that in urban areas, with approximately 50% aged over 45. The most marked difference between rural and urban populations is at the 16 to 29 age group, which accounts for 21% of the urban population but only 15% in rural areas (PSCI2).[95]

Income levels and poverty

The proportion of households with income below the poverty threshold, after housing costs is lower in rural areas (15% of households, PSCI 8) than in urban areas (23%). However, people who both live and work in rural areas have substantially lower incomes, with jobs located in rural areas paying substantially less - about 16% on average workplace earnings - than jobs in urban areas. In many rural areas the pockets of poverty that exist are too small for surveys to pick up as they are much smaller than wards or even Lower Super Output Areas[96] (CCI 9).

Rural populations also face some specific disadvantages including higher house prices, fuel poverty (PSCI 9), inadequate public transport and lack of access to key services and local amenities.[97]

Employment Rate

ONS data in Table 4.3[98] show that the employment rate in 2012 was higher in rural areas (75.2%) than in urban areas (70.1%) (PSCI5). Following a steady decline since 2007, which can be attributed to the

economic downturn, employment in all rural settings picked up in 2012.

Employment rates have been generally higher in less sparse rural areas than in sparse rural areas[99]. Levels of self-employment are higher in rural areas (14.7%, PSCI 6) than in urban areas (9.8%)[100], with entrepreneurship a stronger feature of rural areas compared to urban[101]. Unemployment rates in rural settlements overall in 2012 were 5%, compared to a national rate of 8%[102], but still above pre-downturn levels of 3.5% in 2007[103] (PSCI 7).

Structure of the economy

In rural areas 73% of people employed in registered businesses work for small or medium sized enterprises (less than 250 employees), compared to urban areas where the proportion was 39% in 2012/13.[104] This indicates the importance of smaller businesses to the growth and employment opportunities in rural locations.

Productivity of primary non-agricultural sectors

Defra's rural statistics show that rural businesses in England generate around 22% of employment and 19% of national Gross Value Added (GVA, worth £211bn) (PSCI10). Whilst agricultural sectors provide an important contribution, other sectors provide proportionately higher GVA in rural England (Table 4.4).[105]

Employment sectors

Agricultural sectors account for around 7% of employment in rural England. Other sectors employ proportionately higher numbers of people, including wholesale and retail, manufacturing, health, education and tourism related services (Table 4.5, PSCI 11).[106]

Access to services

Being able to access key services by public transport is important not only in terms of benefiting from that service when it is needed, but also social inclusion. According to measures of accessibility of services, on average a range of key services are less accessible in rural than urban areas, including schools, hospitals, GP practices, employment services and supermarkets. For example, 16.7% of users in rural areas live within a short enough travel time of hospitals to make them likely to make the journey, compared with 31.6% elsewhere[107].

Tourism

In England, tourism outside of London is worth £70 billion and supports 1.9 million jobs, when taking into account wider second round impacts on the economy. It is a significant contributor to both GDP and employment outside London. Tourism related industries accounted for 10.4% enterprises, 6.8% turnover and 13.4% employment in rural areas in 2012/13.[108] Approximately 2.77 billion visits were taken to the natural environment between December 2011 and November 2012; there has been a general upward trend in visits to the natural environment since 2010. [109] Since 2012 employment growth in the tourism sector as a whole has outperformed the wider UK economy which demonstrates the resilience and flexibility of the industry during the economic recession.[110]

Rural broadband

Broadband coverage is not universal within rural areas. Even where it is available, the average broadband speeds in rural areas are considerably lower than speeds in urban areas. In 2012 the average broadband

speed in sparse hamlets & isolated dwellings was 4.4 Mbit/s compared with 14.8 Mbit/s in less sparse urban areas[111].

Investment in super-fast broadband generates good value for money with a net return of £4.20 for every £1 spent and an estimated net present value of £88m in 2013 prices over a 12 year period. 68% of this return is generated from enterprise productivity growth for firms able to access faster fixed-line broadband. A further 24% comes from local enterprise growth in the rollout areas. The remaining 8% is driven by increased teleworker productivity through reduced commuting as well as increased participation of disabled people and carers in the workforce. Investment in rural broadband is also expected to generate CO2 savings as a result of increased homeworking[112].

Energy and fuel poverty

Rural communities, particularly those not on the mains gas supply, often face volatile prices from supply of other fuel sources such as bottled gas or heating oil, often leading to fuel poverty.

The contribution of renewables to UK electricity generation was 11.3% in 2012, 1.9 percentage points higher than a year earlier. Electricity generation from renewable sources increased by around one fifth between 2011 and 2012, reaching 41.3TWh. Capacity grew by more than one quarter to (15.5GW) over the same period. Bioenergy accounted for 73% of renewable energy fuel use in 2012, while wind contributed 18%. Solar and PV accounted for less than 3%.[113]

[1] <https://www.gov.uk/government/publications/statistical-digest-of-rural-england-2013>

[2] <https://www.gov.uk/government/collections/agriculture-in-the-united-kingdom>

[3] <http://www.forestry.gov.uk/statistics>

[4] <https://www.gov.uk/government/collections/agri-environment-indicators>

[5] Defra (2013) Agriculture in the UK, figure for 2012, Defra, London.

[6] Defra estimates based on ONS (December 2013): Regional Gross Value Added (Income Approach - NUTS1), and ONS (December 2013) Workforce by jobs and industry (JOBS05),

[7] Defra analysis based on Farm Business Survey (FBS) .

[8] Labour Force Survey. The food industry is defined as covering Manufacture of food products (C10), Manufacture of beverages (C11) and Manufacture of tobacco products (C12) – Sectors in NACE.

[9] Annual Business Survey / Annual Business Inquiry: Office for National Statistics, June 2009 and June 2013.

[10] Labour Force Survey, Forestry covers ‘forestry and logging (A02)’ sectors in NACE.

[11] Data not available at individual country level

[12] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/206931/pb13947-frtf-update-20130614.pdf

[13] Forests and woodlands that are undermanaged often provide a lower level of ecosystem services than

those in active management both in terms of goods with a market and those without for example increased management for utilisation can lead to an increase in timber and biodiversity. By utilising a higher proportion of wood from England's timber resources the resilience and ecosystem services provided by those woodlands would also be increased.

[14] Productivity can be measured as the ratio of output to a particular input (labour, capital etc) or it can be considered as the ratio of all outputs to all inputs to give Total Factor Productivity (TFP).

[15] Ball et al (2006) *Productivity and Competitiveness in EU and US Agriculture*, Defra, USDA

[16] Defra and USDA data.

[17] Thirtle and Holding (2003) *Productivity of UK Agriculture: Causes and Constraints*, Defra, London.

[18] Farm Structure Survey (FSS), 2010

[19] Farm Business Survey (FBS) Imputed rent and unpaid labour are not included in the Distribution of Farm Business Income calculations. Farm Business Income is a measure of the profitability of a farm and includes income from agri-environment schemes and the single farm payment.

[20] EU dairy farms report 2011, EU cereal farms report 2011

[21] UKCES, Agriculture, Forestry and Fishing Sector Skills Assessment 2012.

[22] UKCES, Agriculture, Forestry and Fishing Sector Skills Assessment 2013

[23] An SSV occurs where a firm has difficulty filling a vacancy due to "low numbers of applicants with the required skills, work experience or qualifications."

[24] Defra, 2013, *Business Management Practices on Farm 2011/12, England*, available at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/201043/fbs-businessmanagement-statsnotice-22may13.pdf

[25] Lantra, 2011, *Trees and Timber Factsheet 2010/2011*, available at [http://www.lantra.co.uk/Downloads/research/skills-assessment/trees-and-timber-v2-\(2010-2011\).aspx](http://www.lantra.co.uk/Downloads/research/skills-assessment/trees-and-timber-v2-(2010-2011).aspx)

[26] Defra, 2013, *The Future of Farming Review*

[27] Defra, 2013, *Business Management Practices on Farm 2011/12*

[28] Innovation is defined, for the purpose of the Rural Development Programme, as the successful exploitation of new ideas, business practices, techniques or technologies or the take up of existing practice by new businesses or sectors.

[29] Please see priority 6, but main reference is Economic performance of rural areas inside and outside of city-regions. SQW and Cambridge Econometrics and Defra's Rural Economy Growth Review 2011.

[30] Defra, 2013, *Business Management Practices on Farm 2011/12*

[31] Defra Regulatory & Risk Management Economics Branch, Food and Farming Group (Economics) "Agricultural Commodity Futures Markets – Theoretical and Empirical Analysis of Developmental

Aspects". 2011.

[32] <https://www.gov.uk/government/publications/uk-climate-change-risk-assessment-government-report>

[33] Organic Farming Statistics 2013 – Defra, June 2014

[34] Organic Market Report 2014 – Soil Association, 2014

[35] Organic Market Report 2009 – Soil Association, 2009

[36] Organic Market Report 2014 – Soil Association, 2014

[37] Organic Farming: How It Stacks Up – Soil Association, March 2014

[38] Defra, 2011, June Census of Agriculture. Available at:
<http://www.defra.gov.uk/statistics/foodfarm/landuselivestock/junesurvey/junesurveyresults/>

[39] Defra, 2011, June Census of Agriculture

[40] Analysis from British Cattle Movement Service database June 2011.

[41] Agricultural Statistics and Climate Change, 4th edition, Defra, 2013

[42] <http://www.eea.europa.eu/data-and-maps/data/national-emissions-reported-to-the-unfccc-and-to-the-eu-greenhouse-gas-monitoring-mechanism-7> - Context indicator 45

[43] <https://www.gov.uk/uk-greenhouse-gas-emissions#uk-emissions-statistics>

[44] Farming Statistics Final Land Use, Livestock Populations and Agricultural Workforce at 1 June 2013 – England. Defra, October 2013

[45] Defra Observatory, indicator C1.

[46] Defra (2013) Area of Crops Grown for Bioenergy in England and the UK: 2008 – 2012
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/289168/nonfood-statsnotice2012-12mar14.pdf

[47] UK National Ecosystem Assessment (2011) The UK National Ecosystem Assessment: Synthesis of the Key Findings. UNEP-WCMC, Cambridge.

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[50] Source: Natural England

[51] Common Context Indicator 34

[52] Report on condition of SSSIs, Natural England, March 2014.

[53] Source: RSPB, BTO, JNCC, Defra Note: i) figures in brackets show the number of species within each group, ii) within each category, darker lines show unsmoothed data and paler lines of the same colour show

smoothed trend data.

[54] Wild bird populations in England, 1970 to 2012, Defra, October 2013

[55] Natural England (2008) *State of the Natural Environment 2008*. Sheffield: Natural England.

[56] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/69446/pb13583-biodiversity-strategy-2020-111111.pdf

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[58] [http://www.forestry.gov.uk/PDF/FCFS213.pdf/\\$FILE/FCFS213.pdf](http://www.forestry.gov.uk/PDF/FCFS213.pdf/$FILE/FCFS213.pdf)

[59] Source: Forestry Statistics 2013. Forestry Commission

[60] Source: Protected Forest Areas in the UK (S Pryor & G Peterken, 2001)

[61] http://jncc.defra.gov.uk/pdf/BIYP_2012.pdf

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[76] Emissions of air pollutants in the UK, 1970-2012, Defra, 2013

[77] <http://www.english-heritage.org.uk/content/imported-docs/f-j/har-statistics-2013.pdf>

[78] Agricultural Statistics and Climate Change, 4th edition, Defra, 2013

[79] <http://www.eea.europa.eu/data-and-maps/data/national-emissions-reported-to-the-unfccc-and-to-the-eu-greenhouse-gas-monitoring-mechanism-7> - Context indicator 45

[80] <https://www.gov.uk/uk-greenhouse-gas-emissions#uk-emissions-statistics>

[81] Defra, 2014, Observatory indicator DD3: Energy from Biomass

[82] Defra, 2014, Agricultural Statistics and Climate Change, 5th edition

[83] <https://www.gov.uk/government/publications/uk-climate-change-risk-assessment-government-report>

[84] <https://www.gov.uk/government/publications/adapting-to-climate-change-national-adaptation-programme>

[85]

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/297425/LIT_8443_200ddd.pdf

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<http://publications.naturalengland.org.uk/publication/44009>

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[95] Defra (2014) Statistical Digest for Rural England

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https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/288991/Statistical_Digest_of_Rural_England_2014_March.pdf

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https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/183289/rural-economic-growth-review.pdf

[98] Source: Statistical Digest of Rural England (Office for National Statistics, Labour Force Survey)

[99] The trends for sparse settlements show greater fluctuations and this may be owing to the small sample populations rather than genuine changes.

[100] Defra statistics, based on the Labour Force Survey (ONS). CCI 6 reports a similar level, at 14.5%.

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[104] Defra (2014) Statistical Digest of Rural England 2014

[105] Source: Statistical Digest of Rural England, June 2013, page 84.

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[107] Rural Digest of Statistics (see above)

[108] Deloitte (2013) *Tourism: jobs and growth: The economic contribution of the tourism economy in the UK*.

[109] Natural England (2013); *Monitor of Engagement with the Natural Environment: The national survey on people and the natural environment*.

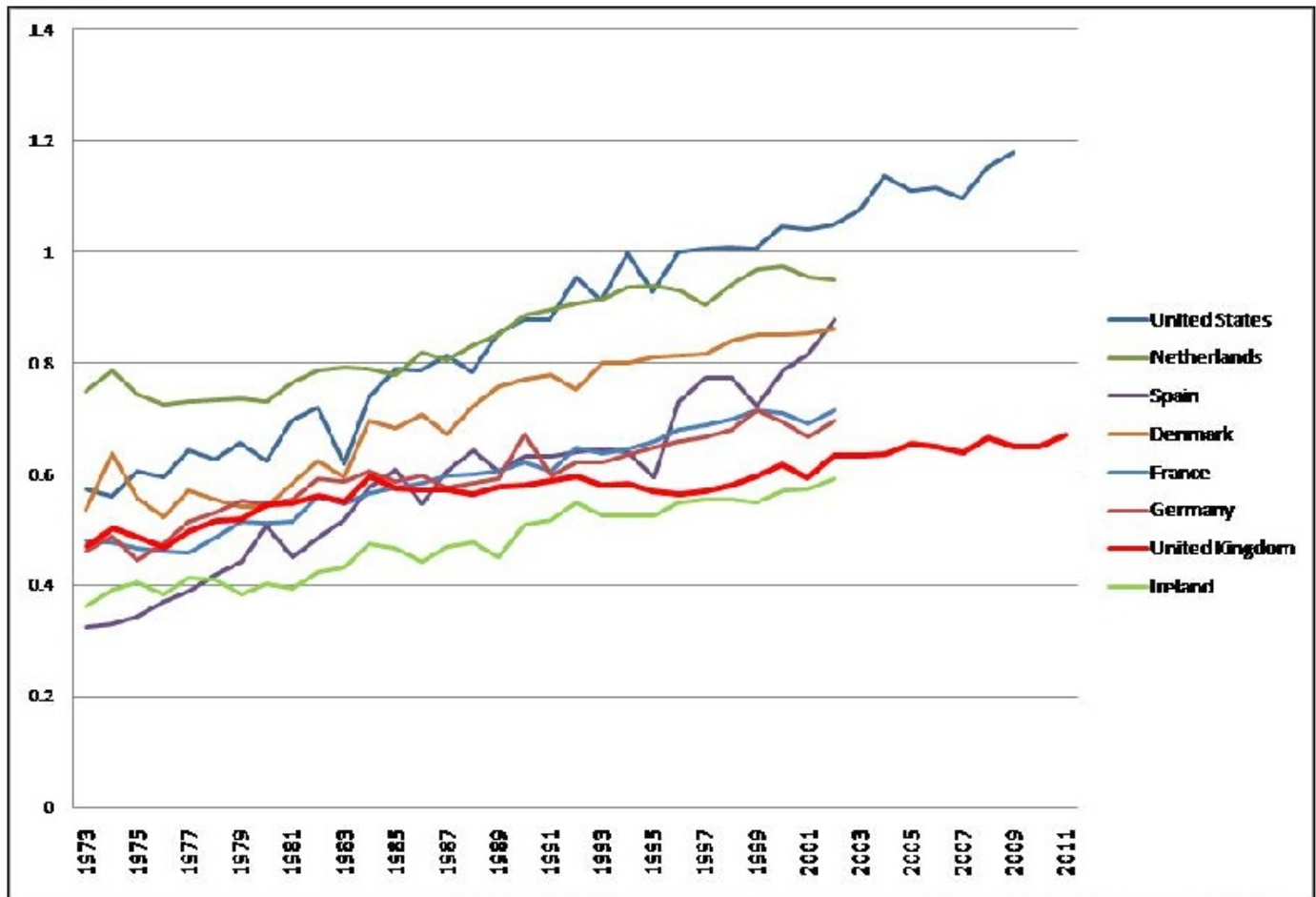
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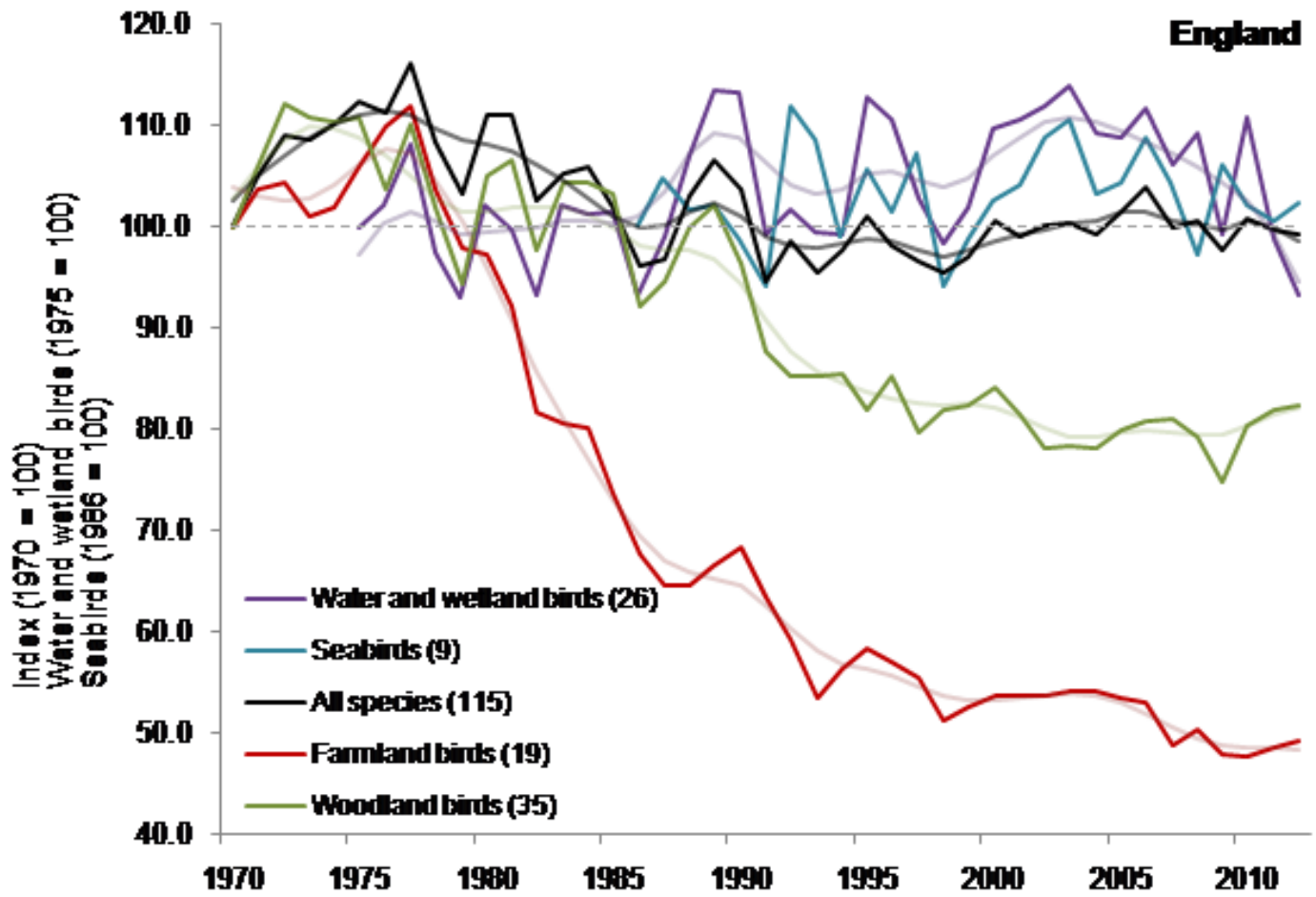
Figure 4.1: Total factor productivity in agriculture for selected countries relative to the United States 1996 level (indexed)



Ball et al (2006) Productivity and Competitiveness in EU and US Agriculture, Defra, USDA

Figure 4.1: Total factor productivity in agriculture for selected countries relative to the United States 1996 level (indexed)

Figure 4.3: Populations of wild birds over time



Wild bird populations in England, 1970 to 2012, Defra, October 2013

Figure 4.3: Populations of wild birds over time

Table 4.1: Ancient and semi-natural woodland in England

Woodland type		Area (thousand ha)	%
Ancient	Semi-natural	206	37
	Plantation on ancient woodland site	135	25
Other semi-natural woodland		210	38
Total		551	100%

[Source: Forestry Statistics 2013. Forestry Commission](#)

Table 4.1: Ancient and semi-natural woodland in England

Table 4.2: Area of protected forest in England

Type of protection	Area (thousand ha)
Special Areas of Conservation	24
Special Protection Areas	47*
National Nature Reserves	9
Sites of Special Scientific Interest	80

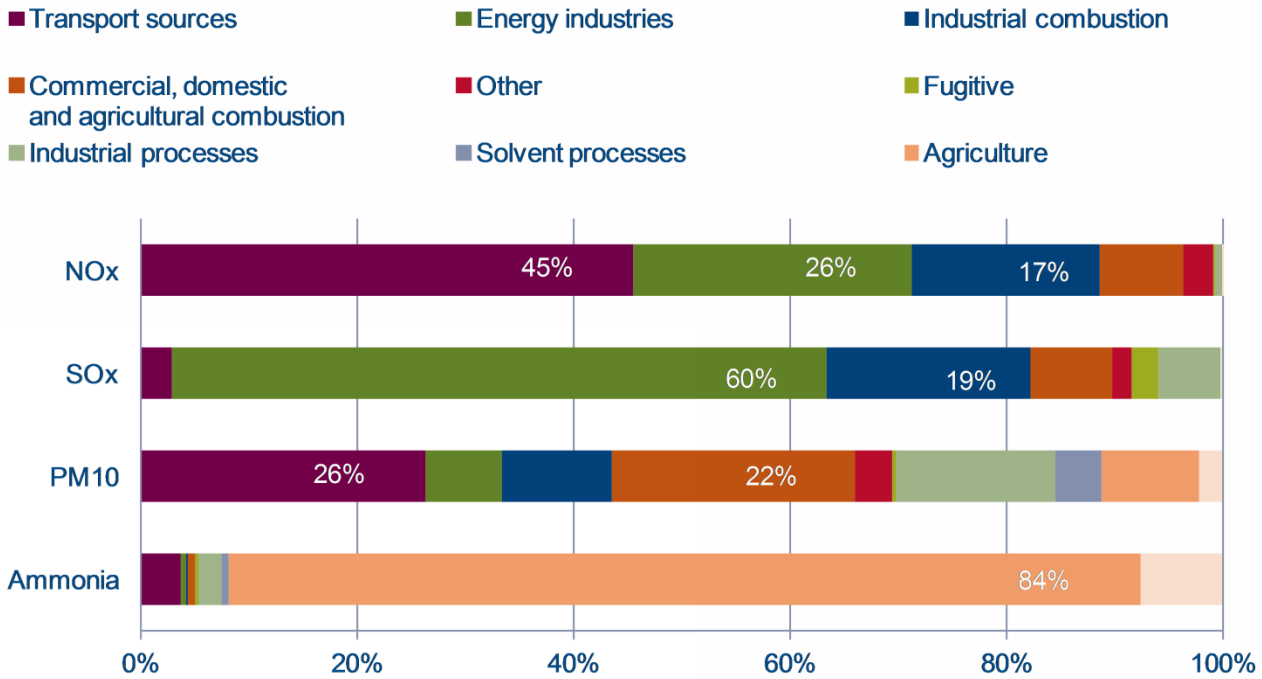
*Calculated from SpatialLand summary data for UK SPAs. JNCC
(<http://jncc.defra.gov.uk/page-1409>)

Source: Protected Forest Areas in the UK (S Pryor & G Peterken, 2001)

Table 4.2: Area of protected forest in England

Figure 4.4: Emissions of polluting substances to air by source in England, 2011 (data from National Atmospheric Emissions Inventory – NAEI)

Emissions by source in England 2011



Source: NAEI

Figure 4.4: Emissions of polluting substances to air by source in England, 2011 (data from National Atmospheric Emissions Inventory – NAEI)

Table 4.3: Percentage of working age population who are employed, by settlement type in England, 2006 to 2012

	2006	2007	2008	2009	2010	2011	2012
All Urban	71.8	71.8	71.4	69.8	69.4	69.3	70.1
those in a sparse setting	71.7	69.2	71.9	68.2	72.9	71.2	71.1
All Rural	76.2	76.0	76.3	75.2	74.8	74.5	75.2
those in a sparse setting	72.2	73.4	76.1	74.4	73.7	72.2	74.0
All rural town & fringe	76.4	76.3	76.0	75.2	74.0	74.2	75.0
All rural village & hamlets	76.0	75.7	76.5	75.2	75.6	74.7	75.3
England	72.6	72.6	72.3	70.8	70.4	70.2	70.9

Source: Statistical Digest of Rural England (Office for National Statistics, Labour Force Survey)

Table 4.3: Percentage of working age population who are employed, by settlement type in England, 2006 to 2012

Table 4.4: Gross Value Added (GVA) by industry: percentage breakdown within local authority classification, 2010

	Predominantly Rural		Significant Rural		Predominantly Urban		England	
	GVA (£m)	%	GVA (£m)	%	GVA (£m)	%	GVA (£m)	%
Agriculture, forestry and fishing	3,994	2	2,312	1	817	0	7,123	1
Business service activities	16,476	10	27,232	11	92,558	14	136,266	12
Construction	12,198	7	20,240	8	37,981	6	70,419	6
Distribution; transport; accommodation and food	33,604	20	54,920	22	125,029	18	213,553	19
Financial and insurance activities	6,869	4	14,217	6	89,564	13	110,650	10
Information and communication	6,089	4	12,059	5	50,464	7	68,612	6
Other services and household activities	6,039	4	8,801	3	23,810	3	38,650	4
Production	29,519	18	46,027	18	73,675	11	149,221	14
Public administration; education; health	35,499	22	48,215	19	130,767	19	214,481	20
Real estate activities	13,858	8	20,902	8	55,992	8	90,752	8
Total GVA	164,145	100%	254,925	100%	680,657	100%	1,099,727	100%

Source: Statistical Digest of Rural England, June 2013, page 84.

Table 4.4: Gross Value Added (GVA) by industry: percentage breakdown within local authority classification, 2010

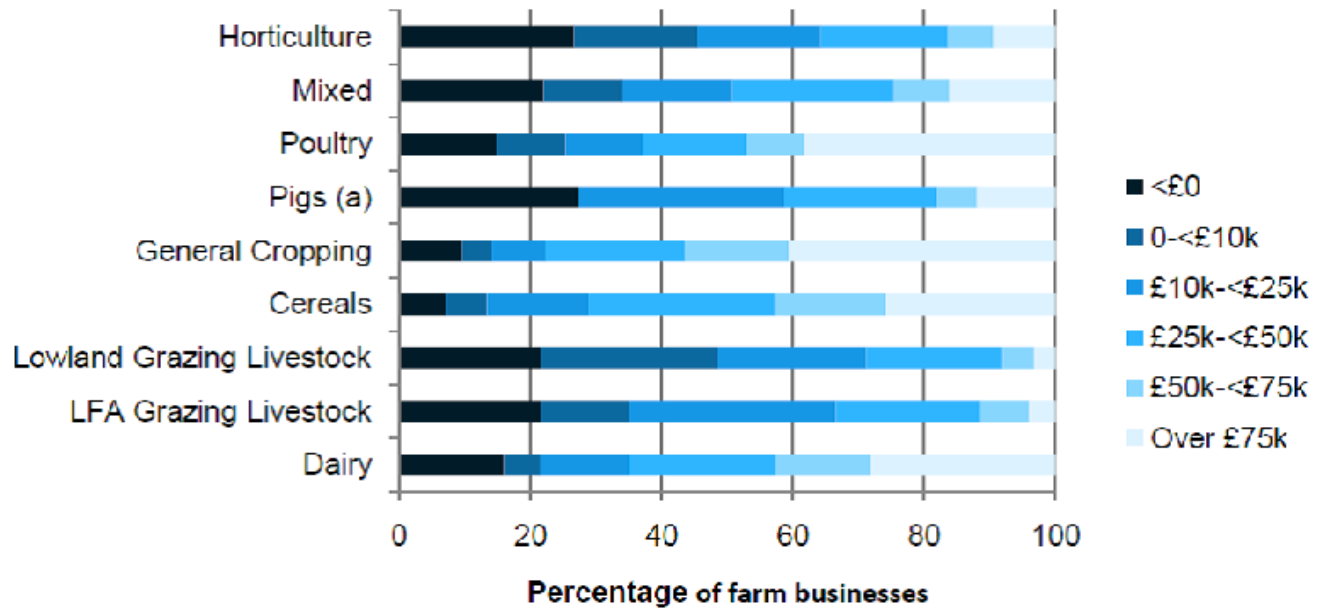
Table 4.5: Total and percentage employment by sector, Rural England 2010/11

	Total	Percent
Wholesale & retail trade, repair of motor vehicles	535,760	14.2%
Manufacturing	448,168	11.9%
Human health & social work activities	348,508	9.2%
Education	338,127	9.0%
Accommodation & food service activities	310,413	8.2%
Construction	273,909	7.3%
Agriculture, forestry & fishing	266,535	7.1%
Professional, scientific & technical services	262,829	7.0%
Administrative & support service activities	227,049	6.0%
Transport & storage	190,259	5.0%
Public administration & defence, compulsory social services	113,673	3.0%
Information & communication	112,680	3.0%
Arts, entertainment & recreation	107,387	2.8%
Other service activities	83,654	2.2%
Real estate activities	58,950	1.6%
Financial & insurance activities	46,118	1.2%
Water supply, sewerage, waste management & remediation servs	21,909	0.6%
Mining & quarrying	13,574	0.4%
Elec, gas, steam & air conditioning supply	11,957	0.3%
	3,771,459	100.0%

Source: Defra data extraction from IDBR

Table 4.5: Total and percentage employment by sector, Rural England 2010/11

Figure 4.2: Distribution of Farm Business Income by farm type, 2012/13



Source: Farm Business Survey, England

(a) For Pigs the 0-<£10K band has been combined with £10K-<£25K band to prevent disclosure.

Figure 4.2: Distribution of Farm Business Income by farm type, 2012/13

Table 4.6 – Reasons for the status of water bodies in England

The table below presents a summary of the reasons for not achieving good status for water bodies in England. The table shows the sectors contributing to the pressure, where a specific sector has been identified. It is based on data with a probable or confirmed level of certainty.

	Agriculture and rural land management	Domestic	Government (local and central)	Industry	Mining and quarrying	Navigation	Urban and transport	Water industry
Abstraction and flow	29	0	2	13	1	4	3	134
Chemicals	17	0	0	31	284	6	67	51
Sanitary pollutants	319	20	17	72	4	3	321	825
Fine sediment	478	1	8	18	13	1	86	18
Invasive non-native species	1	0	0	1	0	0	0	0
Nitrates	34	0	0	1	0	0	3	27
Phosphorus and freshwater eutrophication	1774	117	8	96	0	4	664	1976
Physical modifications	484	5	346	133	21	69	607	556

Table 4.6 Reasons for the status of water bodies in England

4.1.2. Strengths identified in the programming area

The analysis that follows in this and subsequent sections relates to issues that can be addressed through the Rural Development Programme for England. Strengths and weaknesses relating to wider issues such as health services, housing and education are not covered.

Productivity and competitiveness of farming and forestry

Strong research base: the UK is strong in basic research, including the subjects underlying agriculture such as biology and ecology, as evidenced by citation and download evidence[1]. This is supplemented through a strong, well-established college and land-based education network.

Good performance and incomes in some sectors: Strong farm incomes in the dairy and cereals sectors, supported by strong yields and low production costs[2].

Large average farm size: Generally speaking, England's large farm size compared to the European average means that UK is relatively good at exploiting economies of scale (CCI 17).

Strong market for softwoods: Prices for both coniferous and low grade hardwoods have increased in the last few years, the latter responding to the growing demand for wood fuel[3].

Strong food and farming supply chain, adding over £100bn to UK GVA (Q2 2014). Food and drink manufacturing industry contributes £26.5bn to GVA, and is the UK's largest manufacturing sector" [4].

Environment and climate change

Agri-environment schemes can reverse biodiversity declines when highly targeted. Recent evidence demonstrates that agri-environment management has the potential to have national scale effects on bird populations[4] and there have been large national population increases in several rare bird species[5],[6].

Around 70% of agricultural land is under management helping secure multiple environmental outcomes. 96% of Sites of Special Scientific Interest (SSSI) are now in favourable or recovering condition. As all terrestrial Natura 2000 sites are underpinned by these domestic designations these too are under positive management.

The natural environment is increasingly recognised as an important cultural and economic asset. For example, the UK National Ecosystem Assessment estimated the existence value of biodiversity was between £540m to £1,262m per annum, with biodiversity pollination services worth £430m p.a.[7][8].

Reducing use of fertilizers and manures that harm the natural environment. There is good evidence[9] that farmers are using fertilisers and manures more efficiently, particularly on grasslands, with soils and freshwaters now stable or improving.

Decreasing greenhouse gas emissions from agricultural soils and livestock: falling by 4% between 2006 and 2011[10] and by 20% since 1990. Reductions in GHG emissions are mainly due to reduced nitrogen fertiliser applications, particularly on grassland, and decreasing livestock numbers, particularly cattle.

Organic management delivers high levels of environmental benefits: certified organic land is subject to

meeting and maintaining organic standards.

Socio economic and rural situation

Strong employment position: rural areas show higher employment and lower unemployment rates than urban areas, in part related to higher proportions of self-employed and home-workers in the labour force[11].

Lower overall levels of income poverty: The proportion of people with income below the poverty threshold is lower in rural areas than in urban areas.

Strong and diverse employment sectors: The rural economy is broadly similar to the national economy in terms of diversity in sectors of industry and is not just reliant on agriculture or small scale production.[12]

Strong representation of small and micro-enterprises: including those with no employees, accounting for over half in rural areas compared with around a quarter in urban areas. SMEs tend to be the most dynamic, resilient and adaptable firms and have high growth potential through innovation, entrepreneurship and investment. [13]

Strong tourism sector: Tourism is a significant contributor to GDP and employment outside of London, playing an important role in helping rural economies diversify and become more resilient and support rural communities and businesses under threat.

Growing renewable energy sector: currently accounts for 11.3% of electricity generation and growing year on year. [14]. Evidence from the Economic and Social Research Council and DECC's vision for community energy suggests small scale projects for power generation not only help combat climate change but can revitalise local economies and draw people together. [15]

[1] BIS/ Elsevier (2011) International Comparative Performance of the UK Research base 2011

[2] Defra Farm Business Survey data.

[3] Render, M G (2013). Support for Forestry in the Rural Development Programme. Forestry Commission

[4] ONS statistical bulletin UK Non-Financial Business Economy, 2013 Provisional Results (Annual Business Survey) http://www.ons.gov.uk/ons/dcp171778_384804.pdf

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[8] UK National Ecosystem Assessment (2011) The UK National Ecosystem Assessment: Synthesis of the Key Findings. UNEP-WCMC, Cambridge. Duke et al. (2012) Opportunities for UK Business that Value and/or Protect Nature's Services; Elaboration of Proposals for Potential Business Opportunities. Attachment

1 to Final Report to the Ecosystem Markets Task Force and Valuing Nature Network. GHK, London.

[9] GHK (2011) *Benefits of SSSIs in England and Wales*. A report to Defra.

[10] Defra (2010) A biodiversity strategy for England – Measuring Progress: 2010 assessment

[11] Greenhouse Gas Inventories for England, Scotland, Wales and Northern Ireland: 1990 – 2011

[12] Frontier Economics (2014): Driver of rural business employment, growth, decline and stability; a report prepared for Defra

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https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/288991/Statistical_Digest_of_Rural_England_2014_March.pdf

[14] Small Business Outlook (2013) available here:
<http://www.lgcplus.com/Journals/2013/07/12/a/a/m/Small-Business-Outlook-2013.pdf>

[15] <https://www.gov.uk/government/publications/renewable-sources-of-energy-chapter-6-digest-of-united-kingdom-energy-statistics-dukes>

[16] ESRC Walker (2007): Rural Communities revived by energy & Decc (2013) Community Energy Strategy available here:
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/275163/20140126Community_Energy_Strategy.pdf

4.1.3. Weaknesses identified in the programming area

Productivity and competitiveness of farming and forestry

Relatively low agricultural productivity and competitiveness: The UK has low productivity relative to our competitors and has slipped further behind them[1].

Limited application of research knowledge: Whilst primary research is a strength, applied / private sector research and translation in agriculture is limited. A decline in applied research infrastructure, including closure of many institutions[2] has led to fragmentation, with a lack of ‘hubs’ where private applied research can draw from public research. We recognise that in the UK innovation system there is a lack of a clear enabling framework overseeing the continuum from public and private research to farmers and land managers. Our intention is that with the delivery of the RDPE Pillar II and UK led Agri-tech strategy, which we are designing to work alongside each other, we will forge a new partnership between government and industry. This will enable us to clarify our respective roles and work together within a clearer framework, toward increasing the productivity and sustainability of UK agriculture.

Low levels of education and skills: Under provision of skills and training in the agricultural and forestry sectors (CCI 24)[3]. The Farm Business Survey indicates a lack of awareness and interest in the benefits of business skills[4].

Age profile: The farm holder population has a high average age, (median age of 59), and only 4% of farm managers are aged under 35 (CCI 23). There is a lack of young people entering and older farmers and forest managers exiting the industry. The age profile of woodland owners and managers is clearly distinct from the general population, with the majority aged over 45[5].

Existing policies in the agricultural sector represent barriers to structural change: CAP subsidies support underperforming farms to remain in business, and limit structural consolidation.

Woodland ownership: woodland owners in England form a diverse group[6],[7] with widely differing attitudes to owning and managing their woods[8]. Of these owners 77% have individual holdings of less than 10 ha, although these account for only 12% of the total woodland area[9].

Low incomes in the livestock, pig and poultry sectors: more than 20% of farms make losses. Farms in some sectors are not viable without subsidy.

Risk management: Wide-spread seasonal / short-term thinking, with poor uptake of long-term risk management measures.

Unsustainable use of natural assets: Evidence from the National Ecosystem Assessment[10] indicates that England is failing to conserve and invest in its natural capital assets. A weakness lies in the lack of expertise in recognising and managing environmental risks and opportunities within the farming and forestry sectors, threatening greater costs and reduced performance in the long term.

Environment and Climate change

Declining Biodiversity: Over 40% of priority habitats and 30% of priority species are in decline[11], with just over a third of Habitats Directive Annex 1 grassland types being assessed as in bad-declining conservation status.

Important agricultural and forestry semi-natural habitats are becoming more fragmented: this is due to changes in land use and practice, reducing long term viability and climate resilience.

Diffuse water pollution from agriculture continues to harm the natural environment: There are significant failures in Protected Areas objectives and achievement of Good Ecological Status for many water bodies.

Vulnerability of forestry to pests and diseases: Threats to tree health have increased with the globalisation of trade generally with a marked increase in the volume and diversity of plants and plant products entering the country. This has increased the likelihood of plant pests and pathogens also being introduced, spreading through gardens and woodlands and potentially causing serious damage to either our native flora or commercial crops.

Inadequate description of HNMF: The characteristics of High Nature Value Farming in England have not yet been defined.

Socio economic and rural situation

Lower levels of workforce productivity: a lower proportion of rural districts fall into the top performing 25% of districts and a higher proportion fall into the lowest performing 25% than for England as a whole[12]. The difference between Urban and Rural areas is less significant when taking into account the

impact of London on the statistics.

Lack of skilled workforce: research by United Kingdom Commission on Employment and Skills (UKCES) suggests that the lack of access to a skilled workforce is a barrier to growth for rural firms[13].

Limited access to superfast broadband: rural businesses and households have a lack of access to superfast broadband and mobile phone coverage. (see 4.1.1 socio-economic situation for detail and evidence)

Limited access to services: being able to access key services by public transport is important not only in terms of benefiting from that service when it is needed, but also social inclusion. (see 4.1.1 socio-economic situation for detail and evidence)

Seasonality of rural destinations: products and experiences do not always appeal to visitors all year round and are weather dependent.

Rural populations on average face disadvantages including **higher house prices and transport costs, lower wages and fuel poverty.**

[1] Ball et al (2006) Productivity and Competitiveness of UK and US Agriculture, DEFRA and USDA data.

[2] All Party Parliamentary Research Group on Science and Technology in Agriculture, Support for Agricultural R&D is Essential to Deliver Sustainable Increases in UK Food Production

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[5] Analysis of the potential effects of various influences and interventions on woodland management and creation decisions, using a segmentation model to categorise sub-groups, Defra, FC; forthcoming

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[7] Urquhart, J & Courtney, P (2011). Seeing the owner behind the trees: A typology of small-scale private woodland owners in England, *Forest Policy and Economics* **13** 535-544

[8] Nicholls, D & Young, M (2006) *The Estate Owner's Perspective on Forest Policy*. Proceedings of ROOTS rural research conference Wadham College, Oxford

[9] UNECE/FAO 2010, *Private Forest Ownership in Europe, Geneva Timber and Forest Study Paper 26*, available at <http://www.unece.org/fileadmin/DAM/timber/publications/SP-26.pdf>

[10] UK National Ecosystem Assessment (2011) The UK National Ecosystem Assessment: Synthesis of the Key Findings. UNEP-WCMC, Cambridge.

[11] UK National Ecosystem Assessment (2011) The UK National Ecosystem Assessment: Synthesis of

the Key Findings. UNEP-WCMC, Cambridge.

[12] Rural Digest of Statistics (see above).

[13] UKCES (2013) Secondary Analysis of Employer Surveys: Urban and Rural Differences in Jobs, Training, and Skills; Evidence Report 75

4.1.4. Opportunities identified in the programming area

Agriculture and sectorial analysis

Enhancing productivity and innovation by promoting education and skills: better trained, more highly qualified farmers and foresters tend to run better businesses and be more innovative and receptive to innovations (environmentally and economically)[1].

Promoting innovation and knowledge transfer through cooperation: there may be more potential for cooperation in some sectors – bringing together individual businesses encouraging them to benefit from shared experience and collaboration.

Increasing productivity and innovation through active succession planning: Farmers and foresters could be helped to plan for retirement or assistance given to exit strategies for poor performing farms.

Improving resource efficiency: farmers could be helped to achieve a better balance between food security and environmental security. This would enable future farm viability and early competitive advantage ('future-proofing farming').

Improving agricultural productivity and profitability through investment: to support adoption of innovative technologies and practices.

Improving management of risk: land managers could be helped in gaining a better understanding of risk management practices to support protection against biotic and other threats, including via cooperation.

Maintaining genetic diversity: investing in genetic diversity of crops and livestock could help them adapt, naturally or with human intervention, to future needs and challenges.

Developing markets for forestry products and services: there is potential to significantly increase wood and timber production and to develop markets for wider 'ecosystem services' such as carbon and water regulation services. There is potential to develop the market for wild venison; this would enhance the economic viability of deer management required to reduce their environmental impact.

Optimising collaboration between food and farming businesses, in order to achieve greater development of the domestic food sector and build on strong manufacturing performance

Increasing resilience to climate change: climate change resilience increases resilience to other impacts, while increasing viability of farm and forestry enterprises can increase their climate resilience.

Increased yields and opportunities to grow new crops: climate change may increase yields and allow

new crops to be grown if other factors such as water availability are not limiting.

Environment and Climate Change

Increasing the effectiveness of interventions aimed at protecting and enhancing the environment to deliver multiple benefits: More effective targeting of agri-environment measures can help land managers both target specific priorities, e.g. prioritised Natura 2000 features but also realise multiple benefits more effectively, particular through larger scale coordinated action. Planning and operating interventions at the scale at which hydrological and ecological processes operate could also improve outcome delivery.

Recognising the value of landscape and historic environment assets: there is growing demand for nature-based, sustainable tourism. These assets also contribute to local distinctiveness, creating a sense of place and potentially improving the quality of life and attracting new business investment.

Optimising resource use and protecting natural capital: there are opportunities for improving efficiency in natural resource use and utilising by-products through the use of technologies such as anaerobic digestion.

Strengthening partnership with the land management industry: the success of the Pesticides Voluntary Initiative, Campaign for the Farmed Environment and Catchment Sensitive Farming could be built upon.

Improving approaches to soil management and irrigation: improvements in soil management could significantly reduce the need for irrigation. Water use and abstraction issues could be further reduced through improvements in irrigation scheduling. Farmer's networks could encourage best practice and joint investment.

Reducing emissions to air through better technology: improvements in fertiliser and manure management could help reduce losses of ammonia and nitrous oxide at source. Tree planting around point sources could help capture ammonia aerosols. Animal breeding, genetic engineering, or direct feed supplements and new types of forage plants could also help reduce methane emissions. Ammonia emissions could also be reduced through improved slurry management and land application.

Encouraging private sector investment and advocacy for environmental management: there are opportunities to harness the potential of Payments for Ecosystem Services e.g. through the development of incentives for voluntary carbon mitigation and the Peatland Code[2]. There are also opportunities to complement with the outcomes sought by agri-environment schemes.

Enhancing the provision of ecosystem services from forestry: the value of the ecosystem services from England's woodlands could be enhanced through improved management and woodland expansion, particularly where it reduces fragmentation of habitats and limits the impact of endemic and exotic pests and diseases.

Maximising health and wellbeing benefits from the natural environment: through support for access and education linked to appreciation and enjoyment of the natural environment. There is good evidence[3] linking access to, and views of 'greenspace' to improved physical and mental health outcomes.

Better defining and utilising the definition of HNPF: Developing a better understanding of the

characteristics, current extent, and opportunities to extend High Nature Value Farming in England will help Defra to target agri-environment measures more effectively at landscape scale.

Socio economic and rural situation

Supporting growth in the rural tourism sector: there is potential for further growth in rural tourism by developing a year round visitor offer that is less weather dependent. Better co-ordination between the public and private sector in development and marketing activities could help realise this potential.

Improving access to superfast broadband in rural areas: There is an opportunity to exploit alternative technologies (such as mobile and satellite broadband) to provide access to the remaining areas where commercial fibre broadband provision has not been viable.

Enhancing benefits to communities from renewable energy: The growing renewable energy sector offers opportunities to address issues of fuel poverty in rural areas by providing alternative options to costly oil or LPG through community renewable energy supplies.

Improving access to public services: There are opportunities to develop multi-use community hubs to provide key services to remote communities, identify local service needs, prioritise support for village infrastructure and improve access to services.

Overcoming barriers to growth faced by small and micro-enterprises: the growth ambitions of small and medium rural firms are most challenged by difficulties in recruiting skilled staff and access to finance. There are opportunities to increase support for SMEs and micro-enterprises through capital investment and targeted business training and advice.

[1] Defra Farm Business Survey

[2] <https://www.gov.uk/government/publications/payments-for-ecosystem-services-pes-action-plan>

[3] <http://www.ncbi.nlm.nih.gov/pubmed/23613211>

4.1.5. Threats identified in the programming area

Agriculture and sectorial analysis

Crowding out/ additionality: There is a risk of excessive intervention which could crowd out the private sector e.g. in providing skills, transmitting information, carrying out private research. Interventions will be targeted to promote the supply-side of the rural economy by improving the working of markets, strengthening capabilities, unlocking agglomeration economies and facilitating greater participation in the work force to mitigate crowding out.

Failure to adopt new technologies and practices: Risk-averse farmers and foresters may not take up unproven techniques/ technology easily. In addition, poor confidence in the profitability of the farming and forestry sector and other external factors could make farmers and foresters even less willing to accept the risks associated with innovation. It could also result in lack of workforce succession planning and

continued decline in relative competitiveness.

Continued environmental degradation: degradation in a number of key environmental assets (e.g., soil degradation, loss of pollinators) could significantly and negatively affect the farming sector in the longer-term.

Climate Change: climate change is expected to have a range of negative impacts on the agricultural sector, primarily amongst which is the flood risk to agricultural land. Others also include reduced water availability, increased water demand, new pests and diseases and increased heat stress for livestock.

Increased prevalence of pests and diseases could have an unpredictable and potentially significant effect on farm and forestry businesses and the food and wood supply chains.

Environment and Climate Change

Increased pressure and competition for land use: pressures on public benefits such as biodiversity, protected areas, water environment, landscape character and rural archaeological assets are likely to increase as a result of increased competition for land use (e.g. from food production, energy generation, urban and mineral development).

Continued unsustainable use of natural assets: This could exacerbate threats posed by water quality and supply, tree and crop diseases, declining pollination services and soil quality. It will also reduce the ability of natural systems to provide essential public benefits. The costs to businesses and society could increase if pressures on the natural environment are not reduced.

Continued human threats to functioning and resilient ecological networks: pressures such as atmospheric pollutant levels for nitrous oxide and ammonia, diffuse water pollution or semi-natural habitat loss and fragmentation are likely to continue to threaten sensitive habitats, including Annex 1 habitats and species, and to place the achievement of coherent ecological networks and achievement of favourable conservation status at risk..

Climate change impacts on ecological networks: Climate change is the most significant threat to the ability of semi-natural habitats to continue to deliver ecosystem services and a major threat to biodiversity. Shifts or reductions are expected in the area where the climate is suitable for a species to live. A fragmented landscape, simplified habitat composition and structure and pressures such as pests, storms and droughts will continue to make natural habitat adaptation much more difficult and impact on meeting environmental commitments and obligations.

Wider climate change impacts including on ecosystem function: Threats from climate change include flooding, reduced river flows with associated impacts on water quality, an increased frequency of combined sewers overflowing, heat stress, increased water temperatures, declines in soil quality and moisture levels. Protection of soils and water will be necessary to prevent the detrimental effect these impacts will have on the ability of ecosystems to function and to safeguard the benefits they can provide as part of a resilient landscape.

Increased prevalence of forestry pests and diseases: in recent years both the number and the severity of impact of pests and diseases on individual trees and forest areas has increased significantly. Those causing most concern in England include deer, Phytophthora, Chalara fraxinea, Acute Oak Decline and Dothistroma needle blight all of which result in deaths of significant numbers of trees[1][2].

Declining levels of organically farmed land, driven in part by short term reductions in demand for organics due to the general economic downturn, could lead to a reduction in demand for organics due to the general economic downturn, could lead to a reduction in potential environmental benefits delivered.

Socio economic and rural situation

Encouraging growth in tourism in the absence of sound destination management planning: can have negative effects in rural areas, e.g. on supply of affordable housing, level of wages, traffic congestion and environmental degradation.

Climate change: poses threats to growth of various sectors. Continued environmental degradation, of species and habitats, can undermine the viability of many rural businesses that depend upon the natural environment for continued revenue.

Demographic change and ageing population: Rural areas have proportionately older people. An increased ageing population may place further strain on stretched public services. With high employment levels in rural areas, this could generate skills shortages in these sectors. Demographic trends in rural areas also pose a further threat to business growth in terms of a thin labour market from which to employ skilled workers. Skill retention represents a significant threat to organic business growth in rural areas, as younger workers often move to areas which offer higher wages[3].

Threats to long-term productivity and growth arising from lack of access to an adequate skilled workforce: Establishments in rural areas are less likely to plan and less likely to train than those in urban areas.[4] This is a symptom of the number of smaller companies in rural areas and poses a threat to their long term productivity and the skill retention of the rural economy. While the quality of the labour pool in rural areas is similar to urban areas, sparse populations mean access to highly skilled labour often poses a threat to business growth and the ability to fill vacancies.

[1] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/69330/pb13657-tree-health-actionplan.pdf

[2] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/69619/pb13842-tree-taskforce-interim-121206.pdf

[3] See research by ESRC available here:
<http://www spatialeconomics.ac.uk/textonly/SERC/publications/download/sercpp008.pdf>

[4] UKCES (2013): Secondary Analysis of Employer Surveys: Urban and Rural Differences in Jobs, Training, and Skills.

4.1.6. Common Context Indicators

I Socio-economic and rural situation			
1 Population			
Indicator name	Value	Unit	Year
total	53,138,078	Inhabitants	2012 p
Comment: CCI is not used to describe the current situation. The UK Rural-urban classification using 2011 census data is used. See PSCI 1.			
rural	0.3	% of total	2012
intermediate	22.5	% of total	2012
urban	77.1	% of total	2012
2 Age Structure			
Indicator name	Value	Unit	Year
total < 15 years	17.6	% of total population	2012 p
Comment: CCI is not used to describe the current situation. The UK Rural-urban classification using 2011 census data is used. See PSCI 2.			
total 15 - 64 years	65.6	% of total population	2012 p
Comment: CCI is not used to describe the current situation. The UK Rural-urban classification using 2011 census data is used. See PSCI 2.			
total > 64 years	16.8	% of total population	2012 p
Comment: CCI is not used to describe the current situation. The UK Rural-urban classification using 2011 census data is used. See PSCI 2.			
rural <15 years	15.8	% of total population	2012 p
Comment: CCI is not used to describe the current situation. The UK Rural-urban classification using 2011 census data is used. See PSCI 2.			
rural 15 - 64 years	61.7	% of total population	2012 p
Comment: CCI is not used to describe the current situation. The UK Rural-urban classification using 2011 census data is used. See PSCI 2.			
rural > 64 years	22.5	% of total population	2012 p
Comment: CCI is not used to describe the current situation. The UK Rural-urban classification using 2011 census data is used. See PSCI 2.			
3 Territory			
Indicator name	Value	Unit	Year
total	132,935	Km2	2012
Comment: CCI is not used to describe the current situation. Commission figure is based on total area (including inland waters). See PSCI 3.			
rural	1.6	% of total area	2012
intermediate	55.9	% of total area	2012
urban	42.4	% of total area	2012
4 Population Density			
Indicator name	Value	Unit	Year
total	154.4	Inhab / km2	2010
Comment: CCI is not used to describe the current situation. The UK Rural-urban classification (which differs from the EU typology) uses UK territorial information and does not include inland waters. See PSCI 4.			
rural	94.5	Inhab / km2	2010
5 Employment Rate			
Indicator name	Value	Unit	Year

total (15-64 years)	70.5	%	2012
Comment: Defra analysis of UK census data 2011 and the Labour Force Survey is based on the UK Rural-urban classification and is used to provide the percentage of working age population who are employed, by settlement type in England, between 2006 to 2011. See PSCI 5.			
male (15-64 years)	75.7	%	2012
female (15-64 years)	65.2	%	2012
* rural (thinly populated) (15-64 years)	NA	%	
total (20-64 years)	74.5	%	2012
Comment: Defra analysis of UK census data 2011 and the Labour Force Survey is based on the UK Rural-urban classification and is used to provide the percentage of working age population who are employed, by settlement type in England, between 2006 to 2011. See PSCI 5.			
male (20-64 years)	80.5	%	2012
female (20-64 years)	68.5	%	2012
6 Self-employment rate			
Indicator name	Value	Unit	Year
total (15-64 years)	14.5	%	2012
Comment: CCI is not used to describe the current situation. Hart & Levie (2009) and (2013) are used as key reference points. See PSCI 6.			
7 Unemployment rate			
Indicator name	Value	Unit	Year
total (15-74 years)	7.8	%	2012
Comment: CCI is not used to describe the current situation. Analysis of the Labour Force Survey against the Rural-urban classification is used to provide data on unemployment levels. See PSCI 7.			
youth (15-24 years)	20.8	%	2012
rural (thinly populated) (15-74 years)	NA	%	
youth (15-24 years)	NA	%	
8 GDP per capita			
Indicator name	Value	Unit	Year
total	111.1	Index PPS (EU-27 = 100)	2010
Comment: CCI is not used to describe the current situation. GDP per capita is not referenced in the current situation other than for tourism and agriculture. GVA is preferred as a measure of productivity. See PSCI 10			
* rural	79.7	Index PPS (EU-27 = 100)	2010
9 Poverty rate			
Indicator name	Value	Unit	Year
total	22.7	% of total population	2011
Comment: Both CCI and Urban-rural classification data show poverty levels are lower in rural areas. The Statistical Digest for Rural England collates data for Households Below Average Income and Fuel Poverty. Defra analysis, based on the Rural-urban classification provides a more detailed picture, showing in particular higher levels of fuel poverty in sparse villages and hamlets. See PSCIs 8 and 9.			
* rural (thinly populated)	17.1	% of total population	2011
10 Structure of the economy (GVA)			
Indicator name	Value	Unit	Year
total	1,281,954.5	EUR million	2010
Comment: CCI is not used to describe the current situation as it is not based on the UK Rural-urban classification. Defra analysis provides a more detailed picture against specific sectors in rural areas in England. See PSCI 10.			
primary	0.6	% of total	2010
secondary	20	% of total	2010
tertiary	79.4	% of total	2010
rural	0.2	% of total	2010

intermediate	19.1	% of total	2010
urban	80.7	% of total	2010
11 Structure of Employment			
Indicator name	Value	Unit	Year
total	24,163.3	1000 persons	2010
<i>Comment: CCI is not used to describe the current situation as it is not based on the Rural-urban classification. Defra analysis also provides a more detailed picture against specific sectors in rural areas in England. See PSCI 11.</i>			
primary	1	% of total	2010
secondary	19.1	% of total	2010
tertiary	79.9	% of total	2010
rural	0.3	% of total	2010
intermediate	22.9	% of total	2010
urban	76.7	% of total	2010
12 Labour productivity by economic sector			
Indicator name	Value	Unit	Year
total	53,053.8	EUR/person	2010
<i>Comment: CCI is not used to describe the current situation due to lack of space. Productivity levels are, on average, much higher in London than in other areas. Analysis of UK Gross value added (GVA) per workforce job shows that after London, significant rural areas have the highest productivity per job (96.2) relative to the English average, and Rural-50 areas have the lowest (85.7). PSCI 12 is used in place of this.</i>			
primary	33,019.5	EUR/person	2010
secondary	55,511.3	EUR/person	2010
tertiary	52,727.4	EUR/person	2010
rural	38,751.8	EUR/person	2010
intermediate	44,130.5	EUR/person	2010
urban	55,787.5	EUR/person	2010

II Agriculture/Sectorial analysis			
13 Employment by economic activity			
Indicator name	Value	Unit	Year
total	24,819.2	1000 persons	2012
Comment: CCI is used to describe the current situation in the agriculture, forestry and food industries. An alternative reference source is used in relation to tourism, to capture wider second round impacts on jobs in the economy (Deloitte (2013) Tourism: jobs and growth: The economic contribution of the tourism economy in the UK.).PSCI 16 provides GVA (£m) for Predominately Rural areas in England as a proxy for this.			
agriculture	228.2	1000 persons	2012
agriculture	0.9	% of total	2012
forestry	14.9	1000 persons	2012
forestry	0.1	% of total	2012
food industry	261.4	1000 persons	2012
food industry	1.1	% of total	2012
tourism	1,212.8	1000 persons	2012
tourism	4.9	% of total	2012
14 Labour productivity in agriculture			
Indicator name	Value	Unit	Year
total	38,270.9	EUR/AWU	2009 - 2011 e
Comment: Figure is estimated, and avg, 2009-2011. SFC does not allow for a range of indicator years to be inputted. CCI is not used to describe the current situation. PSCI 17 Labour productivity is referred to but in comparison with productivity levels of other sectors in the wider UK economy to show relative weakness to other sectors. PSCI 17 provides GVA/employee from 2011.			
15 Labour productivity in forestry			
Indicator name	Value	Unit	Year
total	28,571	EUR/AWU	2010
Comment: CCI is not used to describe the current situation due to lack of space in Chapter 4.			
16 Labour productivity in the food industry			
Indicator name	Value	Unit	Year
total	59,600.9	EUR/person	2010
Comment: CCI is briefly referenced in the current situation. Food industry productivity is high. This is a strength for the wider English / UK economy and therefore to some extent for rural England.			
17 Agricultural holdings (farms)			
Indicator name	Value	Unit	Year
total	105,500	No	2010
Comment: CCI is used to describe the current situation. English agriculture has a large average farm size relative to the European average.			
farm size <2 Ha	5,710	No	2010
farm size 2-4.9 Ha	4,410	No	2010
farm size 5-9.9 Ha	14,440	No	2010
farm size 10-19.9 Ha	15,090	No	2010

farm size 20-29.9 Ha	8,980	No	2010
farm size 30-49.9 Ha	12,990	No	2010
farm size 50-99.9 Ha	18,900	No	2010
farm size >100 Ha	25,060	No	2010
farm economic size <2000 Standard Output (SO)	8,970	No	2010
farm economic size 2.000 - 3.999 SO	8,110	No	2010
farm economic size 4.000 - 7.999 SO	11,070	No	2010
farm economic size 8.000 - 14.999 SO	10,940	No	2010
farm economic size 15.000 - 24.999 SO	8,720	No	2010
farm economic size 25.000 - 49.999 SO	12,900	No	2010
farm economic size 50.000 - 99.999 SO	13,500	No	2010
farm economic size 100.000 - 249.999 SO	16,570	No	2010
farm economic size 250.000 - 499.999 SO	8,930	No	2010
farm economic size > 500.000 SO	5,960	No	2010
average physical size	79.9	ha UAA/holding	2010
average economic size	135,361.37	EUR of SO/holding	2010
average size in labour units (persons)	2.6	Persons/holding	2010
average size in labour units (AWU)	1.7	AWU/holding	2010
18 Agricultural Area			
Indicator name	Value	Unit	Year
total UAA	9,018,000	ha	2013
Comment: The default total UAA for 2010 is given as 8,432,520 ha, which is incorrect. The correct figure for 2010 is 8,831,000 ha. The figure for 2013 is 9,018,000 ha which is the one that is being used. Arable is 52.2%, permanent grassland 47.4% and permanent crops 0.4%.			
arable	52.2	% of total UAA	2013
Comment: The default total UAA for 2010 is given as 8,432,520 ha, which is incorrect. The correct figure for 2010 is 8,831,000 ha. The figure for 2013 is 9,018,000 ha which is the one that is being used. Arable is 52.2%, permanent grassland 47.4% and permanent crops 0.4%.			
permanent grassland and meadows	47.4	% of total UAA	2013
Comment: The default total UAA for 2010 is given as 8,432,520 ha, which is incorrect. The correct figure for 2010 is 8,831,000 ha. The figure for 2013 is 9,018,000 ha which is the one that is being used. Arable is 52.2%, permanent grassland 47.4% and permanent crops 0.4%.			
permanent crops	0.4	% of total UAA	2013
Comment: The default total UAA for 2010 is given as 8,432,520 ha, which is incorrect. The correct figure for 2010 is 8,831,000 ha. The figure for 2013 is 9,018,000 ha which is the one that is being used. Arable is 52.2%, permanent grassland 47.4% and permanent crops 0.4%.			
19 Agricultural area under organic Farming			
Indicator name	Value	Unit	Year
certified	253,490	ha UAA	2013
Comment: CCI is not used to describe the current situation, as data is for 2010. More recent England specific figures are set out for 2013, as per the June Farm Structure Survey.			
in conversion	16,800	ha UAA	2013
Comment: CCI is not used to describe the current situation, as data is for 2010. More recent England specific figures are set out for 2013, as per the June Farm Structure Survey			
share of UAA (both certified and conversion)	3.1	% of total UAA	2013
Comment: CCI is not used to describe the current situation, as data is for 2010. More recent England specific figures are set out for 2013, as per the June Farm Structure Survey			
20 Irrigated Land			

Indicator name	Value	Unit	Year
total	60,780	ha	2010
Comment: CCI is not used to describe the current situation. The level of irrigated land and share of UAA is very small.			
share of UAA	0.7	% of total UAA	2010
21 Livestock units			
Indicator name	Value	Unit	Year
total	7,828,260	LSU	2010
Comment: CCI is used to describe the current situation. The UK possesses 10% of the EU's livestock units. This underlines the importance of measures to ensure the health and welfare of farm animals.			
22 Farm labour force			
Indicator name	Value	Unit	Year
total regular farm labour force	269,520	Persons	2010
Comment: CCI is not used to describe the current situation. Reference is made to employment levels in agriculture and average labour productivity in comparison to other sectors in England.			
total regular farm labour force	162,260	AWU	2010
Comment: CCI is not used to describe the current situation. Reference is made to employment levels in agriculture and average labour productivity in comparison to other sectors in England.			
23 Age structure of farm managers			
Indicator name	Value	Unit	Year
total number of farm managers	105,500	No	2010
Comment: CCI is used to describe the current situation.			
share of < 35 y	4	% of total managers	2010
ratio <35 / >= 55 y	7	No of young managers by 100 elderly managers	2010
24 Agricultural training of farm managers			
Indicator name	Value	Unit	Year
share of total managers with basic and full agricultural training	31	% of total	2010
Comment: CCI is not used to describe the current situation. The proportion of UK farm managers with basic and full agricultural training is lower than the EU average. England data from the UKCES 2012 Skills Assessment is more recent and provides more detail on the state of education and skills in English agriculture. See PSCI 25.			
share of manager < 35 y with basic and full agricultural training	54.5	% of total	2010
Comment: CCI is not used to describe the current situation. The proportion of UK farm managers with basic and full agricultural training is lower than the EU average. England data from the UKCES 2012 Skills Assessment is more recent and provides more detail on the state of education and skills in English agriculture.			
25 Agricultural factor income			
Indicator name	Value	Unit	Year
total	47,292.1	EUR/AWU	2009
Comment: CCI is not used to describe the current situation. GVA figures provide a good indication of the situation in England and of the contribution to GDP. See PSCI 18. The EU / GBP Exchange rate influences UK levels. Agricultural factor income in England is higher than most other Member States. It rose by 37% from 2005-12.			
total (index)	154.1	Index 2005 = 100	2009

<p>Comment: CCI is not used to describe the current situation. GVA figures provide a good indication of the situation in England and of the contribution to GDP. See PSCI 18. The EU / GBP Exchange rate influences UK levels. Agricultural factor income in England is higher than most other Member States. It rose by 37% from 2005-12.</p>			
26 Agricultural Entrepreneurial Income			
Indicator name	Value	Unit	Year
Standard of living of farmers	39,066.6	EUR/AWU	2009
<p>Comment: CCI is referenced briefly in the current situation. Since 2005, England has outperformed EU agriculture as a whole by all income measures, in part driven by sterling rates. Annual data is influenced by weather factors. We have used productivity indicators to provide a longer term view of farm viability.</p>			
Standard of living of farmers as a share of the standard of living of persons employed in other sectors	NA	%	
27 Total factor productivity in agriculture			
Indicator name	Value	Unit	Year
total (index)	102.5	Index 2005 = 100	2009 - 2011
<p>Comment: CCI is not used to describe the current situation. TFP level is provided via other sources of information and reference is to Ball et al. See PSCI 19 which provides a figure for UK Total Factor Productivity, avg. 2009-2012</p>			
28 Gross fixed capital formation in agriculture			
Indicator name	Value	Unit	Year
GFCF	3,122.67	EUR million	2009
<p>Comment: CCI is not used to describe the current situation. England performance is unremarkable relative to other EU Member States. Wider indicators are used to provide a view of the current situation for English agriculture.</p>			
share of GVA in agriculture	42.1	% of GVA in agriculture	2009
<p>Comment: CCI is not used to describe the current situation. England performance is unremarkable relative to other EU Member States. Wider indicators are used to provide a view of the current situation for English agriculture.</p>			
29 Forest and other wooded land (FOWL) (000)			
Indicator name	Value	Unit	Year
total	1,300	1000 ha	2013
<p>Comment: This CCI is defined at UK level. However the data at England level has been used.</p>			
share of total land area	10	% of total land area	2013
<p>Comment: This CCI is defined at UK level. However the data at England level has been used.</p>			
30 Tourism infrastructure			
Indicator name	Value	Unit	Year
bed-places in collective establishments	2,536,390	No of bed-places	2011
<p>Comment: CCI is not used to describe the current situation as it refers only to bed spaces. Wider discussion of the tourism sector is set out under 4.1.1. Socio economic situation. Defra analysis provided separately to the ex-ante evaluators provides a more detailed picture against impact of tourism measured as GVA in rural areas. See PSCI 16 which provides a figure for GVA (3m) in 2010 for Predominately Rural areas.</p>			
rural	0.4	% of total	2011
intermediate	44.5	% of total	2011
urban	55.1	% of total	2011

III Environment/climate			
31 Land Cover			
Indicator name	Value	Unit	Year
share of agricultural land	74	% of total area	2006
Comment: 2006 figures are the latest figures available. More up-to-date analysis of the agricultural area based on the June 2014 Survey of Agriculture and Horticulture suggests land cover is unlikely to have changed significantly.			
share of natural grassland	2.6	% of total area	2006
Comment: 2006 figures are the latest figures available. More up-to-date analysis of the agricultural area based on the June 2014 Survey of Agriculture and Horticulture suggests land cover is unlikely to have changed significantly.			
share of forestry land	10	% of total area	2010
Comment: More recent figures for Forestry are available and have therefore been updated.			
share of transitional woodland shrub	0.4	% of total area	2006
Comment: 2006 figures are the latest figures available. More up-to-date analysis of the agricultural area based on the June 2014 Survey of Agriculture and Horticulture suggests land cover is unlikely to have changed significantly.			
share of natural land	5	% of total area	2006
Comment: 2006 figures are the latest figures available. More up-to-date analysis of the agricultural area based on the June 2014 Survey of Agriculture and Horticulture suggests land cover is unlikely to have changed significantly.			
share of artificial land	12	% of total area	2006
Comment: 2006 figures are the latest figures available. More up-to-date analysis of the agricultural area based on the June 2014 Survey of Agriculture and Horticulture suggests land cover is unlikely to have changed significantly.			
share of other area	0.7	% of total area	2006
Comment: 2006 figures are the latest figures available. More up-to-date analysis of the agricultural area based on the June 2014 Survey of Agriculture and Horticulture suggests land cover is unlikely to have changed significantly.			
32 Areas with Natural Constraints			
Indicator name	Value	Unit	Year
total	16	% of total UAA	2013 e
Comment: Data is not available at England level on Eurostat. The June survey includes an LFA marker so England figures have been produced on the total agricultural area (9,086,000 ha) and are estimated at 16%. Figures cannot be produced for the UAA as common land does not have an LFA marker. As a result, the % of land in the LFA is considered to be an underestimate. Common land accounts for around 400,000 ha in England and it is considered that the majority of this is found within the LFA.			
mountain	0	% of total UAA	2013 e
other	16	% of total UAA	2013 e
Comment: Data is not available at England level on Eurostat. The June survey includes an LFA marker so England figures have been produced on the total agricultural area (9,086,000 ha) and are estimated at 16%. Figures cannot be produced for the UAA as common land does not have an LFA marker. As a result, the % of land in the LFA is considered to be an underestimate. Common land accounts for around 400,000 ha in England and it is considered that the majority of this is found within the LFA.			
specific	NA	% of total UAA	
33 Farming intensity			
Indicator name	Value	Unit	Year
low intensity	29.5	% of total UAA	2007
Comment: The Commission's definition for extensive arable crops is <60% of the average cereal yield for the EU 27 is not currently displayed on Eurostat			

<i>and therefore it has not been possible to calculate the % of UAA used for extensive arable crops. Therefore, the Commission's definition for extensive grazing is <1 Livestock Unit/ha of forage area. From the June Survey for England and Defra calculations, it has been estimated that 18% of the UAA is under extensive grazing in 2010, 2011 and 2012.</i>			
medium intensity	48.2	% of total UAA	2007
<i>Comment: The Commission's definition for extensive arable crops is <60% of the average cereal yield for the EU 27 is not currently displayed on Eurostat and therefore it has not been possible to calculate the % of UAA used for extensive arable crops. Therefore, the Commission's definition for extensive grazing is <1 Livestock Unit/ha of forage area. From the June Survey for England and Defra calculations, it has been estimated that 18% of the UAA is under extensive grazing in 2010, 2011 and 2012.</i>			
high intensity	22.3	% of total UAA	2007
<i>Comment: The Commission's definition for extensive arable crops is <60% of the average cereal yield for the EU 27 is not currently displayed on Eurostat and therefore it has not been possible to calculate the % of UAA used for extensive arable crops. Therefore, the Commission's definition for extensive grazing is <1 Livestock Unit/ha of forage area. From the June Survey for England and Defra calculations, it has been estimated that 18% of the UAA is under extensive grazing in 2010, 2011 and 2012.</i>			
grazing	22	% of total UAA	2010
<i>Comment: The Commission's definition for extensive arable crops is <60% of the average cereal yield for the EU 27 is not currently displayed on Eurostat and therefore it has not been possible to calculate the % of UAA used for extensive arable crops. Therefore, the Commission's definition for extensive grazing is <1 Livestock Unit/ha of forage area. From the June Survey for England and Defra calculations, it has been estimated that 18% of the UAA is under extensive grazing in 2010, 2011 and 2012.</i>			
34 Natura 2000 areas			
Indicator name	Value	Unit	Year
share of the territory	5	% of territory	2011
<i>Comment: CCI is used to describe current situation. Domestic statutory protection is afforded to over 4,100 Sites of Specific Interest (SSSIs) which cover circa 8% of land area, with 5.1% of total forest and 23% of ancient semi-natural woodland protected. Over 70% of SSSIs, by area are also designated as Natura 2000. Many SSSIs are also National Nature Reserves (NNRs) or Local Nature Reserves (LNRs). 96% of SSSIs are in recovery, either favourably or unfavourably.</i>			
share of UAA (incl. natural grassland)	1.7	% of UAA	2011
<i>Comment: CCI is used to describe current situation. Domestic statutory protection is afforded to over 4,100 Sites of Specific Interest (SSSIs) which cover circa 8% of land area, with 5.1% of total forest and 23% of ancient semi-natural woodland protected. Over 70% of SSSIs, by area are also designated as Natura 2000. Many SSSIs are also National Nature Reserves (NNRs) or Local Nature Reserves (LNRs). 96% of SSSIs are in recovery, either favourably or unfavourably.</i>			
share of total forestry area	9.8	% of forest area	2011
<i>Comment: CCI is used to describe current situation. Domestic statutory protection is afforded to over 4,100 Sites of Specific Interest (SSSIs) which cover circa 8% of land area, with 5.1% of total forest and 23% of ancient semi-natural woodland protected. Over 70% of SSSIs, by area are also designated as Natura 2000. Many SSSIs are also National Nature Reserves (NNRs) or Local Nature Reserves (LNRs). 96% of SSSIs are in recovery, either favourably or unfavourably.</i>			
35 Farmland Birds index (FBI)			
Indicator name	Value	Unit	Year
total (index)	49.2	Index 2000 = 100	2012
<i>Comment: England/UK Farmland Bird Index to be used in place of CCI 35. There is a sound ecological justification for using an alternative. A number of the 37 EU species do not occur in the UK or are rare here, hence there are no reliable annual data or their use is disqualified. In addition England will be monitoring the Woodland Bird Index, which has an indicator value of 82.3. Please note that the base year is 1970 not 2000. Please see PSCI 32.</i>			
36 Conservation status of agricultural habitats (grassland)			
Indicator name	Value	Unit	Year
favourable	0	% of assessments of habitats	
<i>Comment: The CCI data covers the 2001-2006 period. As more up to date information is available from the 2007-2013 reporting round at UK level this has been used to populate the CCI as it is judged to provide a better contextual baseline for the new RDP. SFC does not allow for a range of indicator years to be inputted. 2007-2013 reporting round also allows an assessment for trends within conservation status categories. The analysis has been restricted to the 8</i>			

<i>Annex 1 grassland types occurring in England.</i>			
unfavourable - inadequate	0	% of assessments of habitats	
Comment: <i>The CCI data covers the 2001-2006 period. As more up to date information is available from the 2007-2013 reporting round at UK level this has been used to populate the CCI as it is judged to provide a better contextual baseline for the new RDP. SFC does not allow for a range of indicator years to be inputted. 2007-2013 reporting round also allows an assessment for trends within conservation status categories. The analysis has been restricted to the 8 Annex 1 grassland types occurring in England.</i>			
unfavourable - bad	100	% of assessments of habitats	
Comment: <i>The CCI data covers the 2001-2006 period. As more up to date information is available from the 2007-2013 reporting round at UK level this has been used to populate the CCI as it is judged to provide a better contextual baseline for the new RDP. SFC does not allow for a range of indicator years to be inputted. 2007-2013 reporting round also allows an assessment for trends within conservation status categories. The analysis has been restricted to the 8 Annex 1 grassland types occurring in England.</i>			
unknown	0	% of assessments of habitats	
Comment: <i>The CCI data covers the 2001-2006 period. As more up to date information is available from the 2007-2013 reporting round at UK level this has been used to populate the CCI as it is judged to provide a better contextual baseline for the new RDP. SFC does not allow for a range of indicator years to be inputted. 2007-2013 reporting round also allows an assessment for trends within conservation status categories. The analysis has been restricted to the 8 Annex 1 grassland types occurring in England.</i>			
37 HNV Farming			
Indicator name	Value	Unit	Year
total	1	% of total UAA	
Comment: <i>Data is not available at England or UK level. Preliminary analysis to support the CCI is described under current situation. The extent of agricultural habitats judged as a national priority for protection and restoration is used as a proxy whilst methodological development works progresses.</i>			
38 Protected Forest			
Indicator name	Value	Unit	Year
class 1.1	0	% of FOWL area	2013
Comment: <i>Data is not available at England level - however updated UK figures are provided for 2013. Description of current situation sets out England-specific protected forest classifications based on Forestry Statistics, 2013, Forestry Commission at England level.</i>			
class 1.2	1.1	% of FOWL area	2013
Comment: <i>Data is not available at England level - however updated UK figures are provided for 2013. Description of current situation sets out England-specific protected forest classifications based on Forestry Statistics, 2013, Forestry Commission at England level.</i>			
class 1.3	6	% of FOWL area	2013
Comment: <i>Data is not available at England level - however updated UK figures are provided for 2013. Description of current situation sets out England-specific protected forest classifications based on Forestry Statistics, 2013, Forestry Commission at England level.</i>			
class 2	7.9	% of FOWL area	2013
Comment: <i>Data is not available at England level - however updated UK figures are provided for 2013. Description of current situation sets out England-specific protected forest classifications based on Forestry Statistics, 2013, Forestry Commission at England level.</i>			
39 Water Abstraction in Agriculture			
Indicator name	Value	Unit	Year
total	72,073.3	1000 m3	2010
Comment: <i>CCI is used to describe current situation.</i>			
40 Water Quality			
Indicator name	Value	Unit	Year

Potential surplus of nitrogen on agricultural land	92	kg N/ha/year	2012
Comment: Data is not available at England level on Eurostat. However, more uptodate figures are available for England. The description of the current situation sets out England specific research which indicates the impact of agricultural pollution on water quality. Source: Defra.			
Potential surplus of phosphorus on agricultural land	7.5	kg P/ha/year	2012
Comment: Data is not available at England level on Eurostat. However, more uptodate figures are available for England. The description of the current situation sets out England specific research which indicates the impact of agricultural pollution on water quality. Source: Defra.			
Nitrates in freshwater - Surface water: High quality	NA	% of monitoring sites	
Comment: Data is not available at England level. The description of the current situation sets out England specific research which indicates the impact of agricultural pollution on water quality.			
Nitrates in freshwater - Surface water: Moderate quality	NA	% of monitoring sites	
Comment: Data is not available at England level. The description of the current situation sets out England specific research which indicates the impact of agricultural pollution on water quality.			
Nitrates in freshwater - Surface water: Poor quality	NA	% of monitoring sites	
Comment: Data is not available at England level. The description of the current situation sets out England specific research which indicates the impact of agricultural pollution on water quality.			
Nitrates in freshwater - Groundwater: High quality	NA	% of monitoring sites	
Comment: Data is not available at England level. The description of the current situation sets out England specific research which indicates the impact of agricultural pollution on water quality.			
Nitrates in freshwater - Groundwater: Moderate quality	NA	% of monitoring sites	
Comment: Data is not available at England level. The description of the current situation sets out England specific research which indicates the impact of agricultural pollution on water quality.			
Nitrates in freshwater - Groundwater: Poor quality	NA	% of monitoring sites	
Comment: Data is not available at England level. The description of the current situation sets out England specific research which indicates the impact of agricultural pollution on water quality.			
41 Soil organic matter in arable land			
Indicator name	Value	Unit	Year
Total estimates of organic carbon content	NA	mega tons	
Comment: Data is not available at England level. The description of the current situation sets out detail from the England National Soil Inventory, 2005 and Safeguarding our Soils: A Strategy for England, 2009.			
Mean organic carbon content	NA	g kg-1	
42 Soil Erosion by water			
Indicator name	Value	Unit	Year
rate of soil loss by water erosion	NA	tonnes/ha/year	
Comment: It has not been possible to verify CCI data. Data is not available at England level. The description of current situation sets out context from English specific research produced for Safeguarding our Soils: A Strategy for England, 2009.			
agricultural area affected	4,900	1000 ha	2006 - 2007
agricultural area affected	3.1	% of agricultural area	2006 - 2007
43 Production of renewable Energy from agriculture and forestry			
Indicator name	Value	Unit	Year
from agriculture	NA	kToe	
Comment: CCI is not used to describe current situation. Data is not available at England level.			
from forestry	NA	kToe	

Comment: CCI is not used to describe current situation. Data is not available at England level.			
44 Energy use in agriculture, forestry and food industry			
Indicator name	Value	Unit	Year
agriculture and forestry	NA	kToe	
Comment: CCI is not used to describe current situation. Use per Ha is based on the 2012 UAA for the UK of 17,190 th Ha. Total final energy consumption is 133,760.8 ktoe and therefore agriculture equates to 1% and the food industry to 2%, respectively, of energy use in the UK.			
use per ha (agriculture and forestry)	NA	kg of oil equivalent per ha of UAA	
Comment: CCI is not used to describe current situation. Use per Ha is based on the 2012 UAA for the UK of 17,190 th Ha. Total final energy consumption is 133,760.8 ktoe and therefore agriculture equates to 1% and the food industry to 2%, respectively, of energy use in the UK.			
food industry	NA	kToe	
Comment: CCI is not used to describe current situation. Use per Ha is based on the 2012 UAA for the UK of 17,190 th Ha. Total final energy consumption is 133,760.8 ktoe and therefore agriculture equates to 1% and the food industry to 2%, respectively, of energy use in the UK.			
45 GHG emissions from agriculture			
Indicator name	Value	Unit	Year
total agriculture (CH4 and N2O and soil emissions/removals)	46,357	1000 t of CO2 equivalent	2011
Comment: CCI is used to describe current situation.			
share of total GHG Emissions	8	% of total net emissions	2011
Comment: CCI is used to describe current situation.			

4.1.7. Programme-Specific Context Indicators

Sector	Code	Indicator name	Value	Unit	Year
II Agriculture/Sectorial analysis	PSCI 22	Agricultural area under Organic farming	323939	Hectares	2012
<p>Comment: <i>Used in place of CCI 19. Total hectares, organic and in-conversion land, England. Defra June 2013 survey provides more up to date information.</i> <i>Source: Defra Observatory, Indicator C1.</i> https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/206689/organics-series-13jun13.xls</p>					
III Environment/climate	PSCI 33e	Heritage at risk	83	% at risk; number removed from the baseline; % removed. Listed buildings	2013
<p>Comment: <i>This is a national official statistic and identifies Scheduled Monuments, listed buildings and registered parks and gardens that are at risk of loss through neglect, decay or development. The % at risk; and the number and % removed from the baseline at risk register for positive reasons are reported annually.</i></p>					
I Socio-economic and rural situation	PSCI 15d	Broadband	4.9	Mbit/s. Sparse rural village	2012
<p>Comment: <i>The average broadband speeds in rural areas are considerably lower than speeds in urban areas. Data will be captured based on OFCOM postcode level data on average speeds for fixed broadband weighted by the number of premises and reported in the Statistical Digest for Rural England.</i></p>					
II Agriculture/Sectorial analysis	PSCI 23	Wheat yield	7.5	t/ha	2012
<p>Comment: <i>2009-2012 (4 year moving average). This is an important but partial indicator of productivity for one of the UK's principal crops. Source: Defra AUK table 7.2.</i></p>					
I Socio-economic and rural situation	PSCI 7	Unemployment levels	5	%	2012
<p>Comment: <i>Used in place of CCI 7. Defra analysis of the Labour Force Survey (Office of National Statistics) data against the UK rural-urban classification.</i></p>					
III Environment/climate	PSCI 32c	England/UK Farmland Bird Index: Farmland, specialists	31.2	1970 = 100	2012
<p>Comment: <i>Used in place of CCI 35. Whilst the species complement differs from that of the EU 37 there is a sound ecological justification for the England/UK Farmland Bird Index to be used in place of this. A number of the 37 EU species do not occur in the UK or are rare here, hence there are no reliable annual data or their use is disqualified. Base Year or Index is 1970 = 100 Source: BTO / RSPB</i></p>					
II Agriculture/Sectorial analysis	PSCI 21	GVA for wider forestry sector (UK)	6.4	£billion	2012
<p>Comment: <i>This indicator captures the economic contribution of the wider forestry sector (sawmilling, primary and secondary processing of pulp and paper). Source: Annual business survey.</i></p>					
II Agriculture/Sectorial analysis	PSCI 17	Labour productivity in agriculture, forestry and fishing	26553	GVA/employee	2011
<p>Comment: <i>Used in place of CCI 14.</i></p>					
II Agriculture/Sectorial analysis	PSCI 29	Wheat output per unit N	42	t/ t N	2010
<p>Comment: <i>Indicator for resource efficiency. Source: Defra. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/181361/ghgindicator-8cereals-24jul13.pdf, published annually.</i></p>					
III Environment/climate	PSCI 33d	Heritage at risk	2.9	% at risk; number removed from the baseline; % removed. Listed buildings	2013
<p>Comment: <i>This is a national official statistic and identifies Scheduled Monuments, listed buildings and registered parks and gardens that are at risk of loss through neglect, decay or development. The % at risk; and the number and % removed from the baseline at risk register for positive reasons are reported</i></p>					

<i>annually.</i>					
III Environment/climate	PSCI 33g	Heritage at risk	6.2	% at risk; number removed from the baseline; % removed. Parks and gardens	2013
Comment: <i>This is a national official statistic and identifies Scheduled Monuments, listed buildings and registered parks and gardens that are at risk of loss through neglect, decay or development. The % at risk; and the number and % removed from the baseline at risk register for positive reasons are reported annually.</i>					
II Agriculture/Sectorial analysis	PSCI 28	Farmers carrying out some form of risk management	80	%	2012
Comment: <i>Source: Farm Business Survey.</i>					
III Environment/climate	PSCI 33f	Heritage at risk	57.5	% at risk; number removed from the baseline; % removed. Listed buildings	2013
Comment: <i>This is a national official statistic and identifies Scheduled Monuments, listed buildings and registered parks and gardens that are at risk of loss through neglect, decay or development. The % at risk; and the number and % removed from the baseline at risk register for positive reasons are reported annually.</i>					
I Socio-economic and rural situation	PSCI 13	Skills Shortage Vacancies (SSVs) in the national economy	22	%	2013
Comment: <i>Used in place of CCI 12. An SSV is defined as when an employer cannot fill a vacancy due to a lack of skills in applicants. Source: UK Commission on Employment and Skills.</i>					
I Socio-economic and rural situation	PSCI 2a	Age Structure in England - rural in a sparse setting	16.2	% 0-14 years old	2011
Comment: <i>Age structure in England is broken down by rural settlement type in the Statistical Digest of Rural England, providing greater detail than the CCI. Please see https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/2888991/Statistical_Digest_of_Rural_England_2014_March.pdf. Used in place of CCI 2. We will report across age range and in specific rural types (village, hamlet etc) as per the Digest.</i>					
I Socio-economic and rural situation	PSCI 9	Fuel poverty	18.4	%	2010
Comment: <i>Used in place of CCI 9. The Statistical Digest for Rural England collates data for Fuel Poverty. Defra analysis is based on the UK rural-urban classification which provides a more detailed picture.</i>					
III Environment/climate	PSCI 33b	Heritage at risk	708	% at risk; number removed from the baseline; % removed. Scheduled monuments	2013
Comment: <i>This is a national official statistic and identifies Scheduled Monuments, listed buildings and registered parks and gardens that are at risk of loss through neglect, decay or development. The % at risk; and the number and % removed from the baseline at risk register for positive reasons are reported annually.</i>					
II Agriculture/Sectorial analysis	PSCI 18	Agricultural Sector GVA (England)	7.2	£billion	2012
Comment: <i>Used in place of CCI 28. Agricultural sector GVA allows comparison with other sectors of the English/ UK economy in terms of contribution to GDP. This is published annually in Defra's Agriculture in the UK.</i>					
I Socio-economic and rural situation	PSCI 4a	Population density of England - total	407	Inhabitants per km2	2011
Comment: <i>The UK rural-urban definition (which differs from the EU typology) uses England territorial information and does not include inland waters. 2011 census data is also used to arrive at the England inhabitants per km2 figure based on the UK definition. See: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/2888991/Statistical_Digest_of_Rural_England_2014_March.pdf. Used in place of CCI 4.</i>					
I Socio-economic and rural situation	PSCI 6	Self employment rate	14.7	%	2012
Comment: <i>Used in place of CCI 6. Defra statistics based on the Labour Force Survey (Office of National Statistics). This suggests a slightly higher self-employment rate as a % of all working age in England for rural areas than CCI 6.</i>					
I Socio-economic and rural situation	PSCI 15b	Broadband	11	Mbit/s. Sparse rural town & fringe	2012
Comment: <i>The average broadband speeds in rural areas are considerably lower than speeds in urban areas. Data will be captured based on OFCOM</i>					

<i>postcode level data on average speeds for fixed broadband weighted by the number of premises and reported in the Statistical Digest for Rural England.</i>					
I Socio-economic and rural situation	PSCI 12a	Structure of Employment (by local authority classification) - Significant Rural	96.2	Indexed to England = 100; Significant Rural	2010
Comment: <i>Used in place of CCI 12. Defra analysis based on the Rural-urban classification and ONS. Data shows GVA per workforce job indexed to England=100, by local authority classification, 2001 to 2010 The Statistical Digest for Rural England provides more detail on sources and methodology.</i>					
I Socio-economic and rural situation	PSCI 2c	Age Structure in England - Rural in a sparse setting	15.6	% 30-44 years old	2011
Comment: <i>Age structure in England is broken down by rural settlement type in the Statistical Digest of Rural England, providing greater detail than the CCI. Please see https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/288891/Statistical_Digest_of_Rural_England_2014_March.pdf. Used in place of CCI 2. We will report across age range and in specific rural types (village, hamlet etc) as per the Digest.</i>					
III Environment/climate	PSCI 33c	Heritage at risk	21.1	% at risk; number removed from the baseline; % removed. Scheduled monuments	2013
Comment: <i>This is a national official statistic and identifies Scheduled Monuments, listed buildings and registered parks and gardens that are at risk of loss through neglect, decay or development. The % at risk; and the number and % removed from the baseline at risk register for positive reasons are reported annually.</i>					
II Agriculture/Sectorial analysis	PSCI 24	Average yield per dairy cow	7319	Litres	2012
Comment: <i>2009-2012 (4 year moving average). This is an important but partial indicator of productivity for one of the UK's principal products. Source: Defra AUK table 8.5.</i>					
I Socio-economic and rural situation	PSCI 14	National average % employees receiving training	52	%	2012
Comment: <i>Used in place of CCI 12. This indicator is used to provide a comparator to PSCI x. Source: UK Commission on Employment and Skills.</i>					
I Socio-economic and rural situation	PSCI 8b	Households below average income, rural - after housing costs	15	%	2012
Comment: <i>Used in place of CCI 9. The Statistical Digest for Rural England collates data for Households Below Average Income. Defra analysis is based on the UK rural-urban classification which provides a more detailed picture. Figures are for 2011/12.</i>					
III Environment/climate	PSCI 32e	England/UK Farmland Bird Index, Woodland: generalists	108.7	1970 = 100	2012
Comment: <i>Used in place of CCI 35. Whilst the species complement differs from that of the EU 37 there is a sound ecological justification for the England/UK Farmland Bird Index to be used in place of this. A number of the 37 EU species do not occur in the UK or are rare here, hence there are no reliable annual data or their use is disqualified. Base Year or Index is 1970 = 100 Source: BTO / RSPB</i>					
I Socio-economic and rural situation	PSCI 3	Territory, England	130728	km2	2011
Comment: <i>The UK rural-urban classification (which differs from the EU typology) uses England territorial information and does not include inland waters. This accounts for the difference in km2. This classifies settlement types and context for small area geographies within England. Used in place of CCI 3.</i>					
I Socio-economic and rural situation	PSCI 5a	Employment rate in England - Total	70.9	%	2012
Comment: <i>Used in place of CCI 5. Defra analysis of England data 2011 and the Labour Force Survey (Office of National Statistics) is used to arrive at employment levels based on the UK rural-urban classification.</i>					
I Socio-economic and rural situation	PSCI 8a	Households below average income, rural - before housing costs	13	%	2012
Comment: <i>Used in place of CCI 9. The Statistical Digest for Rural England collates data for Households Below Average Income. Defra analysis is based on the UK rural-urban classification which provides a more detailed picture. Figures are for 2011/12.</i>					
I Socio-economic and rural situation	PSSCI 15f	Broadband	4.4	Mbit/s. Sparse rural hamlet & isolated dwellings	2012
Comment: <i>The average broadband speeds in rural areas are considerably lower than speeds in urban areas. Data will be captured based on OFCOM postcode level data on average speeds for fixed broadband weighted by the number of premises and reported in the Statistical Digest for Rural England.</i>					
I Socio-economic and rural situation	PSCI 15e	Broadband	5.6	Mbit/s. Less sparse rural hamlet & isolated dwellings	2012

<p>Comment: The average broadband speeds in rural areas are considerably lower than speeds in urban areas. Data will be captured based on OFCOM postcode level data on average speeds for fixed broadband weighted by the number of premises and reported in the Statistical Digest for Rural England.</p>					
III Environment/climate	PSCI 32b	England/UK Farmland Bird Index: Farmland, generalists	108.2	1970 = 100	2012
<p>Comment: Used in place of CCI 35. Whilst the species complement differs from that of the EU 37 there is a sound ecological justification for the England/UK Farmland Bird Index to be used in place of this. A number of the 37 EU species do not occur in the UK or are rare here, hence there are no reliable annual data or their use is disqualified. Base Year or Index is 1970 = 100 Source: BTO / RSPB</p>					
II Agriculture/Sectorial analysis	PSCI 19	UK Total Factor Productivity (TFP)	99	Index, 2005=100, value is average of 2009-12	2012
<p>Comment: Used in place of CCI 27. Defra's Agriculture in the UK (table 5.1) provides extensive time series data for TFP.</p>					
II Agriculture/Sectorial analysis	PSCI 31	Woodlands in active management	53	%	2012
<p>Comment: Source: Forestry Commission Impact Indicators.</p>					
II Agriculture/Sectorial analysis	PSCI 26	Skills Shortage Vacancies (SSVs) in agriculture	25	%	2013
<p>Comment: An SSV is defined as when an employer cannot fill a vacancy due to a lack of skills in applicants. Source: UK Commission on Employment and Skills.</p>					
I Socio-economic and rural situation	PSCI 1	Rural Population	9344400	Population	2011
<p>Comment: Taken from the 2011 census (Office of National Statistics) analysed using the UK rural-urban definition. Settlements with over 10,000 residents are urban. Rural areas are those that are not urban. The wider context, based on dwelling densities, identifies sparsely populated areas and thus settlements in a sparse setting. Used in place of CCI 1.</p>					
II Agriculture/Sectorial analysis	PSCI 30	Greenhouse gas emissions per unit output	2.5	kg CO2e per \$ of output in 2004-6 constant prices	2011
<p>Comment: Indicator for resource efficiency. Source: Defra. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/181361/ghindicator-8cereals-24jul13.pdf, published annually.</p>					
I Socio-economic and rural situation	PSCI 2e	Age Structure in England - Rural in a sparse setting	25	% - 65+ years old	2011
<p>Comment: Age structure in England is broken down by rural settlement type in the Statistical Digest of Rural England, providing greater detail than the CCI. Please see https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/2888991/Statistical_Digest_of_Rural_England_2014_March.pdf. Used in place of CCI 2. We will report across age range and in specific rural types (village, hamlet etc) as per the Digest.</p>					
I Socio-economic and rural situation	PSCI 15a	Broadband	11.1	Mbit/s. Less sparse rural town & fringe	2012
<p>Comment: The average broadband speeds in rural areas are considerably lower than speeds in urban areas. Data will be captured based on OFCOM postcode level data on average speeds for fixed broadband weighted by the number of premises and reported in the Statistical Digest for Rural England.</p>					
I Socio-economic and rural situation	PSCI 11	Total and percentage employment (by sector)	0	Number of registered businesses and % of employment	2011
<p>Comment: Used in place of CCI 11. Defra analysis based on the Rural-urban classification and ONS, IDBR. Breaks down numbers of registered businesses by industry and settlement type. The Statistical Digest for Rural England provides more detail on sources and methodology and a more detailed picture against specific sectors. We have not provided an indicator value as we will break down for all sectors as per the table provided in the current situation (Table 4.5).</p>					
III Environment/climate	PSCI 32f	England/UK Farmland Bird Index, Woodland: specialists	70.2	1970 = 100	2012
<p>Comment: Used in place of CCI 35. Whilst the species complement differs from that of the EU 37 there is a sound ecological justification for the England/UK Farmland Bird Index to be used in place of this. A number of the 37 EU species do not occur in the UK or are rare here, hence there are no reliable annual data or their use is disqualified. Base Year or Index is 1970 = 100 Source: BTO / RSPB</p>					
I Socio-economic and rural situation	PSCI 10b	Structure of the economy (GVA) - Rural GVA %	19	%	2010

<p>Comment: <i>Used in place of CCIs 8 and 10. Defra analysis based on the Rural-urban classification and Office for National Statistics GVA data at NUTS3. The Statistical Digest for Rural England provides more detail on sources and methodology for GVA. It also provides a more detailed picture against specific sectors in rural areas in England.</i></p>					
I Socio-economic and rural situation	PSCI 10a	Structure of the economy (GVA) - rural GVA in £bn	211	£bn	2010
<p>Comment: <i>Used in place of CCIs 8 and 10. Defra analysis based on the Rural-urban classification and Office for National Statistics GVA data at NUTS3. The Statistical Digest for Rural England provides more detail on sources and methodology for GVA. It also provides a more detailed picture against specific sectors in rural areas in England.</i></p>					
III Environment/climate	PSCI 32a	England/UK Farmland Bird Index, Farmland: All farmland	49.2	1970 = 100	2012
<p>Comment: <i>Used in place of CCI 35. Whilst the species complement differs from that of the EU 37 there is a sound ecological justification for the England/UK Farmland Bird Index to be used in place of this. A number of the 37 EU species do not occur in the UK or are rare here, hence there are no reliable annual data or their use is disqualified. Base Year or Index is 1970 = 100 Source: BTO / RSPB</i></p>					
I Socio-economic and rural situation	PSCI 2d	Age Structure in England - Rural in a sparse setting	31.4	% - 35-64 years old	2011
<p>Comment: <i>Age structure in England is broken down by rural settlement type in the Statistical Digest of Rural England, providing greater detail than the CCI. Please see https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/2888991/Statistical_Digest_of_Rural_England_2014_March.pdf. Used in place of CCI 2. We will report across age range and in specific rural types (village, hamlet etc) as per the Digest.</i></p>					
III Environment/climate	PSCI 33h	Heritage at risk	7	% at risk; number removed from the baseline; % removed. Parks and gardens	2013
<p>Comment: <i>This is a national official statistic and identifies Scheduled Monuments, listed buildings and registered parks and gardens that are at risk of loss through neglect, decay or development. The % at risk; and the number and % removed from the baseline at risk register for positive reasons are reported annually.</i></p>					
II Agriculture/Sectorial analysis	PSCI 20	Forestry GVA (England)	0.2	£billion	2012
<p>Comment: <i>Source: Defra. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/181361/ghgindicator-8cereals-24jul13.pdf, published annually.</i></p>					
I Socio-economic and rural situation	PSCI 15c	Broadband	5.6	Mbit/s. Less sparse rural village	2012
<p>Comment: <i>The average broadband speeds in rural areas are considerably lower than speeds in urban areas. Data will be captured based on OFCOM postcode level data on average speeds for fixed broadband weighted by the number of premises and reported in the Statistical Digest for Rural England.</i></p>					
I Socio-economic and rural situation	PSCI 4b	Population density of England - rural	85	Inhabitants per km2	2011
<p>Comment: <i>The UK rural-urban definition (which differs from the EU typology) uses England territorial information and does not include inland waters. 2011 census data is also used to arrive at the England inhabitants per km2 figure based on the UK definition. See: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/2888991/Statistical_Digest_of_Rural_England_2014_March.pdf. Used in place of CCI 4.</i></p>					
I Socio-economic and rural situation	PSCI 5b	Employment rate in England - Rural	75.2	%	2012
<p>Comment: <i>Used in place of CCI 5. Defra analysis of England data 2011 and the Labour Force Survey (Office of National Statistics) is used to arrive at employment levels based on the UK rural-urban classification.</i></p>					
I Socio-economic and rural situation	PSCI 2b	Age Structure in England - Rural in a sparse setting	13.8	% Aged 15-29 years old	2011
<p>Comment: <i>Age structure in England is broken down by rural settlement type in the Statistical Digest of Rural England, providing greater detail than the CCI. Please see https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/2888991/Statistical_Digest_of_Rural_England_2014_March.pdf. Used in place of CCI 2. We will report across age range and in specific rural types (village, hamlet etc) as per the Digest.</i></p>					
III Environment/climate	PSCI 32d	England/UK Farmland Bird Index: Woodland, all woodland	82.3	1970 = 100	2012
<p>Comment: <i>Used in place of CCI 35. Whilst the species complement differs from that of the EU 37 there is a sound ecological justification for the England/UK Farmland Bird Index to be used in place of this. A number of the 37 EU species do not occur in the UK or are rare here, hence there are no reliable annual data or their use is disqualified. Base Year or Index is 1970 = 100 Source: BTO / RSPB</i></p>					

III Environment/climate	PSCI 33a	Heritage at risk	16.5	% at risk; number removed from the baseline;% removed. Scheduled monuments	2013
Comment: <i>This is a national official statistic and identifies Scheduled Monuments, listed buildings and registered parks and gardens that are at risk of loss through neglect, decay or development. The % at risk; and the number and % removed from the baseline at risk register for positive reasons are reported annually.</i>					
I Socio-economic and rural situation	PSCI 12b	Structure of employment (by local authority classification) - Rural-50	85.7	Indexed to England = 100; Rural-50	2010
Comment: <i>Used in place of CCI 12. Defra analysis based on the Rural-urban classification and ONS. Data shows GVA per workforce job indexed to England=100, by local authority classification, 2001 to 2010 The Statistical Digest for Rural England provides more detail on sources and methodology.</i>					
II Agriculture/Sectorial analysis	PSCI 27	Farmers carrying out benchmarking activities	20	%	2012
Comment: <i>Source: Farm Business Survey.</i>					
III Environment/climate	PSCI 33i	Heritage at risk	7.1	% at risk; number removed from the baseline; % removed. Parks and gardens	2013
Comment: <i>This is a national official statistic and identifies Scheduled Monuments, listed buildings and registered parks and gardens that are at risk of loss through neglect, decay or development. The % at risk; and the number and % removed from the baseline at risk register for positive reasons are reported annually.</i>					
I Socio-economic and rural situation	PSCI 12c	Structure of employment (by local authority classification) - Rural-80	88.9	Indexed to England = 100; Rural-80	2010
Comment: <i>Used in place of CCI 12. Defra analysis based on the Rural-urban classification and ONS. Data shows GVA per workforce job indexed to England=100, by local authority classification, 2001 to 2010 The Statistical Digest for Rural England provides more detail on sources and methodology.</i>					
II Agriculture/Sectorial analysis	PSCI 25	Proportion of agricultural employees receiving training	43	%	2012
Comment: <i>Used in place of CCI 24. Source: UK Commission on Employment and Skills.</i>					
I Socio-economic and rural situation	PSCI 16	Tourism	10667	GVA (£m)	2010
Comment: <i>Used in place of CCI 30. Data is for "Predominately Rural" areas in England, and is taken from the Statistical Digest of Rural England. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/288991/Statistical_Digest_of_Rural_England_2014_March.pdf</i>					

4.2. Needs assessment

Title (or reference) of the need	P1			P2		P3		P4			P5					P6			Cross cutting objectives		
	1A	1B	1C	2A	2B	3A	3B	4A	4B	4C	5A	5B	5C	5D	5E	6A	6B	6C	Environment	Climate change mitigation and adaptation	Innovation
Advice to farmers to increase productivity and competitiveness	X	X		X	X						X	X	X	X	X				X	X	X
Advice to farmers to support environmental performance	X	X		X	X			X	X	X	X	X	X	X	X				X	X	X
Building knowledge and skills in rural areas	X															X	X	X		X	X
Carbon sequestration through forest and woodland management															X				X	X	
Climate change adaptation							X	X	X	X	X				X				X	X	X
Conversion and maintenance of organic farming practices								X	X	X					X				X		
Driving a shift to lower carbon economy												X	X	X	X					X	
Flood management, where it also contributes to river, wetland and coastal habitats								X	X	X									X	X	X
Greater resilience to climate change and extreme weather events in both farming and forestry sectors	X		X						X											X	X
Improve access to broadband for rural communities																X	X	X		X	X
Improved business management practice			X	X			X													X	X
Improvements in woodland management through wood supply chain and venison supply chain initiatives						X													X	X	X

Improving standards of animal and plant health and animal welfare				X			X												X	X	X
Innovation in farming and forestry sectors	X	X		X																X	X
Linking people with the natural environment								X											X	X	
Professional and continued development in the farming and forestry sectors			X	X																X	X
Protection and enhancement of landscape character, quality and sense of place								X											X	X	
Protection of cultural heritage features								X								X			X	X	
Reduction in ammonia emissions at source and to reduce the impacts of resulting nitrogen pollution on sensitive sites													X						X	X	X
Reduction in point source and diffuse pollution from agriculture								X											X	X	X
Reduction in soil erosion									X										X	X	X
Reductions in the emissions of greenhouse gasses including NOx and CH4 from agriculture and land use													X						X	X	X
Species and habitat management								X											X	X	
Support for new and developing micro, small and medium sized rural business, including investment in physical assets															X	X	X			X	X
Support for new entrants in the agriculture and forestry sectors and more effective succession planning					X		X													X	X
Support for the improved operation of supply chains for agricultural and forestry products						X														X	X
Support for tourism activities in rural areas															X	X					X

Supporting improvements in the efficiency and use of natural resources											X	X	X	X	X				X	X	X
The continuation of rare, traditional crops, cultivars or animal breeds								X											X	X	X

4.2.1. Advice to farmers to increase productivity and competitiveness

Priorities/Focus Areas

- 1A) Fostering innovation, cooperation, and the development of the knowledge base in rural areas
- 1B) Strengthening the links between agriculture, food production and forestry and research and innovation, including for the purpose of improved environmental management and performance
- 2A) Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification
- 2B) Facilitating the entry of adequately skilled farmers into the agricultural sector and, in particular, generational renewal
- 5A) Increasing efficiency in water use by agriculture
- 5B) Increasing efficiency in energy use in agriculture and food processing
- 5C) Facilitating the supply and use of renewable sources of energy, of by products, wastes, residues and other non food raw material for the purposes of the bio-economy
- 5D) Reducing green house gas and ammonia emissions from agriculture
- 5E) Fostering carbon conservation and sequestration in agriculture and forestry

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation
- Innovation

Description

The SWOT analysis identifies limited application of research knowledge as a weakness in England, with a threat of failure to adopt new technologies and practices that would impact positively on agricultural productivity and competitiveness.

Market failures may prevent the spread of innovation from ‘early adopters’ through the industry, for example through failures in the transmission of information about the benefits of new technologies and processes, or an absence of collaboration for innovation resulting from farmers’ or forest managers’ isolation from other innovative businesses prevents.

As a result, there is a need to provide advice to farmers, to help spread innovation through the sector by creating demonstration farms, up-skilling farmers and linking them together in discussion groups, and to support European Innovation Partnerships (EIP) Operational Groups and other cooperative activities.

As a comparatively new area of consideration there is a need to increase understanding of climate change impacts, activities to adapt to and mitigate climate change, and how these can be of benefit to farm competitiveness.

Benefits of intervention in this area would expect to include increased uptake of new technology,

increased environmental performance and increased productivity within the farming sector.

4.2.2. Advice to farmers to support environmental performance

Priorities/Focus Areas

- 1A) Fostering innovation, cooperation, and the development of the knowledge base in rural areas
- 1B) Strengthening the links between agriculture, food production and forestry and research and innovation, including for the purpose of improved environmental management and performance
- 2A) Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification
- 2B) Facilitating the entry of adequately skilled farmers into the agricultural sector and, in particular, generational renewal
- 4A) Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints and high nature value farming, as well as the state of European landscapes
- 4B) Improving water management, including fertiliser and pesticide management
- 4C) Preventing soil erosion and improving soil management
- 5A) Increasing efficiency in water use by agriculture
- 5B) Increasing efficiency in energy use in agriculture and food processing
- 5C) Facilitating the supply and use of renewable sources of energy, of by products, wastes, residues and other non food raw material for the purposes of the bio-economy
- 5D) Reducing green house gas and ammonia emissions from agriculture
- 5E) Fostering carbon conservation and sequestration in agriculture and forestry

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation
- Innovation

Description

There is a need to provide appropriate advice and guidance to support delivery of environmental and climate issues. Advice is needed to support implementation of actions requiring reduction of inputs and delivery of specific environmental benefits, including water protection. This helps to build upon an identified opportunity in the SWOT to reduce the use of fertilizers and manures that harm the natural environment and enable a reduction in high emission levels in agriculture.

The SWOT analysis identified that there are significant failures in Protected Areas objectives and

achievement of Good Ecological Status for many water bodies as a result of diffuse water pollution from agriculture. A framework has been developed to address the greatest possible number of WFD failures across all water bodies (groundwater, rivers, lakes, coastal and transitional waters and wetlands) and all objectives:

- areas designated for the abstraction of water intended for human consumption;
- areas designated for the protection of economically significant aquatic species;
- bodies of water designated as recreational waters, including areas designated as bathing waters;
- areas designated for the protection of habitats or species where the maintenance or improvement of the status of water is an important factor in their protection, including relevant N2000 sites;
- good ecological status or potential.

The options developed have been designed to reduce the source of pollutants to water, stopping the movement of pollutants from source, reducing localized flood risk and support water storage and efficiency.

Appropriate guidance and support is also needed to provide beneficiaries with help to deliver actions in SSSI or N2000 sites, to support air, soil and water protection and biodiversity, plant health and climate actions. helping secure multiple environmental outcomes. This will help to build upon the strength identified around management of specific sites of high environmental value, supporting favourable management of SSSI and N2000 sites.

4.2.3. Building knowledge and skills in rural areas

Priorities/Focus Areas

- 1A) Fostering innovation, cooperation, and the development of the knowledge base in rural areas
- 6A) Facilitating diversification, creation and development of small enterprises, as well as job creation
- 6B) Fostering local development in rural areas
- 6C) Enhancing the accessibility, use and quality of information and communication technologies (ICT) in rural areas

Cross cutting objectives

- Climate change mitigation and adaptation
- Innovation

Description

The lack of a skilled workforce is identified in the SWOT as a weakness constraining growth of rural businesses.

There are often barriers to accessing training in rural areas relating to transport and infrastructure (e.g. broadband) that prevent rural employees from being able to access training and skills development

opportunities. As a result there is a need to intervene in the market for rural business training.

As a comparatively new area of consideration, increasing knowledge of, and the requisite skills for, adapting to and mitigating climate change in rural areas is needed to enable a sufficient and appropriate response.

In rural areas ESF is proposed to support basic and employability skills where needed. In areas with significant skills gaps ESF would focus on developing SMEs' skills needs, particularly in leadership and management, as well as promoting enterprise and entrepreneurship. ESF would also support the development of intermediate and higher level skills in new technologies and to support new and emerging sectors.

The benefit of action in this area should be an increase in productivity and growth rates in rural SMEs.

4.2.4. Carbon sequestration through forest and woodland management

Priorities/Focus Areas

- 5E) Fostering carbon conservation and sequestration in agriculture and forestry

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation

Description

The SWOT identifies an opportunity to develop markets for ecosystem services, including carbon management. Forests play an important role in carbon sequestration, including through forest soils and leaf litter, and afforestation could be an effective means of climate change mitigation[1],[2]. There is a need for measures that deliver improvements in the quality of advice given to land managers on soil and woodland management and that provide continued funding for forest creation and restoration. If done appropriately this would also build resilience to climate change.

There is a market failure for carbon sequestration that undermines the UK's national and international commitments to tackling climate change. There is no carbon price at present and sequestration is only incentivised by voluntary schemes such as the Woodland Carbon Code, where government has supported the emergence of these codes. By addressing this need, an increase in carbon stored in woodlands in England is expected. The annual capitalised carbon sequestration benefits of forests in the UK have been estimated at £115m annually and £2,676m capitalised (2010 prices)[3].

[1] EU (2010). Green Paper On Forest Protection and Information in the EU: Preparing forests for climate change COM(2010)66

[2] EU Standing Forestry Committee (2010). Climate Change and Forestry

[3] National Ecosystem Assessment (2011) Chapter 8 Woodlands.

4.2.5. Climate change adaptation

Priorities/Focus Areas

- 3B) Supporting farm risk prevention and management
- 4A) Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints and high nature value farming, as well as the state of European landscapes
- 4B) Improving water management, including fertiliser and pesticide management
- 4C) Preventing soil erosion and improving soil management
- 5A) Increasing efficiency in water use by agriculture
- 5E) Fostering carbon conservation and sequestration in agriculture and forestry

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation
- Innovation

Description

Climate change is recognised in the SWOT as a significant threat to the environment and to agricultural and forestry sectors. The *UK Climate Change Risk Assessment (UKCCRA)* identifies floods, changing rainfall patterns, increased temperature and a new and increased incidence of pests and diseases, drought, and wildfire as major threats to the rural economy and agriculture. All these will impact on terrestrial and aquatic species and their habitats, altering their 'climate space' and could severely affect agricultural and forestry production necessitating changes in practice.

There is a need for targeted support to improve the resilience of the natural environment to the impacts of climate change and better enable it to adapt by reducing habitat fragmentation; increasing connectivity, and improving habitat condition. Activity to improve resource efficiency and the resilience of farming and forestry systems is also required.

The benefits of adaptation measures such as allowing species and habitats space to adapt on farms, in water bodies and in forests include building climate change resilience for the environment and the economy.

4.2.6. Conversion and maintenance of organic farming practices

Priorities/Focus Areas

- 4A) Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in

areas facing natural or other specific constraints and high nature value farming, as well as the state of European landscapes

- 4B) Improving water management, including fertiliser and pesticide management
- 4C) Preventing soil erosion and improving soil management
- 5E) Fostering carbon conservation and sequestration in agriculture and forestry

Cross cutting objectives

- Environment

Description

The SWOT recognises organic farming as a strength for the benefits it delivers to the environment. The analysis also identifies a threat to future realisation of these benefits as a result of the decline in organic farming systems in the UK over several years.

A market failure exists in organic farming systems; the environmental benefits associated with organic farming are not fully rewarded by the market. Without sufficient incentive, the environmental public goods associated with organic farming will be undersupplied.

A short term threat to the associated environmental benefits exists. This threat is associated with the decline in sales of organic produce by 14.3% from 2008 to 2013 alongside a decline in organic land by 16.7% between 2009 and 2013. This decline in land under organic management will be matched with a decline in associated environmental benefits.

It is noted that feed costs, a fragile market, greater reliance on imports and a reduced premium for some organically produced foods are seen by the industry as the biggest stumbling blocks to development of the sector in England and the UK more widely, and the environmental benefits that such farming systems can deliver. For example, according to a recent Organic Research Centre Survey, a quarter of pig and lamb producers said farm-gate prices were 'definitely not' high enough to sustain organic production. The experience in England is that a 20-30% premium is generally associated with organic vegetables, albeit with higher production cost.

In light of this and the decline in the sector over the 5 years to 2013, England will continue to support conversion to and maintenance of organic farming systems.

By addressing this need, benefits should be achieved in relation to biodiversity, soil and water quality outcomes.

4.2.7. Driving a shift to lower carbon economy

Priorities/Focus Areas

- 5B) Increasing efficiency in energy use in agriculture and food processing
- 5C) Facilitating the supply and use of renewable sources of energy, of by products, wastes, residues and other non food raw material for the purposes of the bio-economy

- 5D) Reducing green house gas and ammonia emissions from agriculture
- 5E) Fostering carbon conservation and sequestration in agriculture and forestry

Cross cutting objectives

- Climate change mitigation and adaptation

Description

The SWOT analysis identifies fuel poverty as a weakness in rural areas, with an opportunity to harness the growing renewable energy sector to provide alternative community energy solutions. There are also related opportunities to promote the wood-fuel supply chain and increase the focus on resource efficiency in agriculture, which can include using agricultural waste products as a source of energy generation.

Market failure in this area relates to the potentially unequal distribution of benefits from investment in renewable energy projects. Switching to renewable energy sources reduces the impact of environmental externalities from conventional energy sources. There are key barriers in terms of access to finance and information failures, largely due to uncertainties on generating return from a relatively new set of emerging technologies and securing planning permission[1]. There are also community barriers around the perception and risk of generating returns from small scale renewable community energy projects.

Benefits targeted from intervention in this area include a reduction in fuel poverty and increases in profitability within the farming and forestry sectors, as well as reductions in carbon emissions.

[1] CCRI/AEA (2014) Rural Community Energy Fund Monitoring & Evaluation Framework

4.2.8. Flood management, where it also contributes to river, wetland and coastal habitats

Priorities/Focus Areas

- 4A) Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints and high nature value farming, as well as the state of European landscapes
- 4B) Improving water management, including fertiliser and pesticide management
- 4C) Preventing soil erosion and improving soil management

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation
- Innovation

Description

The SWOT highlights increased flood risk as one of the main threats associated with climate change in England. Flood risk management is a public good underprovided by the market without intervention, as

the market does not reward land managers for reducing flood risk even though the benefits are experienced by a large number of people. Flood risk support is targeted where benefits are greatest. Due to population density rural areas are often less well served than urban communities. Development of lower cost flood risk management measures to support rural communities and the environment is therefore vital.

There is a need for improved flood risk management, in particular where this also contributes to improvements in river, wetland and coastal habitats. Increased restoration of rivers and development of wetland and coastal habitats can provide flood management benefits alongside environmental benefits in relation to biodiversity and carbon sequestration, along with increased resilience to climate change and the effects it will have on flooding.

M4 & M10 will be used to support a number of land management and capital investment activities. These include reducing soil erosion and intercepting overland flows through the use of buffer and in-field strips; restoring and creating wetlands; managing lowland bog & ponds and upland peat bogs; making space for water and targeted woodland planting and management.

Flood risk management provides significant benefits to rural communities and businesses that may be impacted by flooding events. As a result of integrated action in this area, benefits are expected to be seen to habitats as well as a reduction in flooding damage to urban and rural areas.

ERDF is proposed to be used to bring land that is ideal for economic development into use where flooding risk causes demonstrable market failure. It would do this through for example investing in capital or green infrastructure schemes that support sustainable and convergent economic growth and supporting areas to develop disaster management systems.

4.2.9. Greater resilience to climate change and extreme weather events in both farming and forestry sectors

Priorities/Focus Areas

- 1A) Fostering innovation, cooperation, and the development of the knowledge base in rural areas
- 1C) Fostering lifelong learning and vocational training in the agricultural and forestry sectors
- 4B) Improving water management, including fertiliser and pesticide management

Cross cutting objectives

- Climate change mitigation and adaptation
- Innovation

Description

Climate change figures strongly in the SWOT analysis as a threat to agriculture and forestry. The *Climate Change Risk Assessment* identifies floods, changing rainfall patterns, increased temperature and new and increased incidence of pests and diseases as the major threats to the rural economy and agriculture[1].

There is a need to support greater resilience to climate change and other extreme weather events through activities such as improving water management and high-flow water reservoirs, as well as provision of

information, advice and training to farmers.

While much adaptation to the effects of climate change will occur through the normal operation of the market where market pricing is in operation, as for example in the water industry, additional intervention may be required to discourage overuse of an increasingly scarce resource. The case for intervention to provide information, advice and skills which farmers will spread around the sector themselves is also strengthened where there is a need to mitigate the threats and seize the opportunities resulting from climate change. The benefits to action in this area include greater resilience of the sectors to projected climate change impacts, avoiding potential adverse effects on productivity.

[1] HM Government, 2012, UK Climate Change Risk Assessment: Government Report

4.2.10. Improve access to broadband for rural communities

Priorities/Focus Areas

- 6A) Facilitating diversification, creation and development of small enterprises, as well as job creation
- 6B) Fostering local development in rural areas
- 6C) Enhancing the accessibility, use and quality of information and communication technologies (ICT) in rural areas

Cross cutting objectives

- Climate change mitigation and adaptation
- Innovation

Description

Limited access to superfast broadband is identified as a weakness in rural areas, impacting on rural communities and businesses. Whilst existing commercial and national Government interventions will reach 95 per cent of UK premises with superfast broadband coverage, there remains a need for investment to address the specific challenges in connecting the remaining 5percent areas not in scope for existing initiatives. Many of these are in remote rural communities.

There is a market failure in many rural areas where the provision of superfast broadband is not commercially viable. Investment in infrastructure (such as accessibility to broadband internet connection) can increase agglomeration economies for rural businesses to a level that is comparable to that enjoyed by communities located in more densely populated areas. However, positive externalities from agglomeration are not factored into market decisions, so there is a case for government support.

Benefits derived from action in this area will include benefits to the population via an increase in numbers of households and businesses with broadband access, but also indirect benefits for business productivity and growth in rural areas.

4.2.11. Improved business management practice

Priorities/Focus Areas

- 1C) Fostering lifelong learning and vocational training in the agricultural and forestry sectors
- 2A) Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification
- 3B) Supporting farm risk prevention and management

Cross cutting objectives

- Climate change mitigation and adaptation
- Innovation

Description

The SWOT identifies weaknesses in terms of the level of business and risk management skills within the farming and forestry sectors as well as the wider rural economy.

There is an identified need to improve business management practice, including leadership skills, project management, people management, negotiating skills, financial planning and market awareness. Individual firms are unlikely to capture the full benefits of investing in educating and training a mobile workforce, indicating a potential market failure. The Farm Business Survey noted that farmers who undertake benchmarking are generally higher performers than those who do not. However, less than 20% of farmers carry out some form of benchmarking activity[1]. This provides a rationale for government to support investment in skills for rural business.

The most common reason for not undertaking risk management practices in agriculture is that the benefits are not clear to the farmer, suggesting a further market failure in terms of information. There is therefore a further need for demonstration of the benefits or training about the significance of risk management for agricultural businesses[1].

Lifelong learning and vocational training, improving the performance of farms and supporting farm risk prevention and management all help to increase the resilience of the farm business to the impacts of climate change.

The benefits of addressing this need include higher survival rates for new and existing businesses, increased productivity and increased resilience in the rural economy, in particular helping to future proof farming and forestry sectors.

[1] Defra, 2013, Business Management Practices on Farm 2011/12

4.2.12. Improvements in woodland management through wood supply chain and venison supply chain initiatives

Priorities/Focus Areas

- 3A) Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and inter-branch organisations

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation
- Innovation

Description

The SWOT analysis identifies opportunities in the forestry sector to build on the growing demand for wood fuel[1] and the potential for development of the venison supply chain to counteract the damage caused by increasing deer populations.

The SWOT further identifies woodland ownership in England as a weakness, with fragmented holdings and differing attitudes to management of woods acting as a barrier to the effective operation of market forces in maximising supply chain development.

The benefits of targeted intervention in this area would be improved levels of woodland management, leading to increased woodland resilience and longer term reductions in dependency on government intervention by enhancing the effective operation of market forces.

[1] Render, M G (2013). Support for Forestry in the Rural Development Programme. Forestry Commission

4.2.13. Improving standards of animal and plant health and animal welfare

Priorities/Focus Areas

- 2A) Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification
- 3B) Supporting farm risk prevention and management

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation
- Innovation

Description

The SWOT analysis identifies vulnerability to pests and diseases as a weakness, linked to increased

global trade introducing new pathogens and to climate change impacts increasing establishment, spread and impact.

There is a need to improve standards of animal and plant health and animal welfare with a view to reducing endemic disease.

Government intervention to promote animal health and welfare can be justified because both people and other animals benefit from disease free, healthy livestock beyond the private benefit which farmers derive through increased profitability. Conversely, through the spread of disease, other animals and people can suffer the negative effects of underinvestment by an individual farmer. As such public welfare can be improved if the government intervenes to promote animal health and welfare beyond the free market level. Action to address animal health through improvements in fertility, neonatal viability and health to weaning of farmed animals will benefit agricultural productivity and competitiveness.

Government action to support tree health can be justified due to the challenge of containing the spread of tree disease between woodland areas. Action to address tree health will benefit the long-term sustainability of woodland and forests in England.

Intervention and action under this need will increase resilience to future pressures on animal and plant health and animal welfare that will be exacerbated by climate change.

4.2.14. Innovation in farming and forestry sectors

Priorities/Focus Areas

- 1A) Fostering innovation, cooperation, and the development of the knowledge base in rural areas
- 1B) Strengthening the links between agriculture, food production and forestry and research and innovation, including for the purpose of improved environmental management and performance
- 2A) Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification

Cross cutting objectives

- Climate change mitigation and adaptation
- Innovation

Description

The SWOT analysis highlights low agricultural competitiveness and productivity growth as a weakness of many agricultural sectors in England, with further weaknesses in application of research knowledge and risk aversion amongst farmers and foresters that threaten take up of new technologies and practices.

There is a need to foster greater innovation, which is one of the key drivers of productivity growth in agricultural and forestry businesses, through increased funding for applied research; demonstration farms; skills development; and co-operative activities. The European Innovation Partnership for agricultural

productivity and sustainability will be used to strengthen the application of research into practice.

The market failure in this area reflects the fact that the full benefits of research and development investments typically exceed the returns for individual businesses. For example, over time they extend to competitors as workers move on and expertise is disseminated more broadly. There is generally a role for government in funding public research and development programmes.

Further market failures may prevent the spread of innovation from 'early adopters' through the industry. For example this includes, barriers to the transmission of information about the benefits of new technologies and processes and farmers' or forest managers' isolation from other innovative businesses that prevents them from taking up collaborative opportunities.

As a comparatively new area of consideration, innovative approaches are needed for many activities related to climate change adaptation and mitigation.

The benefits of intervention in this area include increased take up of new practices and increased overall productivity and profitability of farming and forestry sectors.

ERDF is proposed to support SMEs, largely in other sectors, to disseminate, adopt and commercialise Research, Development and existing/new innovation assets. It would also facilitate productive partnerships that help SMEs to develop new opportunities to exploit and stimulate innovation.

4.2.15. Linking people with the natural environment

Priorities/Focus Areas

- 4A) Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints and high nature value farming, as well as the state of European landscapes

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation

Description

The SWOT analysis identifies increasing recognition of the natural environment as an important cultural and economic asset as a strength in England. Increased access and connection to the natural environment has the potential to improve environmental outcomes by reducing tolerance of environmental degradation. There is a further opportunity to maximise the health and wellbeing benefits to individuals through access to the natural environment.

There is a need for investments in education and access infrastructure and in advice and guidance on the multiple benefits from nature and how businesses can improve environmental management.

There is a market failure in this area linked to a lack of information. Many of the benefits derived from nature are not properly valued, facilitating disconnect between the natural environment and nature,

making it harder for people to see how much they rely on nature and natural processes.

The benefits of action in this area include increased access to the natural environment, increased health and wellbeing, increased environmental awareness and improved environmental outcomes.

4.2.16. Professional and continued development in the farming and forestry sectors

Priorities/Focus Areas

- 1C) Fostering lifelong learning and vocational training in the agricultural and forestry sectors
- 2A) Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification

Cross cutting objectives

- Climate change mitigation and adaptation
- Innovation

Description

A low level of education and skills is identified as a weakness in the agricultural and forestry sectors.

Due to ‘knowledge spill-overs’ the benefits to the sector and wider society of farmers up-skilling are likely to be greater than the private benefits to the farmer undertaking training, for example, through knowledge passed on to other farmers at meetings, and other events, as well as simply looking over the farm gate[1]. Skills levels and knowledge among staff are also key to generating and adopting innovative practices, but individual firms are unlikely to capture the full benefits of investing in educating and training a mobile workforce. This provides a rationale for government to support investment in the education and skills levels of farmers.

As a comparatively new area of consideration, continued professional development is beneficial to increasing uptake of climate change adaptation and mitigation activities.

As a result there is a need to encourage and promote the professional development of farmers, and to provide subsidy to training in order to realise the wider public benefit which it provides.

[1] Defra, 2013, *Business Management Practices on Farm 2011/12* indicates that more than 60% of farmers obtain business management advice by talking to other farmers.

4.2.17. Protection and enhancement of landscape character, quality and sense of place

Priorities/Focus Areas

- 4A) Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in

areas facing natural or other specific constraints and high nature value farming, as well as the state of European landscapes

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation

Description

Increasing recognition of the value of landscape and historic environment assets is identified as an opportunity in the SWOT. Landscape character and quality is a key public good produced by agriculture. But the market does not reward land managers for improving the landscape, as it is a non-traded good, so intervention is required. Climate change will increase pressures on the landscape; protecting and enhancing it will support adaptation.

Protecting landscape character delivers direct benefits to quality of life for people living in rural areas. Action in this area will address the opportunity to maximise health and wellbeing benefits from the natural environment. It also offers indirect benefits to the rural economy, underpinning a growing demand for nature-based, sustainable tourism and contributing to local distinctiveness and sense of place, which can help attract new business investment. In Yorkshire's National Parks a survey found that over 2/3 of businesses believed that high landscape quality had a positive impact on performance[1].

Agri-environment schemes have helped strengthen the landscape structure in both arable and pastoral situations[2] and have had especially good uptake in protected landscapes, helping to maintain their character. In the absence of scheme payments there may be little incentive for individual landowners to protect landscape character on their holding, necessitating the need for intervention. Estimates[3] suggest that, within protected landscapes alone, £95.5m of agri-environment funds per year is required to maintain landscape quality alongside other scheme outcomes.

[1] The economic impact of National Parks in the Yorkshire and Humber region. Council for National Parks (2006)

[2] Defra R & D project BD5303: Monitoring the Impacts of Environmental Stewardship on the Maintenance and Enhancement of Landscape Character & Quality.

[3] Defra RDPE Call For Evidence: Landscape & Historic Environment Evidence, Measures and Mechanisms for the Next Rural Development Programme. July 2012

4.2.18. Protection of cultural heritage features

Priorities/Focus Areas

- 4A) Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints and high nature value farming, as well as the state of European landscapes
- 6B) Fostering local development in rural areas

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation

Description

Cultural heritage is a public good which will be underprovided by the market without intervention. Conventional commodity markets do not reward land managers for maintaining or enhancing these assets, despite their importance to local cultural identity and tourism economy. Climate change will increase pressures on cultural heritage features and thus protecting them will support adaptation.

Continued targeted support for protection of cultural heritage features and traditional farm buildings in agricultural land is required to conserve and enhance the resource and better realise the wider societal benefits provided.

Whilst agri-environment schemes have resulted in significant improvements in the condition of historic environment features, in 2010 there remained c. 3,000 Scheduled Monuments considered by English Heritage to be at high risk, of which 85% could be addressed by scheme intervention.

Recent work examining the “added value” of repairing and re-using traditional farm buildings in the Lake District & Yorkshire Dales has revealed a wide range of societal benefits including maintaining or enhancing local craft skills, creating employment opportunities and bolstering tourism, along with enhancing a wider appreciation of the local distinctiveness of the landscape[1],[2]. However, without agri-environment support there may be little direct benefit to individual landowners to conserve or enhance aspects of the Historic Environment.

[1] Courtney, P., Gaskell, P., Mills, J., & Edwards, R. (2007). A socio-economic study of grant-funded traditional drystone wall and farm building restoration in the Yorkshire Dales National Park. Countryside & Community Research Unit, University of Gloucestershire, Cheltenham & ADAS, Leeds.

[2] Edwards, R., Gaskell, P., Courtney, P., & Mills, J. A. (2005). A Study of the Social and Economic Impacts and Benefits of Traditional Farm Building repair and Re-Use in the Lake District ESA. Final Report to English Heritage & Defra. CCRI, Cheltenham.

4.2.19. Reduction in ammonia emissions at source and to reduce the impacts of resulting nitrogen pollution on sensitive sites

Priorities/Focus Areas

- 5D) Reducing green house gas and ammonia emissions from agriculture

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation

- Innovation

Description

Ammonia pollution is an example of a negative externality which is an activity which imposes costs on third parties. Agriculture accounted for 86% of ammonia emissions in 2011, representing a 20% decrease compared with 1980, largely due to declines in cattle numbers[1]. 97% of sensitive habitats exceeded the critical load for eutrophication from air pollution in the period 2006-2008[2]. High levels of atmospheric nitrogen are one of the factors that have driven the observed decline in farmland biodiversity[3], through encouraging the dominance of competitive nutrient demanding species. Ammonia is estimated to account for approximately 4% of nitrogen lost from agriculture to UK freshwater systems [4], where it is toxic to aquatic life, and exerts further impacts when converted to nitrite and nitrate.

As a result there is a need for support for improvements in fertiliser and manure management to reduce losses of ammonia and nitrous oxide at source and tree planting around point sources to help capture ammonia aerosols. Improving overall nutrient management systems on farms via consideration of the whole nutrient cycle will also help meet this need.

[1] National Atmospheric Emissions Inventory.

[2] <http://www.apis.ac.uk/>

[3] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/86545/England_Biodiversity_indicators_2012_FINALv2.pdf

[4] G. Hughes, E. Lord, L. Wilson, R. Gooday and S. Anthony. Updating Previous Estimates of the Load and Source Apportionment of Nitrogen to Waters in the UK. Defra Project: WQ0111, 2008.

4.2.20. Reduction in point source and diffuse pollution from agriculture

Priorities/Focus Areas

- 4B) Improving water management, including fertiliser and pesticide management

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation
- Innovation

Description

Diffuse water pollution from agriculture is identified as a weakness in England. There is also a risk that with current interventions alone, England will not meet its commitments under the Water Framework Directive.

Pollution from agriculture into rivers, lakes, wetlands, groundwater, coasts and estuaries damages

ecosystem function as well as drinking water supplies, with financial costs to business and wider society. There is a market failure in this area, with costs borne by society rather than land managers. There is therefore an insufficient incentive for them to reduce pollution. Interventions are needed to enable land managers to make a step change towards practices that lower the risk of pollution. Climate change will increase pressures on water bodies and thus protecting them will support adaptation.

Action in this area will deliver environmental and financial benefits. A reduction is expected to be seen in failures in Good Ecological Status (GES) in water bodies and a reduction in the costs associated with water pollution. The total annual cost of water pollution to river and wetland ecosystems and natural habitats in England and Wales is currently estimated to lie between £716million and £1,297million with agriculture being a major contributor[1].

[1] Explanatory Memorandum To The Nitrate Pollution Prevention Regulations 2008 No. 2349

4.2.21. Reduction in soil erosion

Priorities/Focus Areas

- 4C) Preventing soil erosion and improving soil management

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation
- Innovation

Description

Unsustainable use of natural assets and continued environmental degradation, including of soil quality, are identified as threats that will significantly affect the farming sector in the longer term.

There is a degree of market failure in relation to soil management. Good soil management and soil quality can increase the incomes of farmers and are essential for long-term business sustainability, both economically and environmentally. Despite this, evidence suggests that land managers do not always have the knowledge or expertise required to identify soil erosion and degradation, understand what action to take and how to implement it. Soil degradation has been estimated to cost the economy £0.9-1.4bn per year in England and Wales [1], with the majority of this affecting England..

Better regulation, through revisions to cross compliance requirements, should address many soil erosion issues. However, there remains a need for targeted interventions employed through the programme and accompanied by a package of advice to: reduce the erosion risk at source; intercept the pathway for sediments; and to mitigate the impacts on receptors, notably river and wetland protected sites. Climate change will increase pressures on soils and thus protecting them will support adaptation.

The benefits of action in this area will be improved soil quality, increased longer-term profitability of farm businesses and reductions in sedimentation of watercourses.

[1] Defra project SP1606, 2011

4.2.22. Reductions in the emissions of greenhouse gasses including NO_x and CH₄ from agriculture and land use

Priorities/Focus Areas

- 5D) Reducing green house gas and ammonia emissions from agriculture

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation
- Innovation

Description

Progress in reducing greenhouse gasses from agriculture is identified as a strength in England. However, further progress is needed to meet longer term targets. Climate change remains a major threat to the future of farming, forestry and the natural environment, and the sector needs further change to support additional reductions in emissions.

There is a need for improved manure management, genetic breeding to improve the feed efficiency of livestock and the employment of further low carbon technologies and practices such as the use of wood fuel and anaerobic digestion. In addition there is a need to support innovations in soil management, for example agro-ecological approaches to farming.

Market failure acts as a barrier to tackling greenhouse gas emissions as there is a negative externality caused by agricultural activities which is not factored into the agricultural production decisions through market prices.

Interventions to address this need are expected to achieve measurable reductions in greenhouse gas emissions, as well as indirect improvements in profitability of farm and forestry businesses through greater efficiency in use of resources and the development of additional markets for products and services. Management of soil organic matter can improve financial returns for farmers by a total of £31 to £66 per ha (as a result of ease of tillage, fertiliser saving and higher yields)[1].

[1] Soil Strategy For England Supporting Evidence Paper, Defra, 2009

4.2.23. Species and habitat management

Priorities/Focus Areas

- 4A) Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints and high nature value farming, as well as the state

of European landscapes

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation

Description

The SWOT identifies declining biodiversity as a weakness in England with additional future threats identified from competition for land use, climate change and other human-induced threats to functioning and resilient ecological networks. Market failure is the main reason why RDPE is needed to intervene in the way land is managed. Biodiversity is a public good which will be underprovided by the market without intervention. A strength of the current RDPE has been the ability to reverse biodiversity declines by using highly targeted species and habitat management.

To reverse declines in biodiversity and make progress towards favourable conservation status of the N2000 network, there is a need to build on the favourable condition secured by designation of many of our most important sites and ensure appropriate management is in place on remaining areas outside statutory designation. Better targeted restoration and expansion is required to achieve more joined up habitats. It will also contribute to support of pollinators and other priority species such as farmland birds. Climate change will increase pressures on species and habitats; improved management of them will support adaptation.

There are net gains to be made by improving biodiversity. SSSI management costs are estimated at £110m annually[1] but the public benefits supplied are estimated to be worth c.£956m. Ensuring the health of pollinator populations is important for the diversity of the environment, food production, and their value to the public.

ERDF investment in multi-functional green infrastructure networks that provide a wide range of ecosystems services on which businesses depend and attract people to an area will complement RDPE funds.

As a result of action to address this need, measurable improvements are expected in the condition status of habitats and species recognised as a priority at both EU & domestic level, including those specifically recognised under the Natura 2000 PAF.

[1] GHK (2011) Benefits of SSSIs in England & Wales. A report to Defra.

4.2.24. Support for new and developing micro, small and medium sized rural business, including investment in physical assets

Priorities/Focus Areas

- 6A) Facilitating diversification, creation and development of small enterprises, as well as job creation
- 6B) Fostering local development in rural areas

- 6C) Enhancing the accessibility, use and quality of information and communication technologies (ICT) in rural areas

Cross cutting objectives

- Climate change mitigation and adaptation
- Innovation

Description

Growth in small and micro-enterprises is seen as a strength in rural areas, with an associated opportunity to capitalise on this potential through overcoming remaining barriers to growth such as access to finance.

Market failures exist in relation to investment in infrastructure which can increase agglomeration economies for rural businesses to a comparable level to that enjoyed by businesses located in more densely populated areas. Positive externalities from agglomeration are often not factored into market decisions, so there is a case for government support.

This supports the case for investment in business start-ups and the development of existing micro, small and medium sized rural businesses. This investment would be enhanced through the provision of advice, particularly in innovative business practices and business planning and encouragement to share knowledge as part of producer groups.

ERDF is proposed to be used to build the pipeline of high growth business that will foster a more entrepreneurial culture. It would address barriers in: accessing finance, linkages between skills providers and business, internationalisation, adapting to climate change, business advice, business incubator provision, access to and exploitation of ICT, supply chain development and sectoral support.

The benefits of investment in this area include increased GVA from small and micro-businesses and increased numbers and quality of jobs created.

4.2.25. Support for new entrants in the agriculture and forestry sectors and more effective succession planning

Priorities/Focus Areas

- 2B) Facilitating the entry of adequately skilled farmers into the agricultural sector and, in particular, generational renewal
- 3B) Supporting farm risk prevention and management

Cross cutting objectives

- Climate change mitigation and adaptation
- Innovation

Description

The age profile of the farming and forestry sectors and certain entrenched attitudes to risk management and innovation are identified as weaknesses in England. There is an opportunity to support greater succession planning in order to help remove less productive businesses and increase innovation. Support for new entrants to come into the sector could help leverage the culture shift needed to achieve a substantive increase in productivity and competitiveness, along with increased uptake of climate change adaptation and mitigation activities.

There are certain structural barriers to generational renewal which mean that the market is not operating optimally in this area. The recent Future of Farming Review considered that the low numbers of farmers retiring or exiting from agriculture is restricting the opportunities available for new entrants to enter and progress through the sector[1]. This may also be exacerbated by the CAP and other mechanisms. There is a link between an increase in the age of farmers and a decreasing willingness to continue training that may support the take-up of innovative practices and technologies.

As a result of intervention in this area, a reduction in the numbers of less productive businesses would expect to be seen as well as a shift in age profile within the sectors. It is aimed to realise benefits in terms of uptake in innovative practice, market orientation and overall productivity.

[1] Defra, Future of Farming Review

4.2.26. Support for the improved operation of supply chains for agricultural and forestry products

Priorities/Focus Areas

- 3A) Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and inter-branch organisations

Cross cutting objectives

- Climate change mitigation and adaptation
- Innovation

Description

Due to barriers to the spread of information, there are opportunities to strengthen cooperation and collaboration between land owners, primary producers and businesses in the supply chain[1]. This could bring together individual businesses in the agri-food chain and maximise opportunities for cooperation, supporting innovation, lessening impacts on the environment, and increasing resilience to climate change across the supply chain.

Improved cooperation and collaboration will enable businesses to respond to market demand and increase their competitiveness in domestic and global market places, supporting the industry to become more self-sustaining, market facing and less reliant on direct public subsidy.

[1] EFPF (2014) -Conditions, attitudes and structures of successful POs and cooperatives: Potential role in supporting a competitive farming sector in England and Wales. Forthcoming report to Defra.

4.2.27. Support for tourism activities in rural areas

Priorities/Focus Areas

- 6A) Facilitating diversification, creation and development of small enterprises, as well as job creation
- 6B) Fostering local development in rural areas

Cross cutting objectives

- Innovation

Description

Tourism is identified as a strength overall within the rural economy, growing faster than the general economy. However, many rural tourist destinations face weaknesses relating to seasonality of their offer. Whilst there are opportunities to exploit further growth potential in the rural tourism sector, this needs to be carefully managed to avoid threats from unsustainable growth, which could impact on local environmental quality and services. There is a need for targeted support to ensure that growth is strategically managed at a local level to ensure sustainability and maximise benefits to the wider local economy.

Specific market failures can act as barriers to growth in the tourism sector. For example individual hotels or other tourism businesses have an incentive to free ride on co-ordinated efforts to invest in marketing a destination (town, region or country) as opposed to their own business. As a consequence, left to their own devices individual businesses would under invest in these kinds of destination marketing activities. In contrast, support from destination management organisations can enable better coordination of marketing activity (alongside product development) to advertise what a local area offers and attract more visitors, bringing benefits to the wider rural economy.

There is a need to develop the rural tourism sector, particularly to improve the destination offer to attract increased visitors. This has the potential to benefit the wider economy of rural areas through higher spend on rural accommodation and attractions as well as an increase in tourism based enterprises and job opportunities.

4.2.28. Supporting improvements in the efficiency and use of natural resources

Priorities/Focus Areas

- 5A) Increasing efficiency in water use by agriculture
- 5B) Increasing efficiency in energy use in agriculture and food processing
- 5C) Facilitating the supply and use of renewable sources of energy, of by products, wastes, residues and other non food raw material for the purposes of the bio-economy

- 5D) Reducing green house gas and ammonia emissions from agriculture
- 5E) Fostering carbon conservation and sequestration in agriculture and forestry

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation
- Innovation

Description

The SWOT analysis identifies unsustainable use of natural resources as a weakness, with the threat that this will be further exacerbated in future by climate change. There is a need to provide additional support to farmers to increase the efficiency of their use of natural resources and ecological processes, promoting the take up of equipment and practices that contributing to improvements such as better soil conservation and reducing inputs by better targeting their use or applying agro-ecological knowledge.

There are market failures in this area linked to information and negative externalities. Farmers may be unaware of or unable to take up opportunities to improve the resource efficiency of their farming practices. Where interventions might reduce the usage of environmentally harmful fertilisers, pesticides, herbicides as well as the production of energy from renewable sources, including anaerobic digestion, thus replacing fossil fuels, this case is strengthened by the reduction in environmental effects which are not factored into the price of these inputs.

The benefits of intervention in this area include improvement to water quality and biodiversity outcomes, increased resilience to climate change, reduction in greenhouse gas emissions and improved water management.

4.2.29. The continuation of rare, traditional crops, cultivars or animal breeds

Priorities/Focus Areas

- 4A) Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints and high nature value farming, as well as the state of European landscapes

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation
- Innovation

Description

The SWOT analysis identifies a number of threats to agricultural and forestry sectors from climate change. Maintaining genetic diversity in agricultural and forestry crops, cultivars and breeds is vital for

improving resilience and enabling adaptation to environmental change, be it climatic or biotic.

There are market failures associated with the maintenance of genetic diversity, with a short term focus on yields driving dominance of use of a restricted number of species and sub-species. Whilst there are efficiencies associated with production of agricultural or forestry monocultures, the absence of genetic diversity within such systems makes them highly susceptible to changes in growing conditions, and to pests and pathogens, against which they may have no, or limited, resistance. These factors often have significant impacts on yield and productivity.

There is a need to support agricultural and forestry systems which encourage cropping diversity for example in organic farming[1], and sustain the diversity of livestock breeds and crop cultivars.

The benefits of intervention in this area will be increased resilience of the domestic agricultural, horticultural and forestry sectors.

[1] Shepherd M. et al. 2003. An assessment of the environmental impacts of organic farming, Defra, ADAS, Elm Farm Research Council & IGER.

5. DESCRIPTION OF THE STRATEGY

5.1. A justification of the needs selected to be addressed by the RDP, and the choice of objectives, priorities, focus areas and the target setting based on evidence from the SWOT and the needs assessment. Where relevant, a justification of thematic sub-programmes included in the programme. The justification shall in particular demonstrate the requirements referred to in Article 8(1)(c)(i) and (iv) of Regulation (EU) No 1305/2013

This section provides detail on the choice of objectives and justification of spend in England based on both the SWOT and needs assessment and consultation on implementation of the CAP conducted in England.

Key objectives

The Government's objectives for the RDPE are to:

- improve the natural environment: this includes helping to ensure that by 2021 the natural environment is improved as set out in the Natural Environment White Paper (NEWP);
- increase the productivity and efficiency of farming and forestry businesses, in order to improve their competitiveness and reduce the reliance of farmers and land managers on subsidies; and
- promote strong rural economic growth.

Consultation on the objectives, priorities and focus areas

Defra issued a consultation on the implementation of CAP reform in England on 31 October 2013 including an impact assessment which analysed a baseline and eight potential scenarios in relation to the draft RDPE. The consultation showed strong support for making the best use of CAP money for the benefit of the environment, farmers, taxpayers and rural businesses. In particular, there was a widespread desire among the public to use the draft Programme to deliver the environmental and public goods that direct payments cannot.[1]

Many respondents to the consultation on CAP implementation strongly endorsed maximising the transfer of resources from Pillar 1 to Pillar 2. However, as Defra will be introducing a range of new measures through the RDPE in 2015, Defra is keen to assess the effectiveness, demand and uptake of the measures once these are in operation. Defra will also not be spending money on new environmental land management priorities immediately. The first payments to farmers under the RDPE will not be made until 2016. For this reason Defra decided to implement a 12% transfer of funds between Pillars 1 and 2. A review will be held in 2016 into the demand for agri-environment options and the competitiveness of English agriculture. This is with the intention of moving to a 15% transfer rate from Pillar 1 to support the final two years of the RDPE. With a 12% rate of transfer the EU allocation for the next RDPE will be about €3.47bn with national co-financing of about €469m[2]. This would rise to around €3.61bn with an increased transfer rate of 15% from 2018 with national co-financing of about €495m.

Justification for the main focus on the Environment

In developing the RDPE for 2014-2020, a balance has been struck between support for ongoing commitments to multi-annual agri-environmental agreements; the importance of the RDPE in delivering across a range of domestic environmental objectives envisaged in the NEWP and which align with and contribute to the framework and ambitions for safeguarding the environment set out in the 7th EU Environment Action Programme; and the need to continue to support productivity and growth, both in the

agricultural and forestry sectors and in the rural economy as a whole.

With a 12% rate of transfer Defra is set to spend about €3.45bn of total public new RDPE funds on the environment over this period. This would rise to about €3.57bn if the transfer rate rises to 15% in the last 2 years of the RDPE. Of this about €2.69bn results from commitments already entered into under existing environmental schemes. Enhancing the natural environment and meeting key environmental commitments is the main **opportunity** presented in the SWOT and will remain the top priority for the draft RDPE with 87% of total spend between 2014-20 focused specifically towards the environment with agri-environment agreements more targeted than Environmental Stewardship, building on lessons learned.

Defra considers that the evidence to support a greater focus on the environment is very strong. As part of the Impact Assessment published alongside the CAP consultation, the scenario with the highest central estimate of the benefit to cost ratio was one with an environmental focus scenario with a 15% transfer to Pillar 2. Agri-environment schemes are a real **strength** in that they can reverse biodiversity declines when highly targeted and help protect and restore SSSI and Natura 2000 sites to favourable or recovering conditions. This will help deliver the EU's Biodiversity Strategy to 2020, which has the headline target of "Halting the loss of biodiversity and the degradation of ecosystem services in the EU by 2020, and restoring them in so far as feasible, while stepping up the EU contribution to averting global biodiversity loss". The England Prioritised Action Framework underpins work in England to deliver the EU 2020 biodiversity targets. England's *Biodiversity 2020: A strategy for England's wildlife and ecosystem services* directly reads across to the EU strategy. It sets out the strategic direction for biodiversity policy for the next decade on land (including rivers and lakes) and at sea.

While progress towards the Biodiversity 2020 outcomes continues to be made, the cost of fully delivering these could reach in the region of €625m per year by 2020. It has also been estimated that fully addressing the issue of diffuse pollution from agriculture through the RDPE could cost around €575m per year. In addition, more than €100m per annum would be required to avoid deterioration in water quality from diffuse agricultural pollution.

104 catchment partnerships which are independently led are established to identify pressures on the water environment and agree priorities that reflect the local needs of society, business and the wider environment in order to agree actions to feed into River Basin Management Plans under the Water Framework Directive (WFD). It is clear however that the money required to deliver Biodiversity 2020 outcomes and 'good status' under the WFD is likely to exceed the funds available and that, in any event, other sorts of measures will be needed in combination with the draft Programme to meet environmental obligations under this and other Directives. The quality of upstream water bodies is particularly important in the context of the Marine Strategy Framework Directive and the achievement of good environmental status by 2020.

It is Defra's view that an increased focus on the environment and more targeted land management to secure multiple outcomes will help support meeting these obligations and address a public good market failure, the principal **weakness** identified in the SWOT, and tackle **threats** from increased pressure on land use, prevalence of pests and diseases and climate change. This environmental focus can support climate change mitigation and adaptation through both specific activities such as peatland restoration and through embedment as a cross-cutting consideration. Funding to support this can deliver worthwhile and valuable outcomes for society and contribute to rural economic growth and enhance the environment.

The SEA Environmental Report developed alongside the development of the draft RDPE sets out the impact of the "preferred option" (the 12% transfer) against the "reasonable alternatives" set out in the

RDPE Impact Assessment. Overall, the report shows the draft RDPE is likely to result in a range of significant positive effects on the environment.

Justification for the focus on Growth and Farming and Forestry competitiveness

There remains a clear justification to continue to support productivity, innovation and growth, both in the agricultural and forestry sectors and in the rural economy as a whole, with 13% of total programme funds addressing these needs, including delivery through LEADER. 4% of total spend in 2014-20 will support farming and forestry competitiveness. 5% will address broader national priorities for rural growth, with investments building on that established under the current programme through the Rural Economy Grant.

With limited funds available to support ambitions in this area, the RDPE will adopt a more highly targeted approach, addressing specific market failures, to increase the effectiveness and value for money achieved from RDPE investments. Farming and forestry investments will increasingly target specific sectoral and thematic weaknesses to achieve a step change in outcomes, paving the way for reduced future reliance on subsidies.

The main focus on the agricultural and forestry sectors under the new programme will be on innovation (including the implementation of the EIP) and improving business performance. The SWOT analysis shows that all agricultural sectors have substantial variations in performance, from the leading, most productive businesses and early adopters of technology at one end of the spectrum, through to those who are most dependent on support to remain viable. Although there is some geographical clustering of businesses from particular sectors, in most cases farms from each sector can be found spread across England. On this basis our evidence does not present a strong advantage in concentrating spend in specific geographical areas or sectors. Furthermore there are advantages in targeting support across sectors thematically on the basis of knowledge exchange and technology transfer. Knowledge exchange and benchmarking between businesses can accelerate progress and farmers can cooperate in useful support networks across sectors.

That said, we may focus specific calls on realising the potential in the wider agri-food supply chain, by linking primary production more closely to other businesses in the rural economy. Co-operation and collaboration around geographic hubs may encourage growth in areas with potential synergies between farming and food businesses.

The SWOT identifies that for the whole of English agriculture across all sectors, the strongest drivers of improved performance are innovation in terms of both forward thinking business practice and take up of technology, skills and knowledge exchange. These are therefore the underlying themes in all of our farm productivity support; our goal is to encourage take up of high levels of innovation by high performers, then to support average performers to develop and move up to best practice.

This targeted approach will help meet identified weaknesses such as relatively low agricultural productivity and competitiveness; limited application of research knowledge; and low levels of education and skills; build the sector's resilience to change; and tackle threats such as a failure to apply or adopt new technologies and practices, climate change and continued environmental degradation. Such a focus on innovation and business performance can also help support climate change mitigation and adaptation through specific activities such as on-farm reservoirs or the forestry sector's potential for carbon sequestration.

It will also build on key strengths such as the burgeoning market for wood fuel and strong basic research in agricultural development. The opportunities to enhance productivity and innovation by improving

skills and greater cooperation to promote innovation and knowledge transfer, alongside support for succession planning and greater resource efficiency will help to “future-proof” farming, and address barriers to wider structural change and reliance on subsidy. At the same time this will help agriculture and forestry contribute to meeting ambient air quality directives (2004/107/EC and 2008/50/EC), the Gothenburg Protocol which set limits for emissions of air pollutants, and the challenges set out in The European Roadmap on Resource Efficiency. Some funding through LEADER will be used to complement these activities.

Focus of programme, including fit with priorities and focus areas

Improving the environment will be delivered in a more targeted way. As the Commission and the ECA have noted, targeting is an important means for delivering environmental benefits efficiently[4]. Evaluation of current schemes also shows the value of and need for greater targeting. A national targeting framework and associated selection criteria are being developed to focus spend and actions in a way which is consistent with the needs identified in this Programme. The main focus of the new programme will be on biodiversity. The programme will also seek to target an important proportion of the spend on the delivery of biodiversity, water quality and flood management benefits together. These synergies will be identified and delivered as part of the targeting framework.

The new delivery arrangements will replace a number of existing schemes in to a single offer, building on and enhancing the Environmental Stewardship (ES), the English Woodland Grant Scheme (EWGS) and the Catchment Sensitive Farming schemes in the 2007-2013 RDPE.

The key needs identified for support under the programme will contribute directly to **Focus Areas 4(a),(b) and (c)**, and indirectly to Focus areas **5(c) and (d)**. In many cases, the needs overlap and contribute to a number of focus areas. For example, there is a strong overlap between activity to support biodiversity and that supporting water and soil management.

Increasing the productivity and efficiency of farming and forestry businesses will focus on improving business performance. Around €175m will be invested through the Programme. This will include helping farmers, forestry businesses and land managers to apply innovative practice, use technology, exchange knowledge and obtain advice and training. The EIP will also be implemented through the Programme.

With limited funds it is important that we target our farm spend to achieve the most impact for the support available.

Our priority is to take forward a series of integrated projects, which will combine advice, support for skills development, demonstration and investment in physical assets, and cooperation in a structured way. The projects will be focused and targeted around priority thematic objectives of improving animal health and welfare, improving resource efficiency and developing the woodfuel supply chain. The animal health and welfare projects will be targeted at the livestock and dairy sector. All projects will be geographically targeted: the animal health projects will deliver national objectives but will focus on areas particularly affected by animal endemic diseases. The resource efficiency projects will be targeted in three regions which are close to Natura sites; Shropshire; N.Devon and the Brecklands on Norfolk/Suffolk borders. The woodfuel projects will take place in three areas of particular importance to the woodfuel supply chain, in North East, North West and South West England.

We also intend to take forward support specifically for skills development and investment in physical assets in addition to these projects. The design of these schemes is based on thematic targeting; they will help to improve competitiveness across the sectors, and some specific support in individual sectors; for

example for investment in animal health and welfare in the livestock sector and resource efficiency in the arable sector. Although experience from the last programme tells us that take up of support is concentrated in geographical areas with a high density of particular types of technology, we do not want to restrict schemes to narrow geographical coverage and exclude potentially extremely valuable and successful projects outside of that coverage. This is important to ensure that schemes have the maximum amount of impact with the limited funds available.

The SWOT shows that all agricultural sectors have substantial variations in performance, from the leading, most productive businesses and early adopters of technology at one end of the spectrum, through to those who are most dependent on support to remain viable. Although there is some geographical clustering of businesses from particular sectors, in most cases farms from each sector can be found spread across England. Furthermore there are advantages in providing support across sectors; knowledge exchange and benchmarking between businesses can accelerate progress and farmers can cooperate in useful support networks across sectors.

The SWOT overwhelmingly identifies that for the whole of English agriculture across all sectors, the strongest drivers of improved performance are innovation in terms of both forward thinking business practice and take up of technology, skills and knowledge exchange. These are therefore the underlying themes in all of our farm productivity support; our goal is to encourage take up of high levels of innovation by high performers, then to support average performers to develop and move up to best practice.

The key needs identified for support under the programme will contribute to **Focus Areas 2(a) and (b); 3(a)(b) and 5(a),(b),(c)(d)**. In many cases, the needs overlap and contribute to a number of focus areas.

Promoting strong rural economic growth will deliver investment strategies developed by LEPs and an inclusive range of local partners. In line with the SWOT and needs assessment, the RDPE will provide targeted support in the agri-food and tourism sectors, alongside geographically targeted support for new and existing rural businesses across a wider range of sectors, linked to local conditions. The RDPE will also support limited strategic infrastructure investment in the final, hardest to reach rural areas that are still not benefiting from superfast Broadband; and in rural renewables where this offers both economic growth potential and community benefit in addressing fuel poverty. Finally, as a funder of last resort, RDPE will provide some limited support for non-agricultural skills and advice benefiting rural SMEs still facing barriers to accessing mainstream and commercial provision. €221m will be available through the RDPE for targeted investment in key sectors.

The key needs identified for support under the programme will contribute to Focus Areas **5(c)**, and **6(a),(b) and (c)**. Priority **6(a)** includes delivery of the LEADER approach and so a number of needs are repeated in this section.

LEADER

In England, LEADER Local Development Strategies will have a much greater focus on supporting rural jobs and growth. In terms of the overall balance of expenditure for LEADER, it is envisaged that nationally 70% of all projects must directly support rural growth. This could for example be through creating and developing SMEs. The remaining 30% of projects must also demonstrate that they are making a contribution to improving the local rural economy, by, for example projects which increase visitors to a particular area thereby increasing spend on local rural business and services.

LEADER activity will contribute to focus area 6(a).

[1] The consultation, Impact Assessment and Government responses and the SEA Scoping Report are available online.

[2] The exchange rate used for planning purposes was €1 = £0.80.

[3] This builds on a lessons learned identified as part of the CAP consultation.

[4] This was also identified as a key lessons learned from the CAP Implementation consultation.

5.2. The combination and justification of the rural development measures for each focus area including the justification of the financial allocations to the measures and the adequacy of the financial resources with the targets set as referred to in Article 8(1)(c)(ii) and (iii) of Regulation (EU) No 1305/2013. The combination of measures included in the intervention logic shall be based on the evidence from the SWOT analysis and justification and prioritisation of needs referred to in point 5.1

5.2.1. P1: Fostering knowledge transfer and innovation in agriculture, forestry and rural areas

5.2.1.1. 1A) Fostering innovation, cooperation, and the development of the knowledge base in rural areas

5.2.1.1.1. Choice of rural development measures

- M01 - Knowledge transfer and information actions (art 14)
- M02 - Advisory services, farm management and farm relief services (art 15)
- M16 - Co-operation (art 35)

5.2.1.1.2. Combination and justification of rural development measures

Spend under other focus areas will contribute indirectly to Focus area 1(a). The combined Total public expenditure across the programme for Knowledge transfer and information actions (Measure 1), Advisory services, farm management and farm relief services (Measure 2), and Cooperation (Measure 16). Total public expenditure on these combined measures will be circa €178.37m, which is around 4% of the total across the programme.

Justification for spend and the combination of measures is set out under other Focus Areas. Spend under these measures and elsewhere, outside of the programme and under Measure 20 (Technical Assistance), provides for significant investment in resources devoted to ensuring farmers (and others) have the necessary knowledge and advice to support delivery of activity and allow for increased levels of cooperation and collaboration.

We will be funding additional knowledge and advice to support regulatory environmental and climate issues outside of the RDP to fulfil the mandatory elements contained under Articles 12-14 of Regulation (EU) No 1305/2013.

Additionally, advice and cooperation will be used specifically within the RDPE under Measures 2 and 16 to support the implementation of agri-environment climate actions requiring reduction of inputs and deliver specific environmental benefits, such as water protection and to enable cooperation at a landscape scale to deliver greater environmental benefits. Appropriate guidance and support is also provided to beneficiaries, (in part through use of Technical Assistance), to help to ensure delivery of actions in specific sites of high environmental value (SSSI or Natura 200 sites) and to support air, soil and water protection and biodiversity, plant health and climate actions.

Additionally, we intend to utilise where possible the concept of integrated projects for farming and forestry sector activity, whereby skills, advice and investment in physical assets are combined to ensure best value for money from investments across RDP to support delivery of Priority 1, eg in integrated projects for nitrogen efficiency.

5.2.1.2. 1B) Strengthening the links between agriculture, food production and forestry and research and innovation, including for the purpose of improved environmental management and performance

5.2.1.2.1. Choice of rural development measures

- M16 - Co-operation (art 35)

5.2.1.2.2. Combination and justification of rural development measures

Spend targeted under focus area 1B will be delivered under other focus areas. Targets set for the programme under the Priority are based on the total number of expected cooperation operations to be delivered under **Measure 16** against a total spend of €40m.

Spend to support projects conducted by EIP Operational Groups is part of this figure. EAFRD cannot be used to support stand-alone Research and Development activity, but EIP Operational Groups are one part of a wider package of support for applied research in the UK outside of the EAFRD support, including UK domestic funding supported via the UK Strategy for Agricultural Technologies for accessing R&D funding via Horizon 2020. This will help address a key weakness identified around limited application of research knowledge into practice and lack of infrastructure and support to draw partners together. Funding of around €6m will be used to support EIP Operational Groups on agricultural productivity and sustainability, providing complementary funding to help researchers and producers work together to develop ideas, solve production issues and apply research.

Funding for wider cooperation activity is also profiled under other Priority Focus areas, with spend of around €59m. In comparison with the previous Programme, funding is expected to be provided for larger, more integrated cooperation projects under the new RDP and targets are generally based on a 100% uplift of average costs for cooperation activity under the 2007-2013 programme.

Funding to support cooperation relating to agri-environment will be based on the concept and principles of Nature Improvement Areas (NIAs). This will support co-ordinated delivery across land holdings at sufficient scale to deliver environmental outcomes and help support and empower farmer led approaches.

The various outcomes of the approaches outlined will be used in part to support the delivery of climate change adaptation and mitigation objectives.

5.2.1.3. 1C) Fostering lifelong learning and vocational training in the agricultural and forestry sectors

5.2.1.3.1. Choice of rural development measures

- M01 - Knowledge transfer and information actions (art 14)

5.2.1.3.2. Combination and justification of rural development measures

Spend targeted under Priority 1C will be delivered under other focus areas. The target indicator in this Focus Area is the sum of all participants in RDP training under the other Focus Areas.

Support will address a clear **weakness** identified via the SWOT and needs assessment around underprovision in the agricultural and forestry sectors and barriers to growth for rural firms due to the more sparse population in rural areas. Skills levels and knowledge among staff are key to generating and adopting new innovations. However, individual firms are unlikely to capture the full benefits of investing in educating and training a mobile workforce. This provides a strong rationale for government to support investment in education and skills of workers across the economy, including in the land management sectors. This has been weighed against the **threat** of ‘crowding out’ private sector activity in the market for knowledge. Total public expenditure to support skills across the programme is €67.5m. This funding, delivered under **Measure 1**, is designed to help catalyse growth in rural areas and “future-proof” the farming and forestry sectors to help make them resilient to wider structural change.

The percentage of spend to support skills and knowledge transfer has been increased, in part because of evidence of high Benefit Cost Ratios for training. The 2014-2020 Programme is expected to support longer and more intensive training at the higher end of the spectrum, and will build upon the current Skills Framework, including key lessons learned. Support will be for a wider diffusion of both industry-specific technical skills and general business management training to help improve productivity and competitiveness. This would also support the uptake of innovation, climate change mitigation and adaptation activities, and improve environmental and economic performance.

5.2.2. P2: Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests

5.2.2.1. 2A) Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification

5.2.2.1.1. Choice of rural development measures

- M01 - Knowledge transfer and information actions (art 14)
- M02 - Advisory services, farm management and farm relief services (art 15)
- M04 - Investments in physical assets (art 17)
- M06 - Farm and business development (art 19)
- M16 - Co-operation (art 35)

5.2.2.1.2. Combination and justification of rural development measures

Around €108m of spend will be focused under Priority 2A to support the agriculture and forestry sectors to become more competitive, enable them to innovate and improve business performance.

Around €38m of support will be used to provide training and advice to farmers and foresters under **Measures 1 and 2** to help improve business, managerial and entrepreneurial skills, climate resilience and technical knowledge through tailored advice and demonstration activities.

Around €59m of support will be for capital investments for farmers via **Measure 4** will be based on thematic targeting; we intend to focus on improvements to animal health, welfare and productivity, resource efficiency, and competitiveness in the farming supply chain across all sectors. This is important to ensure that schemes have the maximum amount of impact with the limited funds available. These investments can support climate change adaptation and mitigation. The rationale for support is the need to increase take up of the most effective farming practices and technologies available and thus improve on-farm productivity.

The remaining 10% of resources will be channelled through co-operative activity under **Measure 16** intended to encourage groups of farmers and foresters to work together to improve knowledge transfer and co-operation. Spend supported through LEADER approach will complement this, drawing on the Investments in Physical Assets and Farm and Business Development measures (**Measures 4 and 6** respectively). It will build on good practice in delivery.

5.2.2.2. 2B) Facilitating the entry of adequately skilled farmers into the agricultural sector and, in particular, generational renewal

5.2.2.2.1. Choice of rural development measures

- M02 - Advisory services, farm management and farm relief services (art 15)
- M06 - Farm and business development (art 19)

5.2.2.2.2. Combination and justification of rural development measures

Spend of just over €13m will be allocated to encourage young people and new entrants into farming. This type of activity has not been funded in England before. Funding is therefore fairly modest to test out the approach, but will address the **weakness** identified under the SWOT and needs assessment around a lack of young farmers and new entrants entering the industry and the need for more effective generational change.

Support will take the form of resources to help new entrants invest in and operate their business during the early years of the business, as well as providing some limited tailored advice to address specific business operation issues. We are testing out this approach and expect to provide grants of between €40,000 - €70,000 start-up or business support to around 125 farmers, with other support for business development where appropriate. Thus young people and new entrants will be eligible for support under the Farm and Business Development measure (**Measure 6**) which will assist them in building businesses and sustainable careers in agriculture and forestry. This will include both technical and business skills provision and early capital investments based on business plans. A small level of advice which will be supported under **Measure 2**. We recognise that this is a new approach in England, but will evaluate the approach to test value for money and impact.

New entrants to the industry provide an opportunity to embed consideration of climate change mitigation and adaptation.

5.2.3. P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture

5.2.3.1. 3A) Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and inter-branch organisations

5.2.3.1.1. Choice of rural development measures

- M01 - Knowledge transfer and information actions (art 14)
- M02 - Advisory services, farm management and farm relief services (art 15)
- M16 - Co-operation (art 35)

5.2.3.1.2. **Combination and justification of rural development measures**

Spend of around €17m will be allocated to address barriers to the delivery of more robust food supply chains, such as lack of easy access to market, building on lessons learned under the Rural Economy Grant approach in the 2007-2013 programme. Funding will help capitalise on the **opportunity** identified to strengthen cooperation and collaboration between land owners, primary producers and businesses. Improved cooperation and collaboration will enable businesses to respond to market demand and increase their competitiveness in domestic and global market places, and support the identified need for the industry to become more self-sustaining, market facing and less reliant on direct public subsidy.

Benchmark indicators are based on 2007-2013 average costs.

Funding will take the form of a mixture of support under the cooperation measure (**Measure 16**) and training and advice (**Measures 1 and 2**). Support will include supporting participation of farmers and businesses in the European Innovation Partnership (around €6m), alongside undertaking pilot projects and facilitating more effective working and knowledge transfer between members of the food supply chain. Supply chain activity will include funding to develop the market for wild venison. This will help enhance the economic viability of deer management, reducing longer term dependency on government intervention. Efficient and resilient supply chains support climate change adaptation and mitigation.

As noted under Priority 1B, around €6m cooperation funding for non-EIP activity is based on the expectation that larger, integrated cooperation projects will be funded under the 2014-2020 Programme. The remainder of the funding (around €5m) will support skills and advice provision on the principle that advice and skills facilitate knowledge transfer across supply chains.

Across all Priority Focus Areas under **Priorities 2, 3 and 5**, the rationale for providing support for improved knowledge transfer and increased awareness alongside capital investment is that this allows for integration of improved acquisition of skills and advice alongside grants to support material change.

5.2.3.2. 3B) Supporting farm risk prevention and management

5.2.3.2.1. Choice of rural development measures

- M01 - Knowledge transfer and information actions (art 14)
- M02 - Advisory services, farm management and farm relief services (art 15)
- M16 - Co-operation (art 35)

5.2.3.2.2. Combination and justification of rural development measures

Around €11m spend will focus on activities intended to raise awareness of and take up of best practice among farmers in relation to animal health and welfare issues. This builds on **opportunities** identified in the SWOT and needs assessment to make continued improvements in health and welfare through targeted disease specific and more generic biosecurity measures. It will also help address the threat of climate change exacerbating pressures on animal health and welfare identified in the SWOT.

Approximately 70% of resources are envisaged to be targeted at co-operative activities using **Measure 16** to raise awareness of animal diseases and improve preventative activities with the remainder being targeted more at specific issues at farm level through a mixture of general training and advice using **Measures 1 and 2**, building on good practice identified under the 2007-2013 programme such as the North West Livestock programme (NWLP) and South West Healthy Livestock Initiative (SWHLI) which have delivered a range of support including advice and skills.[1] Targets are based on benchmarks from the 2007-2013 programme.

Across all Priority Focus Areas under **Priorities 2, 3 and 5**, the rationale for providing support for improved knowledge transfer and increased awareness alongside capital investment is that this allows for integration of improved acquisition of skills and advice alongside grants to support material change.

[1] CCRI 2013 An Assessment of the Social Return on Investment of Axes 1 and 3

5.2.4. P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry

5.2.4.1. 4A) Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints and high nature value farming, as well as the state of European landscapes

5.2.4.1.1. Measures for agricultural land

- M02 - Advisory services, farm management and farm relief services (art 15)
- M04 - Investments in physical assets (art 17)
- M07 - Basic services and village renewal in rural areas (art 20)
- M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)
- M10 - Agri-environment-climate (art 28)
- M11 - Organic farming (art 29)
- M16 - Co-operation (art 35)

5.2.4.1.2. Measures for forestry land

- M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)
- M15 - Forest environmental and climate services and forest conservation (art 34)

5.2.4.1.3. **Combination and justification of rural development measures**

Total spend of around €3.45bn across Priority 4 focus areas will help meet key environmental objectives, including Biodiversity 2020 and WFD commitments. Defra's Impact Assessment shows that agri-environment schemes have had high quantified benefit to cost ratios. Some €2.29bn of new RDPE funds or about 70% of this spend will continue to finance existing commitments under the previous schemes. The SEA suggests that the focus is likely to result in a range of significant environmental impacts.

We plan to spend €1,16bn of new spend on our environmental land management priorities which will focus primarily on biodiversity (75%) with a main secondary focus on water and will build on the environmental benefits obtained under the 2007-2013 RDPE. The targeting approach is set out in M10.1.

The majority of spend will be delivered via **Measure 10 and Measure 4** including a small scale grants offer (**Measure 4**) with a clear environmental benefit. **Measure 7** will deliver historic environment and access in rural areas.

Measure 4 will also deal with flood risk, reduce agricultural diffuse pollution and enhance biodiversity. Genetic diversity payments will help crops and livestock adapt to future needs and challenges. Similar spend on forestry to the 2007-13 RDPE (**Measures 8 and 15**) will help increase woodland creation; maintain woodland management; reduce fragmentation and enhance ecosystem services. Forestry measures will also limit the impact of endemic and exotic pests and diseases.

Measure 11 (Organics) will provide additional investment (around €15m) in organic farming, offering support for those farmers wishing to convert to or maintain organic systems. Measure 11 will be delivered as part of our broader agri-environment-climate approach, alongside operations supported through Measure 10.

About €19m funding will be used for advice provision (**Measure 2**) and about €9m for cooperation (**Measure 16**). Both will support delivery of the priorities. Measure 16 will be used to co-ordinate action through stakeholder-led local groups.

Investments under measure 10 will contribute to focus areas 4(a)(b)(c) and contribute indirectly and contribute indirectly to 5(d)(e). Fuller details of how the commitments contribute to the focus areas is set out in the tables at 8.2.7.3.1.2. Description of the type of operation.

A breakdown by Priority 4 Focus area's i.e. against Biodiversity, Water and Soil is provided in the Indicator plan – the corresponding hectare figures for 2023 are:

Agriculture

4A Biodiversity and landscape	2,387,000 ha
4B Water	2,024,000 ha
4C Soil	2,284,000 ha

How the activities programmed will contribute to targets and outcomes of other relevant EU and national environment policies is described in the groups of operations at 8.2.7.3.1.2. Description of the type of operation.

Agriculture ha

5.2.4.2. 4B) Improving water management, including fertiliser and pesticide management

5.2.4.2.1. Measures for agricultural land

- M02 - Advisory services, farm management and farm relief services (art 15)
- M04 - Investments in physical assets (art 17)
- M07 - Basic services and village renewal in rural areas (art 20)
- M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)
- M10 - Agri-environment-climate (art 28)
- M11 - Organic farming (art 29)
- M16 - Co-operation (art 35)

5.2.4.2.2. Measures for forestry land

- M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)
- M15 - Forest environmental and climate services and forest conservation (art 34)

5.2.4.2.3. Combination and justification of rural development measures

The broad rationale for delivery of Focus Area 4B is set out under Focus Area 4A. The approach taken to deliver our environmental land management priorities is designed to restore and preserve biodiversity, improve water and soil management and prevent soil erosion. Spend of around €3.45bn across the three Priority 4 focus areas will help meet key environmental objectives, including Biodiversity 2020 and Water Framework Directive (WFD) commitments.

Of particular importance for Focus Area 4B is the need to address a key **weakness** identified under the SWOT. There are significant failures in Protected Areas objectives and achievement of Good Ecological Status for many water bodies as a result of diffuse water pollution from agriculture. Delivery of particular land management practices will also be costly for farmers to deliver. These include delivery of support for wetlands, woodlands, rural sustainable drainage, arable reversion and taking land out of production.

The targeting framework has been developed to address the greatest possible number of WFD failures please see attached.

Intervention on these issues through the Programme can deliver benefits to the water environment by: reducing the source of pollutants to waters; stopping the movement of pollutants into waters from source; protecting water itself; and reducing localised flood risk, using the main agri-environment payments measure, which is **Measure 10**. Capital investments using **Measure 4** can also support water storage and efficiency activities and will also help address further needs for better water quality and management.

A similar combination of advice to farmers (using **Measure 2**) alongside capital grants to the 2007-2013 Programme Catchment Sensitive Farming scheme will be offered initially, but it is intended to dovetail with other capital grants and multi-annual agreements during the programming period. Advice will cover issues related to water protection (for example: nutrient management, soil management, livestock management, farm infrastructure and land use change) and wider issues as required. It will exceed formal requirements.

Across all water bodies (groundwater, rivers, lakes, coastal and transitional waters and wetlands) and all objectives:

- (i) areas designated for the abstraction of water intended for human consumption under Article 7;
- (ii) areas designated for the protection of economically significant aquatic species;
- (iii) bodies of water designated as recreational waters, including areas designated as bathing waters under Directive 76/160/EEC;
- (iv) areas designated for the protection of habitats or species where the maintenance or improvement of the status of water is an important factor in their protection, including relevant Natura 2000 sites designated under Directive 92/43/EEC (1) and Directive 79/409/EEC (2).
- (v) Good ecological status or potential.

The options developed have been designed to address reducing the source of pollutants to waters, stopping the movement of pollutants into waters from source, reducing localized flood risk and support water storage and efficiency activities. For example very low nitrogen inputs to groundwaters would reduce the source of pollutants, 12 – 24m watercourse buffer strip on cultivated land would stop the movement of pollutants and swales to support increased infiltration to reduce localised flood risk. Rainwater goods management will support water efficiency and creation of wet grassland supporting water storage.

Water targeting

5.2.4.3. 4C) Preventing soil erosion and improving soil management

5.2.4.3.1. Measures for agricultural land

- M02 - Advisory services, farm management and farm relief services (art 15)
- M04 - Investments in physical assets (art 17)
- M07 - Basic services and village renewal in rural areas (art 20)
- M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)
- M10 - Agri-environment-climate (art 28)
- M11 - Organic farming (art 29)
- M16 - Co-operation (art 35)

5.2.4.3.2. Measures for forestry land

- M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)
- M15 - Forest environmental and climate services and forest conservation (art 34)

5.2.4.3.3. Combination and justification of rural development measures

The broad rationale for delivery of Focus Area 4C is set out under Focus Area 4A. The is designed to restore and preserve biodiversity, improve water and soil management and prevent soil erosion.

Of particular importance for Focus Area 4C is the need to address a key **opportunity** identified under the SWOT around improving approaches to soil management to significantly reduce the need for irrigation; and a **threat** around continued environmental degradation, particularly soil quality which could significantly and negatively affect the farming sector in the longer term.

Cross-compliance (which includes for example a requirement to follow Nitrate Vulnerable Zone rules) and the introduction of “greening” requirements in Pillar 1 will provide for additional environmental activity outside the programme. The need to continue to promote voluntary action of farmers is also important, particularly through the Campaign for the Farmed Environment, the Pesticides Voluntary Initiative (which aims to reduce pesticide contamination in catchments across the country) and catchment based approaches which can also help improve water protection. Soil erosion in England will also be tackled under cross compliance, with more targeted intervention through the new programme.

Support under the programme will principally be through the main agri-environment payments and measure, **Measure 10**, alongside advice and investments in physical assets, using **Measures 2 and 4**.

5.2.5. P5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors

5.2.5.1. 5A) *Increasing efficiency in water use by agriculture*

5.2.5.1.1. Choice of rural development measures

- M01 - Knowledge transfer and information actions (art 14)
- M02 - Advisory services, farm management and farm relief services (art 15)
- M04 - Investments in physical assets (art 17)

5.2.5.1.2. **Combination and justification of rural development measures**

The need to support greater resilience to climate change and against the **threat** of increases in extreme weather events will be met by supporting a range of measures including improved water management and high-flow water reservoirs. A more targeted approach to improve value for money further is expected, with focus also too on skills and advice under **Measures 1 and 2**. Support across **Priority 5** is around €27.5m.

The majority of funding (around 80%) under this focus area will support investment in equipment using **Measure 4**, particularly for reservoirs in drought affected areas and for techniques such as rainwater harvesting. Training and advice will help farmers and land managers to reduce or make more efficient use of water in production processes.

Across all Focus Areas under **Priorities 2, 3 and 5**, the rationale for providing support for improved knowledge transfer and increased awareness alongside capital investment is that this allows for integration of improved acquisition of skills and advice, alongside grants to support material change.

5.2.5.2. 5B) *Increasing efficiency in energy use in agriculture and food processing*

5.2.5.2.1. **Choice of rural development measures**

- M01 - Knowledge transfer and information actions (art 14)
- M02 - Advisory services, farm management and farm relief services (art 15)
- M04 - Investments in physical assets (art 17)

5.2.5.2.2. **Combination and justification of rural development measures**

Under Focus Area 5B, around €5m spend will be used to encourage farmers to raise awareness among farmers of energy efficient technologies and to encourage them to invest in cutting edge technology for their businesses. Support across **Priority 5** will be €27.5m.

Support for resource efficiency and management helps support an improvement in the ratio of farm key

inputs such as fertiliser, energy and water, to outputs through targeting beneficial infrastructure, technology, practices and knowledge exchange mechanisms. Funding will address a **threat** around lack of awareness within the farming sector of opportunities to improve resource efficiency in farming practices. Support will also help reduce environmental effects and make farmers more productive, as well as help reduce the effects of agricultural practice on climate change.

Support will also be available to provide training and advice to users about using this equipment effectively. Approximately 80% of the relevant budget will be available to encourage investment in equipment under **Measure 4**. Advice and capital investment will be available to farmers and land managers to reduce or make more efficient use of energy.

5.2.5.3. 5C) Facilitating the supply and use of renewable sources of energy, of by products, wastes, residues and other non food raw material for the purposes of the bio-economy

5.2.5.3.1. Choice of rural development measures

- M01 - Knowledge transfer and information actions (art 14)
- M02 - Advisory services, farm management and farm relief services (art 15)
- M04 - Investments in physical assets (art 17)
- M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)

5.2.5.3.2. Combination and justification of rural development measures

Under Focus Area 5C, around €10m spend will be used to raise awareness among farmers of renewable sources of energy and to encourage them to invest in cutting edge technology for their businesses to help reduce wastes and other residues. This will include biomass and wood-fuel (wood-chip and firewood logs). Approximately 80% of the resources will be available to encourage investment in equipment using **Measures 4 and 8**, while training and advice under **Measures 1 and 2** will help ensure its effective use. Support across **Priority 5** will be €27.5m.

Across all Priority Focus Areas under **Priorities 2, 3 and 5**, the rationale for providing support for improved knowledge transfer and increased awareness alongside capital investment is that this allows for integration of improved acquisition of skills and advice, alongside grants to support material change.

5.2.5.4. 5D) Reducing green house gas and ammonia emissions from agriculture

5.2.5.4.1. Choice of rural development measures

- M01 - Knowledge transfer and information actions (art 14)
- M02 - Advisory services, farm management and farm relief services (art 15)
- M04 - Investments in physical assets (art 17)

5.2.5.4.2. Combination and justification of rural development measures

Under Focus Area 5D, around €5m spend will be used to encourage farmers and foresters to invest in equipment designed to reduce green-house gas and ammonia emissions. 90% of the funds will be used to encourage investment in technologies and techniques that minimise emissions under **Measures 4 and 8**. Support will also be available for tailored training and advice to ensure new technologies and techniques are being deployed effectively, using **Measures 1 and 2**. Support across **Priority 5** will be €27.5m.

Funding will address a **threat** around lack of awareness within the farming sector of opportunities to improve resource efficiency in farming practices. Support will also help reduce environmental effects and make farmers more productive, as well as help reduce the effects of agricultural practice on climate change.

While the SWOT identified **decreasing greenhouse gas and ammonia emissions from agricultural soils and livestock**, there remains a need to address market failures and negative externalities since the damage to the climate caused by agricultural activities is not factored into the agricultural production decisions through market prices.

Across all Priority Focus Areas under **Priorities 2, 3 and 5**, the rationale for providing support for improved knowledge transfer and increased awareness alongside capital investment is that this allows for integration of improved acquisition of skills and advice, alongside grants to support material change.

5.2.5.5. 5E) Fostering carbon conservation and sequestration in agriculture and forestry

5.2.5.5.1. Choice of rural development measures

- M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)
- M10 - Agri-environment-climate (art 28)

5.2.5.5.2. Combination and justification of rural development measures

We have not profiled spend against Focus Area 5E, although as noted in the SWOT, forests play an important role in carbon sequestration, with management and afforestation providing an effective means of climate change mitigation. Advice will also be given to land managers on soil and woodland management to ensure appropriate targeting of interventions under both forestry and agri-environment

climate measures. This should mean around 15% of the total area supported through agri-environment agreements will contribute to meeting aims under this Focus Area.

5.2.6. P6: Promoting social inclusion, poverty reduction and economic development in rural areas

5.2.6.1. 6A) *Facilitating diversification, creation and development of small enterprises, as well as job creation*

5.2.6.1.1. Choice of rural development measures

- M06 - Farm and business development (art 19)
- M16 - Co-operation (art 35)
- M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)

5.2.6.1.2. **Combination and justification of rural development measures**

Investment of around €279m will be targeted towards business growth and job creation under this Focus Area. This will help address a key **opportunity** identified in the SWOT to increase support for small and micro-enterprises through capital investment, alongside business training and advice (part of Priority **6B**) to help them overcome barriers to growth such as access to finance and business space.

The majority of spend under this focus area will be through LEADER, a budget of €174m.

Non-LEADER support to 6A will amount to €93m, and will be delivered under **Measure 6**: farm and business development mainly in the form of capital grants. However, to address a further **opportunity** identified in the SWOT, around €12.5m of this spend will be directed towards cooperation activity to promote innovation and knowledge transfer through shared experience and cooperation, under **Measure 16**. Spend in the 2014-2020 programming period will ensure the rural economy benefits from growth as the economic outlook starts to improve and builds on good practice from the 2007-2013 programme. The level of support is based on local needs identified through Local Enterprise Partnership investment strategies.

Spend on business support will also be complemented by investment of around €121m through the LEADER approach which will lead to increased job creation or increased productivity. LEADER can add value to investments across the wider economic geographies identified at Local Enterprise Partnership area to drive forward growth and jobs in specific rural areas. LEADER funding for basic services and village renewal will also help realise an **opportunity** identified in the SWOT to invest in village infrastructure and help address **weaknesses** in access to public services.

Retaining the vibrancy of rural communities, and creating a platform for economic growth is important and around €33.5m of investment will contribute to supporting this.

5.2.6.2. 6B) *Fostering local development in rural areas*

5.2.6.2.1. **Choice of rural development measures**

- M01 - Knowledge transfer and information actions (art 14)
- M02 - Advisory services, farm management and farm relief services (art 15)
- M07 - Basic services and village renewal in rural areas (art 20)
- M16 - Co-operation (art 35)

5.2.6.2.2. **Combination and justification of rural development measures**

Around €26m of investment will be used to support tourism using **Measures 7 and 16**. There is a strong tourism sector in England, and tourism is a significant contributor to GDP. However there remain weaknesses for rural areas in terms of the lack of join-up and seasonality of the tourism offer and an opportunity to strengthen and encourage growth via sound destination management.

Around €26m will also be invested in renewable energy to capitalise on the growing renewable energy sector and the **opportunity** to enhancing benefits to communities from renewable energy.

Finally, around €44m will be invested in the provision of skills and advice in rural areas. Advice support will work alongside support for businesses and skills to provide an integrated offer at local level for businesses in rural areas.

5.2.6.3. 6C) *Enhancing the accessibility, use and quality of information and communication technologies (ICT) in rural areas*

5.2.6.3.1. **Choice of rural development measures**

- M07 - Basic services and village renewal in rural areas (art 20)

5.2.6.3.2. **Combination and justification of rural development measures**

RDP spend of around €19m under **Measure 7** will provide capital grants to support the rollout of broadband in the final 5% of areas including the use of innovative technology to ensure access where traditional fibre broadband is not the most cost effective option.

Spend supports SMEs and social enterprises to exploit e-commerce opportunities by trading online and use digital technology to increase productivity. It addresses a key **weakness** that many rural areas where the provision of superfast broadband is not commercially viable.

The Government is already investing €975m through Broadband Delivery UK to provide 90-95% of premises with superfast broadband coverage by 2017. Whilst Broadband Delivery UK will cover a large proportion of rural England, there remains a need to increase investment for the 5-10% hardest to reach rural locations, where average broadband speeds in sparse hamlets & isolated dwellings are far lower than in less sparse urban areas.

Investment in super-fast broadband generates good value for money with a net return of €5.25 for every €1 spent and an estimated net present value of €110m in 2013 prices over a 12 year period. Spend supports SMEs and social enterprises to exploit e-commerce opportunities by trading online and use digital technology to increase productivity. This drives enterprise productivity growth for firms, increased teleworker productivity through reduced commuting and also provides increased participation of disabled people and carers in the workforce. It is also likely to generate CO2 savings.

5.3. A description of how the cross-cutting objectives will be addressed, including the specific requirements in Article 8(1)(c)(v) of Regulation (EU) No 1305/2013

Innovation

‘Innovation’ refers to the successful exploitation of new ideas, business practices, techniques or technologies or the take up of existing practice by new businesses or sectors.

Innovation can generate higher productivity, the protection and enhancement of the natural environment, improved animal health and welfare, and economic growth. The OECD identified that innovation is one of the key drivers of productivity growth in agriculture.

The UK government is already encouraging innovation through a number of routes, with particular focus on application in the field. Linking businesses and practitioners more closely with researchers and making use of existing research that has not yet been fully applied are both important to make best use of research available. Outside the RDP the Government is investing in a new UK strategy for Agricultural Technologies (which includes a budget of £160m for applied research) and Sustainable Intensification Research Platform in England to improve translation of research into practice.

Further support for innovation under the RDP will build on and complement such existing investments: funding is expected to be made available for EIP Operational Groups to apply research and innovation more swiftly and more widely in practice. EIP Operational Groups will involve actors such as farmers, foresters, researchers coming together and applying for funds with project plans and, if successful, conduct the project and share the results. RDP funding will focus on applying existing information into practice or testing out an approach as a pilot. The National Rural Network (NRN) will provide information and forums to help potential Operational Group participants to meet and develop ideas.

The Programme will embed innovation as a priority across all investments under RDP in practice by:

- continuing to build on efforts in the previous Programme to move farm and forestry businesses above standard practice, and how this might be clarified and increased in ambition in some area so that innovation is encouraged. For instance, all LEADER Local Development Strategies will be innovative in character, aiming at introducing new ideas or approaches to the area and not simply defend ‘business as usual’;
- balancing the use of Government expenditure under the Programme between projects associated with high levels of innovation, and those involving more established activities, and whether separate funding might be set aside for innovative projects which have high potential but also higher levels of risk. Funding for unproven renewable energy technologies will be explored, adding value by providing grants in an area where commercial funding may be more difficult to attract;
- increasing the focus of spend on development of technical skills, advice, knowledge exchange, demonstration activity, and cooperation between businesses so that businesses are well placed to adopt innovation and to spread the approach through networks. Advice and training for those taking on new technologies or business practices will help them make the most of the investments to grow their businesses;
- building innovation into the delivery of support, for example by supporting training which is delivered using innovative methods and new technology. Our environmental land management priorities will be delivered in a more targeted way which will provide the opportunity to realise benefits at landscape as well as individual scale.

Climate change adaptation and mitigation

In the UK National Adaptation Programme Defra committed to embed adaptation into the design and implementation of the RDPE. There are further specific commitments for adaptation in the forestry and agri-environment elements of the programme. Adaptation activity in the RDPE will cover directly increasing a farm, forest or ecosystem's resilience to the impacts of climate change and climate proofing other activities to ensure they are suitable for the future climate.

The agricultural industry has put in place a GHG Action Plan designed to reduce emissions by improving efficiency of agricultural production (e.g. enabling more targeted application of fertilisers and reducing losses within the livestock sectors). Activity funded through the Programme will complement that plan.

A process will be established allowing climate change objectives and obligations to be addressed, where appropriate, in the allocation of, and assessment of applications for, funding. Guidance and support provided to applicants will incorporate climate change. Funding allocations will be weighted towards activities which support climate change adaptation. Applications aimed explicitly at mitigating or adapting to climate change will be encouraged.

Programme delivery will embed resilience building and climate proofing. The best available evidence is used to inform design, measures and options of delivery. Climate change is included in targeting allowing the Programme to tackle both specific impacts and consider climate change in activity to meet wider objectives.

The environmental land management priority of restoring, preserving and enhancing the natural environment will increase resilience to climate change by reducing fragmentation and improving the condition of habitat sites. Activity on resource efficiency and farm and forestry resilience will support adaptation. The LEADER and rural growth priorities can also support adaptation activity.

Evidence from the current RDPE (2007-2013), indicates that existing funding priorities have had a significant impact on GHG emissions. Applications for funding will where relevant be assessed to ensure that they do not increase emissions, and where possible reduce them. That assessment will consider both the emissions intensity of outputs and the impact on total emissions.

Climate change mitigation will be delivered through the programme in the following ways:

- Agricultural emissions –support will be prioritised for the uptake of efficiencies which reduce the GHG emissions intensity of agricultural outputs;
- Carbon storage in soils and vegetation – support through our environmental land management priorities will be available to restore and protect carbon rich soils and create new woodland areas. Targeting will include data on carbon storage;
- Sustainable production of bioenergy - such as measures to support sustainable harvesting of woodfuel.

Environment

The environment is central in our proposals for the next Programme, as a core part of the ambition to achieve smart, *sustainable* and inclusive growth. The SWOT analysis describes how the continuation and optimisation of the benefits received from the natural world is critical to future sustainable prosperity and wellbeing. The Ecosystem Markets Task Force report[1] urges business to integrate the real value of nature into their thinking, noting that it is as vital to invest in these services as in innovation or

infrastructure Such a shift will be pursued through the Programme.

Core elements for this approach include:

- Understanding, promoting and rewarding the multiple benefits that our natural environment provides, blending economic and intrinsic values;
- Recognising that a healthy natural environment is fundamental to the achievement of the smart sustainable and inclusive growth ambitions of EU 2020 and Government priorities;
- Supporting smarter use of finite natural resources and ecological processes that are integral to the future competitiveness and productivity of the agriculture and forestry sectors. There are opportunities to reduce costs, innovate and develop long term competitive advantage;
- Placing the environment at the heart of a vibrant rural economy, reducing waste and pollution and harnessing the potential for the environment to underpin new business opportunities;
- Improved planning for the natural environment, considering the scale at which natural processes operate and targeting of RDP funded initiatives and delivering them in a more coordinated, collaborative and locally responsive way;
- Increasing the skills base of the agriculture and forestry sectors in environmental management, through training and knowledge transfer to help land managers optimise their resources and harness their land and business potential to deliver multiple outcomes for them and wider society.

Key components in the programme that can enable this will be:

- Rewarding land managers for the provision of environmental public benefits, where there is market failure, combining multi-annual payments with advocacy and advice. These funding will be targeted to areas with the greatest potential to deliver priority multiple environmental outcomes and delivered in a more coordinated and locally sensitive way;
- A range of targeted grants that enable land management businesses to invest in more efficient use of natural resources and reduce pollution;
- Advice and skills that can blend environmental and productivity knowledge transfer with a single first point of contact;
- Working more closely with advocacy and advice provision from the farming and forestry sectors and conservation bodies to provide clear and consistent messages and reduce duplication of effort; and
- Working more frequently through partnership projects and initiatives that can provide delivery level join-up of RDP incentives.

[1] Realising nature's value: The Final Report of the Ecosystem Markets Task Force. March 2013

5.4. A summary table of the intervention logic showing the priorities and focus areas selected for the RDP, the quantified targets, and the combination of measures to be used to achieve them, including the planned expenditure (table automatically generated from the information provided in sections 5.2 and 11)

Priority 1				
Focus Area	Target indicator name	Target value 2023	Planned expenditure	Combination of measures
1A	T1: percentage of expenditure under Articles 14, 15 and 35 of Regulation (EU) No 1305/2013 in relation to the total expenditure for the RDP (focus area 1A)	4.43%		M01, M02, M16
1B	T2: Total number of cooperation operations supported under the cooperation measure (Article 35 of Regulation (EU) No 1305/2013) (groups, networks/clusters, pilot projects...) (focus area 1B)	135.00		M16
1C	T3: Total number of participants trained under Article 14 of Regulation (EU) No 1305/2013 (focus area 1C)	123,255.00		M01
Priority 2				
Focus Area	Target indicator name	Target value 2023	Planned expenditure	Combination of measures
2A	T4: percentage of agricultural holdings with RDP support for investments in restructuring or modernisation (focus area 2A)	3.32%	108,125,000.00	M01, M02, M04, M06, M16
2B	T5: percentage of agricultural holdings with RDP supported business development plan/investments for young farmers (focus area 2B)	0.12%	13,125,000.00	M02, M06
Priority 3				
Focus Area	Target indicator name	Target value 2023	Planned expenditure	Combination of measures
3A	T6: percentage of agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations (focus area 3A)	0.05%	16,875,000.00	M01, M02, M16
3B	Number of participants in trainings (focus area 3B) (Number of people)	2,800.00	10,625,000.00	M01, M02, M16
Priority 4				
Focus Area	Target indicator name	Target value 2023	Planned expenditure	Combination of measures
4A (agri)	T9: percentage of agricultural land under management contracts supporting biodiversity and/or landscapes (focus area 4A)	27.38%	3,353,143,455.00	M02, M04, M07, M08, M10, M11, M16
4B (agri)	T10: percentage of agricultural land under management contracts to improve water management (focus area 4B)	23.22%		
4C (agri)	T12: percentage of agricultural land under management contracts to improve soil management and/or prevent soil erosion (focus area 4C)	25.09%		
4A (forestry)	T8: percentage of forest/other wooded area under management contracts supporting biodiversity (focus area 4A)	11.15%	99,269,477.00	M08, M15
4B (forestry)	T11: percentage of forestry land under management contracts to improve water management (focus area 4B)	7.69%		
4C (forestry)	T13: percentage of forestry land under management contracts to improve soil management and/or prevent soil erosion (focus area 4C)	3.85%		
Priority 5				
Focus Area	Target indicator name	Target value 2023	Planned expenditure	Combination of measures
5A	T14: percentage of irrigated land switching to more efficient irrigation system (focus area 5A)	0.99%	8,437,500.00	M01, M02, M04
5B	T15: Total investment for energy efficiency (€) (focus area 5B)	9,375,000.00	4,687,500.00	M01, M02, M04
5C	T16: Total investment in renewable energy production (€) (focus area 5C)	21,875,000.00	9,687,500.00	M01, M02, M04, M08

5D	T17: percentage of LU concerned by investments in live-stock management in view of reducing GHG and/or ammonia emissions (focus area 5D)	0.26%	4,687,500.00	M01, M02, M04
	T18: percentage of agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions (focus area 5D)			
5E	T19: percentage of agricultural and forest land under management contracts contributing to carbon sequestration and conservation (focus area 5E)			M08, M10
Priority 6				
Focus Area	Target indicator name	Target value 2023	Planned expenditure	Combination of measures
6A	T20: Jobs created in supported projects (focus area 6A)		279,160,856.00	M06, M16, M19
	Jobs created in supported projects (Non-Leader) (focus area 6A) (Number of jobs)	2,865.00		
	% of population in LEADER LAG (%)	15.41%		
	Jobs created in supported projects (Leader) (focus area 6A) (Number of jobs)	2,675.00		
6B	T21: percentage of rural population covered by local development strategies (focus area 6B)		96,200,000.00	M01, M02, M07, M16
	T22: percentage of rural population benefiting from improved services/infrastructures (focus area 6B)	0.97%		
	T23: Jobs created in supported projects (Leader) (focus area 6B)			
	Jobs created in supported projects (Non-Leader) (focus area 6B) (Number of jobs)	1,210.00		
6C	T24: percentage of rural population benefiting from new or improved services/infrastructures (ICT) (focus area 6C)	0.51%	19,425,000.00	M07

5.5. A description of the advisory capacity to ensure adequate advice and support for the regulatory requirements and for actions related to innovation to demonstrate the measures taken as required in Article 8(1)(c)(vi) of Regulation (EU) No 1305/2013

The programme will be delivered by the organisations that have delivered the previous Rural Development Programme for England 2007-2013. Those organisations have been actively involved in developing the new programme as well as feeding into the UK negotiating position in EU discussions on the new EU Rural Development Regulation (Regulation (EU) No. 1305/2013). The delivery organisations will work closely with the Managing Authority and Paying Agency to bring together training courses on the requirements of the Regulations to be provided across their delivery staff, as well as in the development of web based communications material for prospective applicants, including details of the selection criteria. There will also be training in the use of IT systems, and the Managing Authority will ensure that its delivery agents are trained to deliver EIP effectively, as a new measure under the RDP. Training will ensure that operations are delivered compliantly and will reduce error risk. The delivery bodies will also work with LEADER Local Action Groups to ensure activity is compliant with the requirements of the Regulations.

Applications for support will be subject to an appraisal process to ensure programme investment is sustainable and delivers the priority outcomes. Part of that appraisal will be a consideration of how the priority for innovation will be delivered, as appropriate. The NRN, funded via Technical Assistance, will promote innovation, help EIP Operational Groups to form and facilitate sharing results of the projects. This will use various media, including workshops, website content and direct mailings, and operate in conjunction with stakeholders and industry networks. Operational Groups may include a facilitator/administrator if they wish. Innovation Support Services will be provided separately by the National Rural Network and in conjunction with stakeholders and industry networks.

6. ASSESSMENT OF THE EX-ANTE CONDITIONALITIES

6.1. Additional information

Following our assessment of the applicability of the ex-ante conditionalities, Defra found that all applied to the Rural Development Programme for England 2014-2020. All the requisite details for how these conditionalities have been or will be fulfilled are in sections 6.1-6.3.

6.2. Ex-ante conditionalities

Applicable ex-ante conditionality at national level	Applicable ex-ante conditionality fulfilled: Yes/No/Partially	Assessment of its fulfilment	Priorities/Focus Areas	Measures
<p>G1) Anti-Discrimination: the existence of administrative capacity for the implementation and application of Union anti discrimination law and policy in the field of ESI Funds.</p>	<p>yes</p>	<p>Defra and all other public bodies involved in the implementation of the EAFRD programme are bound by the Equality Act 2010, which applies to all their activities.</p> <p>The Equality Act came into force on 1 October 2010. It brings together over 116 separate pieces of legislation into one single Act. Combined, they make up a new Act that provides a legal framework to protect the rights of individuals and advance equality of opportunity for all.</p> <p>The Act simplifies, strengthens and harmonises the current legislation to provide the UK with a new discrimination law which protects individuals from unfair treatment and promotes a fair and more equal society.</p> <p>Defra is committed to putting equality and inclusion at the heart of developing and delivering policy and services for our people and customers and to meet our legal requirements. Defra has a dedicated diversity team for this purpose. They are supported by the Equality and Human Rights Commission (EHRC), whose findings feed into their work and the training they set up.</p> <p>The EHRC was formed in 2007 and fully complies with Article 13 of Directive 2000/43/EC. It has a statutory remit "to protect, enforce and promote equality across the nine 'protected' grounds - age, disability, gender, race, religion and belief, pregnancy and maternity, marriage and civil partnership, sexual orientation and gender reassignment." (From EHRC website.)</p> <p>Defra is a member of ENEI – The Employers Network for Equality & Inclusion. This is an external organisation that provides support and advice on all areas of equality.</p> <p>The following is available to the staff of those involved in the management and control of EAFRD funds:</p> <ul style="list-style-type: none"> • Unconscious Bias Training (mandatory for managers and those involved in recruitment) • Equality and Diversity Essentials training • Disability awareness • LGB&T awareness <p>Access to bespoke or additional training is also available as and when required.</p> <p>The Department for Business, Innovation and Skills provided</p>	<p>6B</p>	<p>M01, M16, M19, M02</p>

		guidance to Local Action Partnerships on promoting equality.		
G2) Gender Equality: the existence of administrative capacity for the implementation and application of Union gender equality law and policy in the field of ESI Funds.	yes	<p>The Equality Act referred to above incorporated earlier legislation relating to gender equality.</p> <p>Defra and all other public bodies involved in the implementation of the EAFRD programme are bound by the Act, which applies to all their activities.</p> <p>Defra has a dedicated diversity team for this purpose. They are supported by the EHRC, whose findings feed into their work and the training they set up. As above (see: Anti-discrimination), the work of the EHRC also refers to gender equality.</p> <p>Defra is a member of GIREs – Gender Identity Research and Education Society – and of ENEI – The Employers Network for Equality & Inclusion. These are external organisations that provide support and advice on gender equality.</p> <p>The following is available to the staff of those involved in the management and control of EAFRD funds:</p> <ul style="list-style-type: none"> • Unconscious Bias Training (Mandatory for Managers and those involved in recruitment) • Equality and Diversity Essentials training • LGB&T awareness <p>Access to bespoke or additional training is also available as and when required.</p> <p>The Department for Business, Innovation and Skills provided guidance to Local Action Partnerships on promoting gender equality.</p>	6B, 6A	M02, M06, M16, M01, M07, M19
G3) Disability: the existence of administrative capacity for the implementation and application of the United Nations Convention on the rights of persons with disabilities (UNCPRD) in the field of ESI Funds in accordance with Council Decision 2010/48/EC	yes	<p>The Equality Act referred to above incorporated earlier legislation on disability discrimination (the Disability Discrimination Act 1995).</p> <p>Defra and all other public bodies involved in the implementation of the EAFRD programme are bound by the Act, which applies to all their activities.</p> <p>Defra has a dedicated diversity team for this purpose. They are supported by the EHRC, whose findings feed into their work and the training they set up. As above (see: Anti-discrimination), the work of the EHRC also refers to disability.</p> <p>Defra is a member of Business Disability Forum and ENEI – The Employers Network for Equality & Inclusion. These are external organisations who provide support and advice on all areas of disability.</p>	6A, 6B	M16, M06, M07, M19

		<p>The following is available to the staff of those involved in the management and control of EAFRD funds:</p> <ul style="list-style-type: none"> • Unconscious Bias Training (Mandatory for Managers and those involved in recruitment) • Disability Awareness training • Equality and Diversity Essentials training <p>Access to bespoke or additional training is also available as and when required.</p> <p>The Department for Business, Innovation and Skills provided guidance to Local Action Partnerships on equal opportunities.</p> <p>The Equality Act 2010 includes provisions on persons with disabilities, in line with the UNCRPD. The Act applies to all the work carried out in the Rural Development Programme.</p> <p>The Office for Disability Issues works to ensure that disabled people are included in policy work. Their website details the UN Convention of Rights of Persons with Disabilities and other guidance. The Department for Work and Pensions are responsible for collating and providing contributions for inclusion with the UK Government reports to all UN Conventions and Covenants.</p>		
G4) Public Procurement: the existence of arrangements for the effective application of Union public procurement law in the field of the ESI Funds.	yes	<p>The procurement teams at Defra comply fully with the OJEU regulations related to the procurement of all goods and services. The procurement policy and the "procurement codex" describe how Defra applies its business processes to ensure "appropriate mechanisms" are in place.</p> <p>The policy document provides further evidence in relation to transparent contract award procedures as per OJEU regulations.</p> <p>Although Defra's training package is not specifically designed for staff involved with ESI Funds, the generic 'Procurement and Commercial Function' training addresses the specific regulations that apply for all public sector procurement activity.</p> <p>Defra employs a dedicated team of more than 30 staff (many of whom are qualified as Members of the Chartered Institute of Purchasing and Supply) whose purpose is to ensure Defra procurements are offering value for money whilst ensuring an open, honest and transparent process in line with current EU legislation. This team is supported by a dedicated procurement legal team.</p>	5B, 2A, 6B, 5A, 5C	M19, M04, M02, M08, M01, M07, M05
G5) State Aid: the existence of arrangements for the effective application of Union State aid rules in the field of the ESI Funds.	yes	<p>In the UK, scheme administrators are responsible for ensuring their schemes are compliant with State Aid rules and that no illegal aid has been granted. To support them to do this, the Department of Business, Innovation and Skills (BIS) State Aid team (which is responsible for UK wide State Aid policy) leads on providing advice and guidance to all UK public bodies. The BIS State Aid team provides teach-ins and seminars to public bodies and manages a web page that includes extensive guidance on the rules. In particular, BIS has published the guide "State Aid: the Basics", which enables scheme administrators to establish whether their scheme or grant falls within the State Aid rules. Where it does, they are advised to consult the Guidance for State Aid Practitioners,</p>	P4, 6A, 5D, 2B, 1B, 1C, 5B, 2A, 6C, 3A, 1A, 5A, 3B, 6B, 5C	M10, M01, M16, M04, M19, M15, M06, M11, M08, M07, M02

		<p>which gives detailed guidance on the most often used regulations and frameworks. BIS is currently updating its guidance in line with the Commission's State Aid Modernisation programme.</p> <p>Where scheme administrators establish that their scheme or grant is subject to State Aid rules and is above the de minimis threshold, they would first seek advice from their departmental State Aid unit. They may seek further advice from the BIS State Aid Team unless they are using transport or agricultural or fisheries rules, in which case they may seek advice from the Department of Transport or Department of Environment, Food and Rural Affairs (Defra) respectively. Schemes cannot be notified to DG Competition via the State Aid Notification Interactive (SANI) without agreement of the BIS State Aid team or to DG AGRI or DG MARE without agreement from Defra.</p> <p>In addition to guidance materials, BIS chairs a Senior Officials Group that allows those dealing with State Aid in other government departments to come together, discuss issues, and take decisions. BIS has also established a network of State Aid Champions. These are senior civil servants from all government departments who are not State Aid specialists but for whom State Aid is relevant. The role of the Champions is to raise awareness of State Aid rules in their departments, and to identify opportunities for up-skilling teams that need to understand State Aid rules. Champions are also able to take an overview of their department's policy objectives, and spot areas in which State Aid issues might be arising.</p>		
G6) Environmental legislation relating to Environmental Impact Assessment (EIA) and, Strategic Environmental Assessment (SEA): the existence of arrangements for the effective application of Union environmental legislation related to EIA and SEA.	yes	<p>Defra is submitting the SEA report to the Commission alongside this Programme Document.</p> <p>The SEA covers the programme level, so Defra does not need to produce an EIA. The EIA is not applicable to any of the projects involved.</p> <p>Defra commissioned the development of the SEA to a team of expert consultants, United Research Services (URS), who received training on the SEA.</p> <p>All key members of staff involved in contributing to the analysis either participated in the inception meeting with URS or were subsequently briefed on process and requirements.</p> <p>Ex-Ante evaluators provided feedback and advice on SEA implementation requirements (e.g. length of consultation period, etc.).</p> <p>Defra staff members have been assigned to conduct the work on the SEA. Defra have also employed the services of the external consultancy firm, URS.</p>	P4, 6C, 5B, 5D, 5A, 6A, 5C, 2A, 3A	M07, M16, M15, M10, M04, M11, M06
G7) Statistical systems and result indicators: the existence of a statistical basis necessary to undertake evaluations to assess the effectiveness and impact of the programmes. The existence of a system of result indicators necessary to select actions, which most effectively contribute to desired results, to monitor progress towards results and to undertake impact evaluation.	yes	<p>Commission Implementing Regulation (EU) No 808/2014, Annex 1, part 4 stipulates that this EAC is fulfilled by the CMES.</p>		
P3.1) Risk prevention and risk management: the existence of national or regional risk assessments for disaster management taking into account climate change adaptation	yes	<p>The UK model of risk management for National Resilience is underpinned by the Civil Contingencies Act (2004) (CCA).</p>	3B	M08

		<p>The National Risk Assessment (NRA) provides a strategic and cross-government assessment of the most significant civil emergencies that could affect citizens in the UK over the next 5 years. It is reviewed every year and endorsed by both the Government's Chief Scientific Advisor and Ministers. This document provides a prioritisation of the most significant emergencies that could affect the UK to inform decision making for contingency planning and capability building at the national and local level.</p> <p>At the local level Category 1 Responders have a duty under the CCA to assess the risk of emergencies affecting the area in which they operate. Under the regulations of this Act Government provide advice and guidance to support local risk assessment.</p> <p>The NRA does not include a climate change specific risk as it is concerned with single events, not long term or trend risks, and those risks judged to be credible over the next 5 years. However, the implications of climate change on the likelihood and impacts of hazards are covered under flooding and weather related risks.</p> <p>The UK Climate Change Act 2008 requires a series of assessments of climate risks to the UK, both under current conditions and over the long term. These will be followed by iterations of the National Adaptation Programme (NAP) over a 5 year cycle. The Adaptation Sub Committee of the Climate Change Committee was also established under the Climate Change Act to support this process and provide an independent review of the Climate Change Risk Assessments and the NAP.</p> <p>The Climate Change Risk Assessment 2012 took over 700 impacts and prioritised 100 for comparison. The 100 risks are then prioritised based on a combination of their severity and likelihood.</p>		
P4.1) Good Agricultural and Environmental Conditions (GAEC): standards for good agricultural and environmental condition of land referred to in Chapter I of Title VI of Regulation (EU) No 1306/2013 are established at national level	yes	<p>GAEC standards are set out in English law. Current standards are set out in Statutory Instrument 2009/3365 The Agriculture (Cross compliance) (No 2) Regulations 2009 (as amended).</p> <p>Defra is updating the standards for 1st January 2015. Now fulfilled.</p>	P4	M10, M11
P4.2) Minimum requirements for fertilisers and plant protection products: minimum requirements for fertilisers and plant protection products referred to in Article 28 of Chapter I of Title III of Regulation (EU) No 1305/2013 are defined at national level	yes	<p>Farmers are expected to use best management practices in applying fertilisers and manures, to follow guidelines provided in publications such as The Fertiliser Manual (RB209) and The Codes of Good Agricultural Practice, and to seek advice from Fertiliser Advisers Certification and Training Scheme (FACTS)-qualified advisers.</p> <p>Specific regulation on fertiliser use is found in the Nitrates Directive, implemented by The Nitrate Pollution Prevention Regulations 2008, as amended, and indirectly by the Water Framework Directive, implemented by The Water Environment (Water Framework Directive) (England and Wales) Regulations 2003.</p> <p>Minimum requirements for plant protection products are established through cross compliance SMR 9 (PPPs).</p>	P4	M10, M11

<p>P4.3) Other relevant national standards: relevant mandatory national standards are defined for the purpose of Article 28 of Chapter I of Title III of Regulation (EU) No 1305/2013</p>	<p>yes</p>	<p>Only GAECs, SMRs and the above minimum requirements constitute the legal baseline for support under Article 28 in England.</p> <p>Other national standards apply to all farmers and others eligible for support in this measure. However, these are separate from the support that shall be offered in the 2014-2020 programme and do not constitute relevant mandatory requirements pertaining to Article 28 (3) of Regulation (EU) No 1305/2013.</p>	<p>P4</p>	<p>M10, M11</p>
<p>P5.1) Energy efficiency: actions have been carried out to promote cost effective improvements of energy end use efficiency and cost effective investment in energy efficiency when constructing or renovating buildings.</p>	<p>yes</p>	<p>1)</p> <p>Article 3</p> <p>In accordance with The Building Regulations 2010 regulation 24 (methodology of calculation and expression of energy performance), the Department for Communities and Local Government (DCLG) has developed a national calculation methodology for the energy performance of buildings.</p> <p>Article 4</p> <p>Changes to strengthen energy performance requirements, in Part L of the Building Regulations 2010 for England and Wales (introduced in October 2010) has delivered a 25% reduction in emissions from new buildings and improved standards when building work is carried out to existing properties.</p> <p>Since submitting the UK cost optimal report (as required by Article 5 of the Directive) England has further strengthened standards in 2013 with an emphasis on cost effective improvements to building fabric and building services and striking a balance between improving energy efficiency and ensuring that the net effect upon consumers and businesses is beneficial and does not stifle growth.</p> <p>The national calculation methodologies, which calculate the energy performance of buildings, are required to take account of indoor climate conditions, such as inadequate ventilation, local conditions, designated function and age when calculating the energy performance of a building.</p> <p>Article 5</p> <p>DCLG has submitted a report to the commission, which is under consideration.</p> <p>2)</p> <p>The referenced articles of Regulations 4 and 9 of the Energy Performance of Buildings Regulations establish the required system of certification.</p>	<p>5B</p>	<p>M06, M04, M16, M07</p>

		<p>3)</p> <p>As required by Article 3 of the Energy Efficiency Directive, on 30 April the UK set itself a non-binding energy efficiency target for 2020 (set at the level of an 18% reduction in final energy consumption, or 20% primary energy consumption). Current projections show that the target will be met in 2020. The UK has a range of policy measures in place to help meet the target, and the Department of Energy and Climate Change (DECC) set these out in the 2012 Energy Efficiency Strategy and the 2013 Update to this.</p> <p>The November 2012 Energy Efficiency Strategy sets out the mission to seize the energy efficiency opportunity in the UK, and the policy strategy for the next two decades.</p> <p>It is designed to maximise the benefits of existing policy and to realise the wider energy efficiency potential across the UK economy.</p> <p>The 2013 Strategy Update focuses on the significant progress made since the publication of the Energy Efficiency Strategy, and looks forward to the key energy efficiency priorities over the next year or so.</p> <p>4)</p> <p>The legislation referred to, on both gas and electricity, ensure that the UK as a whole complies with this criteria.</p> <p>For the purposes of Article 13(1) of the directive, domestic, public sector and business premises in the UK that are served by licensed gas and electricity suppliers are already provided with individual, competitively priced gas and electricity meters which can accurately record the customer's actual consumption</p> <p>In Great Britain, the provision of meters and their servicing is open to competition.</p> <p>The UK does not have mandatory requirements for metering for district heating or domestic hot water. In the UK, only a small minority of households and businesses directly buy heat (district heating). Only 0.75% of the UK's final energy demand is met by the direct supply of heat. In relation to district heating, the consultation and cost-benefit assessment carried out in 2007 and 2008 demonstrated that across the district heating sector as a whole, it was not financially reasonable and proportionate in relation to the potential energy savings to require installation of metering in existing heat schemes or new heat schemes. In addition, the vast majority of these schemes involve very small suppliers and Article 2(a) of the Directive permits Member States to exclude such companies from the application of article 13. DECC accordingly considers that no measures are necessary in respect of district heating under article 13(1) of the Directive.</p>		
<p>P5.2) Water sector: the existence of a) a water pricing policy which provides adequate incentives for users to use water resources efficiently and b) an adequate contribution of the different water</p>	<p>yes</p>	<p>Defra has ensured that cost recovery is in place throughout the UK for all water services that provide water supply or waste water collection and disposal for households, public institutions or any</p>	<p>5A</p>	<p>M16, M04</p>

<p>uses to the recovery of the costs of water services at a rate determined in the approved river basin management plan for investment supported by the programmes.</p>		<p>economic activity. This includes all waste water collection and treatment facilities required under directive 91/271/EEC. This is consistent with Article 9 of the WFD.</p>		
<p>P5.3) Renewable energy: actions have been carried out to promote the production and distribution of renewable energy sources</p>	<p>yes</p>	<p>The UK is committed to having 15% of energy consumption to come from renewable sources in 2020, as set out in the 2009 Renewable Energy Directive.</p> <p>The UK produced and adopted a national renewable action plan (NREAP) as set out in the 2009 Directive. This NREAP is published on the UK Government and EU Commission's websites and sets out transposition and strategy for compliance with the Renewable Energy Directive.</p> <p>Every year the Department of Energy and Climate Change (DECC) also produces a Renewable Energy Roadmap, which sets out the progress made the previous year, and our pathway to achieving the 2020 target.</p>	<p>5C</p>	<p>M07, M16, M06, M04</p>
<p>P6.1) Next Generation Network (NGN) Infrastructure : the existence of national or regional NGA Plans which take account of regional actions in order to reach the Union high speed Internet access targets, focusing on areas where the market fails to provide an open infrastructure at an affordable cost and of a quality in line with the Union competition and State aid rules and to provide accessible services to vulnerable groups</p>	<p>no</p>	<p>A delivery model from September 2011 is currently in place.</p> <p>The UK Government's broadband delivery agency – Broadband Delivery UK - will publish an updated Broadband Delivery Plan setting out a national plan for future delivery.</p> <p>In addition Local Authorities will provide updated Local Broadband Plans setting out the overall broadband plans for their areas where public sector intervention is necessary.</p>	<p>6C</p>	<p>M07, M16</p>

Applicable ex-ante conditionality at national level	Criteria	Criteria fulfilled (Yes/No)	Reference (if fulfilled) [reference to the strategies, legal acts or other relevant documents]	Assessment of its fulfilment
<p>G1) Anti-Discrimination: the existence of administrative capacity for the implementation and application of Union anti discrimination law and policy in the field of ESI Funds.</p>	<p>G1.a) Arrangements in accordance with the institutional and legal framework of Member States for the involvement of bodies responsible for the promotion of equal treatment of all persons throughout the preparation and implementation of programmes, including the provision of advice on equality in ESI fund related activities.</p>	<p>Yes</p>	<ul style="list-style-type: none"> • Equality Act 2010 [http://www.legislation.gov.uk/ukpga/2010/15/contents] • Diversity and Inclusion Strategy 2013-2015 • EHRC [www.equalityhumanrights.com] • ENEI [http://www.enei.org.uk] • Guidance for Local Action Partnerships (see A2.41 on page 31) [https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/190880/13-747an-structural-and-investment-fund-strategies-preliminary-guidance-to-leps-technical-annex.pdf] 	<p>Defra and all other public bodies involved in the implementation of the EAFRD programme are bound by the Equality Act 2010, which applies to all their activities.</p> <p>The Equality Act came into force on 1 October 2010. It brings together over 116 separate pieces of legislation into one single Act. Combined, they make up a new Act that provides a legal framework to protect the rights of individuals and advance equality of opportunity for all.</p> <p>The Act simplifies, strengthens and harmonises the current legislation to provide the UK with a new discrimination law which protects individuals from unfair treatment and promotes a fair and more equal society.</p> <p>Defra is committed to putting equality and inclusion at the heart of developing and delivering policy and services for our people and customers and to meet our legal requirements. Defra has a dedicated diversity team for this purpose. They are supported by the Equality and Human Rights Commission (EHRC), whose findings feed into their work and the training they set up.</p> <p>The EHRC was formed in 2007 and fully complies with Article 13 of Directive 2000/43/EC. It has a statutory remit “to protect, enforce and promote equality across the nine ‘protected’ grounds - age, disability, gender, race, religion and belief, pregnancy and maternity, marriage and civil partnership, sexual orientation and gender reassignment.” (From EHRC website.)</p> <p>Defra is a member of ENEI – The Employers Network for Equality</p>

				<p>& Inclusion. This is an external organisation that provides support and advice on all areas of equality.</p> <p>The following is available to the staff of those involved in the management and control of EAFRD funds:</p> <ul style="list-style-type: none"> • Unconscious Bias Training (mandatory for managers and those involved in recruitment) • Equality and Diversity Essentials training • Disability awareness • LGB&T awareness <p>Access to bespoke or additional training is also available as and when required.</p> <p>The Department for Business, Innovation and Skills provided guidance to Local Action Partnerships on promoting equality.</p>
	<p>G1.b) Arrangements for training for staff of the authorities involved in the management and control of the ESI Funds in the fields of Union anti discrimination law and policy.</p>	<p>Yes</p>	<ul style="list-style-type: none"> • Equality Act 2010 [http://www.legislation.gov.uk/ukpga/2010/15/contents] • Diversity and Inclusion Strategy 2013-2015 • EHRC [www.equalityhumanrights.com] • ENEI [http://www.enei.org.uk] • Guidance for Local Action Partnerships (see A2.41 on page 31) • [https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/190880/13-747an-structural-and-investment-fund-strategies-preliminary-guidance-to-leps-technical-annex.pdf] 	<p>Defra and all other public bodies involved in the implementation of the EAFRD programme are bound by the Equality Act 2010, which applies to all their activities.</p> <p>The Equality Act came into force on 1 October 2010. It brings together over 116 separate pieces of legislation into one single Act. Combined, they make up a new Act that provides a legal framework to protect the rights of individuals and advance equality of opportunity for all.</p> <p>The Act simplifies, strengthens and harmonises the current legislation to provide the UK with a new discrimination law which protects individuals from unfair treatment and promotes a fair and more equal society.</p> <p>Defra is committed to putting equality and inclusion at the heart of developing and delivering policy and services for our people</p>

				<p>and customers and to meet our legal requirements. Defra has a dedicated diversity team for this purpose. They are supported by the Equality and Human Rights Commission (EHRC), whose findings feed into their work and the training they set up.</p> <p>The EHRC was formed in 2007 and fully complies with Article 13 of Directive 2000/43/EC. It has a statutory remit "to protect, enforce and promote equality across the nine 'protected' grounds - age, disability, gender, race, religion and belief, pregnancy and maternity, marriage and civil partnership, sexual orientation and gender reassignment." (From EHRC website.)</p> <p>Defra is a member of ENEI – The Employers Network for Equality & Inclusion. This is an external organisation that provides support and advice on all areas of equality.</p> <p>The following is available to the staff of those involved in the management and control of EAFRD funds:</p> <ul style="list-style-type: none"> • Unconscious Bias Training (mandatory for managers and those involved in recruitment) • Equality and Diversity Essentials training • Disability awareness • LGB&T awareness <p>Access to bespoke or additional training is also available as and when required.</p> <p>The Department for Business, Innovation and Skills provided guidance to Local Action Partnerships on promoting equality.</p>
<p>G2) Gender Equality: the existence of administrative capacity for the implementation and application of Union gender equality law and policy in the field of ESI Funds.</p>	<p>G2.a) Arrangements in accordance with the institutional and legal framework of Member States for the involvement of bodies responsible for gender equality throughout the preparation and implementation of programmes,</p>	<p>Yes</p>	<ul style="list-style-type: none"> • Equality Act 2010 [http://www.legislation.gov.uk/ukpga/2010/15/contents] • The work of the EHRC [http://www.equalityhumanrights.com] • GIRES [http://www.gires.org.uk] • ENEI [http://www.enei.org.uk] • Guidance for Local Action Partnerships (see A2.41 on page 31) 	<p>The Equality Act referred to above incorporated earlier legislation relating to gender equality.</p>

	<p>including the provision of advice on gender equality in ESI Fund related activities.</p>		<ul style="list-style-type: none"> • [https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/190880/13-747an-structural-and-investment-fund-strategies-preliminary-guidance-to-leps-technical-annex.pdf] 	<p>Defra and all other public bodies involved in the implementation of the EAFRD programme are bound by the Act, which applies to all their activities.</p> <p>Defra has a dedicated diversity team for this purpose. They are supported by the EHRC, whose findings feed into their work and the training they set up. As above (see: Anti-discrimination), the work of the EHRC also refers to gender equality.</p> <p>Defra is a member of GIREs – Gender Identity Research and Education Society – and of ENEI – The Employers Network for Equality & Inclusion. These are external organisations that provide support and advice on gender equality.</p> <p>The following is available to the staff of those involved in the management and control of EAFRD funds:</p> <ul style="list-style-type: none"> • Unconscious Bias Training (Mandatory for Managers and those involved in recruitment) • Equality and Diversity Essentials training • LGB&T awareness <p>Access to bespoke or additional training is also available as and when required.</p> <p>The Department for Business, Innovation and Skills provided guidance to Local Action Partnerships on promoting gender equality.</p>
	<p>G2.b) Arrangements for training for staff of the authorities involved in the management and control of the ESI Funds in the fields of Union gender equality law and policy as well as on gender mainstreaming.</p>	<p>Yes</p>	<ul style="list-style-type: none"> • Equality Act 2010 [http://www.legislation.gov.uk/ukpga/2010/15/contents] • The work of the EHRC [http://www.equalityhumanrights.com] • GIREs [http://www.gires.org.uk] • ENEI [http://www.enei.org.uk] • Guidance for Local Action Partnerships (see A2.41 on page 31) • [https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/190880/13-747an-structural-and-investment-fund-strategies-preliminary-guidance-to-leps-technical-annex.pdf] 	<p>The Equality Act referred to above incorporated earlier legislation relating to gender equality.</p> <p>Defra and all other public bodies involved in the implementation of the EAFRD programme are bound by the Act, which applies to all their activities.</p>

				<p>Defra has a dedicated diversity team for this purpose. They are supported by the EHRC, whose findings feed into their work and the training they set up. As above (see: Anti-discrimination), the work of the EHRC also refers to gender equality.</p> <p>Defra is a member of GIREs – Gender Identity Research and Education Society – and of ENEI – The Employers Network for Equality & Inclusion. These are external organisations that provide support and advice on gender equality.</p> <p>The following is available to the staff of those involved in the management and control of EAFRD funds:</p> <ul style="list-style-type: none"> • Unconscious Bias Training (Mandatory for Managers and those involved in recruitment) • Equality and Diversity Essentials training • LGB&T awareness <p>Access to bespoke or additional training is also available as and when required.</p> <p>The Department for Business, Innovation and Skills provided guidance to Local Action Partnerships on promoting gender equality.</p>
<p>G3) Disability: the existence of administrative capacity for the implementation and application of the United Nations Convention on the rights of persons with disabilities (UNCRPD) in the field of ESI Funds in accordance with Council Decision 2010/48/EC</p>	<p>G3.a) Arrangements in accordance with the institutional and legal framework of Member States for the consultation and involvement of bodies in charge of protection of rights of persons with disabilities or representative organisations of persons with disabilities and other relevant stakeholders throughout the preparation and implementation of programmes.</p>	<p>Yes</p>	<ul style="list-style-type: none"> • Equality Act 2010 [http://www.legislation.gov.uk/ukpga/2010/15/contents] • The work of the EHRC [http://www.equalityhumanrights.com] • ENEI [http://www.enei.org.uk] • Guidance for Local Action Partnerships (see A2.41 on page 31)[https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/190880/13-747an-structural-and-investment-fund-strategies-preliminary-guidance-to-leps-technical-annex.pdf] • The Office for Disability Issues [http://odi.dwp.gov.uk/index.php] [http://odi.dwp.gov.uk/disabled-people-and-legislation/un-convention-on-the-rights-of-disabled-people.php] 	<p>The Equality Act referred to above incorporated earlier legislation on disability discrimination (the Disability Discrimination Act 1995).</p> <p>Defra and all other public bodies involved in the implementation of the EAFRD programme are bound by the Act, which applies to all their activities.</p> <p>Defra has a dedicated diversity team for this purpose. They are supported by the EHRC, whose findings feed into their work and the training they set up. As above (see: Anti-discrimination), the</p>

				<p>work of the EHRC also refers to disability.</p> <p>Defra is a member of Business Disability Forum and ENEI – The Employers Network for Equality & Inclusion. These are external organisations who provide support and advice on all areas of disability.</p> <p>The following is available to the staff of those involved in the management and control of EAFRD funds:</p> <ul style="list-style-type: none"> • Unconscious Bias Training (Mandatory for Managers and those involved in recruitment) • Disability Awareness training • Equality and Diversity Essentials training <p>Access to bespoke or additional training is also available as and when required.</p> <p>The Department for Business, Innovation and Skills provided guidance to Local Action Partnerships on equal opportunities.</p> <p>The Equality Act 2010 includes provisions on persons with disabilities, in line with the UNCRPD. The Act applies to all the work carried out in the Rural Development Programme.</p> <p>The Office for Disability Issues works to ensure that disabled people are included in policy work. Their website details the UN Convention of Rights of Persons with Disabilities and other guidance. The Department for Work and Pensions are responsible for collating and providing contributions for inclusion with the UK Government reports to all UN Conventions and Covenants.</p>
	G3.b) Arrangements for training for staff of the authorities involved in the management and control of the ESI Funds in the fields of applicable Union and national disability law and policy,	Yes	<ul style="list-style-type: none"> • Equality Act 2010 [http://www.legislation.gov.uk/ukpga/2010/15/contents] • The work of the EHRC [http://www.equalityhumanrights.com] • ENEI [http://www.enei.org.uk] • Guidance for Local Action Partnerships (see A2.41 on page 	The Equality Act referred to above incorporated earlier legislation on disability discrimination (the Disability

	<p>including accessibility and the practical application of the UNCRPD as reflected in Union and national legislation, as appropriate.</p>		<p>31)[https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/190880/13-747an-structural-and-investment-fund-strategies-preliminary-guidance-to-leps-technical-annex.pdf]</p> <ul style="list-style-type: none"> • The Office for Disability Issues [http://odi.dwp.gov.uk/index.php] [http://odi.dwp.gov.uk/disabled-people-and-legislation/un-convention-on-the-rights-of-disabled-people.php] 	<p>Discrimination Act 1995).</p> <p>Defra and all other public bodies involved in the implementation of the EAFRD programme are bound by the Act, which applies to all their activities.</p> <p>Defra has a dedicated diversity team for this purpose. They are supported by the EHRC, whose findings feed into their work and the training they set up. As above (see: Anti-discrimination), the work of the EHRC also refers to disability.</p> <p>Defra is a member of Business Disability Forum and ENEI – The Employers Network for Equality & Inclusion. These are external organisations who provide support and advice on all areas of disability.</p> <p>The following is available to the staff of those involved in the management and control of EAFRD funds:</p> <ul style="list-style-type: none"> • Unconscious Bias Training (Mandatory for Managers and those involved in recruitment) • Disability Awareness training • Equality and Diversity Essentials training <p>Access to bespoke or additional training is also available as and when required.</p> <p>The Department for Business, Innovation and Skills provided guidance to Local Action Partnerships on equal opportunities.</p> <p>The Equality Act 2010 includes provisions on persons with disabilities, in line with the UNCRPD. The Act applies to all the work carried out in the Rural Development Programme.</p> <p>The Office for Disability Issues works to ensure that disabled</p>
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				<p>people are included in policy work. Their website details the UN Convention of Rights of Persons with Disabilities and other guidance. The Department for Work and Pensions are responsible for collating and providing contributions for inclusion with the UK Government reports to all UN Conventions and Covenants.</p>
	<p>G3.c) Arrangements to ensure monitoring of the implementation of Article 9 of the UNCRPD in relation to the ESI Funds throughout the preparation and the implementation of the programmes.</p>	<p>Yes</p>	<ul style="list-style-type: none"> • Equality Act 2010 [http://www.legislation.gov.uk/ukpga/2010/15/contents] • The work of the EHRC [http://www.equalityhumanrights.com] • ENEI [http://www.enei.org.uk] • Guidance for Local Action Partnerships (see A2.41 on page 31)[https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/190880/13-747an-structural-and-investment-fund-strategies-preliminary-guidance-to-leps-technical-annex.pdf] • The Office for Disability Issues [http://odi.dwp.gov.uk/index.php] [http://odi.dwp.gov.uk/disabled-people-and-legislation/un-convention-on-the-rights-of-disabled-people.php] 	<p>The Equality Act referred to above incorporated earlier legislation on disability discrimination (the Disability Discrimination Act 1995).</p> <p>Defra and all other public bodies involved in the implementation of the EAFRD programme are bound by the Act, which applies to all their activities.</p> <p>Defra has a dedicated diversity team for this purpose. They are supported by the EHRC, whose findings feed into their work and the training they set up. As above (see: Anti-discrimination), the work of the EHRC also refers to disability.</p> <p>Defra is a member of Business Disability Forum and ENEI – The Employers Network for Equality & Inclusion. These are external organisations who provide support and advice on all areas of disability.</p> <p>The following is available to the staff of those involved in the management and control of EAFRD funds:</p> <ul style="list-style-type: none"> • Unconscious Bias Training (Mandatory for Managers and those involved in recruitment) • Disability Awareness training • Equality and Diversity Essentials training <p>Access to bespoke or additional training is also available as and when required.</p> <p>The Department for Business, Innovation and Skills provided</p>

				<p>guidance to Local Action Partnerships on equal opportunities.</p> <p>The Equality Act 2010 includes provisions on persons with disabilities, in line with the UNCRPD. The Act applies to all the work carried out in the Rural Development Programme.</p> <p>The Office for Disability Issues works to ensure that disabled people are included in policy work. Their website details the UN Convention of Rights of Persons with Disabilities and other guidance. The Department for Work and Pensions are responsible for collating and providing contributions for inclusion with the UK Government reports to all UN Conventions and Covenants.</p>
<p>G4) Public Procurement: the existence of arrangements for the effective application of Union public procurement law in the field of the ESI Funds.</p>	<p>G4.a) Arrangements for the effective application of Union public procurement rules through appropriate mechanisms.</p>	<p>Yes</p>	<ul style="list-style-type: none"> • Defra Procurement Policy • Defra's Procurement Codex (Summer 2013 Edition) 	<p>The procurement teams at Defra comply fully with the OJEU regulations related to the procurement of all goods and services. The procurement policy and the "procurement codex" describe how Defra applies its business processes to ensure "appropriate mechanisms" are in place.</p> <p>The policy document provides further evidence in relation to transparent contract award procedures as per OJEU regulations.</p> <p>Although Defra's training package is not specifically designed for staff involved with ESI Funds, the generic 'Procurement and Commercial Function' training addresses the specific regulations that apply for all public sector procurement activity.</p> <p>Defra employs a dedicated team of more than 30 staff (many of whom are qualified as Members of the Chartered Institute of Purchasing and Supply) whose purpose is to ensure Defra procurements are offering value for money whilst ensuring an open, honest and transparent process in line with current EU legislation. This team is supported by a dedicated procurement legal</p>

				team.
	G4.b) Arrangements which ensure transparent contract award procedures.	Yes	<ul style="list-style-type: none"> • Defra Procurement Policy • Defra's Procurement Codex (Summer 2013 Edition) 	<p>The procurement teams at Defra comply fully with the OJEU regulations related to the procurement of all goods and services. The procurement policy and the "procurement codex" describe how Defra applies its business processes to ensure "appropriate mechanisms" are in place.</p> <p>The policy document provides further evidence in relation to transparent contract award procedures as per OJEU regulations.</p> <p>Although Defra's training package is not specifically designed for staff involved with ESI Funds, the generic 'Procurement and Commercial Function' training addresses the specific regulations that apply for all public sector procurement activity.</p> <p>Defra employs a dedicated team of more than 30 staff (many of whom are qualified as Members of the Chartered Institute of Purchasing and Supply) whose purpose is to ensure Defra procurements are offering value for money whilst ensuring an open, honest and transparent process in line with current EU legislation. This team is supported by a dedicated procurement legal team.</p>
	G4.c) Arrangements for training and dissemination of information for staff involved in the implementation of the ESI funds.	Yes	<ul style="list-style-type: none"> • Defra Procurement Policy • Defra's Procurement Codex (Summer 2013 Edition) 	<p>The procurement teams at Defra comply fully with the OJEU regulations related to the procurement of all goods and services. The procurement policy and the "procurement codex" describe how Defra applies its business processes to ensure "appropriate mechanisms" are in place.</p> <p>The policy document provides further evidence in relation to transparent contract award procedures as per OJEU regulations.</p> <p>Although Defra's training package is not specifically designed for staff involved with</p>

				<p>ESI Funds, the generic 'Procurement and Commercial Function' training addresses the specific regulations that apply for all public sector procurement activity.</p> <p>Defra employs a dedicated team of more than 30 staff (many of whom are qualified as Members of the Chartered Institute of Purchasing and Supply) whose purpose is to ensure Defra procurements are offering value for money whilst ensuring an open, honest and transparent process in line with current EU legislation. This team is supported by a dedicated procurement legal team.</p>
	G4.d) Arrangements to ensure administrative capacity for implementation and application of Union public procurement rules.	Yes	<ul style="list-style-type: none"> • Defra Procurement Policy • Defra's Procurement Codex (Summer 2013 Edition) 	<p>The procurement teams at Defra comply fully with the OJEU regulations related to the procurement of all goods and services. The procurement policy and the "procurement codex" describe how Defra applies its business processes to ensure "appropriate mechanisms" are in place.</p> <p>The policy document provides further evidence in relation to transparent contract award procedures as per OJEU regulations.</p> <p>Although Defra's training package is not specifically designed for staff involved with ESI Funds, the generic 'Procurement and Commercial Function' training addresses the specific regulations that apply for all public sector procurement activity.</p> <p>Defra employs a dedicated team of more than 30 staff (many of whom are qualified as Members of the Chartered Institute of Purchasing and Supply) whose purpose is to ensure Defra procurements are offering value for money whilst ensuring an open, honest and transparent process in line with current EU legislation. This team is supported by a dedicated procurement legal team.</p>
G5) State Aid: the existence of arrangements for the effective application of Union State aid rules in	G5.a) Arrangements for the effective application of Union State aid rules.	Yes	<ul style="list-style-type: none"> • State Aid: the basics [https://www.gov.uk/government/publications/state-aid-the-basics] • Other BIS documents on State Aid [http://bis.ecgroup.net/Publications/EuropeTradeExportControl/StateAid.aspx] 	In the UK, scheme administrators are responsible for ensuring their schemes are compliant with State

<p>the field of the ESI Funds.</p>			<ul style="list-style-type: none"> Guidance for State Aid Practitioners [https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/31700/11-1040-state-aid-guide.pdf] 	<p>Aid rules and that no illegal aid has been granted. To support them to do this, the Department of Business, Innovation and Skills (BIS) State Aid team (which is responsible for UK wide State Aid policy) leads on providing advice and guidance to all UK public bodies. The BIS State Aid team provides teach-ins and seminars to public bodies and manages a web page that includes extensive guidance on the rules. In particular, BIS has published the guide "State Aid: the Basics", which enables scheme administrators to establish whether their scheme or grant falls within the State Aid rules. Where it does, they are advised to consult the Guidance for State Aid Practitioners, which gives detailed guidance on the most often used regulations and frameworks. BIS is currently updating its guidance in line with the Commission's State Aid Modernisation programme.</p> <p>Where scheme administrators establish that their scheme or grant is subject to State Aid rules and is above the de minimis threshold, they would first seek advice from their departmental State Aid unit. They may seek further advice from the BIS State Aid Team unless they are using transport or agricultural or fisheries rules, in which case they may seek advice from the Department of Transport or Department of Environment, Food and Rural Affairs (Defra) respectively. Schemes cannot be notified to DG Competition via the State Aid Notification Interactive (SANI) without agreement of the BIS State Aid team or to DG AGRI or DG MARE without agreement from Defra.</p> <p>In addition to guidance materials, BIS chairs a Senior Officials Group that allows those dealing with State Aid in other government departments to come together, discuss issues, and take decisions. BIS has also established a network of State Aid Champions. These are senior civil servants from all government departments who are not State Aid specialists but for whom State Aid is relevant. The role of the Champions is to raise awareness of State Aid rules in their departments, and to identify opportunities for up-skilling</p>
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				<p>teams that need to understand State Aid rules. Champions are also able to take an overview of their department's policy objectives, and spot areas in which State Aid issues might be arising.</p>
	<p>G5.b) Arrangements for training and dissemination of information for staff involved in the implementation of the ESI funds.</p>	<p>Yes</p>	<ul style="list-style-type: none"> • State Aid: the basics [https://www.gov.uk/government/publications/state-aid-the-basics] • Other BIS documents on State Aid [http://bis.ecgroup.net/Publications/EuropeTradeExportControl/StateAid.aspx] • Guidance for State Aid Practitioners [https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/31700/11-1040-state-aid-guide.pdf] 	<p>In the UK, scheme administrators are responsible for ensuring their schemes are compliant with State Aid rules and that no illegal aid has been granted. To support them to do this, the Department of Business, Innovation and Skills (BIS) State Aid team (which is responsible for UK wide State Aid policy) leads on providing advice and guidance to all UK public bodies. The BIS State Aid team provides teach-ins and seminars to public bodies and manages a web page that includes extensive guidance on the rules. In particular, BIS has published the guide "State Aid: the Basics", which enables scheme administrators to establish whether their scheme or grant falls within the State Aid rules. Where it does, they are advised to consult the Guidance for State Aid Practitioners, which gives detailed guidance on the most often used regulations and frameworks. BIS is currently updating its guidance in line with the Commission's State Aid Modernisation programme.</p> <p>Where scheme administrators establish that their scheme or grant is subject to State Aid rules and is above the de minimis threshold, they would first seek advice from their departmental State Aid unit. They may seek further advice from the BIS State Aid Team unless they are using transport or agricultural or fisheries rules, in which case they may seek advice from the Department of Transport or Department of Environment, Food and Rural Affairs (Defra) respectively. Schemes cannot be notified to DG Competition via the State Aid Notification Interactive (SANI) without agreement of the BIS State Aid team or to DG AGRI or DG MARE without agreement from Defra.</p> <p>In addition to guidance materials, BIS chairs a Senior Officials Group that allows those dealing with State Aid in other government departments to come</p>

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	<p>G5.c) Arrangements to ensure administrative capacity for implementation and application of Union State aid rules.</p>	<p>Yes</p>	<ul style="list-style-type: none"> • State Aid: the basics [https://www.gov.uk/government/publications/state-aid-the-basics] • Other BIS documents on State Aid [http://bis.ecgroup.net/Publications/EuropeTradeExportControl/StateAid.aspx] • Guidance for State Aid Practitioners [https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/31700/11-1040-state-aid-guide.pdf] 	<p>In the UK, scheme administrators are responsible for ensuring their schemes are compliant with State Aid rules and that no illegal aid has been granted. To support them to do this, the Department of Business, Innovation and Skills (BIS) State Aid team (which is responsible for UK wide State Aid policy) leads on providing advice and guidance to all UK public bodies. The BIS State Aid team provides teach-ins and seminars to public bodies and manages a web page that includes extensive guidance on the rules. In particular, BIS has published the guide "State Aid: the Basics", which enables scheme administrators to establish whether their scheme or grant falls within the State Aid rules. Where it does, they are advised to consult the Guidance for State Aid Practitioners, which gives detailed guidance on the most often used regulations and frameworks. BIS is currently updating its guidance in line with the Commission's State Aid Modernisation programme.</p> <p>Where scheme administrators establish that their scheme or grant is subject to State Aid rules and is above the de minimis threshold, they would first seek advice from their departmental State Aid unit. They may seek further advice from the BIS State Aid Team unless they are using transport or agricultural or fisheries rules, in which case they may seek advice from the Department of Transport or Department of Environment, Food and Rural Affairs (Defra) respectively. Schemes cannot be notified to DG Competition via the State Aid Notification Interactive (SANI) without</p>

				<p>agreement of the BIS State Aid team or to DG AGRI or DG MARE without agreement from Defra.</p> <p>In addition to guidance materials, BIS chairs a Senior Officials Group that allows those dealing with State Aid in other government departments to come together, discuss issues, and take decisions. BIS has also established a network of State Aid Champions. These are senior civil servants from all government departments who are not State Aid specialists but for whom State Aid is relevant. The role of the Champions is to raise awareness of State Aid rules in their departments, and to identify opportunities for up-skilling teams that need to understand State Aid rules. Champions are also able to take an overview of their department's policy objectives, and spot areas in which State Aid issues might be arising.</p>
<p>G6) Environmental legislation relating to Environmental Impact Assessment (EIA) and, Strategic Environmental Assessment (SEA): the existence of arrangements for the effective application of Union environmental legislation related to EIA and SEA.</p>	<p>G6.a) Arrangements for the effective application of Directive 2011/92/EU of the European Parliament and of the Council (EIA) and of Directive 2001/42/EC of the European Parliament and of the Council (SEA);</p>	<p>Yes</p>	<ul style="list-style-type: none"> • The Environmental Assessment of Plans and Programmes Regulations 2004 [http://www.legislation.gov.uk/nistr/2004/280/contents/made] • URS [http://www.urs.com/uk] 	<p>Defra is submitting the SEA report to the Commission alongside this Programme Document.</p> <p>The SEA covers the programme level, so Defra does not need to produce an EIA. The EIA is not applicable to any of the projects involved.</p> <p>Defra commissioned the development of the SEA to a team of expert consultants, United Research Services (URS), who received training on the SEA.</p> <p>All key members of staff involved in contributing to the analysis either participated in the inception meeting with URS or were subsequently briefed on process and requirements.</p> <p>Ex-Ante evaluators provided feedback and advice on SEA implementation requirements (e.g. length of consultation period, etc.).</p> <p>Defra staff members have been assigned to conduct the work on the SEA. Defra have also employed the services of the</p>

				external consultancy firm, URS.
G6.b) Arrangements for training and dissemination of information for staff involved in the implementation of the EIA and SEA Directives.	Yes	<ul style="list-style-type: none"> • The Environmental Assessment of Plans and Programmes Regulations 2004 [http://www.legislation.gov.uk/nisr/2004/280/contents/made] • URS [http://www.urs.com/uk] 	<p>Defra is submitting the SEA report to the Commission alongside this Programme Document.</p> <p>The SEA covers the programme level, so Defra does not need to produce an EIA. The EIA is not applicable to any of the projects involved.</p> <p>Defra commissioned the development of the SEA to a team of expert consultants, United Research Services (URS), who received training on the SEA.</p> <p>All key members of staff involved in contributing to the analysis either participated in the inception meeting with URS or were subsequently briefed on process and requirements.</p> <p>Ex-Ante evaluators provided feedback and advice on SEA implementation requirements (e.g. length of consultation period, etc.).</p> <p>Defra staff members have been assigned to conduct the work on the SEA. Defra have also employed the services of the external consultancy firm, URS.</p>	
G6.c) Arrangements to ensure sufficient administrative capacity.	Yes	<ul style="list-style-type: none"> • The Environmental Assessment of Plans and Programmes Regulations 2004 [http://www.legislation.gov.uk/nisr/2004/280/contents/made] • URS [http://www.urs.com/uk] 	<p>Defra is submitting the SEA report to the Commission alongside this Programme Document.</p> <p>The SEA covers the programme level, so Defra does not need to produce an EIA. The EIA is not applicable to any of the projects involved.</p> <p>Defra commissioned the development of the SEA to a team of expert consultants, United Research Services (URS), who received training on the SEA.</p> <p>All key members of staff involved in contributing to the analysis either participated in the inception meeting with URS or were subsequently briefed on process and requirements.</p>	

				<p>Ex-Ante evaluators provided feedback and advice on SEA implementation requirements (e.g. length of consultation period, etc.).</p> <p>Defra staff members have been assigned to conduct the work on the SEA. Defra have also employed the services of the external consultancy firm, URS.</p>
<p>G7) Statistical systems and result indicators: the existence of a statistical basis necessary to undertake evaluations to assess the effectiveness and impact of the programmes. The existence of a system of result indicators necessary to select actions, which most effectively contribute to desired results, to monitor progress towards results and to undertake impact evaluation.</p>	<p>G7.a) Arrangements for timely collection and aggregation of statistical data with the following elements are in place: the identification of sources and mechanisms to ensure statistical validation</p>	Yes	Commission Implementing Regulation (EU) No 808/2014, Annex 1, part 4.	Commission Implementing Regulation (EU) No 808/2014, Annex 1, part 4 stipulates that this EAC is fulfilled by the CMES.
	<p>G7.b) Arrangements for timely collection and aggregation of statistical data with the following elements are in place: arrangements for publication and public availability of aggregated data</p>	Yes	Commission Implementing Regulation (EU) No 808/2014, Annex 1, part 4.	Commission Implementing Regulation (EU) No 808/2014, Annex 1, part 4 stipulates that this EAC is fulfilled by the CMES.
	<p>G7.c) An effective system of result indicators including: the selection of result indicators for each programme providing information on what motivates the selection of policy actions financed by the programme</p>	Yes	Commission Implementing Regulation (EU) No 808/2014, Annex 1, part 4.	Commission Implementing Regulation (EU) No 808/2014, Annex 1, part 4 stipulates that this EAC is fulfilled by the CMES.
	<p>G7.d) An effective system of result indicators including: the establishment of targets for these indicators</p>	Yes	Commission Implementing Regulation (EU) No 808/2014, Annex 1, part 4.	Commission Implementing Regulation (EU) No 808/2014, Annex 1, part 4 stipulates that this EAC is fulfilled by the CMES.
	<p>G7.e) An effective system of result indicators including: the consistency of each indicator with the following requisites: robustness and statistical validation, clarity of normative interpretation, responsiveness to policy, timely collection of data</p>	Yes	Commission Implementing Regulation (EU) No 808/2014, Annex 1, part 4.	Commission Implementing Regulation (EU) No 808/2014, Annex 1, part 4 stipulates that this EAC is fulfilled by the CMES.
	<p>G7.f) Procedures in place to ensure that all operations financed by the programme adopt an effective system of indicators</p>	Yes	Commission Implementing Regulation (EU) No 808/2014, Annex 1, part 4.	Commission Implementing Regulation (EU) No 808/2014, Annex 1, part 4 stipulates that this EAC is fulfilled by the CMES.
<p>P3.1) Risk prevention and risk management: the existence of national or regional risk assessments for disaster management taking into account climate change adaptation</p>	<p>P3.1.a) A national or regional risk assessment with the following elements shall be in place: A description of the process, methodology, methods and non-sensitive data used for risk assessment as well as of the risk-based criteria for the prioritisation of investment,</p>	Yes	<ul style="list-style-type: none"> • Civil Contingencies Act (2004) • National Risk Assessment • UK Climate Change Act 2008 • National Adaptation Programme • Climate Change Risk Assessment 2012 	<p>The UK model of risk management for National Resilience is underpinned by the Civil Contingencies Act (2004) (CCA).</p> <p>The National Risk Assessment (NRA) provides a strategic and cross-government assessment of the most significant civil emergencies that could affect citizens in the UK over the next 5</p>

				<p>years. It is reviewed every year and endorsed by both the Government's Chief Scientific Advisor and Ministers. This document provides a prioritisation of the most significant emergencies that could affect the UK to inform decision making for contingency planning and capability building at the national and local level.</p> <p>At the local level Category 1 Responders have a duty under the CCA to assess the risk of emergencies affecting the area in which they operate. Under the regulations of this Act Government provide advice and guidance to support local risk assessment.</p> <p>The NRA does not include a climate change specific risk as it is concerned with single events, not long term or trend risks, and those risks judged to be credible over the next 5 years. However, the implications of climate change on the likelihood and impacts of hazards are covered under flooding and weather related risks.</p> <p>The UK Climate Change Act 2008 requires a series of assessments of climate risks to the UK, both under current conditions and over the long term. These will be followed by iterations of the National Adaptation Programme (NAP) over a 5 year cycle. The Adaptation Sub Committee of the Climate Change Committee was also established under the Climate Change Act to support this process and provide an independent review of the Climate Change Risk Assessments and the NAP.</p> <p>The Climate Change Risk Assessment 2012 took over 700 impacts and prioritised 100 for comparison. The 100 risks are then prioritised based on a combination of their severity and likelihood.</p>
	<p>P3.1.b) A national or regional risk assessment with the following elements shall be in place: A description of single-risk and multi-risk scenarios;</p>	<p>Yes</p>	<ul style="list-style-type: none"> • Civil Contingencies Act (2004) • National Risk Assessment • UK Climate Change Act 2008 • National Adaptation Programme • Climate Change Risk Assessment 2012 	<p>The UK model of risk management for National Resilience is underpinned by the Civil Contingencies Act (2004) (CCA).</p>

				<p>The National Risk Assessment (NRA) provides a strategic and cross-government assessment of the most significant civil emergencies that could affect citizens in the UK over the next 5 years. It is reviewed every year and endorsed by both the Government's Chief Scientific Advisor and Ministers. This document provides a prioritisation of the most significant emergencies that could affect the UK to inform decision making for contingency planning and capability building at the national and local level.</p> <p>At the local level Category 1 Responders have a duty under the CCA to assess the risk of emergencies affecting the area in which they operate. Under the regulations of this Act Government provide advice and guidance to support local risk assessment.</p> <p>The NRA does not include a climate change specific risk as it is concerned with single events, not long term or trend risks, and those risks judged to be credible over the next 5 years. However, the implications of climate change on the likelihood and impacts of hazards are covered under flooding and weather related risks.</p> <p>The UK Climate Change Act 2008 requires a series of assessments of climate risks to the UK, both under current conditions and over the long term. These will be followed by iterations of the National Adaptation Programme (NAP) over a 5 year cycle. The Adaptation Sub Committee of the Climate Change Committee was also established under the Climate Change Act to support this process and provide an independent review of the Climate Change Risk Assessments and the NAP.</p> <p>The Climate Change Risk Assessment 2012 took over 700 impacts and prioritised 100 for comparison. The 100 risks are then prioritised based on a combination of their severity and likelihood.</p>
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	<p>P3.1.c) A national or regional risk assessment with the following elements shall be in place: Taking into account, where appropriate, national climate change adaptation strategies.</p>	<p>Yes</p>	<ul style="list-style-type: none"> • Civil Contingencies Act (2004) • National Risk Assessment • UK Climate Change Act 2008 • National Adaptation Programme • Climate Change Risk Assessment 2012 	<p>The UK model of risk management for National Resilience is underpinned by the Civil Contingencies Act (2004) (CCA).</p> <p>The National Risk Assessment (NRA) provides a strategic and cross-government assessment of the most significant civil emergencies that could affect citizens in the UK over the next 5 years. It is reviewed every year and endorsed by both the Government's Chief Scientific Advisor and Ministers. This document provides a prioritisation of the most significant emergencies that could affect the UK to inform decision making for contingency planning and capability building at the national and local level.</p> <p>At the local level Category 1 Responders have a duty under the CCA to assess the risk of emergencies affecting the area in which they operate. Under the regulations of this Act Government provide advice and guidance to support local risk assessment.</p> <p>The NRA does not include a climate change specific risk as it is concerned with single events, not long term or trend risks, and those risks judged to be credible over the next 5 years. However, the implications of climate change on the likelihood and impacts of hazards are covered under flooding and weather related risks.</p> <p>The UK Climate Change Act 2008 requires a series of assessments of climate risks to the UK, both under current conditions and over the long term. These will be followed by iterations of the National Adaptation Programme (NAP) over a 5 year cycle. The Adaptation Sub Committee of the Climate Change Committee was also established under the Climate Change Act to support this process and provide an independent review of the Climate Change Risk Assessments and the NAP.</p> <p>The Climate Change Risk</p>
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				Assessment 2012 took over 700 impacts and prioritised 100 for comparison. The 100 risks are then prioritised based on a combination of their severity and likelihood.
P4.1) Good Agricultural and Environmental Conditions (GAEC): standards for good agricultural and environmental condition of land referred to in Chapter I of Title VI of Regulation (EU) No 1306/2013 are established at national level	P4.1.a) GAEC standards are defined in national law and specified in the programmes	Yes	Statutory Instrument 2009/3365 The Agriculture (Cross compliance) (No 2) Regulations 2009 [http://www.legislation.gov.uk/ukxi/2009/3365/pdfs/ukxi_20093365_en.pdf]	GAEC standards are set out in English law. Current standards are set out in Statutory Instrument 2009/3365 The Agriculture (Cross compliance) (No 2) Regulations 2009 (as amended). Defra is updating the standards for 1st January 2015. Now fulfilled.
P4.2) Minimum requirements for fertilisers and plant protection products: minimum requirements for fertilisers and plant protection products referred to in Article 28 of Chapter I of Title III of Regulation (EU) No 1305/2013 are defined at national level	P4.2.a) Minimum requirements for fertilisers and plant protection products referred to in Chapter I of Title III of Regulation (EU) No 1305/2013 are specified in the programmes;	Yes	<ul style="list-style-type: none"> • RB209 Fertiliser Crop Guidance Booklet • The Code of Good Agricultural Practice • The Nitrate Pollution Prevention Regulations 2008 • The Water Environment Regulations 2003 • SMR 9 Restriction on the use of plant protection products. 	<p>Farmers are expected to use best management practices in applying fertilisers and manures, to follow guidelines provided in publications such as The Fertiliser Manual (RB209) and The Codes of Good Agricultural Practice, and to seek advice from Fertiliser Advisers Certification and Training Scheme (FACTS)-qualified advisers.</p> <p>Specific regulation on fertiliser use is found in the Nitrates Directive, implemented by The Nitrate Pollution Prevention Regulations 2008, as amended, and indirectly by the Water Framework Directive, implemented by The Water Environment (Water Framework Directive) (England and Wales) Regulations 2003.</p> <p>Minimum requirements for plant protection products are established through cross compliance SMR 9 (PPPs).</p>
P4.3) Other relevant national standards: relevant mandatory national standards are defined for the purpose of Article 28 of Chapter I of Title III of Regulation (EU) No 1305/2013	P4.3.a) Relevant mandatory national standards are specified in the programmes	Yes		<p>Only GAECs, SMRs and the above minimum requirements constitute the legal baseline for support under Article 28 in England.</p> <p>Other national standards apply to all farmers and others eligible for support in this measure. However, these are separate from the support that shall be offered in the 2014-2020 programme and do not constitute relevant mandatory requirements pertaining to Article 28 (3) of Regulation (EU) No 1305/2013.</p>

<p>P5.1) Energy efficiency: actions have been carried out to promote cost effective improvements of energy end use efficiency and cost effective investment in energy efficiency when constructing or renovating buildings.</p>	<p>P5.1.a) Measures to ensure minimum requirements are in place related to the energy performance of buildings consistent with Articles 3, 4 and 5 of Directive 2010/31/EU of the European Parliament and the Council;</p>	<p>Yes</p>	<ul style="list-style-type: none"> • Regulation 21 of the Building Regulations 2010 • Regulation 24 of the Building Regulations 2010 	<p>Article 3</p> <p>In accordance with The Building Regulations 2010 regulation 24 (methodology of calculation and expression of energy performance), the Department for Communities and Local Government (DCLG) has developed a national calculation methodology for the energy performance of buildings.</p> <p>Article 4</p> <p>Changes to strengthen energy performance requirements, in Part L of the Building Regulations 2010 for England and Wales (introduced in October 2010) has delivered a 25% reduction in emissions from new buildings and improved standards when building work is carried out to existing properties.</p> <p>Since submitting the UK cost optimal report (as required by Article 5 of the Directive) England has further strengthened standards in 2013 with an emphasis on cost effective improvements to building fabric and building services and striking a balance between improving energy efficiency and ensuring that the net effect upon consumers and businesses is beneficial and does not stifle growth.</p> <p>The national calculation methodologies, which calculate the energy performance of buildings, are required to take account of indoor climate conditions, such as inadequate ventilation, local conditions, designated function and age when calculating the energy performance of a building.</p> <p>Article 5</p> <p>DCLG has submitted a report to the commission, which is under consideration.</p>
	<p>P5.1.b) Measures necessary to establish a system of certification of the energy performance of buildings consistent with</p>	<p>Yes</p>	<ul style="list-style-type: none"> • Regulation 5 of the Energy Performance of Buildings Regulations • Regulation 4 of the Energy Performance of Buildings Regulations (Articles 1 – 4) 	<p>The referenced articles of Regulations 4 and 9 of the Energy Performance of Buildings</p>

	Article 11 of Directive 2010/31/EU;		<ul style="list-style-type: none"> Regulation 9 of the Energy Performance of Buildings Regulations (Articles 1 – 5) 	Regulations establish the required system of certification.
	P5.1.c) Measures to ensure strategic planning on energy efficiency, consistent with Article 3 of Directive 2012/27 EU of the European Parliament and the Council;	Yes	<ul style="list-style-type: none"> Energy Efficiency Strategy [https://www.gov.uk/government/publications/energy-efficiency-opportunities-in-the-uk] Energy Efficiency Strategy: 2013 Update [https://www.gov.uk/government/publications/energy-efficiency-strategy-2013-update] 	<p>As required by Article 3 of the Energy Efficiency Directive, on 30 April the UK set itself a non-binding energy efficiency target for 2020 (set at the level of an 18% reduction in final energy consumption, or 20% primary energy consumption). Current projections show that the target will be met in 2020. The UK has a range of policy measures in place to help meet the target, and the Department of Energy and Climate Change (DECC) set these out in the 2012 Energy Efficiency Strategy and the 2013 Update to this.</p> <p>The November 2012 Energy Efficiency Strategy sets out the mission to seize the energy efficiency opportunity in the UK, and the policy strategy for the next two decades.</p> <p>It is designed to maximise the benefits of existing policy and to realise the wider energy efficiency potential across the UK economy.</p> <p>The 2013 Strategy Update focuses on the significant progress made since the publication of the Energy Efficiency Strategy, and looks forward to the key energy efficiency priorities over the next year or so.</p>
	P5.1.d) Measures consistent with Article 13 of Directive 2006/32/EC of the European Parliament and the Council on energy end use efficiency and energy services to ensure the provision to final customers of individual meters in so far as it is technically possible, financially reasonable and proportionate in relation to the potential energy savings.	Yes	<ul style="list-style-type: none"> Gas Act 1986; Gas (Meters) Regulations 1983; Measuring Instruments (EEC Requirements)(Gas Volume Meters) Regulations 1988; Measuring Instruments (Gas Meters) Regulations 2006; Measuring Instruments (Non-Prescribed Instruments) Regulations 2006; Gas (Standards of Performance) Regulations 2005; Gas Standard Conditions of Supply Licences. Electricity Act 1989; Meters (Approval of Pattern or Constructions and Manner of Installation) Regulations 1998; Meters (Certification) regulations 1998; Measuring Instruments (Active Electrical Energy Meters Regulations 2006; Electricity (Standards of Performance) Regulations 2005; Electricity Standard Conditions of Supply Licences, the Balancing and Settlement Code. Electricity and Gas (Billing) Regulations 2008 (SI 2008/1163) 	<p>The legislation referred to, on both gas and electricity, ensure that the UK as a whole complies with this criteria.</p> <p>For the purposes of Article 13(1) of the directive, domestic, public sector and business premises in the UK that are served by licensed gas and electricity suppliers are already provided with individual, competitively priced gas and electricity meters which can accurately record the customer's actual consumption</p> <p>In Great Britain, the provision of meters and their servicing is open to competition.</p>

				<p>The UK does not have mandatory requirements for metering for district heating or domestic hot water. In the UK, only a small minority of households and businesses directly buy heat (district heating). Only 0.75% of the UK's final energy demand is met by the direct supply of heat. In relation to district heating, the consultation and cost-benefit assessment carried out in 2007 and 2008 demonstrated that across the district heating sector as a whole, it was not financially reasonable and proportionate in relation to the potential energy savings to require installation of metering in existing heat schemes or new heat schemes. In addition, the vast majority of these schemes involve very small suppliers and Article 2(a) of the Directive permits Member States to exclude such companies from the application of article 13. DECC accordingly considers that no measures are necessary in respect of district heating under article 13(1) of the Directive.</p>
<p>P5.2) Water sector: the existence of a) a water pricing policy which provides adequate incentives for users to use water resources efficiently and b) an adequate contribution of the different water uses to the recovery of the costs of water services at a rate determined in the approved river basin management plan for investment supported by the programmes.</p>	<p>P5.2.a) In sectors supported by the EAFRD, a Member State has ensured a contribution of the different water uses to the recovery of the costs of water services by sector consistent with Article 9, paragraph 1 first indent of the Water Framework Directive having regard where appropriate, to the social, environmental and economic effects of the recovery as well as the geographic and climatic conditions of the region or regions affected.</p>	<p>Yes</p>		<p>Defra has ensured that cost recovery is in place throughout the UK for all water services that provide water supply or waste water collection and disposal for households, public institutions or any economic activity. This includes all waste water collection and treatment facilities required under directive 91/271/EEC. This is consistent with Article 9 of the WFD.</p>
<p>P5.3) Renewable energy: actions have been carried out to promote the production and distribution of renewable energy sources</p>	<p>P5.3.a) Transparent support schemes, priority in grid access or guaranteed access and priority in dispatching, as well as standard rules relating to the bearing and sharing of costs of technical adaptations which have been made public are in place consistent with Article 14(1) and Article 16(2) and (3) of Directive 2009/28/EC;</p>	<p>Yes</p>	<ul style="list-style-type: none"> • National Renewable Action Plan (NREAP) [https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/47871/25-nat-ren-energy-action-plan.pdf] • Renewable Energy Roadmap (yearly)[https://www.gov.uk/government/collections/uk-renewable-energy-roadmap] 	<p>The UK is committed to having 15% of energy consumption to come from renewable sources in 2020, as set out in the 2009 Renewable Energy Directive.</p> <p>The UK produced and adopted a national renewable action plan (NREAP) as set out in the 2009 Directive. This NREAP is published on the UK Government and EU Commission's websites and sets out transposition and strategy for compliance with the Renewable Energy Directive.</p> <p>Every year the Department of Energy and Climate Change (DECC) also produces a Renewable Energy Roadmap, which sets out the progress made the previous year, and our</p>

				<p>pathway to achieving the 2020 target.</p> <p>The UK is committed to having 15% of energy consumption to come from renewable sources in 2020, as set out in the 2009 Renewable Energy Directive.</p> <p>The UK produced and adopted a national renewable action plan (NREAP) as set out in the 2009 Directive. This NREAP is published on the UK Government and EU Commission's websites and sets out transposition and strategy for compliance with the Renewable Energy Directive.</p> <p>Every year the Department of Energy and Climate Change (DECC) also produces a Renewable Energy Roadmap, which sets out the progress made the previous year, and our pathway to achieving the 2020 target.</p>
	<p>P5.3.b) A Member State has adopted a national renewable energy action plan consistent with Article 4 of Directive 2009/28/EC</p>	Yes	<ul style="list-style-type: none"> • National Renewable Action Plan (NREAP) [https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/47871/25-nat-ren-energy-action-plan.pdf] • Renewable Energy Roadmap (yearly) [https://www.gov.uk/government/collections/uk-renewable-energy-roadmap] 	
<p>P6.1) Next Generation Network (NGN) Infrastructure : the existence of national or regional NGA Plans which take account of regional actions in order to reach the Union high speed Internet access targets, focusing on areas where the market fails to provide an open infrastructure at an affordable cost and of a quality in line with the Union competition and State aid rules and to provide accessible services to vulnerable groups</p>	<p>P6.1.a) A national or regional NGN Plan is in place that contains: a plan of infrastructure investments based on an economic analysis taking account of existing private and public infrastructures and planned investments;</p>	No	<p>Broadband Delivery Programme: Delivery Model – September 2011</p> <p>[https://www.gov.uk/government/publications/broadband-delivery-programme-delivery-model-september-2011]</p>	<p>A delivery model from September 2011 is currently in place.</p> <p>The UK Government's broadband delivery agency – Broadband Delivery UK - will publish an updated Broadband Delivery Plan setting out a national plan for future delivery.</p> <p>In addition Local Authorities will provide updated Local Broadband Plans setting out the overall broadband plans for their areas where public sector intervention is necessary.</p>
	<p>P6.1.b) A national or regional NGN Plan is in place that contains: sustainable investment models that enhance competition and provide access to open, affordable, quality and future proof infrastructure and services;</p>	No	<p>Broadband Delivery Programme: Delivery Model – September 2011</p> <p>[https://www.gov.uk/government/publications/broadband-delivery-programme-delivery-model-september-2011]</p>	<p>A delivery model from September 2011 is currently in place.</p> <p>The UK Government's broadband delivery agency – Broadband Delivery UK - will publish an updated Broadband Delivery Plan setting out a national plan for future delivery.</p> <p>In addition Local Authorities will provide updated Local Broadband Plans setting out the overall broadband plans for their areas where public sector intervention</p>

				is necessary.
	P6.1.c) A national or regional NGN Plan is in place that contains: measures to stimulate private investment.	No	<p>Broadband Delivery Programme: Delivery Model – September 2011</p> <p>[https://www.gov.uk/government/publications/broadband-delivery-programme-delivery-model-september-2011]</p>	<p>A delivery model from September 2011 is currently in place.</p> <p>The UK Government's broadband delivery agency – Broadband Delivery UK - will publish an updated Broadband Delivery Plan setting out a national plan for future delivery.</p> <p>In addition Local Authorities will provide updated Local Broadband Plans setting out the overall broadband plans for their areas where public sector intervention is necessary.</p>

6.2.1. List of actions to be taken for general ex-ante conditionalities

Applicable ex-ante conditionality at national level	Criteria Not Fulfilled	Action to be taken	Deadline	Bodies responsible for fulfillment
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6.2.2. List of actions to be taken for priority linked ex-ante conditionalities

Applicable ex-ante conditionality at national level	Criteria Not Fulfilled	Action to be taken	Deadline	Bodies responsible for fulfillment
<p>P6.1) Next Generation Network (NGN) Infrastructure : the existence of national or regional NGA Plans which take account of regional actions in order to reach the Union high speed Internet access targets, focusing on areas where the market fails to provide an open infrastructure at an affordable cost and of a quality in line with the Union competition and State aid rules and to provide accessible services to vulnerable groups</p>	<p>P6.1.a) A national or regional NGN Plan is in place that contains: a plan of infrastructure investments based on an economic analysis taking account of existing private and public infrastructures and planned investments;</p>	<p>Local Broadband Plans to be updated and adopted, for those areas where ERDF or EAFRD investments are planned.</p>	<p>30-06-2015</p>	<p>Relevant Local Authorities</p>
	<p>P6.1.a) A national or regional NGN Plan is in place that contains: a plan of infrastructure investments based on an economic analysis taking account of existing private and public infrastructures and planned investments;</p>	<p>Updated Broadband Delivery Plan (2014-2020) to be produced and provided to the Commission</p>	<p>31-03-2015</p>	<p>Broadband Delivery UK</p>
	<p>P6.1.b) A national or regional NGN Plan is in place that contains: sustainable investment models that enhance competition and provide access to open, affordable, quality and future proof infrastructure and services;</p>	<p>Updated Broadband Delivery Plan to be produced and provided to the Commission.</p>	<p>31-03-2015</p>	<p>Broadband Delivery UK</p>
	<p>P6.1.b) A national or regional NGN Plan is in place that contains: sustainable investment models that enhance competition and provide access to open, affordable, quality and future proof infrastructure and services;</p>	<p>Local Broadband Plans to be updated and adopted, for those areas where ERDF or EAFRD investments are planned.</p>	<p>30-06-2015</p>	<p>Relevant Local Authorities</p>
	<p>P6.1.c) A national or regional NGN Plan is in place that contains: measures to stimulate private investment.</p>	<p>Updated Broadband Delivery Plan to be produced and provided to the Commission.</p>	<p>31-03-2015</p>	<p>Broadband Delivery UK</p>
	<p>P6.1.c) A national or regional NGN Plan is in place that contains: measures to stimulate private investment.</p>	<p>Local Broadband Plans to be updated and adopted, for those areas where ERDF or EAFRD investments are planned.</p>	<p>30-06-2015</p>	<p>Relevant Local Authorities</p>

7. DESCRIPTION OF THE PERFORMANCE FRAMEWORK

7.1. Indicators

Priority	Applicable	Indicator and measurement unit, where appropriate	Target 2023 (a)	Adjustment top ups (b)	Milestone 2018 % (c)	Milestone absolute value (a-b)*c
P2: Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests	X	Number of agricultural holdings with RDP support for investment in restructuring or modernisation (focus area 2A) + holdings with RDP supported business development plan/investment for young farmers (focus area 2B)	3,625.00		15%	543.75
	X	Total Public Expenditure P2 (EUR)	121,250,000.00		30%	36,375,000.00
P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture		Number of supported agricultural holdings receiving support for participating in quality schemes, local markets/short supply circuits, and producer groups (focus area 3A)	55.00			
		Number of agricultural holdings participating in risk management schemes (focus area 3B)				

	X	Total Public Expenditure P3 (EUR)	27,500,000.00		30%	8,250,000.00
P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry	X	Total Public Expenditure P4 (EUR)	3,452,412,932.00	90,000,000.00	40%	1,344,965,172.80
		Agricultural land under management contracts contributing to biodiversity (ha) (focus area 4A) + improving water management (ha) (focus area 4B) + improving soil management and/preventing soil erosion (ha) (focus area 4C)	2,790,000.00			
P5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors	X	Agricultural and forest land under management to foster carbon sequestration/conservation (ha) (focus area 5E) + Agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions (ha) (focus area 5D) + Irrigated land switching to more efficient irrigation system (ha) (focus area 5A)	600.00		30%	180.00
	X	Number of investment operations in energy	835.00		15%	125.25

		savings and efficiency (focus area 5B) + in renewable energy production (focus area 5C)				
	X	Total Public Expenditure P5 (EUR)	27,500,000.00		30%	8,250,000.00
P6: Promoting social inclusion, poverty reduction and economic development in rural areas	X	Population covered by LAG (focus area 6B)	8,190,000.00		100%	8,190,000.00
	X	Total Public Expenditure P6 (EUR)	394,785,856.00		30%	118,435,756.80
	X	Number of operations supported to improve basic services and infrastructures in rural areas (focus areas 6B and 6C)	210.00		15%	31.50

7.1.1. P2: Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests

7.1.1.1. Number of agricultural holdings with RDP support for investment in restructuring or modernisation (focus area 2A) + holdings with RDP supported business development plan/investment for young farmers (focus area 2B)

Applicable: Yes

Target 2023 (a): 3,625.00

Adjustment top ups (b):

Milestone 2018 % (c): 15%

Milestone absolute value (a-b)*c: 543.75

Justification for the milestone setting:

Delivery and verification of final outputs against completed projects tends to follow a slightly later curve than expenditure. Outputs are therefore projected to be half the level of spend at this point of the programme period.

7.1.1.2. Total Public Expenditure P2 (EUR)

Applicable: Yes

Target 2023 (a): 121,250,000.00

Adjustment top ups (b):

Milestone 2018 % (c): 30%

Milestone absolute value (a-b)*c: 36,375,000.00

Justification for the milestone setting:

Spend under this priority uses socio-economic measures. It is expected that the first payments made to beneficiaries will not start until mid-2015 at the earliest. That means that there will only be three and a half years of spend to 2018. During the previous programming period the amount of spend reported for similar schemes over a similar period was 27%. It is therefore felt that 30% represents a realistic target.

7.1.2. P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture

7.1.2.1. Number of supported agricultural holdings receiving support for participating in quality schemes, local markets/short supply circuits, and producer groups (focus area 3A)

Applicable: No

Target 2023 (a): 55.00

Adjustment top ups (b):

Milestone 2018 % (c):

Milestone absolute value (a-b)*c: 0.00

Justification for the milestone setting:

7.1.2.2. Number of agricultural holdings participating in risk management schemes (focus area 3B)

Applicable: No

Target 2023 (a): 0.00

Adjustment top ups (b):

Milestone 2018 % (c):

Milestone absolute value (a-b)*c: 0.00

Justification for the milestone setting:

7.1.2.3. Total Public Expenditure P3 (EUR)

Applicable: Yes

Target 2023 (a): 27,500,000.00

Adjustment top ups (b):

Milestone 2018 % (c): 30%

Milestone absolute value (a-b)*c: 8,250,000.00

Justification for the milestone setting:

Spend under this priority uses socio-economic measures. It is expected that the first payments made to beneficiaries will not start until mid-2015 at the earliest. That means that there will only be three and a half years of spend to 2018. During the previous programming period the amount of spend reported for similar schemes over a similar period was 27%. It is therefore felt that 30% represents a realistic target.

7.1.3. P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry

7.1.3.1. Total Public Expenditure P4 (EUR)

Applicable: Yes

Target 2023 (a): 3,452,412,932.00

Adjustment top ups (b): 90,000,000.00

Milestone 2018 % (c): 40%

Milestone absolute value (a-b)*c: 1,344,965,172.80

Justification for the milestone setting:

First payments to beneficiaries agri-environment and forestry schemes started in late 2014. That means that there will be a full four years of spend to 2018. During the previous programming period the amount

of spend reported for similar schemes over a similar period was 48%. However there are some significant changes in delivery from the previous programme (e.g. the introduction of targeting) and new multi-annual agreements will not start until 2016. It is therefore felt that 40% represents a realistic target.

7.1.3.2. Agricultural land under management contracts contributing to biodiversity (ha) (focus area 4A) + improving water management (ha) (focus area 4B) + improving soil management and/preventing soil erosion (ha) (focus area 4C)

Applicable: No

Target 2023 (a): 2,790,000.00

Adjustment top ups (b):

Milestone 2018 % (c):

Milestone absolute value (a-b)*c: 0.00

Justification for the milestone setting:

7.1.4. P5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors

7.1.4.1. Agricultural and forest land under management to foster carbon sequestration/conservation (ha) (focus area 5E) + Agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions (ha) (focus area 5D) + Irrigated land switching to more efficient irrigation system (ha) (focus area 5A)

Applicable: Yes

Target 2023 (a): 600.00

Adjustment top ups (b):

Milestone 2018 % (c): 30%

Milestone absolute value (a-b)*c: 180.00

Justification for the milestone setting:

Delivery and verification of final outputs against completed projects tends to follow a slightly later curve than expenditure. Outputs are therefore projected to be half the level of spend at this point of the programme period.

7.1.4.2. Number of investment operations in energy savings and efficiency (focus area 5B) + in renewable energy production (focus area 5C)

Applicable: Yes

Target 2023 (a): 835.00

Adjustment top ups (b):

Milestone 2018 % (c): 15%

Milestone absolute value (a-b)*c: 125.25

Justification for the milestone setting:

Delivery and verification of final outputs against completed projects tends to follow a slightly later curve than expenditure. Outputs are therefore projected to be half the level of spend at this point of the programme period.

7.1.4.3. Total Public Expenditure P5 (EUR)

Applicable: Yes

Target 2023 (a): 27,500,000.00

Adjustment top ups (b):

Milestone 2018 % (c): 30%

Milestone absolute value (a-b)*c: 8,250,000.00

Justification for the milestone setting:

Although agreements funded under priority 4 are contributing to outputs under focus area 5E, expenditure under this focus area will come from socio-economic measures. It is expected that the first payments made to beneficiaries will not start until mid-2015 at the earliest. That means that there will only be three and a half years of spend to 2018. During the previous programming period the amount of spend reported for similar schemes over a similar period was 27%. It is therefore felt that 30% represents a realistic target.

7.1.5. P6: Promoting social inclusion, poverty reduction and economic development in rural areas

7.1.5.1. Population covered by LAG (focus area 6B)

Applicable: Yes

Target 2023 (a): 8,190,000.00

Adjustment top ups (b):

Milestone 2018 % (c): 100%

Milestone absolute value (a-b)*c: 8,190,000.00

Justification for the milestone setting:

The population covered by Local Action Groups is expected to be broadly stable throughout the duration of the programme.

7.1.5.2. Total Public Expenditure P6 (EUR)

Applicable: Yes

Target 2023 (a): 394,785,856.00

Adjustment top ups (b):

Milestone 2018 % (c): 30%

Milestone absolute value (a-b)*c: 118,435,756.80

Justification for the milestone setting:

Spend under this priority uses socio-economic measures. It is expected that the first payments made to beneficiaries will not start until mid-2015 at the earliest. That means that there will only be three and a half years of spend to 2018. During the previous programming period the amount of spend reported for similar schemes over a similar period was 27%. It is therefore felt that 30% represents a realistic target.

7.1.5.3. Number of operations supported to improve basic services and infrastructures in rural areas (focus areas 6B and 6C)

Applicable: Yes

Target 2023 (a): 210.00

Adjustment top ups (b):

Milestone 2018 % (c): 15%

Milestone absolute value (a-b)*c: 31.50

Justification for the milestone setting:

Delivery and verification of final outputs against completed projects tends to follow a slightly later curve than expenditure. Outputs are therefore projected to be half the level of spend at this point of the programme period.

7.2. Alternative indicators

Priority	Applicable	Indicator and measurement unit, where appropriate	Target 2023 (a)	Adjustment top ups (b)	Milestone 2018 % (c)	Milestone absolute value (a-b)*c
P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture	X	Number of participants in trainings	9,500.00		15%	1,425.00
P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry	X	Agricultural land under management contracts contributing to biodiversity (ha) (focus area 4A) + improving water management (ha) (focus area 4B) + improving soil management and/preventing soil erosion (ha) (focus area 4C) for measure 10	2,521,000.00			

7.2.1. P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture

7.2.1.1. Number of participants in trainings

Applicable: Yes

Target 2023 (a): 9,500.00

Adjustment top ups (b):

Milestone 2018 % (c): 15%

Milestone absolute value (a-b)*c: 1,425.00

Justification for the milestone setting:

Delivery and verification of final outputs against completed projects tends to follow a slightly later curve than expenditure. Outputs are therefore projected to be half the level of spend at this point of the programme period. This target indicator covers training under both Focus Area 3A (6,700) and 3B (2,800).

7.2.2. P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry

7.2.2.1. Agricultural land under management contracts contributing to biodiversity (ha) (focus area 4A) + improving water management (ha) (focus area 4B) + improving soil management and/preventing soil erosion (ha) (focus area 4C) for measure 10

Applicable: Yes

Target 2023 (a): 2,521,000.00

Adjustment top ups (b):

Milestone 2018 % (c):

Milestone absolute value (a-b)*c: 0.00

Justification for the milestone setting:

The England Managing Authority are proposing to use only outputs from measure 10 for this indicator, as the numbers for other measures are small in comparison.

2,521,000 ha are forecast to be funded under measure 10 in 2023. This value is forecast to be 2,733,000 ha in 2018. The area reduces because

agreements under the old programme will expire and a more targeted approach will be used under the new programme. We were not able to enter percentages greater than 100. In order to provide the correct value for the 2018 milestone the percentage should be 108.41%. The value of the milestone reflects the areas already under multi-annual agri-environment management that will continue to be in place in 2018 and that contribute to the specific objectives, plus an allowance for new agreements based on the available budget headroom and assumed patterns of scheme management option uptake against the specific objectives.

7.3. Reserve

Priority	Total union contribution planned (€)	Total union contribution planned (€) subject to the performance reserve	Performance reserve (€)	Min performance reserve (Min 5%)	Max performance reserve (Max 7%)	Performance reserve rate
P2: Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests	121,250,000.00					0%
P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture	27,500,000.00					0%
P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry	2,867,431,253.00	1,519,945,036.00	91,196,702.00	75,997,252.00	106,396,153.00	6%
P5: Promoting resource efficiency and supporting the shift towards a low	27,500,000.00					0%

carbon and climate resilient economy in agriculture, food and forestry sectors						
P6: Promoting social inclusion, poverty reduction and economic development in rural areas	394,785,856.00					0%

8. DESCRIPTION OF THE MEASURES SELECTED

8.1. Description of the general conditions applied to more than one measure including, when relevant, definition of rural area, baselines, cross-compliance, intended use of financial instruments, intended use of advances and common provisions for investments, including the provisions of Articles 45 and 46 of regulation (EU) No 1305/2013

Classification of the region

The UK rural-urban classification (which differs from the EU typology) uses 2011 Census dwelling density and mapping information to classify the settlement type and context for small area geographies and in particular for Census Output Areas (average population 309 people).

Settlements with more than 10,000 residents are urban. Rural areas are those that are not classified as urban. The rural settlement form is identified using localised variations in dwelling density. The wider context of each settlement, based on dwelling densities at greater distances, identifies sparsely populated areas and thus settlements in a sparse setting.

Eligibility for the programme is initially based on rural Census Output Areas but is also extended to include the non-built-up parts of urban census output areas and discrete built-up areas of 10,000 residents or fewer. Some larger towns are important as hubs for the rural areas given the services, employment and businesses they provided. Towns identified as such hubs are to be considered rural for the purposes of the programme, as set out in '2011 Rural-Urban Classification of Local Authority and other higher level geographies for statistical purposes'[1]. There will be certain activities that will be considered eligible for the programme even though they are located within urban areas, e.g. farm holdings within Greater London or where the benefits of the investment go to rural areas.

Local Government Areas (England's 326 unitary and district local authorities[2] (NUTS4)) are classified by the proportion of their populations living within rural areas.

Advances/Financial Engineering Instruments

Advances shall be used under measure 4.4. These are intended for upland farms with parcels of land above the moorland line. Recipients will be required to conduct large scale works (e.g. grip blocking as part of moorland or blanket bog restoration) as part of their site specific agreement (Higher Tier Agreements).

New financial engineering instruments are also being considered for introduction within the new programme under measures 4, 6, 7 and 8. The requisite ex ante assessments would be conducted to determine the strength of the case for loans or loan guarantees under these four measures. Where a particular financial engineering instrument is supported by an approved ex ante assessment and the managing authority is satisfied that it is deliverable, as well as verifiable and controllable, it may be introduced within the programming period. If such a decision is made after approval of the Programme, loans or guarantees will be introduced through a programme modification.

Any new financial engineering instruments or advances shall comply with the rules set out in Regulation (EU) No 1303/2013, as well as the relevant state aids law and procurement law.

Common Provisions for Investment

The English authorities affirm that, where necessary and appropriate, the requirements of Environmental

Impact Assessments and energy efficiency requirements will be respected, either in the compilations of lists of items which will be eligible for funding, or in the appraisal of individual projects. This will include, where appropriate, an assessment of the environmental impact of projects supported under non-area based measures (Measures 4, 6, 7, 16 and 19) prior to approval of the application. This will be in accordance with Article 45 (1) of (EU) Regulation 1305/2013: “investment operations shall be preceded by an assessment of the expected environmental impact in accordance with law specific to that kind of investment where the investment is likely to have negative effects on the environment.” Defra appraises actions against sustainable development criteria, to ensure that environmental, economic or social impacts are taken into account using HM Treasury Green Book appraisal. Relevant environmental permissions will also be sought, where applicable. Where investments are below the level legally requiring completion of an Environmental Impact Assessment (EIA), we will not require an EIA to be undertaken as a condition of RDPE support. Defra will request information on environmental and climate impact through project applications, and include this in the assessment, but the level of detail requested will be proportionate to the type of operation and the level of funding sought.

EU public procurement rules will be respected, in particular (i) Directives 2004/18/EC and 2004/17/EC, (ii) Directives 2014/23/EU, 2014/24/EU and 2014/25/EU, (iii) Directives 89/665/EEC and 92/13/EEC and (iv) the general public procurement principles derived from the Treaty on the Functioning of the EU.

The England Prioritised Action Framework

The England PAF (Prioritised Action Framework for Natura 2000) sets out the potential measures required to achieve favourable condition for England Natura 2000 sites. This is being refined through the LIFE+ IPENS project, which is due to report in 2015. A key output is the provision of individual site improvement plans (SIPs), which identify the mechanisms and funding options (including under RDPE) needed to bring sites and species into favourable condition, which will in turn aid in the delivery of Favourable Conservation Status objectives. Section 41 of the Natural Environment and Rural Communities Act contains the list of the 56 priority habitat types that are deemed of principle importance for the conservation of biological diversity in England, many of these can be found within the N2k network. Ensuring that N2K sites are appropriately managed is afforded a high priority in the design and implementation of the relevant measures.

Measure 10 (and associated measures in support of it) will also be the key domestic resourcing mechanism to deliver the England PAF. The Site Improvement Plans (SIPS) being developed as part of the IPENS project will be used to inform the Measure 10 operations that will need to be taken forward to deliver the improvements on the N2K sites. The SIPS and other outputs from IPENS will also feed into an updated PAF later in 2015.

[1] <https://www.gov.uk/government/publications/2011-rural-urban-classification-of-local-authority-and-other-higher-level-geographies-for-statistical-purposes>

[2] 36 Metropolitan Boroughs, 32 London Boroughs, 201 non-metropolitan districts, 55 unitary authorities, the City of London and the Isles of Scilly.

8.2. Description by measure

8.2.1. M01 - Knowledge transfer and information actions (art 14)

8.2.1.1. Legal basis

Article 14 of Regulation (EC) No 1305/2013

8.2.1.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

This measure will be used in England to raise the level of skills and knowledge in the farming and forestry sectors and develop small rural enterprises in the wider rural economy. This investment will address the weaknesses and opportunities identified in the SWOT on the lack of access to a skilled workforce in the agriculture sector and within small rural businesses as well as the limited application of research knowledge. It will contribute to Europe 2020 and the United Kingdom's strategies for growth by improving business competitiveness. The skills offer will also contribute to our environmental and resource efficiency priorities and complement our agri-environment priorities.

€67.5 million of the programme budget has been identified for taking forward this measure.

Investments under this measure will contribute to the focus areas: 2(a), 3(a)(b), 5(a)(b)(c)(d), 6(b) and contribute indirectly to 1(a)(c), 2(b). They will also contribute directly or indirectly to all cross-cutting objectives.

Training and knowledge transfer activity will be offered to farmers, foresters and wider rural businesses to develop their business and industry specific technical skills, including environmental skills, thus enabling sustainable development of their businesses. Funding will also be offered for the establishment and running of agricultural and forestry demonstration sites to showcase the latest technology and working practices to industry participants and enable knowledge exchange.

When focusing funding, we will take into consideration geographic areas or hubs where particular policies are in place to support growth in rural areas and through the agri-food supply chain.

Knowledge transfer is expected to be a key part of the EIP operational groups' work, both in order to bring together researchers and producers to work on a project and in disseminating the results of the operational group's project through national and EIP networks as they are realised. The National Rural Network is expected to have a role in promoting innovation and sharing results of the EIP Operational Group projects, perhaps through workshops, website content and/or leaflets.

There is scope for specific knowledge transfer opportunities for climate change adaptation and mitigation under this measure and its sub-measures. This will include considering climate change adaptation in activity that does not have this as its primary purpose, for example providing adaptation related information alongside other knowledge transfers and ensuring non-adaptation information is valid for expected future climate scenarios.

8.2.1.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regard to the setting of selection criteria

8.2.1.3.1. Sub measure 1.1 - Support for vocational training and skills acquisition actions

Sub-measure:

- 1.1 - support for vocational training and skills acquisition actions

8.2.1.3.1.1. Description of the type of operation

Training courses, workshops and coaching. Examples of subjects to be covered include: management skills; business skills; ICT and the use of new technology; benchmarking; supply chain efficiency; technical agricultural and forestry skills; climate change adaptation and mitigation.

Investment under this sub-measure will contribute to the following focus areas: 2(a), 3(a)(b), 5(a)(b)(c)(d), 6(b) and indirectly to 1(a)(c) and 2(b).

8.2.1.3.1.2. Type of support

Grant

8.2.1.3.1.3. Links to other legislation

EU public procurement rules will be respected, in particular (i) Directives 2004/18/EC and 2004/17/EC, (ii) Directives 2014/23/EU, 2014/24/EU and 2014/25/EU, (iii) Directives 89/665/EEC and 92/13/EEC and (iv) the general public procurement principles derived from the Treaty on the Functioning of the EU. Of particular relevance to Article 14 of Regulation (EC) No 1305/2013 is Annex II B of Directive 2004/18/EC relating to 'education and vocational education services' where the light procedure applies.

8.2.1.3.1.4. Beneficiaries

Providers of the skills/training provision.

8.2.1.3.1.5. Eligible costs

- Cost of organizing and delivering the knowledge transfer or information action including:
 - salaries of employees;
 - travel costs;
 - training materials linked to the action;
 - costs linked to the venue or premise where the action will be delivered and tea / coffee and

other light refreshments, including lunch where the duration of the course is over 6 hours.

- Materials and resources to support feedback and evaluation of courses from participants who have attended courses. This will usually take the form of a questionnaire / feedback form. An analysis of the feedback received will need to be submitted by the beneficiary as part of the payment claim.
- Examination fees would be eligible where such a course provides a specific vocational qualification and a fee is required to allow the participant to complete the action. This could help provide support to the business, transferrable skills to ensure the participant can remain employed in the relevant sector and increase the skills base of the sector.
- Small scale capital costs, such as e.g. hire of equipment such as computers to support delivery of the action.
- For demonstration activities costs may also include investment costs in accordance with article 14.4 i.e. costs of purchasing equipment that is being demonstrated.
- Costs incurred by participants including, where applicable, travel, accommodation and per diem expenses may also be eligible and would be paid to the beneficiary, but only where there is a duly justified rationale for so doing (e.g. access to skills or training itself), and will depend upon the length of the course being held.

Instruction or training which form part of normal education programmes or systems at secondary or higher levels (in England, this means GCSEs, A Levels, BTECs or Higher Education degree courses and systems of agricultural and forestry education at secondary or higher levels) will not be eligible. We shall also seek to avoid replacing existing vocational training or knowledge transfer opportunities available.

Instruction or training provided will be vocational in nature and support the acquisition of specific skills required to support the development of the business in a rural area or within the farming or forestry sectors.

Support for rural SMEs will need to demonstrate that it complements that provided through ESF. Such support will need to demonstrate that it will only be provided where a gap in provision exists.

Where the intervention rate is set at below 100%, participants will apply for a training or information action and will need to provide the required level of funding before being allowed to undertake it.

8.2.1.3.1.6. Eligibility conditions

- Training providers shall have evidence to show they have the appropriate qualifications and resources to properly provide the activity.
- Course attendees shall provide evidence that they are a farmer, forest holder or land manager or employed within a rural SME.
- Course attendees should include evidence of how participation will contribute to the economic development of the SME and, where appropriate, endorsed by the employer.

8.2.1.3.1.7. Principles with regards to the setting of selection criteria

Selection will be organised using national public procurement processes.

The selection process will be: proportionate; open; transparent and fair throughout the programming period and will set out clearly whether either exclusion or inclusion criteria will apply. There will be a separation between those directly involved with supporting pipeline development of bids for investment and those taking decisions on applications. The requirements of the Rural Development Regulation and other relevant EU regulations will be met and, as necessary, it will comply with public procurement rules. All applications will be subject to a formal appraisal that will consider:

- Eligibility for programme support;
- Deadweight;
- Displacement
- Need for public support
- Value for money;
- Applications will be assessed against sustainability principles, which will include specific consideration of their impact on the environment and contribution to climate change mitigation and achievement of improved adaptation to climate change;
- Deliverability/measurability;
- A clear exit strategy from programme funding.

8.2.1.3.1.8. (Applicable) amounts and support rates

Skills have been identified through our evidence and analysis as being one of the main influences on business performance. We therefore want to give strong encouragement to businesses in England to improve their skills and in order to incentivise them we will fund 70% of the training costs for a range of approved training courses (restricted to 60% for medium sized businesses) with participants being required to meet the remaining 30% of the costs in order to ensure they are bought into the potential benefits to their business.

In a limited number of cases e.g. in relation to emergency training in relation to disease outbreaks or where there is no economic benefit to the business in attending we may fund 100% of the training cost.

8.2.1.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.1.3.1.9.1. Risk(s) in the implementation of the measures

The key risk to verifiability and controllability for Knowledge transfer and information actions is that identified by **Root Cause 11: Application of public procurement rules and private tender procedures** of the Commission's working document **SWD(2013) 244 final** and reiterated in the Error Rates technical guidance fiche.

In particular, the key risk for Measure 1 is ensuring that checks are in place to ensure that good and services are procured in accordance with domestic public procurement processes and EU legislation. This type of procurement will have two basic forms: the direct public procurement of goods and services, and the procurement of a framework agreement with the subsequent holding of mini-competitions. Risks would include deficiencies in procurement processes regarding the selection of contractors including the availability of sufficient documentation, and choice of the preferred bidder or procedures which are too complex. EU public procurement rules will be respected, in particular (i) Directives 2004/18/EC and 2004/17/EC, (ii) Directives 2014/23/EU, 2014/24/EU and 2014/25/EU, (iii) Directives 89/665/EEC and

92/13/EEC and (iv) the general public procurement principles derived from the Treaty on the Functioning of the EU.

8.2.1.3.1.9.2. *Mitigating actions*

A control framework for non-area-based measures has been developed including in particular control of procurement processes. Mitigating actions will include:

- Advertisement of a procurement framework via open competition using OJEU and domestic public procurement processes and EU legislation and using IT procurement tools;
- Use of Pre-Qualification questionnaires and Invitation to Tenders including relevant guidance to potential applicants;
- Independent evaluation and scoring of tenders, including Technical and Commercial assessment of bids to ensure fair selection of the preferred bidder;
- Confirmation and feedback for successful and unsuccessful tenders, including confirmation of the prices per unit set and including a contractual delivery framework;
- Retention and administrative checks against relevant documentation including invoices, payroll, travel and subsistence, courses and student records and proof of defrayal;
- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;
- Training for administration staff including mandatory procurement, fraud and un-conscious bias training;
- A control framework for non-area-based measures has been developed including in particular control of procurement processes. Mitigating actions will include:
 - Advertisement of a procurement framework via open competition using OJEU and domestic public procurement processes and EU legislation and using IT procurement tools;
 - Use of Pre-Qualification questionnaires and Invitation to Tenders including relevant guidance to potential applicants;
 - Independent evaluation and scoring of tenders, including Technical and Commercial assessment of bids to ensure fair selection of the preferred bidder;
 - Confirmation and feedback for successful and unsuccessful tenders, including confirmation of the prices per unit set and including a contractual delivery framework;
 - Retention and administrative checks against relevant documentation including invoices, payroll, travel and subsistence, courses and student records and proof of defrayal;
 - Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
 - Inspection, internal audits and reviews, where necessary;
 - Training for administration staff including mandatory procurement, fraud and un-conscious bias training;
 - Guidance for administrative staff to ensure appropriate appraisal and contracting of tenders, and that variations to contract are appropriately controlled and implemented.

8.2.1.3.1.9.3. Overall assessment of the measure

The overall assessment of risk following mitigating actions is **low**. Clear procurement processes are already in place in England and have historically not led to high error rates, audit criticisms or concerns. Despite this, Defra recognises the importance of reinforcing preventative measures to reduce the risk of errors pertaining to implementation of the RDP. This will include **Corrective and Preventative Actions** in part highlighted above to ensure the provision of: training for administration staff (**CPA1**); information, training and advice for beneficiaries (**CPA2**); Information campaigns and guidance documents (**CPA3**); Improvement of IT tools (**CPA 5**); modification of contracts (**CPA6**) and improving internal control and coordination procedures (**CPA7**).

8.2.1.3.1.10. Methodology for calculation of the amount or support rate, where relevant

8.2.1.3.1.11. Information specific to the operation

Definition of appropriate capacities of bodies providing knowledge transfer services to carry out their tasks in the form of staff qualifications and regular training

Procurement rules will be applied. EU public procurement rules will be respected, in particular (i) Directives 2004/18/EC and 2004/17/EC, (ii) Directives 2014/23/EU, 2014/24/EU and 2014/25/EU, (iii) Directives 89/665/EEC and 92/13/EEC and (iv) the general public procurement principles derived from the Treaty on the Functioning of the EU.

Tenderers must show how they will setup the training activity:

- either with their own proficient staff; or
- using professionals from other disciplines; or
- through subcontracting (evidence must be provided on what, how and when it will be delivered and the proportion of work this represents).

Beneficiaries will need to demonstrate that staff collectively possess the requisite skills to deliver an excellent level of knowledge and industry-recognized expertise to meet the specific training or knowledge transfer activities proposed.

Tenderers will need to detail their track record of relevant skills delivery and experience during the last two years and provide certificates showing relevant qualifications necessary to show competence in the specific area where training or information action is being provided.

The minimum experience required to support actions will be 2 years for beneficiaries. We will also ask the tenderers to provide details of the number of days of training to be followed per year to support their continuing professional development, where appropriate.

Definition of the duration and content of farm and forest exchange schemes and visits as referred to in Article 3 of Delegated Regulation (EU) No 807/2014

Not applicable

8.2.1.3.2. Sub measure 1.2 - Support for demonstration activities and information actions

Sub-measure:

- 1.2 - support for demonstration activities and information actions

8.2.1.3.2.1. Description of the type of operation

Demonstration activities aimed at farmers and woodland managers, including the setting up and running of demonstration farms, seminars, workshops, mentoring. Focus on dissemination of innovative technologies or techniques, including results emerging from EIP operational groups, through demonstration farms, meetings or written materials, including web-based learning.

Investments under this measure will contribute to the focus areas: 2(a), 3(a)(b), 5(a)(b)(c)(d), 6(b) and contribute indirectly to 1(a)(c), 2(b).

8.2.1.3.2.2. Type of support

Operations to be procured under contract. This may include capital costs relevant to the activity funded that are not programmed against other measures.

8.2.1.3.2.3. Links to other legislation

EU public procurement rules will be respected, in particular (i) Directives 2004/18/EC and 2004/17/EC, (ii) Directives 2014/23/EU, 2014/24/EU and 2014/25/EU, (iii) Directives 89/665/EEC and 92/13/EEC and (iv) the general public procurement principles derived from the Treaty on the Functioning of the EU. Of particular relevance to Article 14 of Regulation (EC) No 1305/2013 is Annex II B of Directive 2004/18/EC relating to 'education and vocational education services' where the light procedure applies.

8.2.1.3.2.4. Beneficiaries

Organiser of the demonstration /knowledge transfer event. Costs of attendees to the events will not be covered.

8.2.1.3.2.5. Eligible costs

- Cost of organizing and delivering the demonstration activity or information action including:
 - salaries of employees;
 - travel costs;
 - training materials linked to the action;
 - costs linked to the venue or premise where the action will be delivered and tea / coffee and

other light refreshments, including lunch where the duration of the action is over 6 hours.

- Events and publications concerning knowledge transfer and the dissemination of research.
- Materials and resources to support feedback and evaluation of courses from participants who have attended activities. This will usually take the form of a questionnaire / feedback form. An analysis of the feedback received will need to be submitted by the beneficiary as part of the payment claim.
- Small scale capital costs, such as e.g. hire of equipment such as computers to support delivery of the action.
- Other capital costs such as is necessary to support knowledge transfer at the demonstration venue (including lease purchase, but excluding lessors margin, interest, overheads and insurance charges).
- Costs incurred by participants including, where applicable, travel, accommodation and per diem expenses may also be eligible and would be paid to the beneficiary, but only where there is a duly justified rationale for so doing (e.g. access to skills or training itself), and will depend upon the length of the course being held.

Instruction provided will be vocational in nature and support the acquisition of specific knowledge transfer required to support the development of the business or within the farming or forestry sectors.

Support will need to demonstrate that it complements that provided through ESF. Such support will need to demonstrate that it will only be provided where a gap in provision exists.

100% of costs will be supported under this sub-measure.

8.2.1.3.2.6. Eligibility conditions

Demonstration / knowledge transfer providers shall have evidence to show they have the appropriate skills and/or qualifications and resources to properly provide the activity.

8.2.1.3.2.7. Principles with regards to the setting of selection criteria

The selection process will be: proportionate; open; transparent and fair throughout the programming period and will set out clearly whether either exclusion or inclusion criteria will apply. There will be a separation between those directly involved with supporting pipeline development of bids for investment and those taking decisions on applications. The requirements of the Rural Development Regulation and other relevant EU regulations will be met and, as necessary, it will comply with public procurement rules. All applications will be subject to a formal appraisal that will consider:

- Eligibility for programme support;
- Deadweight;
- Displacement;
- Need for public support;
- Value for money;
- Applications will be assessed against sustainability principles, which will include specific consideration of their impact on the environment and contribution to climate change mitigation

- and achievement of improved adaptation to climate change;
- Deliverability/measurability;
- Clear exit strategy from programme funding.

8.2.1.3.2.8. (Applicable) amounts and support rates

Innovation has been identified through our evidence and analysis as one of the key drivers in improving business performance. While experience has shown that practical demonstrations are an effective way of encouraging business to change their behaviour and invest in better equipment and new practices there is little or no economic return for those carrying out this demonstration activity. We therefore propose to fund 100% of the eligible costs for demonstration activities in order to ensure that we can achieve maximum behaviour change and business investment in this area.

8.2.1.3.2.9. Verifiability and controllability of the measures and/or types of operations

8.2.1.3.2.9.1. Risk(s) in the implementation of the measures

The key risk to verifiability and controllability for Knowledge transfer and information actions is that identified by **Root Cause 11: Application of public procurement rules and private tender procedures** of the Commission's working document **SWD (2013) 244 final** and reiterated in the Error Rates technical guidance fiche.

In particular, the key risk for Measure 1 is ensuring that checks are in place to ensure that good and services are procured in accordance with domestic public procurement processes and EU legislation. This type of procurement will have two basic forms: the direct public procurement of goods and services, and the procurement of a framework agreement with the subsequent holding of mini-competitions. Risks would include deficiencies in procurement processes regarding the selection of contractors including the availability of sufficient documentation, and choice of the preferred bidder or procedures which are too complex. EU public procurement rules will be respected, in particular (i) Directives 2004/18/EC and 2004/17/EC, (ii) Directives 2014/23/EU, 2014/24/EU and 2014/25/EU, (iii) Directives 89/665/EEC and 92/13/EEC and (iv) the general public procurement principles derived from the Treaty on the Functioning of the EU.

8.2.1.3.2.9.2. Mitigating actions

A control framework for non-area-based measures has been developed including in particular control of procurement processes. Mitigating actions will include:

- Advertisement of a procurement framework via open competition using OJEU and domestic public procurement processes and EU legislation and using IT procurement tools;
- Use of Pre-Qualification questionnaires and Invitation to Tenders including relevant guidance to potential applicants;
- Independent evaluation and scoring of tenders, including Technical and Commercial assessment of bids to ensure fair selection of the preferred bidder;
- Confirmation and feedback for successful and unsuccessful tenders, including confirmation of the

prices per unit set and including a contractual delivery framework;

- Retention and administrative checks against relevant documentation including invoices, payroll, travel and subsistence, courses and student records and proof of defrayal;
- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;
- Training for administration staff including mandatory procurement, fraud and un-conscious bias training;
- Guidance for administrative staff to ensure appropriate appraisal and contracting of tenders, and that variations to contract are appropriately controlled and implemented.

8.2.1.3.2.9.3. Overall assessment of the measure

The overall assessment of risk following mitigating actions is **low**. Clear procurement processes are already in place in England and have historically not led to high error rates, audit criticisms or concerns. Despite this, Defra recognises the importance of reinforcing preventative measures to reduce the risk of errors pertaining to implementation of the RDP. This will include **Corrective and Preventative Actions** in part highlighted above to ensure the provision of: training for administration staff (**CPA1**); information, training and advice for beneficiaries (**CPA2**); Information campaigns and guidance documents (**CPA3**); Improvement of IT tools (**CPA 5**); modification of contracts (**CPA6**) and improving internal control and coordination procedures (**CPA7**).

8.2.1.3.2.10. Methodology for calculation of the amount or support rate, where relevant

8.2.1.3.2.11. Information specific to the operation

Definition of appropriate capacities of bodies providing knowledge transfer services to carry out their tasks in the form of staff qualifications and regular training

Procurement rules will be applied. EU public procurement rules will be respected, in particular (i) Directives 2004/18/EC and 2004/17/EC, (ii) Directives 2014/23/EU, 2014/24/EU and 2014/25/EU, (iii) Directives 89/665/EEC and 92/13/EEC and (iv) the general public procurement principles derived from the Treaty on the Functioning of the EU.

Tenderers must show how they will set up the demonstration or information action activity:

- either with their own proficient staff; or
- using professionals from other disciplines; or
- through subcontracting (evidence must be provided on what, how and when it will be delivered and the proportion of work this represents).

Beneficiaries will need to demonstrate that staff collectively possess the requisite skills to deliver an excellent level of knowledge and industry-recognized expertise to meet the specific training or knowledge transfer activities proposed.

Tenderers will need to detail their track record of relevant skills delivery and experience during the last two years and provide certificates showing relevant qualifications necessary to show competence in the specific area where demonstration or information action is being provided.

The minimum experience required to support actions will be 2 years for beneficiaries. We will also ask the tenderers to provide details of the number of days of training to be followed per year to support their continuing professional development, where appropriate.

Definition of the duration and content of farm and forest exchange schemes and visits as referred to in Article 3 of Delegated Regulation (EU) No 807/2014

8.2.1.4. Verifiability and controllability of the measures and/or types of operations

8.2.1.4.1. Risk(s) in the implementation of the measures

The key risk to verifiability and controllability for Knowledge transfer and information actions is that identified by **Root Cause 11: Application of public procurement rules and private tender procedures** of the Commission's working document **SWD(2013) 244 final** and reiterated in the Error Rates technical guidance fiche.

In particular, the key risk for Measure 1 is ensuring that checks are in place to ensure that good and services are procured in accordance with domestic public procurement processes. This type of procurement will have two basic forms: the direct public procurement of goods and services, and the procurement of a framework agreement with the subsequent holding of mini-competitions. Risks would include deficiencies in procurement processes regarding the selection of contractors including the availability of sufficient documentation, and choice of the preferred bidder or procedures which are too complex.

8.2.1.4.2. Mitigating actions

A control framework for non-area-based measures has been developed including in particular control of procurement processes. Mitigating actions will include:

- Advertisement of a procurement framework via open competition using OJEU and domestic public procurement processes and EU legislation and using IT procurement tools;
- Use of Pre-Qualification questionnaires and Invitation to Tenders including relevant guidance to potential applicants;
- Independent evaluation and scoring of tenders, including Technical and Commercial assessment of bids to ensure fair selection of the preferred bidder;
- Confirmation and feedback for successful and unsuccessful tenders, including confirmation of the prices per unit set and including a contractual delivery framework;
- Retention and administrative checks against relevant documentation including invoices, payroll, travel and subsistence, courses and student records and proof of defrayal;

- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;
- Training for administration staff including mandatory procurement, fraud and un-conscious bias training;
- Guidance for administrative staff to ensure appropriate appraisal and contracting of tenders, and that variations to contract are appropriately controlled and implemented.

8.2.1.4.3. Overall assessment of the measure

The overall assessment of risk following mitigating actions is **low**. Clear procurement processes are already in place in England and have historically not led to high error rates, audit criticisms or concerns. Despite this, Defra recognises the importance of reinforcing preventative measures to reduce the risk of errors pertaining to implementation of the RDP. This will include **Corrective and Preventative Actions** in part highlighted above to ensure the provision of: training for administration staff (**CPA1**); information, training and advice for beneficiaries (**CPA2**); Information campaigns and guidance documents (**CPA3**); Improvement of IT tools (**CPA 5**); modification of contracts (**CPA6**) and improving internal control and coordination procedures (**CPA7**).

8.2.1.5. Methodology for calculation of the amount or support rate, where relevant

Not applicable

8.2.1.6. Information specific to the measure

Definition of appropriate capacities of bodies providing knowledge transfer services to carry out their tasks in the form of staff qualifications and regular training

Procurement rules will be applied and EU public procurement rules will be respected, in particular (i) Directives 2004/18/EC and 2004/17/EC, (ii) Directives 2014/23/EU, 2014/24/EU and 2014/25/EU, (iii) Directives 89/665/EEC and 92/13/EEC and (iv) the general public procurement principles derived from the Treaty on the Functioning of the EU..

Tenderers must show how they will setup the training, demonstration or information activity:

- either with their own proficient staff; or
- using professionals from other disciplines; or
- through subcontracting (evidence must be provided on what, how and when it will be delivered and the proportion of work this represents).

Beneficiaries will need to demonstrate that staff collectively possess the requisite skills to deliver an

excellent level of knowledge and industry-recognized expertise to meet the specific training or knowledge transfer activities proposed.

Tenderers will need to detail their track record of relevant skills delivery and experience during the last two years and provide certificates showing relevant qualifications necessary to show competence in the specific area where demonstration or information action is being provided.

The minimum experience required to support actions will be 2 years for beneficiaries. We will also ask the tenderers to provide details of the number of days of training to be followed per year to support their continuing professional development, where appropriate.

Definition of the duration and content of farm and forest exchange schemes and visits as referred to in Article 3 of Delegated Regulation (EU) No 807/2014

Not applicable

8.2.1.7. Other important remarks relevant to understand and implement the measure

None

8.2.2. M02 - Advisory services, farm management and farm relief services (art 15)

8.2.2.1. Legal basis

Article 15 of Regulation (EC) No 1305/2013

8.2.2.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

Our analysis indicates that the provision of advice is a key factor influencing the economic and environmental performance of farm and forestry businesses, particularly in the adoption of innovative actions. Evaluation and evidence from the current Rural Development Programme stresses the value of advice, in particular where this can be tailored to specific localities or sectors, such as for water catchments or for specific sectors such as animal health and welfare.

It is therefore proposed to use this measure in the following ways:

- To support improvements in the competitiveness of farm and forestry holdings or specific advice to new entrants into the farming sector. This could mean advice being provided alongside other measures to enhance the benefits provided via training and investment in physical assets (Measures 1, 4 and 6) or advice provided separate to this;
- To provide advice and information necessary to support implementation of the environmental and climate objectives delivered through agri-environment climate, forestry and investments in physical assets (Measures 4 and 10) or advice provided separate to this; and
- To provide advice to SMEs in rural areas to develop the competitiveness of their businesses, if there is a demonstrable deficit in the provision of appropriate advice. This will complement advice provided through ERDF and national funding sources.

Investments under this measure will contribute to the focus areas: 2(a), 3(a)(b), 5(a)(b)(c)(d), 6(b) and contribute indirectly to 1(a)(c), 2(b). Advice will support delivery of the cross cutting priorities of innovation, environment and climate change, where appropriate. Advice supported will be focussed on implementing innovative or new practices and will generally be linked to both economic and environmental performance, including any mitigation of climate change and consideration of adapting to its impacts.

This measure may also be used to deliver some of the mandatory requirements that form part of the establishment and delivery of a farm advisory system under Articles 12-14 of Regulation (EU) No 1305/2013 (the financing, management and monitoring of the Common Agricultural Policy).

When focusing funding we will take into consideration geographic areas or hubs where particular policies are in place to support growth in rural areas and through the agri-food supply chain.

€45.6 million of the programme budget has been identified for this measure.

8.2.2.3. *Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regard to the setting of selection criteria*

8.2.2.3.1. Sub measure 2.1 - Support for providing advisory services

Sub-measure:

- 2.1 - support to help benefiting from the use of advisory services

8.2.2.3.1.1. Description of the type of operation

Advice to farmers, forest holders and SMEs will be in the following areas.

Advice to help improve the competitiveness of farm and forestry holdings

This may include:

- Specific advice for farmers setting up for the first time. This would include one-to-one mentoring and support and may be conditional on receiving support under sub-measure 6.1;
- Support for the development and production of farm health plans and advice on improving biosecurity measures linked to animal health and welfare actions. Support may be conditional on undertaking or having undertaken training under Measure 1.1;
- Advice to support improvements in nitrogen efficiency, where investments in air and water quality could be coordinated to achieve positive effects for both;
- Advice to support the development of forestry sector SMEs to develop wood-fuel / timber businesses;
- Advice to support farmers where they are seeking to implement new or innovative procedures;
- Advice to help address an urgent problem (e.g. in relation to disease outbreaks);
- Advice to support older farmers to encourage the development of succession plans or to remote or hard to reach farmers in isolated areas.

Support in all cases may be conditional on receiving a grant or having undertaken training.

Advice may be linked to the economic and environmental performance of the agricultural holding including the development of a business plan, economic profitability, risk management, and other strategies to support climate change adaptation and mitigation, and assess the environmental impact of farming practices.

Advice supporting implementation of agri-environment climate and forestry objectives

Provision of administrative support to implement environmental objectives

Implementation of agri-environmental climate and forestry objectives are supplemented via administrative staff within delegated delivery bodies, Natural England and the Forestry Commission.

Administrative support is provided to beneficiaries who have a Higher Level Stewardship (HLS) agreement that was signed up to in the 2007-2013 programming period. This support provides beneficiaries with help in designing and undertaking operations to deliver outcomes which meet a range of objectives such as delivery for habitats and species prioritised for conservation action under the

Prioritised Action Framework for Natura 2000 and supporting the ambitions to increase species diversity and the health of ecosystems. (These are listed more fully in Section 8.2.1.1).

This support for agreement holders who signed up to an HLS agreement in the 2007-2013 period will continue into the 2014-2020 period and will not be funded under the Advice measure. This ensures a high quality administrative capacity is retained within the new programming period and is primarily funded via national budgets, with some “after-care” and support to beneficiaries also being provided via Technical Assistance (Measure 20).

Beneficiaries wishing to sign up to a Higher Tier agreement within the new environmental land management arrangements and utilise agri-environment climate, organics or forestry measures (and related investments in physical assets) will be offered a similar level of support to set up and manage their agreement from administrative staff. Administrative support from Natural England or the Forestry Commission or advice provided from other nature protection bodies such as the Environment Agency will help ensure such agreements are targeted and meet key environmental objectives.

This administrative capacity will include €20.88m Technical Assistance funding, allocated to support old and new environmental agreements.

In operations outside of the Higher Tier of the new delivery arrangements the introduction of a targeting framework which will prioritise environmental objectives across geographic areas of England and will direct the choice of appropriate commitments necessary to deliver these objectives. Clear guidance to beneficiaries will also be provided to ensure they understand the commitments they need to undertake, with Mid-Tier agreement holders receiving little or no administrative support.

The high level of administrative support provided to Higher Tier beneficiaries and the detailed guidance provided to beneficiaries at both Higher Tier and Mid-Tier means advice to support implementation of environmental objectives will be focussed specifically on the following areas:

- Advice to help implement water quality measures funded under the Investments in Physical Assets (Measure 4) and the Agri-environment-climate measure (Measure 10). This will help to secure maximum improvements in water quality in specific sensitive catchment areas. In some cases, access to measures funded may be made conditional on advice to ensure benefits are realised.
- Advice to support delivery of specific objectives relating to water and biodiversity where commitments are particularly difficult to verify and where advice provides beneficiaries with help on how to manage their land in specific ways to deliver environmental objectives. The provision of advisory support will provide additional assurance to ensure that beneficiaries deliver the commitments they have signed up for. These commitments relate in particular to those which require control of livestock densities or input reductions.
- Advice on water protection to support the requirement under Regulation 1306/2013 to implement Article 11(3) of the Water Framework Directive. This will help address pressures from agricultural pollution.

A similar combination of advice to farmers (using Measure 2) alongside capital grants to the 2007-2013 Programme Catchment Sensitive Farming scheme will be offered initially, but it is intended to dovetail with other capital grants and multi-annual agreements during the programming period. Advice will cover issues related to water protection (for example: nutrient management, soil management, livestock management, farm infrastructure and land use change) and wider issues as required; it will exceed formal

requirements.

Advice to SMEs in rural areas to develop the competitiveness of their businesses

In addition to the main advice offer for farmers and foresters set out above, the Rural Development Programme may procure specific additional advisory services for other rural businesses. Such services may include advice linked to the economic and / or environmental performance of rural small and micro-businesses.

The principle source of financial support for wider advisory services is the European Regional Development Fund. The Rural Development Programme would only act as a funder of last resort where specific rural business needs remained unmet after ERDF intervention; and Defra would work in collaboration with DCLG as the Managing Authority for ERDF to ensure complementarity.

Type of advice

Individual one-to-one advice provided by authorities or bodies selected under public procurement.

In the case of advice provided to implement Article 11(3) of the Water Framework Directive and address the pressures from agricultural pollution we intend to provide advice through one-to-many sessions to give farmers or land managers advice on their specific situation in particular locations. Advice on a one-to-one basis will also be available at this one-to-many session and will be tailor-made to address this particular set of issues.

Advice may be provided to individuals relating to different situations or areas, but they will not be given the same advice more than once.

Separate advice may include follow-up from previous advice where effective management of land or inputs requires further or different actions to ensure delivery of specific environmental objectives.

Activity under this sub-measure will deliver under Focus areas 2(a)(b), 3(a)(b), 4(a)(b)(c), 5 (a)(b)(c)(d) and 6(b).

8.2.2.3.1.2. Type of support

Grant.

8.2.2.3.1.3. Links to other legislation

Articles 12-14 of Regulation (EU) No 1306/2013 (the financing, management and monitoring of the Common Agricultural Policy).

Article 11(3) of Directive 2000/60/EC (the Water Framework Directive).

EU public procurement rules will be respected, in particular (i) Directives 2004/18/EC and 2004/17/EC, (ii) Directives 2014/23/EU, 2014/24/EU and 2014/25/EU, (iii) Directives 89/665/EEC and 92/13/EEC and (iv) the general public procurement principles derived from the Treaty on the Functioning of the EU.

8.2.2.3.1.4. Beneficiaries

Beneficiaries eligible for support under this measure are:

- Authorities or bodies selected to provide advice.

These bodies will be selected via a procurement process to provide advice that benefits either: farmers, young farmers and other land managers; forest holders; or SMEs operating in rural areas.

Beneficiaries (in the sense of recipients of funds) will provide evidence of appropriate resources in the form of qualified staff that are regularly trained and have advisory experience and reliability with respect to the field of advice.

8.2.2.3.1.5. Eligible costs

Costs of the advice provided, including cost incurred by the adviser (for instance salaries of employees, travel, material, cost related with the place where the advice is delivered).

8.2.2.3.1.6. Eligibility conditions

The beneficiary shall provide evidence of appropriate resources in the form of regularly trained and qualified staff and reliability with respect to the fields in which they advise. This will include evidence of appropriate qualifications. These will vary depending on the type of advice provision envisaged but could include membership of a professional organisation, evidence of practical experience in the field, university or equivalent qualifications, and ability to provide minimum number of days required.

The call for tender(s) will specify the appropriate resources necessary for delivery of advice and the advisory experience and reliability of the provider(s) This will include ensuring that the bodies selected have the appropriate resources during the whole period of implementation of the measure (and not only at the moment of the selection of the beneficiaries).

8.2.2.3.1.7. Principles with regards to the setting of selection criteria

The selection of beneficiaries shall be objective, open, transparent and fair.

It will aim to ensure equal treatment of applicants, better use of financial resources and targeting of measures in accordance with the Union priorities for rural development.

Public procurement rules will apply for the selection of beneficiaries through calls for tender that are open to the public and to private bodies.

Candidates with conflict of interest shall be excluded from the selection procedure.

For public procurement, selection criterion will be based on objective criteria The selection criteria will

include an assessment against:

- Delivery against stated objectives and priorities;
- Value for money (e.g. in relation to the proposed investment);
- Equal treatment of all (eligible) applicants;
- Proportionality to the size of the operation.

Applications will be assessed against sustainability principles, which will include specific consideration of their impact on the environment and contribution to climate change mitigation and achievement of improved adaptation to climate change.

8.2.2.3.1.8. (Applicable) amounts and support rates

Up to a maximum of €1500 per advice to individuals receiving support from the authority or body providing the advice.

Where advice relates primarily to delivery of a public good the support rates will be set at 100%. However we may look to reduce the support rate to 80%, where advice provides a clear financial benefit to the beneficiary.

8.2.2.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.2.3.1.9.1. *Risk(s) in the implementation of the measures*

The key risk to verifiability and controllability for advisory services, farm management and farm relief services is that identified by **Root Cause 11: Application of public procurement rules and private tender procedures** of the Commission's working document **SWD(2013) 244 final** and reiterated in the **Error Rates technical guidance fiche**.

In particular, the key risk for Measure 2 is ensuring that checks are in place to ensure that goods and services are procured in accordance with domestic public procurement processes.

This type of procurement will have two basic forms:

- the direct public procurement of goods and services: this may mean for example procuring authorities or bodies and selecting them on the basis of objective criteria including value for money and delivery against specific objectives and competencies.
- via a procurement framework agreement with subsequent mini-tender competitions. This will result in a supplier list with these suppliers then be eligible to tender (and sub-contract) for specific work packages when required.

Risks would include deficiencies in procurement processes regarding the selection of contractors including the availability of sufficient documentation, and choice of the preferred bidder or procedures which are too complex. We may look to procure advice for rural SMEs alongside procurement of ERDF advisory services to ensure they are complementary and targeted.



8.2.2.3.1.9.2. *Mitigating actions*

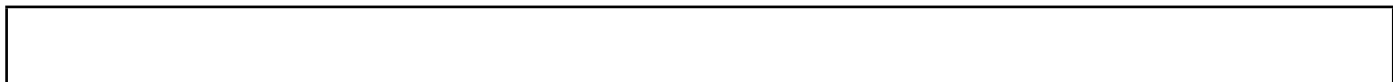
A control framework for non-area-based measures has been developed including in particular a control of procurement processes. Mitigating actions will include:

- Advertisement of a procurement framework via open competition using OJEU and domestic public procurement processes and EU legislation and using IT procurement tools;
- Use of Pre-Qualification questionnaires and Invitation to Tenders including relevant guidance to potential applicants;
- Independent evaluation and scoring of tenders, including Technical and Commercial assessment of bids to ensure fair selection of the preferred bidder;
- Confirmation and feedback for successful and unsuccessful tenders, including confirmation of the prices per unit set and including a contractual delivery framework;
- Retention and administrative checks against relevant documentation including invoices, payroll, travel and subsistence, courses and student records and proof of defrayal;
- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;
- Training for administration staff including mandatory procurement, fraud and un-conscious bias training;
- Guidance for administrative staff to ensure appropriate appraisal and contracting of tenders, and that variations to contract are appropriately controlled and implemented.

8.2.2.3.1.9.3. *Overall assessment of the measure*

The overall assessment of risk following mitigating actions is **low**. Clear procurement processes are already in place in England and have historically not led to high error rates, audit criticisms or concerns. Despite this, Defra recognises the importance of reinforcing preventative measures to reduce the risk of errors pertaining to implementation of the RDP. This will include **Corrective and Preventative Actions** in part highlighted above to ensure the provision of: training for administration staff (**CPA1**); information, training and advice for beneficiaries (**CPA2**); Information campaigns and guidance documents (**CPA3**); Improvement of IT tools (**CPA 5**); modification of contracts (**CPA6**) and improving internal control and coordination procedures (**CPA7**).

8.2.2.3.1.10. Methodology for calculation of the amount or support rate, where relevant



8.2.2.3.1.11. Information specific to the operation

General principles to ensure appropriate resources in the form of regularly trained and qualified staff and advisory experience and reliability with respect to the field of advice. Identification of the elements that the advice will cover

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8.2.2.3.2. Sub measure 2.2 - Support for setting up of farm management, farm relief and farm advisory services

Sub-measure:

- 2.2 - support for the setting up of farm management, farm relief and farm advisory services as well as forestry advisory services

8.2.2.3.2.1. Description of the type of operation

Support may be made available for the setting up of a farm advisory service.

Activity under this sub-measure will deliver under Focus areas 2(a)(b), 3(a)(b), 4(a)(b)(c), 5 (a)(b)(c)(d).

8.2.2.3.2.2. Type of support

Grant

8.2.2.3.2.3. Links to other legislation

1306/2013

8.2.2.3.2.4. Beneficiaries

Body selected for the service

8.2.2.3.2.5. Eligible costs

Eligible costs include: Setting up costs of farm advisory services and forestry advisory services, including costs directly linked to the setting up of the services (e.g. technical/legal assistance, administrative costs, costs of activity license, etc.).

8.2.2.3.2.6. Eligibility conditions

Eligibility conditions will include: Applicant bodies shall provide evidence of appropriate resources in the form of qualified staff having advisory experience and reliability with respect to the field of advice and that staff are regularly trained. Beneficiary shall provide evidence of appropriate qualifications to provide advice in the field. Appropriate qualifications will vary depending on the type of advice provision envisaged but could include membership of a professional organisation, evidence of practical experience in the field, university or equivalent qualifications, ability to provide minimum number of days required etc.

8.2.2.3.2.7. Principles with regards to the setting of selection criteria

Selection will be organised using national public procurement processes.

8.2.2.3.2.8. (Applicable) amounts and support rates

Support will be degressive over a maximum period of five years from the establishment of the body.

8.2.2.3.2.9. Verifiability and controllability of the measures and/or types of operations

8.2.2.3.2.9.1. Risk(s) in the implementation of the measures

The key risk to verifiability and controllability for advisory services, farm management and farm relief services is that identified by **Root Cause 11: Application of public procurement rules and private tender procedures** of the Commission's working document **SWD(2013) 244 final** and reiterated in the Error Rates technical guidance fiche.

In particular, the key risk for Measure 2 is ensuring that checks are in place to ensure that goods and services are procured in accordance with domestic public procurement processes. This type of procurement will have two basic forms: the direct public procurement of goods and services, and the procurement of a framework agreement with the subsequent holding of mini-competitions. Risks would include deficiencies in procurement processes regarding the selection of contractors including the availability of sufficient documentation, and choice of the preferred bidder or procedures which are too complex.

8.2.2.3.2.9.2. Mitigating actions

A control framework for non-area-based measures has been developed including in particular a control of procurement processes. Mitigating actions will include:

- Advertisement of a procurement framework via open competition using OJEU and domestic processes and using IT procurement tools;
- Use of Pre-Qualification questionnaires and Invitation to Tenders including relevant guidance to potential applicants;
- Independent evaluation and scoring of tenders, including Technical and Commercial assessment of bids to ensure fair selection of the preferred bidder;
- Confirmation and feedback for successful and unsuccessful tenders, including confirmation of the prices per unit set and including a contractual delivery framework;
- Retention and administrative checks against relevant documentation including invoices, payroll, travel and subsistence, courses and student records and proof of defrayal;
- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;

- Training for administration staff including mandatory procurement, fraud and un-conscious bias training;
- Guidance for administrative staff to ensure appropriate appraisal and contracting of tenders, and that variations to contract are appropriately controlled and implemented.

8.2.2.3.2.9.3. Overall assessment of the measure

The overall assessment of risk following mitigating actions is **low**. Clear procurement processes are already in place in England and have historically not led to high error rates, audit criticisms or concerns. Despite this, Defra recognises the importance of reinforcing preventative measures to reduce the risk of errors pertaining to implementation of the RDP. This will include **Corrective and Preventative Actions** in part highlighted above to ensure the provision of: training for administration staff (**CPA1**); information, training and advice for beneficiaries (**CPA2**); Information campaigns and guidance documents (**CPA3**); Improvement of IT tools (**CPA 5**); modification of contracts (**CPA6**) and improving internal control and coordination procedures (**CPA7**).

8.2.2.3.2.10. Methodology for calculation of the amount or support rate, where relevant

8.2.2.3.2.11. Information specific to the operation

General principles to ensure appropriate resources in the form of regularly trained and qualified staff and advisory experience and reliability with respect to the field of advice. Identification of the elements that the advice will cover

8.2.2.3.3. Support for training of advisers

Sub-measure:

- 2.3 - support for training of advisers

8.2.2.3.3.1. Description of the type of operation

This sub-measure may be used if the programme is to support the setting up of a farm advisory service.

Activity under this sub-measure will deliver under Focus areas 2(a)(b), 3(a)(b), 4(a)(b)(c), 5 (a)(b)(c)(d) and 6(b).

8.2.2.3.3.2. Type of support

Grant

8.2.2.3.3.3. Links to other legislation

1306/2013

8.2.2.3.3.4. Beneficiaries

Entities providing training for advisers

8.2.2.3.3.5. Eligible costs

Cost of training of advisers, including costs incurred in organizing and delivering training to the advisers (e.g. salaries of employees, travel cost, material prepared for the training, costs related with the place where the training is delivered).

8.2.2.3.3.6. Eligibility conditions

Beneficiary shall provide evidence of qualifications to provide training of advisers.

8.2.2.3.3.7. Principles with regards to the setting of selection criteria

Selection will be organised using national public procurement processes.

8.2.2.3.3.8. (Applicable) amounts and support rates

A maximum of €200,000 per three years of training of the staff of the advisory service.

8.2.2.3.3.9. Verifiability and controllability of the measures and/or types of operations

8.2.2.3.3.9.1. Risk(s) in the implementation of the measures

The key risk to verifiability and controllability for advisory services, farm management and farm relief services is that identified by **Root Cause 11: Application of public procurement rules and private tender procedures** of the Commission's working document **SWD(2013) 244 final** and reiterated in the Error Rates technical guidance fiche.

In particular, the key risk for Measure 2 is ensuring that checks are in place to ensure that good and services are procured in accordance with domestic public procurement processes. This type of procurement will have two basic forms: the direct public procurement of goods and services, and the procurement of a framework agreement with the subsequent holding of mini-competitions. Risks would include deficiencies in procurement processes regarding the selection of contractors including the availability of sufficient documentation, and choice of the preferred bidder or procedures which are too complex.

8.2.2.3.3.9.2. Mitigating actions

A control framework for non-area-based measures has been developed including in particular a control of procurement processes. Mitigating actions will include:

- Advertisement of a procurement framework via open competition using OJEU and domestic processes and using IT procurement tools;
- Use of Pre-Qualification questionnaires and Invitation to Tenders including relevant guidance to potential applicants;
- Independent evaluation and scoring of tenders, including Technical and Commercial assessment of bids to ensure fair selection of the preferred bidder;
- Confirmation and feedback for successful and unsuccessful tenders, including confirmation of the prices per unit set and including a contractual delivery framework;
- Retention and administrative checks against relevant documentation including invoices, payroll, travel and subsistence, courses and student records and proof of defrayal;
- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;
- Training for administration staff including mandatory procurement, fraud and un-conscious bias training;
- Guidance for administrative staff to ensure appropriate appraisal and contracting of tenders, and that variations to contract are appropriately controlled and implemented.

8.2.2.3.3.9.3. Overall assessment of the measure

The overall assessment of risk following mitigating actions is **low**. Clear procurement processes are already in place in England and have historically not led to high error rates, audit criticisms or concerns. Despite this, Defra recognises the importance of reinforcing preventative measures to reduce the risk of errors pertaining to implementation of the RDP. This will include **Corrective and Preventative Actions** in part highlighted above to ensure the provision of: training for administration staff (**CPA1**); information, training and advice for beneficiaries (**CPA2**); Information campaigns and guidance documents (**CPA3**); Improvement of IT tools (**CPA 5**); modification of contracts (**CPA6**) and improving internal control and coordination procedures (**CPA7**).

8.2.2.3.3.10. Methodology for calculation of the amount or support rate, where relevant

8.2.2.3.3.11. Information specific to the operation

General principles to ensure appropriate resources in the form of regularly trained and qualified staff and advisory experience and reliability with respect to the field of advice. Identification of the elements that the advice will cover

8.2.2.4. Verifiability and controllability of the measures and/or types of operations

8.2.2.4.1. Risk(s) in the implementation of the measures

The key risk to verifiability and controllability for advisory services, farm management and farm relief services is that identified by **Root Cause 11: Application of public procurement rules and private tender procedures** of the Commission's working document **SWD(2013) 244 final** and reiterated in the Error Rates technical guidance fiche.

In particular, the key risk for Measure 2 is ensuring that checks are in place to ensure that good and services are procured in accordance with domestic public procurement processes. This type of procurement will have two basic forms: the direct public procurement of goods and services, and the procurement of a framework agreement with the subsequent holding of mini-competitions. Risks would include deficiencies in procurement processes regarding the selection of contractors including the availability of sufficient documentation, and choice of the preferred bidder or procedures which are too complex.

8.2.2.4.2. Mitigating actions

A control framework for non-area-based measures has been developed including in particular a control of procurement processes. Mitigating actions will include:

- Advertisement of a procurement framework via open competition using OJEU and domestic

processes and using IT procurement tools;

- Use of Pre-Qualification questionnaires and Invitation to Tenders including relevant guidance to potential applicants;
- Independent evaluation and scoring of tenders, including Technical and Commercial assessment of bids to ensure fair selection of the preferred bidder;
- Confirmation and feedback for successful and unsuccessful tenders, including confirmation of the prices per unit set and including a contractual delivery framework;
- Retention and administrative checks against relevant documentation including invoices, payroll, travel and subsistence, courses and student records and proof of defrayal;
- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;
- Training for administration staff including mandatory procurement, fraud and un-conscious bias training;
- Guidance for administrative staff to ensure appropriate appraisal and contracting of tenders, and that variations to contract are appropriately controlled and implemented.

8.2.2.4.3. Overall assessment of the measure

The overall assessment of risk following mitigating actions is **low**. Clear procurement processes are already in place in England and have historically not led to high error rates, audit criticisms or concerns. Despite this, Defra recognises the importance of reinforcing preventative measures to reduce the risk of errors pertaining to implementation of the RDP. This will include **Corrective and Preventative Actions** in part highlighted above to ensure the provision of: training for administration staff (**CPA1**); information, training and advice for beneficiaries (**CPA2**); Information campaigns and guidance documents (**CPA3**); Improvement of IT tools (**CPA 5**); modification of contracts (**CPA6**) and improving internal control and coordination procedures (**CPA7**).

8.2.2.5. Methodology for calculation of the amount or support rate, where relevant

Not applicable

8.2.2.6. Information specific to the measure

General principles to ensure appropriate resources in the form of regularly trained and qualified staff and advisory experience and reliability with respect to the field of advice. Identification of the elements that the advice will cover

Advice provision to support the RDPE will either be delivered directly by Defra and its delivery bodies, or procured under contract. Where advice is delivered directly, Defra and its delivery bodies will ensure that staff have appropriate training to provide advice required by beneficiaries. Where advice is procured from third parties, the contract specification will set out the relevant detail regarding the knowledge,

qualifications and training required of advisory staff.

Advice provided under the RDPE may cover the following elements:

- Advice to support Programme implementation, for example with regard to the delivery of environmental and climate objectives under Measures 4 and 10.
- Advice to deliver on obligations under Horizontal Regulation 1305/2013HR, regarding Farm Advisory Services.
- Advice to farmers and foresters to support objectives around increased productivity and competitiveness of the farming and forestry sectors.
- Advice to SMEs to support business development and objectives around improved economic and environmental performance.

8.2.2.7. Other important remarks relevant to understand and implement the measure

None

8.2.3. M04 - Investments in physical assets (art 17)

8.2.3.1. Legal basis

Article 17 of Council Regulation (EC) No 1305/2013

8.2.3.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

This measure is to be used to support a wide range of farm and forestry investments. In particular, this will support those businesses seeking to invest in innovative business practices and new technologies that result in them becoming more sustainable and productive, a particular opportunity identified in the SWOT. Investments will support improved resource efficiency or animal health and welfare. Such investment will be expected to meet the challenges the farming and forestry industries face as well as contribute to the growth of the wider rural economy.

Support under this measure will be open to applicants across England and for the large majority of farm businesses. Applications for support will be assessed against a range of criteria in each round of grants offered over the lifetime of the Programme.

Investments may be available to applicants on an individual basis, or to groups of applicants. Support is expected to be provided for integrated projects, i.e. those involving a number of potential beneficiaries that might combine support under this measure with training, advice and cooperation.

Investments could be linked to co-operative activity undertaken by operational groups of researchers, farmers and others under the European Innovation Partnership initiative.

Investment in non-productive physical assets will also be provided to address the opportunity within the SWOT where these are linked to agri-environment and climate objectives under the programme in connection among other things with the creation or restoration of habitats, landscapes and other features and the recovery of species populations.

When focusing funding we will take into consideration geographic areas or hubs where particular policies are in place to support growth in rural areas and through the agri-food supply chain.

For the forestry sector support will be available for the construction and improvement of access infrastructure to woodlands where its lack has been identified in a woodland management plan.

€322.9 million of the programme budget, including additional national financing, has been identified for this measure.

Actions under this measure will contribute directly to focus areas 2(a), 4(a)(b)(c), 5(a)(b)(c)(d) and indirectly to 3(a), 5(e) and 6(a)(b).

Investment in physical assets such as buildings or equipment will need to demonstrate a degree of innovative practice. These investments will also be important for delivering climate change adaptation. Options for physical assets to aid adaptation include water storage, equipment to facilitate efficient and targeted application of nutrients and pesticides, and culverts and water retention measures to address

increased winter rainfall. Where investments are below the level legally requiring completion of an EIA, we will not require an EIA to be undertaken as a condition of RDP support. We will request information on environmental and climate impact through project applications, and include this in assessment, but the level of detail requested will be proportionate to the type of operation and the level of funding sought.

8.2.3.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regard to the setting of selection criteria

8.2.3.3.1. Sub measure 4.1 - Support for investments in agricultural holdings

Sub-measure:

- 4.1 - support for investments in agricultural holdings

8.2.3.3.1.1. Description of the type of operation

A budget of €59m (19% of the Investment in Physical Assets budget) is attributed to Focus Area 2A: Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification will be based on thematic targeting; we intend to focus on improvements to animal health, welfare and productivity, resource efficiency, and competitiveness in the supply chain across all sectors.

Although experience from the last programme tells us that take up of support is concentrated in geographical areas with a high density of particular types of technology, we do not want to restrict schemes to narrow geographical coverage and exclude potentially extremely valuable and successful projects outside of that coverage. This is important to ensure that schemes have the maximum amount of impact with the limited funds available. That said support for certain types of physical assets will be targeted at particular sectors, as described below.

Investments in the livestock and dairy sectors will support the management and prevention of animal disease, improvements in animal productivity and welfare and reductions in the environmental effects of production. They will include operations that will:

- improve detection of lameness and other common animal health issues
- improve biosecurity
- improve indoor and outdoor animal housing
- improve storage and use of animal waste
- improve efficiency in use of chemicals, water and energy

Investments in the arable and horticultural sectors will support increased yields, greater efficiencies in production and reductions in the environmental effects of production and will include operations that will:

- enable take up of new arable and horticultural varieties
- improve crop storage
- help reduce harvest losses

- improve nutrient management of soils
- support production in extended growing periods
- improve efficiency in use of chemicals, water and energy

Improvements in water efficiency will include support for on-farm reservoirs in areas of water shortage and for techniques such as rainwater harvesting.

Actions under this sub-measure will contribute directly to focus areas 2(a), 4(b)(c), 5(a)(b)(c)(d) and indirectly to 3(a) and 5(e). Actions will also contribute to the climate change adaptation cross cutting theme.

8.2.3.3.1.2. Type of support

Grant

8.2.3.3.1.3. Links to other legislation

Not applicable

8.2.3.3.1.4. Beneficiaries

Farmers or groups of farmers

8.2.3.3.1.5. Eligible costs

Eligible costs will include:

- the costs of construction, acquisition (including leasing) or improvement to immovable property;
- the purchase or lease purchase of new and subject to certain conditions (see below), second hand machinery and equipment;
- general costs such as architect, engineer and consultation fees . These costs will normally be restricted to a maximum of 15% of total project costs;
- intangible investments including, acquisition or development of computer software and acquisition of patents, licences, copyrights, trademarks.

Details of the specific type and specifications of equipment eligible for support will be published from time to time throughout the lifetime of the programme.

Examples include:

Infrastructure, equipment and machinery to improve the efficiency of the use of energy, water, fertilizer and other direct inputs (precision farming);

- Equipment and machinery to reduce impacts on soils, eg specialist drills to enable low or zero

tillage farming, and to reduce GHG emissions;

- Investment to improve management of slurry/manure and to reduce animal disease or improve welfare;
- Investment to modernise or mechanise production and increase productivity;
- The purchase or lease purchase of new machinery and equipment up to market value of the asset. This may include second hand equipment in which case applicants will be asked to prove that it complies with health and safety legislation and the EC Directive on machinery, has not previously been grants funded, is fit for purposes and has at least 5 years useful life remaining.

Ineligible costs include:

- simple replacement investments;
- costs connected with the leasing contract, such as lessor's margin, interest refinancing costs, overheads and insurance charges;
- the purchase of agricultural production rights, payment entitlements, animals, annual plants and their planting, seeds, fertilisers;
- salaries, running costs; and
- contributions in kind.

8.2.3.3.1.6. Eligibility conditions

Eligibility for support for investments will be based on a detailed assessment of applications. We will do this by establishing an assessment panel that possess the expertise necessary to undertake this work. Where appropriate the panel will give due consideration to relevant sustainability criteria.

Recipients of grants will not generally be required to undertake Measures 1 and 2. However under certain circumstances we may require applicants to demonstrate that they possess certain skills related to legal requirements.

Support for diversification into energy production will not be funded under this measure.

Support for investments in irrigation through improved water management and storage will only be eligible if they meet the relevant requirements of Article 46 of the Rural Development Regulation, including ensuring that relevant river basin management plans have been notified to the Commission and that appropriate environmental assessments have been carried out. Further information attached below.

Support for investments in irrigation through improved water management and storage will only be eligible if they meet the relevant requirements of Article 46 of the Rural Development Regulation.

As per Article 46(2), applicants will need to ensure that relevant river basin management plans, as required under the terms of the Water Framework Directive, have been notified to the Commission for the specific and entire area where the investment is to take place and in any other areas whose environment may be affected by the investment and that the investment is consistent with the measures within the plan.

As per Article 46(3), applicants will need to ensure water metering enabling measurement of water use is put in place as part of the investment.

As per Article 46(4), for investments in improvements to an existing irrigation installation or element of irrigation infrastructure, an ex ante assessment as to the likely potential water savings offered (for a minimum of between 5 % and 25 %) according to the technical parameters of the existing installation or infrastructure will need to be carried out.

If the investment affects bodies of ground or surface water whose status has been identified as less than good in the relevant river basin management plan for reasons related to water quantity:

- (a) the applicant will need to ensure an effective reduction in water use, at the level of the investment, amounting to at least 50 % of the potential water saving made possible by the investment;
- (b) the applicant will need to ensure investment shall also result in a reduction to the holding's total water use amounting to at least 50 % of the potential water saving made possible at the level of the investment. The total water use of the holding will need to include water sold by the holding.

These conditions will not apply to an investment in an existing installation which affects only energy efficiency or to an investment in the creation of a reservoir or to an investment in the use of recycled water which does not affect a body of ground or surface water.

As per Article 46(5), investments resulting in a net increase of the irrigated area affecting a given body of ground or surface water will be eligible only if:

- (a) the status of the water body has not been identified as less than good in the relevant river basin management plan for reasons related to water quantity.

This condition will not apply to investments in the establishment of a new irrigation installation supplied with water from an existing reservoir approved by the Environment Agency before 31 October 2013 if the following conditions are met:

- the reservoir in question is identified in the relevant river basin management plan and is subject to the control requirements set out in article 11(3)(e) of the Water Framework Directive;
- on 31 October 2013, there was in force either a maximum limit on total abstractions from the reservoir or a minimum required level of flow in water bodies affected by the reservoir;
- that maximum limit or minimum required level of flow complies with the conditions set out in Article 4 of the Water Framework Directive; and
- the investment in question does not result in abstractions beyond the maximum limit in force on 31 October 2013 or result in a reduction of the level of flow in affected water bodies below the minimum required level in force on 31 October 2013 and

- (b) an environmental analysis shows that there will be no significant negative environmental impact from the investment; such an environmental impact analysis shall be either carried out by or approved by the competent authority and may also refer to groups of holdings.

As per Article 46(6), investments resulting in a net increase of the irrigated area will also be eligible if:

- (a) the investment is combined with an investment in an existing irrigation installation or element of irrigation infrastructure assessed ex ante as offering potential water savings of a minimum of between 5 % and 25 % according to the technical parameters of the existing installation or infrastructure and
- (b) the investment ensures an effective reduction in water use, at the level of the investment as a whole, amounting to at least 50 % of the potential water saving made possible by the investment in the existing irrigation installation or element of infrastructure.

Support for investments in irrigation through improved water management and storage

8.2.3.3.1.7. Principles with regards to the setting of selection criteria

The selection process will be: proportionate; open; transparent and fair and will set out clearly whether either exclusion or inclusion criteria will apply. There will be a separation between those directly involved with supporting pipeline development of bids for investment and those taking decisions on applications. The requirements of the Rural Development Regulation and other relevant EU regulations will be met.

Applications will be assessed against their strategic fit with the Programme Document in the context of the call for applications. For example applications for support in relation to farm and forestry productivity will need to demonstrate that the investment is innovative and of a high level of practice.

All applications will be subject to a formal appraisal that will consider:

- Deadweight;
- Displacement;
- Need for public support;
- Value for money;
- Deliverability/measurability;
- Energy efficiency;
- Clear exit strategy from programme funding and indication that the benefits generated will have sufficient longevity.

Applications will be assessed against sustainability principles, which will include specific consideration

of their impact on the environment and contribution to climate change mitigation and achievement of improved adaptation to climate change.

Appraisal of applications will be undertaken using a scoring system, which will involve a minimum threshold, above which applications will be prioritised.

Higher priority will be given to activity which most matches policy priorities; those policies will be reviewed over time.

Calls may include additional criteria or support may be weighted in favour of businesses in particular geographic areas or hubs where particular policies are in place to support growth in rural areas and through the agri-food supply chain.

8.2.3.3.1.8. (Applicable) amounts and support rates

In order to encourage farmers to invest in innovative equipment we will meet 40% of the capital investment costs for a range of equipment that will be set out from time to time. We do not propose to top this level for young farmers or for less developed areas.

Where there is a demonstrable need for farm infrastructure to be improved we will fund 40% of the cost. Support for the construction of on farm storage reservoirs will be where there is an opportunity to improve water security through the collection and storage of winter rainfall in order to increase availability during the drier summer months.

Where applicants are members of an EIP-Agri Operational Group and can demonstrate that their investment is particularly innovative and of particular benefit to industry, in a way that will be described in more detail at the time of the call for projects, we will pay 60%. For investments in non-farm businesses undertaking processing, development and/or marketing where both inputs and outputs are Annex 1 products, we will offer a support rate of 50% of the total eligible investment costs in less developed regions and 40% in all other regions.

For investments in processing, development and/or marketing of Annex 1 products into non-Annex 1 products, we will offer a rate of support of 40% where the investment can be made under de minimus rules for state aid purposes. We will otherwise offer a rate of aid of 35% in less developed regions (increased to 45% for small and micro-businesses); and 10% in all other regions (20% for small and micro-businesses), using ABER Article 44 (9).

8.2.3.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.3.3.1.9.1. *Risk(s) in the implementation of the measures*

The key risks to verifiability and controllability for investment in non-productive investments are those identified by the non-area-related root causes identified in the Commission's working document **SWD(2013) 244 final** and reiterated in the **Error Rates** technical guidance fiche. These are both administrative and beneficiary-related. A control framework has been developed which sets out clearly how grant funded activity will be controlled and verified. This includes grants funded through actual and standard costs for non-productive investments linked to the achievements of agri-environment-climate

objectives.

A clear separation of duties and set of procedures are put in place to ensure claims are processed correctly (**Root Cause 9**); that the reasonableness of costs are checked (including improving consistency of recording details), and VAT status is verified and eligibility conditions are met based on a transparent and justifiable rationale (**Root Cause 10**). The application of clear and appropriate tender procedures (**Root Cause 11**) by private beneficiaries for actual costs will include exhaustive checking of invoices and bank statements pre-payment, so the error rate tends to remain low, alongside further checks on evidence of defrayal, progress reports, photographs and on-the-spot checks or final claim inspections.

The risk of error due to incorrect systems of checks and deficient administrative procedures (**Root Cause 12**) will include: putting in place appropriate and proportionate cross checks and an assessment of other potential sources of national funding (although this is likely to be limited). This will include relevant checks that regulatory requirements and approvals are in place for work carried out.

We do not intend to undertake in-situ visits to all investments. These will be undertaken via a risk-based approach. In the majority of cases, non-productive investments are linked to area-based investments, where beneficiaries will receive an on-the-spot inspection over the lifetime of an agreement. All Higher Tier agreements will receive an “aftercare” visit whereby checks will, where possible, be made that allows verification of the investment and adjustments to payments made if anomalies are found. Additionally, we would not look to undertake in-situ visits where investments are for less than £5,000. We will also make greater use of photographic evidence to verify that work has been completed. Checks will be made on all actual cost items of receipted invoices and other supporting evidence. Finally, we will ensure improved documentation of findings and evidence from in-situ visits made and of checks made on documentation submitted.

Clear guidance and support is provided to beneficiaries to ensure that only eligible expenditure is claimed and where ineligible expenditure is identified that the system of reduction applied is proportionate and fair (**Root Cause 14**). Beneficiaries cannot start a project before submitting an application and must receive approval first prior to doing so. Any modifications or variations must also be explicitly approved and justified. Application forms, offer letters and claim forms ensure that what is deemed eligible expenditure is set out as clearly as possible, and set out specifically documentation requirements and deadlines for completion (**Root Cause 15**).

An overview of the Capital Items Controls Framework is attached at **Annex B**.

8.2.3.3.1.9.2. Mitigating actions

In addition to those identified above, mitigating actions will include:

- Reasonableness of actual costs will be evaluated via an appropriate system including use of reference costs and a comparison of different offers to ensure appropriate checks are in place. Beneficiaries and/or the delivery body will need to provide a clear specification of the activity to be procured; invite to tender a minimum of three written quotations and evaluate all bids and select the preferred supplier against clear pre-established and recorded value for money criteria;
- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;
- Training for administration staff including compliance and accreditation, fraud and un-conscious

bias training [Corrective and Preventive Action 1: Training for administration staff];

- Guidance for administrative staff to ensure appropriate appraisal of applications, and that variations to contract are appropriately controlled and implemented.
- Information to all beneficiaries via online guidance. Administrative support and guidance from delivery body advisers to support beneficiaries delivering actions in Natura 2000 and SSSI sites. Advice to support the delivery of water quality improvements via use of Measure 2 [Corrective and Preventive Action 2: Information, training and advice for beneficiaries and Corrective and Preventive Action 3: Information campaigns and guidance documents]
- Improved IT tools via the introduction of a new IT system [Corrective and Preventive Action 4: Improvement of IT tools]
- Clear change control processes for making changes to the Programme document and a regular review of Standard Costs [Corrective and Preventive Action 5: Programme amendment, simplification of measures and modification of contracts]. This will include an independent review of standard cost items in 2017 using data from inspectorate visits. The review will also look at the impact of non-productive investments including a Value for Money (VfM) exercise on their use.
- Regular reviews of control statistics, key and ancillary controls programme and corporate governance. Transaction testing and the Annual Attestation report process also provides formal assurance to support Corrective and Preventive Action 7: Improving internal control and coordination procedures;
- Making the system of reducing payments applies penalties proportionate to the gravity of the infringement [Corrective and Preventive Action 8].

8.2.3.3.1.9.3. Overall assessment of the measure

The overall assessment of risk following mitigating actions is low.

We have responded to specific audit criticism raised under the current programming period, Measure 216, under the text set out above. The additional controls put in place provide us with an assurance that appropriate controls for grant-funded activity in England are in place.

Defra recognises the importance of reinforcing preventative measures to reduce the risk of errors pertaining to implementation of the RDP. This will include Corrective and Preventative Actions in part highlighted above to ensure the provision of:

- training for administration staff (CPA1);
- information, training and advice for beneficiaries (CPA2);
- information campaigns and guidance documents (CPA3);
- improvement of IT tools (CPA 5);
- modification of contracts (CPA6); and
- improving internal control and coordination procedures (CPA7).

8.2.3.3.1.10. Methodology for calculation of the amount or support rate, where relevant

8.2.3.3.1.11. Information specific to the operation

Definition of non productive investments

Not applicable

Definition of collective investments

Not applicable

Definition of integrated projects

Support is expected to be provided for integrated projects, i.e. projects involving a number of potential beneficiaries or participants that collaborate with a single coordinating beneficiary, and which combine support under more than one measure. In most cases integrated projects will combine training, advice, investment in physical assets and cooperation.

Definition and identification of the eligible Natura 2000 sites and other eligible areas of high nature value

Not applicable

Description of the targeting of the support to farms in accordance with the SWOT carried out in relation to the priority referred to in Article 5(2) of Regulation (EU) No 1305/2013

Our support for investment in physical assets under Focus Area 2A: Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification will be based on thematic targeting; we intend to focus on improvements to animal health, welfare and productivity, resource efficiency, and competitiveness in the supply chain across all sectors.

Support for certain types of physical assets will be targeted at particular sectors, as described below.

Investments in the livestock and dairy sectors will support the management and prevention of animal disease, improvements in animal productivity and welfare and reductions in the environmental effects of production.

List of new requirements imposed by Union legislation for complying with which support may be granted under Article 17(6) of Regulation (EU) No 1305/2013

To ensure we obtain real additionality and value for money from the RDPE, it is not proposed to provide support to beneficiaries to simply comply with Regulatory requirements.

Where relevant, the minimum standards for energy efficiency referred to in Article 13(c) of Delegated Regulation (EU) No 807/2014

Not applicable

Where relevant, definition of the thresholds referred to in Article 13(e) of Delegated Regulation (EU) No 807/2014

Not applicable

8.2.3.3.2. Sub measure 4.2 - Support of investments in processing/marketing and/or development of agricultural products

Sub-measure:

- 4.2 - support for investments in processing/marketing and/or development of agricultural products

8.2.3.3.2.1. Description of the type of operation

This sub-measure will be used to promote growth of the agri-food processing activity, both on farm and within off-farm processing businesses. In particular, the Programme will promote operations that add value back to primary producers in the supply chain through the development of new processes and products.

Examples include:

- Investment in, equipment, technologies or processes to reduce waste;
- Investment in equipment, technologies or processes to develop new or higher quality products.
- Business start ups
- Marketing activity, excluding hard copy material, associated with the above investments
- Construction /conversion of buildings to be used for processing activities

Actions under this sub-measure will contribute directly to focus areas 2(a), and indirectly to 3(a) and 6(a)(b).

8.2.3.3.2.2. Type of support

Grant

8.2.3.3.2.3. Links to other legislation

Not applicable

8.2.3.3.2.4. Beneficiaries

Farmers, land owners, processing businesses

8.2.3.3.2.5. Eligible costs

Eligible costs will include:

- the costs of construction, acquisition (including leasing) or improvement to immovable property;
- the purchase or lease purchase of new machinery and equipment;

- general costs such as architect, engineer and consultation fees. These costs will normally be restricted to a maximum of 15% of total project costs;
- intangible investments including, acquisition or development of computer software and acquisition of patents, licences, copyrights, trademarks;
- the purchase or lease purchase of new machinery and equipment up to market value of the asset. This may include second hand equipment in which case applicants will be asked to prove that it complies with health and safety legislation and the EC Directive on machinery, has not previously been grants funded, is fit for purposes and has at least 5 years useful life remaining.

Ineligible costs include:

- simple replacement investments;
- costs connected with the leasing contract, such as lessor's margin, interest refinancing costs, overheads and insurance charges;
- Salaries, running costs;
- contributions in kind.

8.2.3.3.2.6. Eligibility conditions

Details of the specific type and specifications for the type of operation eligible for support will be published throughout the lifetime of the programme.

Eligibility for support for investments will be based on a detailed assessment of applications. We will do this by establishing an assessment process that includes the expertise necessary to undertake this work. Where appropriate the assessment process will give due consideration to relevant sustainability criteria.

Operations will be eligible for support regardless of whether the output is an Annex 1 product or a non-Annex 1 product. Each applicant will be assessed against the grants rules in place at the time that the measure is in operation.

8.2.3.3.2.7. Principles with regards to the setting of selection criteria

The selection process will be: proportionate; open; transparent and fair throughout the programming period and will set out clearly whether either exclusion or inclusion criteria will apply. There will be a separation between those directly involved with supporting pipeline development of bids for investment and those taking decisions on applications. The requirements of the Rural Development Regulation and other relevant EU regulations will be met and, where relevant, will need to demonstrate compliance with public procurement rules.

Applications will be assessed against their strategic fit with the Programme Document in the context of the call for applications.

All applications will be subject to a formal appraisal that will consider:

- Deadweight;
- Displacement;
- Need for public support;

- Value for money;
- Energy efficiency;
- Deliverability/measurability;
- Clear exit strategy from programme funding;
- Rural location;
- Processing Annex 1 products as an input.

Applications will be assessed against sustainability principles, which will include specific consideration of their impact on the environment and contribution to climate change mitigation and achievement of improved adaptation to climate change.

Appraisal of applications will be undertaken using a scoring system, which will involve a minimum threshold, above which applications will be prioritised.

The scoring system will give priority to projects that demonstrate clear added value through the supply chain, benefiting primary producers.

Calls may include additional criteria or support may be weighted in favour of businesses in particular geographic areas or hubs where particular policies are in place to support growth in rural areas and through the agri-food supply chain.

8.2.3.3.2.8. (Applicable) amounts and support rates

For investments by businesses undertaking processing, development and/or marketing where both inputs and outputs are Annex 1 products, we will offer a support rate of 50% of the total eligible investment costs in less developed regions and 40% in all other regions.

For investments in processing, development and/or marketing of Annex 1 products into non-Annex 1 products, we will offer a rate of support of 40% where the investment can be made under de minimis rules for state aid purposes. We will otherwise offer a rate of aid of 35% in less developed regions (increased to 45% for small and micro-businesses); and 10% in all other regions (20% for small and micro-businesses), using ABER Article 44 (9).

8.2.3.3.2.9. Verifiability and controllability of the measures and/or types of operations

8.2.3.3.2.9.1. Risk(s) in the implementation of the measures

The key risks to verifiability and controllability for investment in physical assets are those identified by the non-area-related root causes identified in the Commission's working document **SWD(2013) 244 final** and reiterated in the Error Rates technical guidance fiche. These are both administrative and beneficiary related. A control framework has been developed which sets out clearly how grant funded activity will be controlled and verified. This will include grants funded through the LEADER approach and actual and standard costs for non-productive investments linked to the achievements of agri-environment-climate objectives.

A clear separation of duties and set of procedures are put in place to ensure claims are processed correctly (**Root Cause 9**) and that the reasonableness of costs and eligibility conditions are met (**Root Cause 10**)

based on a transparent and justifiable rationale. The application of clear and appropriate tender procedures (**Root Cause 12**) by private beneficiaries for actual costs will include exhaustive checking of invoices and bank statements pre-payment, so the error rate tends to remain low, alongside further checks on evidence of defrayal, progress reports, photographs and on-the-spot checks or final claim inspections. This will include re-performance checks of LEADER activity and relevant checks that regulatory requirements and approvals are in place for work carried out.

Clear guidance and support is provided to beneficiaries to ensure that only eligible expenditure is claimed and where ineligible expenditure is identified that the system of reduction applied is proportionate and fair (**Root Cause 14**). Beneficiaries cannot start a project before submitting an application and must receive approval first prior to doing so. Any modifications or variations must also be explicitly approved and justified. Application forms, offer letters and claim forms ensure that what is deemed eligible expenditure is set out as clearly as possible, and set out specifically documentation requirements and deadlines for completion (**Root Cause 15**).

8.2.3.3.2.9.2. Mitigating actions

In addition to those identified above, mitigating actions will include:

- Reasonableness of actual costs will be evaluated via an appropriate system including via use of reference costs and a comparison of different offers to ensure appropriate checks are in place. Beneficiaries will need to provide a clear specification of the activity to be procured; invite to tender a minimum of three written quotations and evaluate all bids and select the preferred supplier against clear pre-established and recorded value for money criteria;
- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;
- Training for administration staff including compliance, fraud and un-conscious bias training;
- Guidance for administrative staff to ensure appropriate appraisal of applications, and that variations to contract are appropriately controlled and implemented.

8.2.3.3.2.9.3. Overall assessment of the measure

The overall assessment of risk following mitigating actions is **low**. Appropriate controls for grant-funded activity in England are in place and have historically not led to high error rates, audit criticisms or concerns. Despite this, Defra recognises the importance of reinforcing preventative measures to reduce the risk of errors pertaining to implementation of the RDP. This will include **Corrective and Preventative Actions** in part highlighted above to ensure the provision of: training for administration staff (**CPA1**); information, training and advice for beneficiaries (**CPA2**); information campaigns and guidance documents (**CPA3**); improvement of IT tools (**CPA 5**); modification of contracts (**CPA6**) and improving internal control and coordination procedures (**CPA7**).

8.2.3.3.2.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable

8.2.3.3.2.11. Information specific to the operation

Definition of non productive investments

Not applicable

Definition of collective investments

Not applicable

Definition of integrated projects

Not applicable

Definition and identification of the eligible Natura 2000 sites and other eligible areas of high nature value

Not applicable

Description of the targeting of the support to farms in accordance with the SWOT carried out in relation to the priority referred to in Article 5(2) of Regulation (EU) No 1305/2013

Not applicable

List of new requirements imposed by Union legislation for complying with which support may be granted under Article 17(6) of Regulation (EU) No 1305/2013

To ensure we obtain real additionality and value for money from the RDPE, it is not proposed to provide support to beneficiaries to simply comply with Regulatory requirements.

Where relevant, the minimum standards for energy efficiency referred to in Article 13(c) of Delegated Regulation (EU) No 807/2014

Not applicable

Where relevant, definition of the thresholds referred to in Article 13(e) of Delegated Regulation (EU) No 807/2014

Not applicable

8.2.3.3.3. Sub measure 4.3 - Support for investments related to development, modernisation or adaptation of agriculture and forestry

Sub-measure:

- 4.3 - support for investments in infrastructure related to development, modernisation or adaptation of agriculture and forestry

8.2.3.3.3.1. Description of the type of operation

Examples include:

- Collective investment in water management and storage for farms;
- The construction or upgrading of access roads to forest land and associated timber stacking areas to accommodate current harvesting and extraction equipment (such investments will not be supported under Measure 8);
- Collective investments relating to supply/saving of energy and water.

Actions under this sub-measure will contribute directly to focus areas 2(a), 5(a)(b)(e) and indirectly to 3(a) and 5(e).

8.2.3.3.3.2. Type of support

Grant

8.2.3.3.3.3. Links to other legislation

Environmental Impact Assessment (Forestry) (England and Wales) Regulations 1999

8.2.3.3.3.4. Beneficiaries

Farmers, land owners, private woodland owners and their associations.

8.2.3.3.3.5. Eligible costs

Eligible costs include:

- the costs of construction, acquisition (including leasing) or improvement to immovable property;
- excavation or supply of road building stone;
- necessary culverts;
- the purchase or lease purchase of new machinery and equipment;
- general costs such as architect, engineer and consultation fees. These costs will normally be

restricted to a maximum of 15% of total project costs.

Ineligible costs include:

- simple replacement investments;
- ordinary maintenance interventions;
- costs connected with the leasing contract, such as lessor's margin, interest refinancing costs, overheads and insurance charges.

8.2.3.3.3.6. Eligibility conditions

Woodland owners must have a forest management plan in place. This management plan will detail the volume of timber to be felled within the next 10 years. Loading density and stacking areas will be limited to that required to mobilise this timber and in accordance with published guidance on Forest Roads and Tracks.

For the forestry sector support will be available for the construction and improvement of access infrastructure to woodlands where its lack has been identified in a woodland management plan. Whilst there is a very good public road network throughout England vehicular access to individual woodland areas for forest management and timber extraction is frequently lacking. Roading and timber stacking area specification and density, in accordance with published guidance on Forest Roads and Tracks, will be limited to that required to mobilise the timber identified in the management plan for felling in the next 10 years.

Support for investments in irrigation through improved water management and storage will only be eligible if they meet the relevant requirements of Article 46 of the Rural Development Regulation, including ensuring that relevant river basin management plans have been notified to the Commission and that appropriate environmental assessments have been carried out. Further details attached below.

Details of the specific type and specifications for the type of operation eligible for support will be published from time to time throughout the lifetime of the programme.

Support for investments in irrigation through improved water management and storage will only be eligible if they meet the relevant requirements of Article 46 of the Rural Development Regulation.

As per Article 46(2), applicants will need to ensure that relevant river basin management plans, as required under the terms of the Water Framework Directive, have been notified to the Commission for the specific and entire area where the investment is to take place and in any other areas whose environment may be affected by the investment and that the investment is consistent with the measures within the plan.

As per Article 46(3), applicants will need to ensure water metering enabling measurement of water use is put in place as part of the investment.

As per Article 46(4), for investments in improvements to an existing irrigation installation or element of irrigation infrastructure, an ex ante assessment as to the likely potential water savings offered (for a minimum of between 5 % and 25 %) according to the technical parameters of the existing installation or infrastructure will need to be carried out.

If the investment affects bodies of ground or surface water whose status has been identified as less than good in the relevant river basin management plan for reasons related to water quantity:

(a) the applicant will need to ensure an effective reduction in water use, at the level of the investment, amounting to at least 50 % of the potential water saving made possible by the investment.

These conditions will not apply to an investment in an existing installation which affects only energy efficiency or to an investment in the creation of a reservoir or to an investment in the use of recycled water which does not affect a body of ground or surface water.

As per Article 46(5), investments resulting in a net increase of the irrigated area affecting a given body of ground or surface water will be eligible only if:

(a) the status of the water body has not been identified as less than good in the relevant river basin management plan for reasons related to water quantity.

This condition will not apply to investments in the establishment of a new irrigation installation supplied with water from an existing reservoir approved by the Environment Agency before 31 October 2013 if the following conditions are met:

— the reservoir in question is identified in the relevant river basin management plan and is subject to the control requirements set out in article 11(3)(e) of the Water Framework Directive;

— on 31 October 2013, there was in force either a maximum limit on total abstractions from the reservoir or a minimum required level of flow in water bodies affected by the reservoir;

— that maximum limit or minimum required level of flow complies with the conditions set out in Article 4 of the Water Framework Directive; and

— the investment in question does not result in abstractions beyond the maximum limit in force on 31 October 2013 or result in a reduction of the level of flow in affected water bodies below the minimum required level in force on 31 October 2013 and

(b) an environmental analysis shows that there will be no significant negative environmental impact from the investment; such an environmental impact analysis shall be either carried out by or approved by the competent authority and may also refer to groups of holdings.

As per Article 46(6), investments resulting in a net increase of the irrigated area will also be eligible if:

(a) the investment is combined with an investment in an existing irrigation installation or element of irrigation infrastructure assessed ex ante as offering potential water savings of a minimum of between 5 % and 25 % according to the technical parameters of the existing installation or infrastructure and

(b) the investment ensures an effective reduction in water use, at the level of the investment as a whole, amounting to at least 50 % of the potential water saving made possible by the investment in the existing irrigation installation or element of infrastructure.

Support for investments in irrigation through improved water management and storage

8.2.3.3.3.7. Principles with regards to the setting of selection criteria

The selection process will be: proportionate; open; transparent and fair throughout the programming period and will set out clearly whether either exclusion or inclusion criteria will apply. There will be a separation between those directly involved with supporting pipeline development of bids for investment and those taking decisions on applications. The requirements of the Rural Development Regulation and other relevant EU regulations will be met and, as necessary, it will be comply with public procurement rules.

Applications will be assessed against their strategic fit with the Programme Document in the context of the call for applications.

All applications will be subject to a formal appraisal that will consider:

- Deadweight;
- Displacement;
- Need for public support;
- Value for money;
- Energy efficiency;
- Deliverability/measurability;
- Clear exit strategy from programme funding.

Applications will be assessed against sustainability principles, which will include specific consideration of their impact on the environment and contribution to climate change mitigation and achievement of

improved adaptation to climate change. They may also be assessed against the extent to which the project is likely to lead to innovation in use of technology or best management practice.

Appraisal of applications will be undertaken using a scoring system, which will involve a minimum threshold, above which applications will be prioritised.

Calls may include additional criteria or support may be weighted in favour of businesses in particular geographic areas or hubs where particular policies are in place to support growth in rural areas and through the agri-food supply chain.

8.2.3.3.3.8. (Applicable) amounts and support rates

Where there is a demonstrable need for farm infrastructure to be improved we will fund 40% of the cost. Initially this will focus on support for the construction of collective on farm storage reservoirs where there is an opportunity to improve water security through the collection and storage of winter rainfall in order to increase availability during the drier summer months.

For the forestry sector support will be available for the construction and improvement of access infrastructure (roads and timber stacking areas) to woodlands. As there will be no requirement for this to be open to the public free of charge support will be limited to 40% of eligible costs.

8.2.3.3.3.9. Verifiability and controllability of the measures and/or types of operations

8.2.3.3.3.9.1. *Risk(s) in the implementation of the measures*

The key risks to verifiability and controllability for investment in physical assets are those identified by the non-area-related root causes identified in the Commission's working document **SWD(2013) 244 final** and reiterated in the Error Rates technical guidance fiche. These are both administrative and beneficiary related. A control framework has been developed which sets out clearly how grant funded activity will be controlled and verified. This will include grants funded through the LEADER approach and actual and standard costs for non-productive investments linked to the achievements of agri-environment-climate objectives.

A clear separation of duties and set of procedures are put in place to ensure claims are processed correctly (**Root Cause 9**) and that the reasonableness of costs and eligibility conditions are met (**Root Cause 10**) based on a transparent and justifiable rationale. The application of clear and appropriate tender procedures (**Root Cause 12**) by private beneficiaries for actual costs will include exhaustive checking of invoices and bank statements pre-payment, so the error rate tends to remain low, alongside further checks on evidence of defrayal, progress reports, photographs and on-the-spot checks or final claim inspections. This will include re-performance checks of LEADER activity and relevant checks that regulatory requirements and approvals are in place for work carried out.

Clear guidance and support is provided to beneficiaries to ensure that only eligible expenditure is claimed and where ineligible expenditure is identified that the system of reduction applied is proportionate and fair (**Root Cause 14**). Beneficiaries cannot start a project before submitting an application and must receive approval first prior to doing so. Any modifications or variations must also be explicitly approved and justified. Application forms, offer letters and claim forms ensure that what is deemed eligible

expenditure is set out as clearly as possible, and set out specifically documentation requirements and deadlines for completion (**Root Cause 15**).

8.2.3.3.9.2. *Mitigating actions*

In addition to those identified above, mitigating actions will include:

- Reasonableness of actual costs will be evaluated via an appropriate system including via use of reference costs and a comparison of different offers to ensure appropriate checks are in place. Beneficiaries will need to provide a clear specification of the activity to be procured; invite to tender a minimum of three written quotations and evaluate all bids and select the preferred supplier against clear pre-established and recorded value for money criteria;
- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;
- Training for administration staff including compliance, fraud and un-conscious bias training;
- Guidance for administrative staff to ensure appropriate appraisal of applications, and that variations to contract are appropriately controlled and implemented.

8.2.3.3.9.3. *Overall assessment of the measure*

The overall assessment of risk following mitigating actions is **low**. Appropriate controls for grant-funded activity in England are in place and have historically not led to high error rates, audit criticisms or concerns. Despite this, Defra recognises the importance of reinforcing preventative measures to reduce the risk of errors pertaining to implementation of the RDP. This will include **Corrective and Preventative Actions** in part highlighted above to ensure the provision of: training for administration staff (**CPA1**); information, training and advice for beneficiaries (**CPA2**); information campaigns and guidance documents (**CPA3**); improvement of IT tools (**CPA 5**); modification of contracts (**CPA6**) and improving internal control and coordination procedures (**CPA7**).

8.2.3.3.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable

8.2.3.3.11. Information specific to the operation

Definition of non productive investments

Not applicable

Definition of collective investments

Not applicable

Definition of integrated projects

Not applicable

Definition and identification of the eligible Natura 2000 sites and other eligible areas of high nature value

Not applicable

Description of the targeting of the support to farms in accordance with the SWOT carried out in relation to the priority referred to in Article 5(2) of Regulation (EU) No 1305/2013

Not applicable

List of new requirements imposed by Union legislation for complying with which support may be granted under Article 17(6) of Regulation (EU) No 1305/2013

To ensure we obtain real additionality and value for money from the RDPE, it is not proposed to provide support to beneficiaries to simply comply with Regulatory requirements.

Where relevant, the minimum standards for energy efficiency referred to in Article 13(c) of Delegated Regulation (EU) No 807/2014

Not applicable

Where relevant, definition of the thresholds referred to in Article 13(e) of Delegated Regulation (EU) No 807/2014

Not applicable

8.2.3.3.4. Sub measure 4.4 - support for non-productive investments linked to the achievement of agri-environment-climate objectives

Sub-measure:

- 4.4 - support for non-productive investments linked to the achievement of agri-environment-climate objectives

8.2.3.3.4.1. Description of the type of operation

Non-productive investments, as per Article 19(1)(d) of 1305/2013, are investments in capital items linked to the achievement of agri-environment-climate objectives as pursued in this Programme, including biodiversity conservation status of species and habitat as well as enhancing the public amenity value of a Natura 2000 area or other high nature value systems as defined in the Programme. These payments will in most cases be linked to the achievement of agri-environment-climate objectives under Article 28 of 1305/2013 (Measure 10).

This will include:

- Grants for non-productive investments to land managers for capital items to restore and re-instate traditional boundary features such as hedges and stone walls that provide benefits to the environment and landscape. These will be supported by simple guidance and without advisory support.
- Grants to support commitments under the Agri-Environment Climate measure (Sub-measure 10.1) and to address diffuse water pollution. Examples include:
 - Fencing and other works needed to facilitate conservation management, including the re-introduction of grazing and to improve the protection of water and soil;
 - The planting of individual or small groups of trees for parkland, hedgerows, orchards;
 - The restoration of wetlands and moorland;
 - Control of scrub and bracken;
 - Works to assist the reversion of land to heathland or species-rich grassland;
 - Restoration of landscapes, habitats and features, including setting up or re-instating the infrastructure needed to allow appropriate management of habitats;
 - Structures to accommodate or support the requirement of specific species;
 - The movement of farm access tracks and gateways to improve the protection of soil and water by avoiding damage caused by run off. (It should be noted that the movement of farm access tracks and gateways to improve the protection of soil and water by avoiding damage caused by run off is not linked to public rights of way).

Investments under this sub-measure will contribute directly to focus areas 4(a)(b)(c) and 5(a)(b)(c)(d) and indirectly to 5(e) and are detailed in the attached tables.

The full set of options in the Countryside Stewardship Scheme in England are set out in the annex Final options List for the Programme.

Investments that support management options under the Agri-Environment Climate measure

Payment for these items will be supported in three ways:

- Where a non-productive investment is available in specific sites of high environmental value (in

Natura 2000 or Sites of Specific Scientific Interest (SSSIs)) under the Higher Tier. Beneficiaries will be directly advised and supported by specialist environmental agencies in England such as Natural England (NE); the Forestry Commission or the Environment Agency. This will ensure that there is both a sufficient measure of scrutiny, and beneficiaries are adequately supported and advised on how to undertake their commitments. This will include control of scrub and bracken, which will not be allowed to damage specific SSSI or Natura 2000 sites. As we have confirmed in writing to the Commission in response to the South Pennine Moor's SAC & SPA EU Pilot case, Natural England is putting in place more robust controls within the design of our new agri-environment scheme overall (which draws on both measure 4.4 and measure 10). These will ensure that agri-environment scheme agreements cannot be issued on Natura 2000 network sites without a Habitats Regulation Assessment having been completed, and in any case not where there is a negative assessment on site integrity. Our new agri-environment scheme will support management regimes that do not include burning where this is damaging. Natural England will also be developing site-specific restoration plans as part of a national blanket bog restoration strategy. So new agri-environment agreements, and any role for scrub and bracken control, will be developed as part of a case-by-case assessment of what is required on each site in order to move this important habitat toward favourable conservation status.

- Where payments are made under the Mid-tier and are relatively straightforward. In these areas, the commitments available will be limited to those which can be delivered with minimal guidance and support as part of a wider land management agreement.
- Where payments are made under the Mid-tier and are more complex. This would be where capital payments are necessary for the delivery of water quality improvements. For these payments, access to these measures may be made conditional on advice to ensure the benefits are realised and that these measures receive a sufficient measure of control and scrutiny. This advice will be funded nationally (non-EAFRD) as well as through specialist advice procured separately under Measure M02 (see 8.2.2.2).

Payments on non-productive investments are not required to go beyond cross compliance and greening. However, these investments do take account of the EU cross compliance requirements and payments are calculated to compensate only for expenditure beyond statutory requirements. How the baseline will apply in the environmental land management scheme which encompasses these measures is set out in 8.2.7.1.11. .

8.2.3.3.4.2. Type of support

Grants / advances

8.2.3.3.4.3. Links to other legislation

- Directive 2009/147/EC on the conservation of wild birds;
- Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora
- Directive 2000/60/EC establishing a framework for Community action in the field of water policy.
- Article 2(1)(f) of Regulation (EU) 1305/2013.

- Article 4 of Regulation (EU) No 1307/2013.

8.2.3.3.4.4. Beneficiaries

Beneficiaries will be those farmers, foresters or other land managers who undertake to carry out these non-productive investments on their land. These measures have been specifically designed to be achievable by the majority of farmers, foresters and land managers in England and to fit with the management of their land.

8.2.3.3.4.5. Eligible costs

Eligible costs include:

- non-productive investments in the restoration of landscapes and features including traditional boundary features, fencing, planting of trees and changes to farm access tracks and gateways.
- the costs of construction, acquisition (including leasing) or improvement to immovable property;
- the purchase or lease purchase of new machinery and equipment;
- general costs such as architect, engineer and consultation fees.

Ineligible costs include:

- Simple replacement investments;
- costs connected with the leasing contract, such as lessor's margin, interest refinancing costs, overheads and insurance charges.

Where appropriate we have fixed the level of support provided on the basis of standard costs and standard assumptions of income forgone. In doing so we have ensured the following for the calculations:

- (a) they contain only elements that are verifiable;
- (b) they are based on figures established by appropriate expertise;
- (c) they indicate clearly the source of the figures;
- (d) they are differentiated to take into account regional or local conditions and actual land use as appropriate;
- (e) they do not contain elements linked to fixed investment costs.

Further detail is available in the attached Verifier's Report.

8.2.3.3.4.6. Eligibility conditions

Investments under this Measure must be for a non-productive investment which is linked to the achievement of agri-environment-climate objectives.

For investments linked to the Mid and Higher tier of the environmental land management priorities detailed in Measure 10:

- Applicants must have appropriate management control of the land for the duration of the agreement (depending on the agreement this may be 5, 10 or 20 years).
- Full agricultural tenants on land owned by Exchequer funded bodies (e.g. government departments) may be eligible to apply for activities that are over and above the requirements of their tenancy agreement.
- Tenants must have security of tenure for the full term of the agreement, as the public body cannot countersign the agreement. Land that is owned and managed by another Government department or agency will usually not be eligible for the scheme.
- Tenants on a full agricultural tenancy are eligible to join providing their tenancy agreement lasts at least five years from the start of their agreement. Where this is not the case the tenant may make a countersigned application with their landlord, who must agree to take on the management responsibilities for the land and, where appropriate, continue with the organic registration of the land, in the event of the tenant ceasing to control the land.
- Woodland that meets the definition of “forest” in article 8 is ineligible under this measure.

8.2.3.3.4.7. Principles with regards to the setting of selection criteria

The selection process will be: proportionate; open; transparent and fair and will set out clearly whether either exclusion or inclusion criteria will apply. There will be a separation between those directly involved with supporting pipeline development of bids for investment and those taking decisions on applications. The requirements of the Rural Development Regulation and other relevant EU regulations will be met.

Applications will be assessed against their strategic fit with the Programme Document in the context of the call for applications. All applications will be subject to a formal appraisal that will consider where appropriate:

- Deadweight;
- Displacement
- Need for public support
- Value for money;
- Deliverability/measurability;
- Energy efficiency
- Clear exit strategy from programme funding and indication that the benefits generated will have sufficient longevity.

Applications will be assessed against sustainability principles, which will include specific consideration of their impact on the environment and contribution to climate change mitigation and achievement of improved adaptation to climate change.

Appraisal of applications will be undertaken using a scoring system, which will involve a minimum

threshold, above which applications will be prioritised.

Higher priority will be given to activity which most matches policy priorities at the time – we will review policy priorities on an ongoing basis to check they remain accurate.

8.2.3.3.4.8. (Applicable) amounts and support rates

Payment rates are in the tables attached. A full list of the payment rates is contained in the attached annex "Payment rates for capital items".

Livestock Commitments									
	Name	Aim	Requirements	Proposed payment rate €/ha	Focus Area ¹				
					4a:	4b:	4c:	5d:	5e:
LV1	Cattle grid	To support grazing management to achieve more effective management of priority habitats and/or landscape enhancement.	Cattle grids can only be used where a new management regime is being introduced to a site or a substantial change in grazing management is required. Cattle grids will not be funded on public highways or Public Rights of Way.	1044/unit	1				
LV2	Livestock handling facilities, such as pens, rails, hurdles, etc.	To support grazing management in order to achieve environmental benefits.	You can only use this item on: <ul style="list-style-type: none"> agreements where a new management regime is being introduced to agreement land; or agreements where a substantial change in grazing management is required; and agreements where handling facilities will provide an essential management tool for achieving the objectives of the primary land management option. You cannot use this item where: <ul style="list-style-type: none"> there is an existing handling facility available; the site is not grazed at all; handling facilities will cause damage to historic and archaeological features, peat exposures and other sensitive soils or where poaching damage is a potential problem. 	Actual 80% of costs*	1	1	1		
LV3	Hard bases for livestock drinkers	To provide an area where livestock can drink without causing severe poaching or soil compaction in fields and in the open air.	This item can only be used in areas targeted for the reduction of water pollution from agriculture and where livestock are being excluded from drinking at adjacent surface waters. This item cannot be used: <ul style="list-style-type: none"> under housing or roof structures or cattle handling facilities not associated with feeding or drinking within 10 metres of ditches, streams or waterways on historic or archaeological features as identified in an environmental record 	138/base	1	1	1		
LV4	Hard bases for livestock feeders	To provide an area where livestock can feed without causing severe poaching or soil compaction in fields and in the open air.	This item can only be used in areas targeted for the reduction of water pollution from agriculture. E2 This item cannot be used: <ul style="list-style-type: none"> under housing or roof structures or cattle handling facilities not associated with feeding or drinking within 10 metres of ditches, streams or waterways on historic or archaeological features as identified in an environmental record 	213	1	1	1		
LV5	Pasture pumps and associated pipework	To provide a viable alternative to livestock drinking from watercourses. This reduces the risk of bank erosion, sediment pollution and faecal contamination of watercourses.	This item is only available: <ul style="list-style-type: none"> in areas targeted for the reduction of water pollution from agriculture to provide water for livestock where the adjacent watercourse has had access restricted. ;Or <ul style="list-style-type: none"> to facilitate grazing for habitat management and restoration with the agreement of Natural England. This item cannot be used to replace existing equipment in the same location.	275/unit	1	1	1		
LV6	Ram pumps and associated pipe work	To provide a viable alternative to livestock drinking from watercourses. This reduces the risk of bank erosion, sediment pollution and faecal contamination of watercourses.	This item can only be used: EITHER <ul style="list-style-type: none"> in areas targeted for the reduction of water pollution from agriculture to provide water for livestock where the adjacent watercourse has had access restricted. Or <ul style="list-style-type: none"> to facilitate grazing for habitat management and restoration with the agreement of Natural England. This item cannot be used to replace existing equipment in the same location.	1850/unit	1	1	1		
LV7	Livestock troughs	To provide an alternative to livestock drinking from watercourses.	This item can only be used in areas targeted for the reduction of water pollution from agriculture, or where grazing is being re-introduced to a site to meet the requirements of a management option. The trough must not be located: <ul style="list-style-type: none"> under housing or roof structures; or within 10 m of watercourses; or 	138/unit	1	1	1		

¹ 1 = primary outcome 2 = secondary benefit potential

			<ul style="list-style-type: none"> on areas vulnerable to soil erosion as identified in an environmental record within 6 m of historical or archaeological features as identified in an environmental record 						
LV8	Pipe work associated with livestock troughs	To provide associated pipework for new livestock troughs.	<p>This item can only be used: EITHER</p> <p>In conjunction with a management or creation option where a new trough is required to meet the option grazing requirements; Or</p> <p>In areas targeted for the reduction of water pollution from agriculture to provide water for livestock where the adjacent watercourse has had access restricted.</p> <p>The trough must not be located:</p> <ul style="list-style-type: none"> under housing or roof structures; or within 10 m of watercourses; or on areas vulnerable to soil erosion as identified in your FER; within 6 m of historical or archaeological features as identified in an environmental record <p>This item cannot be used to replace existing equipment in the same location.</p>	3/m	1	1	1		

*For capital items that are likely to have a small residual value to the participant at the end of the agreement.
*Additionally we believe that this reduced payment will not affect take up of this option.

Boundaries

	Name	Aim	Requirements	Proposed payment rate €/ha	4a:	4b:	4c:	5e:
BN1	Stone-faced bank repair	To repair existing stone faced banks that remain substantially intact but are losing stones and have some unstable sections.	For lengths of stone-faced banks where less than 50% of their original height needs rebuilding.	99/m	1	2	2	
BN2	Stone-faced bank restoration	To restore banks which require major re-building.	For lengths of stone-faced banks where more than 50% of their original height needs rebuilding.	108/m	1	2	2	
BN3	Earth bank creation	To build new earth banks.	This item can only be used to create earth banks on original footprints as evidenced by historic maps or where other records show that earth banks are a feature of a specific location or landscape.	17/m	1	2	2	
BN4	Earth bank restoration	To rebuild and stabilise earth banks.	Lengths of earth bank which require rebuilding to their original height.	9/m	1	2	2	
BN5	Hedgerow laying	To rejuvenate or restore hedgerows by laying to achieve a continuous length of hedge.	You can only use this item on planted boundary lines of shrubs which are over 20 m long and less than 5m wide (between major woody stems at the base) and are composed of at least 80% native shrubs.	12/m	1	2	2	2
BN6	Hedgerow coppicing	To rejuvenate or restore hedgerows by coppicing to achieve a continuous length of hedge.	You can only use this item on planted boundary lines of shrubs which are over 20 m long and less than 5m wide (between major woody stems at the base) and are composed of at least 80% native shrubs.	5/m	1	2	2	
BN7	Hedgerow gapping-up	To rejuvenate or restore hedgerows by gapping-up to achieve a continuous length of hedge.	You can only use this item on planted boundary lines of shrubs which are over 20 m long and less than 5m wide (between major woody stems at the base) and are composed of at least 80% native shrubs. You cannot use this item on lengths of hedge managed under BE3 Management of hedgerows	12/m	1	2	2	2
BN8	Hedgerow supplement – casting up	To replace sloped soil and re-profile earth banks when a hedgerow is being laid or coppiced.	This item can only be used on lengths of hedge being restored with the following capital items: <ul style="list-style-type: none"> • BN5 Hedgerow laying • BN6 Hedgerow coppicing Where casting up will be undertaken with a machine	4/m	1	2	2	
BN9	Hedgerow supplement – substantial pre-work	To ensure that hedge rejuvenation or restoration can be completed where a hedge is on a particularly difficult site or where substantial extra work is required.	Lengths of hedge being restored using BN5 Hedgerow laying, BN6 Hedgerow coppicing, BN7 Hedgerow gapping-up or BN11 Planting new hedgerows The hedge to be coppiced, laid or gapped up must meet one of the following criteria: <ul style="list-style-type: none"> • Requires removal of extensive bramble, elder or brash • is more than 5 m wide after removing the previous seasons' growth • On slopes more than 20 degrees This supplement cannot be used to remove old fences within hedgerows, free standing fences alongside hedgerows, to undertake weed control or routine preparation prior to gapping-up or new hedge planting.	5/m	1	2	2	
BN10	Hedgerow supplement – top binding and staking	To strengthen laid hedges by top binding and staking.	This item must be used in combination with BN5 Hedgerow laying.	4/m	1	2	2	
BN11	Planting new hedges	To establish new hedgerows with locally occurring native species.	This item can only be used: <ul style="list-style-type: none"> • to plant hedgerows on original footprints as evidenced by historic maps or other records which show that hedgerows are a feature of the specific location or landscape. • On sites where creation extends or links existing lengths of hedgerow. • On sites where creation will contribute to reducing soil erosion and run-off 	15/m	1	2	2	2
BN12	Stone wall restoration	To re-build stone walls to make them stock-proof and restore their landscape	Eligible walls require at least one third of the original height to be dismantled and rebuilt to complete restoration.	31/m	1	2	2	

		value.						
BN13	Stone wall supplement – top wiring	To facilitate the control of stock by erecting a top-wire onto a stone wall.	This stone wall supplement can only be used on walls being rebuilt using the Stone Wall Restoration item.	5/m	1	2	2	
BN14	Stone wall supplement – stone from quarry	To ensure that wall restoration can be completed where there is insufficient re-usable stone on-farm, and stone has to be sourced from an off-site quarry.	This stone wall supplement can only be used on walls being rebuilt using the Stone Wall Restoration item.	55/m	1	2	2	
BN15	Stone wall supplement – difficult sites	To ensure that restoration can be completed where the wall is on a particularly difficult site, or where the traditional style is complex.	To ensure that restoration can be completed where the wall is on a particularly difficult site, or where the traditional style is complex.	10/m	1	2	2	

Fencing & Gates

	Name	Aim	Requirements	Proposed payment rate €/ha	Focus Area ³				
					4a:	4b:	4c:	5d:	5e:
FG1	Fencing	To provide a method of stock control to help habitat management or to protect environmental features.	<p>This item can only be used:</p> <ul style="list-style-type: none"> In conjunction with a management or creation option where new fencing is required to meet the option grazing requirements; Or To address water pollution in areas and catchments targeted for the reduction of water pollution from agriculture; OR To protect environmental features. <p>The fence must not be located on historic or archaeological features nor can you this item on sites where a fence has previously been grant aided.</p>	5/m	1	2	2		
FG2	Sheep netting	To provide a method of stock control to help habitat management or to protect environmental features.	<p>This item can only be used:</p> <ul style="list-style-type: none"> In conjunction with a management or creation option where new fencing is required to meet the option grazing requirements; Or To address water pollution in areas targeted for the reduction of water pollution from agriculture; Or To protect environmental features. <p>The fence must not be located on historic or archaeological features nor can you use this item on sites where a fence has previously been grant aided.</p>	6/m	1	2	2		
FG3	Permanent electric fencing	To provide a method of stock control to help habitat management or to protect environmental features.	<p>This item can only be used:</p> <ul style="list-style-type: none"> In conjunction with a management or creation option where new fencing is required to meet the option grazing requirements; or To address water pollution in areas targeted for the reduction of water pollution from agriculture; Or To protect environmental features. <p>The fence must not be located on historic or archaeological features nor can you use this item in locations where a fence has previously been grant aided.</p>	6/m	1	2	2		
FG4	Rabbit fencing supplement	To exclude rabbits to help habitat management and protect environmental features.	This supplement can only be used in combination with the fencing capital items: FG1 Fencing, FG2 Sheep netting, FG3 Permanent electric fencing, FG9 Deer fencing.	3/m	1	2	2		
FG5	Fencing supplement – difficult sites	To contribute to the extra costs of fencing on difficult sites, to help habitat management or to protect environmental features.	This supplement can only be used in combination with the fencing capital items: FG1 Fencing, FG2 Sheep netting, FG3 Permanent electric fencing, FG7 Anti-predator combination fencing, FG8 Anti-predator temporary electric fencing, FG9 Deer fencing.	2/m	1	2	2		

³ 1 = primary outcome 2 = secondary benefit potential

FG6	Invisible Fencing System	To support grazing management to achieve more effective management of priority habitats and/or landscape enhancement.	<p>An invisible fencing system can only be used:</p> <p>where a new management regime is being introduced to agreement land;</p> <p>or a substantial change in grazing management is required; and</p> <p>where traditional wooden and/or wire fencing alone cannot be introduced because, for example:</p> <ul style="list-style-type: none"> it would damage historic and/or archaeological features; the land is common land or other open access land; There are significant and overriding landscape priorities. <p>In association with a land management option only.</p>	2/m	1	2	2			
FG7	Anti-predator combination fencing	To increase the productivity of priority ground-nesting birds in three defined situations, in conjunction with effective habitat management.	<p>This capital item can only be used:</p> <ul style="list-style-type: none"> In a national breeding wader target area and in conjunction with the effective use of lowland wet grassland breeding wader options, both management and creation options. On certain coastal habitats (e.g. shingle) used by breeding seabirds, especially terns. On dry open grassland habitat used by breeding stone-curlew and in conjunction with the effective use of grassland options. <p>Use of this item must be confirmed in writing by the Natural England adviser and it must not be used on historic and archaeological features, without specialist approval.</p>	14/m	1					
FG8	Anti-predator temporary electric fencing	Anti-predator temporary electric fencing	<p>This capital item can only be used:</p> <ul style="list-style-type: none"> On habitats within grassland and arable used by breeding stone-curlew, where combination fencing is not possible and where mammalian predation is known to be contributing to productivity below 0.61 fledged chicks per pair. On certain coastal habitats (e.g. shingle) used by breeding seabirds, especially terns. On lowland wet grassland used by breeding waders, but <u>only</u> where the anti-predator permanent combination fence cannot be used for practical reasons. <p>Use of this item must be confirmed in writing by the Natural England adviser and it must not be used on historic and archaeological features without specialist approval.</p>	4/m	1					
FG9	Deer fencing	Protect newly created or existing woodland from deer browsing as part of a wider woodland creation or woodland management project.	When used on an existing woodland site the woodland management plan needs to identify deer as both present and posing a threat to successful management.	9/m	1					
FG10	Temporary deer fencing	Protect newly coppiced woodland from deer browsing as part of a wider woodland management project.	<p>This capital item cannot be used to protect newly planted woodland supported by capital item TE4 'Tree Planting'.</p> <p>When used on a woodland site the woodland management plan needs to identify deer as both present and posing a threat to successful management.</p>	7/m	1					

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FG11	Deer exclosure plot	Protect an area of woodland approximately 16m ² from deer browsing for the purposes of monitoring deer browsing pressure and regeneration potential on a site.	This option can only be used in wood pasture, scrub, heath land, and moorland or grassland restoration where necessary to protect regeneration of woody species from deer browsing. When used on an existing woodland site the woodland management plan needs to identify deer as both present and posing a threat to successful management.	170/unit	1						
FG12	Wooden Field gate	To facilitate stock management or protect an historic or archaeological feature. Or Wooden wings for gates: To keep livestock out of watercourses	This item can only be used in conjunction with a management option or boundary restoration items. The gate posts must not be located on historic or archaeological features, except with written specialist approval. This item cannot be used to replace an existing gate or wooden wings	488/gate	1						
FG13	Stone gate post	To support the conservation of historic interest and local landscape character through the use of stone gate posts made from local materials in local styles	Can only be used in agreements in conjunction with boundary restoration items, or wooden field gates and only where stone gate posts are traditional in the area. New gateposts must not be located on sites of historic or archaeological interest.	350/post	1						
FG14	Badger gate	To provide badgers unrestricted access either side of a newly erected fence which crosses known badger routes	Only to be used where known badger routes are recorded as in use and perceived to be restricted by erection of a new fence line. This item cannot be used: <ul style="list-style-type: none"> • On existing fence lines • On newly erected fences supporting wet grasslands for breeding birds 	169/unit	1						
FG15	Water gates	To prevent stock access along watercourse channels by fitting a gate across the river or stream.	This item must be used in conjunction with other stock control items where fence lines need to cross rivers and streams. You must seek guidance from the Environment Agency and submit a copy of their advice, and any permits, with your application. Middle Tier only – The item can only be used in areas targeted for the reduction of water pollution from agriculture.	300/gate	1						

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Forestry, Trees and Orchards

	Name	Aim	Requirements	Proposed payment rate €/ha	Focus Area ⁴				
					4a:	4b:	4c:	5d:	5e:
TE1	Planting standard hedgerow tree/Unit	To establish standard trees in hedgerows	None.	11	1	0	2	0	2
TE2	Planting standard parkland tree/tree	To establish standard trees in wood pasture and parklands to replace lost trees or restore sustainable populations.	This item can only be used with the following management options: WD4 Management of wood pasture and parkland, WD5 Restoration of wood pasture and parkland or WD6 Creation of wood pasture.	31	1	0	0	0	2
TE3	Planting fruit trees/tree	To establish traditional varieties of fruit tree in traditional orchards and hedgerows.	This item must only be used with the following options: Management of traditional orchards, Creation of traditional orchards, Management of hedgerows	28	1	0	0	0	2
TE4	Supply and plant tree/tree	<p>The aim of this option is to deliver a range of environmental and social benefits including;</p> <ul style="list-style-type: none"> Supporting wildlife particularly where new woodland links habitats or provides a protective buffer; Help reduce flood risk, improve water quality and prevent soil erosion; To create woodland that is resilient and can adapt to climate change; Landscape enhancement. 	<p>This option can be used to plant single trees, clumps of trees, hedgerows or woodlands.</p> <p>This option cannot be used for the following:</p> <ul style="list-style-type: none"> Where tree planting could damage areas of ecological, archaeological or historic interest. Planting of woodland intended for the production of Christmas trees or biomass and restocking of woodlands following a conditional felling licence are not eligible for this capital item. 	2	1	0	1	0	1
TE5	Supplement for use of individual tree-shelters/unit	This item provides either a 1.2m or 1.8m tree shelter to protect young trees from browsing at the establishment stage.	This item cannot be used in isolation; it is only available as a supplement to TE4 tree planting.	2	1				
TE6	Tree guard (tube and mesh)/tree	To protect trees from damage caused by grazing livestock and wild animals.	<p>This item can only be used in conjunction with;</p> <ul style="list-style-type: none"> BE3 Management of hedgerows BE4 Management of traditional orchards 	5	1				

⁴ 1 = primary outcome 2 = secondary benefit potential

			<ul style="list-style-type: none"> • BE5 Creation of traditional orchards • TE3 Planting fruit trees • TE1 Planting standard hedgerow tree • TE2 Planting standard parkland tree • WD4 Management of wood pasture and parkland • WD5 Restoration of wood pasture and parkland • WD6 Creation of wood pasture and parkland • WD7 Management of scrub and successional areas • WD8 Creation of scrub and successional areas <p>The following items <u>must not</u> be used on the same tree;</p> <ul style="list-style-type: none"> • TE7 Tree guard (wood post and rail) • TE8 Tree guard (wood post and wire) <p>This item can only be used on trees which are situated within an option area.</p>						
TE7	Tree guard (wood post and rail)/tree	To protect trees from damage caused by grazing livestock and wild animals	<p>This item can only be used in conjunction with;</p> <ul style="list-style-type: none"> • BE3 Management of hedgerows • BE4 Management of traditional orchards • BE5 Creation of traditional orchards • TE3 Planting fruit trees • TE1 Planting standard hedgerow tree • TE2 Planting standard parkland tree • WD4 Management of wood pasture and parkland • WD5 Restoration of wood pasture and parkland • WD6 Creation of wood pasture and parkland • WD7 Management of scrub and successional areas • WD8 Creation of scrub and successional areas <p>The following items <u>must not</u> be used on the same tree;</p> <ul style="list-style-type: none"> • TE6 Tree guard (tube and mesh) • TE8 Tree guard (wood post and wire) <p>This item can only be used on trees which are situated within an option area.</p>	74	1				

Trees & Orchards Pt 2 of 4

TE13	Creation of dead wood habitat on trees/unit	To ensure continuity in the provision of dead wood habitat to benefit rare or specialised wildlife.	<p>You can only use this item on:</p> <ul style="list-style-type: none"> • trees that are located on or adjacent to sites with existing populations of veteran trees; and • where the land around the trees being treated is managed by cutting or extensive grazing; and • where tree cover across the area where they are located does not exceed 25%; and • on trees that are outside the canopy of any existing veteran trees and at sufficient distance from existing veteran trees so that their growth will not impede the crowns of existing veterans or be impeded by the crowns of existing veterans; and • on trees that are of the same native species and genetic origin as existing native veteran trees in the same area. <p>Obtain a written assessment and advice on the work required from an appropriately qualified arboricultural expert which addresses:</p> <ul style="list-style-type: none"> • the intended outcome; • long term health and viability of the tree(s) to be cut; • any requirements for subsequent management. <p>A copy of this assessment and advice must be submitted with the application.</p>	219	1				
TE14	Identification of orchard fruit tree varieties/variety	To identify local and rare fruit tree varieties to inform varieties to be planted as part of an orchard restoration programme.	Option only eligible in combination with following revenue options: Management of Traditional Orchards or Creation of Traditional Orchards	36	1				

Historic Environment & Landscape

	Name	Aim	Requirements	Proposed payment rate €/ha	Focus Area ⁵				
					4a	4b	4c	5d	5e
HE1	Historic & archaeological feature protection	To undertake physical works that directly contribute to conserving or protecting historic environment features in the landscape.	Individual historic or archaeological features where work is required to change land management practices or restore a site in order to conserve or protect the feature. You cannot use this item for: <ul style="list-style-type: none"> • A. Work related to historic (roofed) buildings. • B. Management plans which are available under the 'Feasibility Study' capital item. You cannot use this item for physical work which has previously been funded under any agri-environment scheme, or where you have received funding from another organisation to pay for the same work.	Actuals 100% of costs	1				
HE3	Removal of eyesore	To remove and dispose of specific and significant unsightly items which have an obvious deleterious impact on the landscape.	This item can only be used in association with a land management option. It must not be used for routine clearing and maintenance or where clearance is required, for example for health and safety or cross compliance reasons.	363/unit	1				

⁵ 1 = primary outcome 2 = secondary benefit potential

Scrub, Tree & Bracken Control

	Name	Aim	Requirements	Proposed payment rate €/ha	Focus Area ⁶				
					4a:	4b:	4c:	5d:	5e:
SB1	Scrub control & felling diseased trees.	Either to remove invasive scrub, in order to restore or maintain priority habitats or protect historic/archaeological features; Or to manage scrub to restore or maintain its habitat value.	This capital item is only available for control of scrub by machine cutting where: <ul style="list-style-type: none"> • average stem or trunk diameter is more than 7 cm. • scrub occupies less than 50% ground cover within the area to be controlled. 	325 to 2108	1				
SB2	Scrub control – difficult sites	To remove invasive scrub in order to restore valuable natural habitats or protect historic or archaeological features and/or help maintain and enhance the character of the landscape.	This capital item is only available where the land is managed under a land management option and the site characteristics mean that the work will require specialist operation and/or machinery, resulting in costs which cannot be met by the scheme's fixed rate scrub control payments. It will be used on particularly sensitive habitats and areas with difficult and hazardous working conditions, including, for example, steep slopes, bogs and islands; OR where it is required in a Forestry Commission approved woodland management plan. This item cannot be used for the control of Dwarf and Western gorse, which are integral components of heathland. This item is not available for managing scrub by grazing.	Actual	1				
SB3	Tree removal/tree	To remove trees to facilitate habitat restoration or to prevent damage to	This item can only be used where there is a net cost of the timber removal, allowing for any timber sales. You must consult The Forestry Commission for an Environmental Impact Assessment opinion and obtain a Felling Licence if necessary.	180	1				

⁶ 1 = primary outcome 2 = secondary benefit potential

		environmental features.	Submit a copy of their advice with your application.						
SB4	Chemical bracken control /ha	To control bracken using chemical means to restore or maintain high value natural habitats and their associated wildlife, protect archaeological features and help maintain and enhance the character of the landscape.	This item can only be used in association with a land management option and where agreed by Natural England.	213	1				
SB5	Mechanical bracken control/ha	To control bracken using mechanical means to restore or maintain high value natural habitats and their associated wildlife, protect archaeological features and help maintain and enhance the character of the landscape.	This item can only be used in association with a land management option and where agreed by Natural England.	211	1				
SB6	Rhododendron control – Small/ha	Rhododendron reduces the biodiversity value of a site; it obstructs the regeneration of woodlands and once established is difficult	When used on a woodland site the woodland management plan needs to identify rhododendron as both present and posing a threat to successful management. Note this requirement does not apply if the Rhododendron is being removed in relation to a plant health issue.	3500	1				

Scrub, Tree and Bracken Pt 2 of 3

		and costly to eradicate. Rhododendron can also act as a host for the fungus-like pathogen <i>Phytophthora ramorum</i> which is affecting larch. This capital item supports the control of rhododendron reducing the negative impact it can have on a site.							
SB7	Rhododendron control Medium/ha –	Support best practice for on-site Biosecurity, to reduce the chance of infection being transferred from a site with either a Statutory Plant Health Notice (SPHN) served on it or another plant health issue as determined by the Forestry Commission or Natural England.	<p>Options you need to use this supplement with</p> <ul style="list-style-type: none"> • SB6 Rhododendron Control • SB1 Scrub Control – when used for the removal of diseased trees <p>Measures must be undertaken in a timely manner in relation to the operational activity.</p>	4000	1				
SB8	Rhododendron control large/ha –			5500	1				

Soil and Water

	Name	Aim	Requirements	Proposed payment rate €/ha	Focus Area ⁷					
					4a:	4b:	4c:	5b:	5d:	5e:
RP1	Resurfacing of gateways/unit	To help reduce run-off, soil erosion and the risk of water pollution caused by soil compaction in gateways.	This item can only be used in areas targeted for the reduction of water pollution from agriculture. Consult the Highways Authority if a Public Right of Way passes through the gateway and submit a copy of their advice with the application. This item cannot be used on historic or archaeological features as identified within your FER.	115	2	1	1			
RP2	Gateway relocation/unit	To relocate gates and gateways to eliminate run-off pathways and therefore reduce the potential for soil erosion and pollution.	This item can only be used in areas targeted for the reduction of water pollution from agriculture where gateways act as a conduit for water movement on to tracks, other fields, ditches, rivers or streams. Copies of consents and advice must be provided with your application in the following circumstances: 1) From a Historic Environment specialist where the gateway is on an historic routeway; 2) From the Local Planning Authority where the new gateway gives access onto a highway or Byway Open to All Traffic (BOAT); 3) From the Highways Authority where a Public Right of Way passes through the existing or new gateway. This item can only be used for moving gateways used by farm traffic.	425	2	1	1			
RP3	Watercourse crossings/unit	To reduce disturbance to watercourses and surrounding areas	You must consult the Environment Agency and submit a copy of their advice, together with any consents, with your application. You must consult your Local Planning Authority as to whether	375	2	1	1			

⁷ 1 = primary outcome 2 = secondary benefit potential

		from livestock and machinery crossing, resulting in reduced sedimentation of watercourses, and reduced bacteria levels in water.	planning consent is needed and submit a copy of their advice, together with a copy of any consent, with your application. This item cannot be used on environmental, historic or archaeological features as identified within your FER, unless advised otherwise by Natural England within a Higher Tier agreement. This item can only be used in areas targeted for the reduction of water pollution from agriculture.							
RP4	Livestock and machinery hardcore tracks/m	To build new farm tracks to alleviate compaction or erosion problems caused by livestock or machinery movements.	This item can only be used: EITHER <ul style="list-style-type: none"> in areas targeted for the reduction of water pollution from agriculture with the support of Natural England or a Catchment Sensitive Farming Officer; or in conjunction with options for the management and restoration of habitats or features with the support of Natural England. This item is not available for repairing potholes or upgrading existing tracks and farm drives. New tracks must avoid historic or archaeological features or areas of existing wildlife interest as identified in your FER. If the proposed route is a Public Right of Way you must consult the Local Highways Authority and submit a copy of their advice with your application.	41	2	1	1			
RP5	Cross drains/unit	To intercept and conduct surface run-off away from farm tracks or farm yards to minimise soil erosion and reduce the risk of water pollution.	This item can only be used in areas targeted for the reduction of water pollution from agriculture, where the farm track or yard is acting as a conduit for pollution. This item must not be used to manage or redirect heavily polluted effluents and slurries. Seek advice from an Historic Environment specialist where the track is identified as an historic routeway on your FER and submit a copy of their advice with your application.	306	2	1	2			
RP6	Installation of piped culverts in ditches/unit	To take water under a track that provides safe carriage for farm machinery or	This item can only be used in areas that are targeted for the reduction of water pollution from agriculture or in conjunction with options for the management and restoration of habitats or features with the support of Natural England.	425	2	1	2			

		livestock.	<p>You must consult the Environment Agency before commencing any work as you may require a 'land drainage consent' to work in the watercourse. Submit a copy of their advice with your application together with a copy of any consents.</p> <p>This item cannot be used to replace an existing culvert.</p> <p>This item cannot be used where it would lead to damage to historic or archaeological features or areas of wildlife value as identified on your FER.</p> <p>This item cannot be used where it would restrict movement of migratory fish or eels.</p> <p>You must consult the flood defence consenting authority in the case of an ordinary watercourse which is managed by an Internal Drainage Board or local authority and submit a copy of their advice and any consents with your application.</p>							
RP7	Sediment ponds and traps/sq m	To provide an area where muddy run-off from field or tracks is allowed to pond so sediment will settle out.	<p>This item can only be used in areas that are targeted for the reduction of water pollution from agriculture. For larger operations ((greater than 25m²), the item must be used in conjunction with a Feasibility Study or a CSF commissioned <i>Water or Water Holding Feature Management Plan</i>. A copy of the plan must be submitted with your application for this item.</p> <p>You must discuss your proposals with the Environment Agency or Internal Drainage Board and your Local Planning Authority (as works could be considered to be an 'engineering operation' and may require planning permission) and submit a copy of their advice, together with any consents, with your application.</p> <p>This item cannot be placed on historic or archaeological features and areas of existing wildlife value as shown on the FER.</p> <p>This item cannot be used to collect dirty water, effluents and slurries or where it may restrict the movement of migratory eels or fish.</p>	13	2	1	1			
RP8	Constructed wetlands for	To construct and maintain wetland	This item can only be used in areas targeted for the reduction of water pollution from agriculture.	Actual	2	1				

	the treatment of pollution	features in order to treat lightly fouled/polluted water generated from normal agricultural activities thereby reducing the risk of pollution reaching nearby watercourses.	<p>This item must be used in conjunction with a Feasibility Study or Implementation Plan or Water or Water Holding Feature Management Plan agreed with Natural England.</p> <p>This item is available for the treatment of both field and farm yard diffuse runoff but cannot be used for the treatment of slurry, silage liquor, concentrated pesticide spillage/washings or heavily fouled water defined as such under the Nitrate Action Plan Regulations, Slurry Silage and Agricultural Fuel Oil Regulations or Health and Safety Executive.</p> <p>This item must not be located on historic or archaeological features as identified in your FER.</p> <p>You must consult the Environment Agency, or Internal Drainage Board, gain any relevant consents and submit a copy of their advice and any consents with your application.</p>							
RP9	Earth banks and soil bunds/unit	To slow or restrict flows of water, laden with pollutants that can then settle out, or to provide a simple mechanism for water level control to facilitate raised water levels for habitat restoration or creation, effectively acting as a weir, the soil bund must regulate as well as impound water.	<p>This item can only be used in areas targeted for the reduction of water pollution from agriculture or to help address flood risk, or in combination with one of the following management options:</p> <ul style="list-style-type: none"> • Management of reedbed • Creation of reedbed • Management of fen • Creation of fen • Management of lowland raised bog • Restoration towards species-rich grassland • Creation of species-rich grassland • Management of wet grassland for breeding waders • Management of wet grassland for wintering waders & wildfowl • Creation of wet grassland for breeding waders • Creation of wet grassland for wintering waders & wildfowl • Management of grassland for target features • Creation of grassland for target features <p>Management of historic water meadows through traditional irrigation</p> <p>This item must be specified within a Feasibility Study, Implementation Plan or Water or Water Holding Feature Management Plan agreed with Natural England. A copy of the plan</p>	194	2	1	1			

			<p>must be submitted with your application. You must consult the Environment Agency, or Internal Drainage Board, gain any relevant consents and submit a copy of their advice and any consents with your application.</p> <p>Middle Tier - This item must not be located on historic or archaeological features or areas of wildlife value as identified in your FER.</p> <p>Higher Tier - This item must not be located on historic or archaeological features as identified in your FER.</p>							
RP10	Silt filtration dams/seepage barriers/unit	To slow water in ditches to allow pollutants to settle out and improve water quality or to reduce downstream flooding.	<p>This item is can only be used in ditches in areas targeted for the reduction of water pollution from agriculture or for the reduction of flood risk.</p> <p>This item must be used in conjunction with a Feasibility Study, Implementation Plan or Water or Water Holding Feature Management Plan agreed by Natural England.</p> <p>You must consult the Environment Agency and any Internal Drainage Board, gain any relevant consents, and submit a copy of their advice and any consents with your application.</p> <p>This item must not be located on historic or archaeological features or features of wildlife value as identified in your FER.</p> <p>This item must not be sited in streams that require the free movement of fish.</p>	94	2	1	1			
RP11	Swales/sq m	To receive lightly contaminated run-off from hard standing around farmyards and farm roads and move to a discharge point.	<p>This item can only be used in areas that are targeted for the reduction of water pollution from agriculture.</p> <p>You must discuss your proposals with the Environment Agency or Internal Drainage Board and your Local Planning Authority (as works could be considered to be an 'engineering operation' and may require planning permission) and submit a copy of their advice, together with any consents, with your application.</p> <p>This item cannot be placed on historic or archaeological features and areas of existing wildlife value as shown on the FER.</p> <p>This item cannot be used to collect dirty water, effluents and slurries or where it may restrict the movement of migratory eels or fish.</p>	7	2	1	1			

RP12	Check dams/unit	To slow the flow of water in swales, ditches and small streams.	This item can only be used in areas that are targeted for the reduction of water pollution from agriculture; and The item must be identified in a Feasibility Study or Woodland Management Plan or <i>Water/Water Holding Feature Management Plan</i> . You must consult the Environment Agency or Internal Drainage Board, obtain any necessary consents, and submit a copy of their advice, together with any consents, with your application. You cannot use this item in streams that require the free movement of fish	53	2	1	1				
RP13	Yard underground drainage pipework/m	To improve or upgrade existing outdoor yard works to reduce risk of run-off and water pollution.	This item can only be used in areas that are targeted for the management of water pollution from agriculture where supported by a Catchment Sensitive Farming Officer. Indoor yards or any form of covered yard work are not eligible. Check with your Local Planning Authority whether planning consent is needed and submit a copy of their advice, together with a copy of any consent, with your application. Consult the Environment Agency, obtain any necessary consents, and submit a copy of their advice, together with any consents, with your application. This item cannot be used on historic or archaeological features or areas of wildlife value as identified on your FER.	7	2	1					
RP14	Yard inspection pit/unit	To improve or upgrade existing outdoor yard works to reduce the risk of run-off and water pollution.	This item can only be used in areas targeted for the reduction of water pollution from agriculture, where supported by a Catchment Sensitive Farming Officer. Indoor yards or any form of covered yard are not eligible. You must consult the Environment Agency, obtain any necessary consents and submit a copy of their advice, together with any consents, with your application.	250	2	1					
RP15	Concrete yard renewal/sq m	To improve or upgrade existing outdoor (uncovered)	This item can only be used in areas that are targeted for the management of water pollution from agriculture with written support from a Catchment Sensitive Farming Officer.	33.93	2	1				1	

		concrete, hardcore, tarmac or bare earth yard drainage to reduce foul drainage volumes, run-off and risk of water pollution.	Indoor yards or any form of covered yard work are not eligible. You must not roof over, even at your own expense, an outside yard receiving aid through this item. You cannot use this item on manure, silage or slurry stores or livestock housing areas. Consult the Environment Agency, obtain any necessary consents, and submit a copy of their advice, together with a copy of any consents, with your application. Check with your Local Planning Authority whether planning consent is needed and submit a copy of their advice, together with a copy of any consent, with your application. This item cannot be used on historic or archaeological features or areas of wildlife value as identified on your FER.							
RP16	Rainwater goods/m	To prevent the discharge of clean water onto fouled yard areas and help minimise risk of water pollution.	This item can only be used in areas targeted for the reduction of water pollution from agriculture. This item is for existing farm buildings only. Rainwater goods on proposed new buildings are not eligible. Indoor or covered yard work is not eligible.	14	2	1	0	1		
RP17	Storage tanks underground/cu m	To assist with collecting rainwater from roofs and buildings.	This item can only be used in areas targeted for the reduction of water pollution from agriculture with the written support of a Catchment Sensitive Farming Officer. You must check with your Local Planning Authority whether planning consent is needed and submit a copy of their advice, together with a copy of any consent, with your application.	438	0	0	0	1		
RP18	Above ground tanks/cu m	To assist the collection of rainwater from roofs and buildings that can be used for a number of tasks around the farm such as yard	This item can only be used in areas targeted for the reduction of water pollution from agriculture with the written support of a Catchment Sensitive Farming Officer. You must check with your Local Planning Authority whether planning consent is needed and submit a copy of their advice, together with a copy of any consent, with your application.	125	0	0	0	1		

		washing.									
RP19	First flush rainwater diverters/down pipe filters/unit	To reduce the contamination of harvested rainwater.	This item can only be used in areas targeted for the reduction of water pollution from agriculture with the written support of a Catchment Sensitive Farming Officer. You must check with your Local Planning Authority as to whether planning consent is needed and submit a copy of their advice, and the planning consent if applicable, with your application. This item can only be used in conjunction with a rainwater harvesting system.	156	0	0	0	1			
RP20	Relocation of sheep dips and pens/unit	Install replacement sheep dip(s) in new location(s) to reduce diffuse water pollution.	The item can only be used in areas targeted for the reduction of water pollution from agriculture with the written support of a Catchment Sensitive Farming Officer. Consult the Environment Agency obtain any necessary consents, and submit a copy of their advice, together with any consents, with your application You cannot use this item to build a new permanent sheep dip on a farm where there are no existing dipping facilities or to replace existing equipment in the same location. Check with your Local Planning Authority whether planning consent is needed and submit a copy of their advice, together with a copy of any consent, with your application.	4594	2	1					
RP21	Relocation of sheep pens only/unit	To relocate existing sheep dipping facilities to a position where they are less likely to cause water pollution.	This item can only be used in areas targeted for the reduction of water pollution from agriculture with the written support of a Catchment Sensitive Farming Officer. Consult the Environment Agency, obtain any necessary consents, and submit a copy of their advice, together with any consents, with your application. You cannot use this item to build a new permanent sheep dip and holding pens where there are no existing dipping facilities. If you have a static holding pen and use a mobile sheep dip you may use this option to relocate the sheep pen and continue to use the mobile sheep dip. You cannot use this item to replace existing equipment in the same location. Check with your Local Planning Authority whether planning consent is needed and submit a copy of their advice,	2288	2	1					

			together with a copy of any consent, with your application.							
RP22	Sheep dip drainage aprons and sumps/sq m	To relocate existing sheep dipping facilities to a position where they are less likely to cause water pollution.	Consult the Environment Agency, obtain any necessary consents, and submit a copy of their advice, together with any consents, with your application. This item can only be used in areas targeted for the reduction of water pollution from agriculture with the written support of a Catchment Sensitive Farming Officer. You cannot use this item to build a new permanent sheep dip and holding pens where there are no existing dipping facilities. If you have a static holding pen and use a mobile sheep dip you may use this option to relocate the sheep pen and continue to use the mobile sheep dip. You cannot use this item to replace existing equipment in the same location. Check with your Local Planning Authority whether planning consent is needed and submit a copy of their advice, together with a copy of any consent, with your application.	23	2	1				
RP23	Installation of livestock drinking troughs (in draining pens for freshly dipped sheep)/unit	To relocate existing sheep dipping facilities to a position where they are less likely to cause water pollution	This item can only be used in areas targeted for the reduction of water pollution from agriculture with the written support of a Catchment Sensitive Farming Officer. Consult the Environment Agency, obtain any necessary consents, and submit a copy of their advice, together with any consents, with your application. You cannot use this item to build a new permanent sheep dip and holding pens where there are no existing dipping facilities. You cannot use this item to replace existing equipment in the same location. If you have a static holding pen and use a mobile sheep dip you may use this option to relocate the sheep pen and continue to use the mobile sheep dip. Check with your Local Planning Authority whether planning consent is needed and submit a copy of their advice, together with a copy of any consent, with your application.	85	2	1				

RP24	Lined biobed plus pesticide loading and washdown area/sq m	To contain, collect, retain and treat agrichemical/pesticide contaminated water associated with washing or handling concentrate.	<p>This item can only be used in areas targeted for the reduction of water pollution from agriculture with the written support of a Catchment Sensitive Farming Officer.</p> <p>You cannot use this item:</p> <ul style="list-style-type: none"> • within 10 m of a watercourse OR • within 50 m of a spring, borehole and well, OR • within 250 m of a borehole used for food production. <p>You cannot locate this item on historic or archaeological features or areas of wildlife value as identified on your FER.</p> <p>Consult the Environment Agency and submit a copy of their advice, together with any consents, with your application.</p> <p>Submit documents associated with the registration for a waste exemption for treatment of waste in a biobed or biofilter (T32) from the Environment Agency under Environmental Permitting Regulations (EPR) with your application.</p>	148	2	1				
RP25	Lined biobed with existing washdown area/sq m	To contain, collect, retain and treat agrichemical/pesticide contaminated water associated with washing or handling concentrate.	<p>This item can only be used in areas targeted for the reduction of water pollution from agriculture with the written support of a Catchment Sensitive Farming Officer.</p> <p>You cannot use this item:</p> <ul style="list-style-type: none"> • within 10 m of a watercourse OR • within 50 m of a spring, borehole and well, OR • within 250 m of a borehole used for food production. <p>You cannot locate this item on historic or archaeological features or areas of wildlife value as identified on your FER.</p> <p>Consult the Environment Agency if the site is within a Source Protection Zone 1 and submit a copy of their advice, together with any consents, with your application.</p> <p>Submit documents associated with the registration for a waste exemption for treatment of waste in a biobed or biofilter (T32) from the Environment Agency under Environmental Permitting Regulations (EPR) with your application.</p>	96	2	1				

RP26	Biofilters/unit	To contain, collect and treat agrichemical/pesticide contaminated water associated with washing or handling concentrate.	<p>This item can only be used in areas targeted for the reduction of water pollution from agriculture.</p> <p>You cannot use this item:</p> <ul style="list-style-type: none"> • within 10 m of a watercourse OR • within 50 m of a spring, borehole and well, OR • within 250 m of a borehole used for food production. <p>You cannot locate this item on historic or archaeological features or areas of wildlife value as identified on your FER.</p> <p>Consult the Environment Agency if the site is within a Source Protection Zone 1 and submit a copy of their advice, together with any consents, with your application. Submit documents associated with the registration for a waste exemption for treatment of waste in a biobed or biofilter (T32) from the Environment Agency under Environmental Permitting Regulations (EPR) with your application.</p>	1238	2	1				
RP27	Sprayer or applicator load and washdown area/sq m	To contain, collect and treat agrichemical/pesticide contaminated water associated with washing or handling of concentrate.	<p>This item can only be used in areas targeted for the reduction of water pollution from agriculture with the written support of a Catchment Sensitive Farming Officer.</p> <p>You cannot use this item:</p> <ul style="list-style-type: none"> • within 10 m of a watercourse OR • within 50 m of a spring, borehole and well, OR • within 250 m of a borehole used for food production. <p>You cannot locate this item on historic or archaeological features or areas of wildlife value as identified on your FER.</p> <p>Consult the Environment Agency if the site is within a Source Protection Zone 1 and submit a copy of their advice, together with any consents, with your application. Submit a copy of the advice/permit or exemption with your application as required from the Environment Agency under the Environmental Permitting (England and Wales) Regulations 2010.</p>	50	2	1				

RP28	Roofing (sprayer washdown area, manure storage area, livestock gathering area, slurry stores, silage stores)/sq m	To prevent rainfall increasing the volumes of contaminated water that require management and treatment within sprayer wash-down areas, manure storage areas, livestock gathering areas, slurry and silage stores.	<p>This option is only available for roofing over a bunded concrete pad used as a pesticide handling area with all pesticide washings draining to a holding tank (sump), without an associated drive-over biobed. This item can only be used in areas targeted for the reduction of water pollution from agriculture with the written support of a Catchment Sensitive Farming Officer.</p> <p>This item cannot be used:</p> <ul style="list-style-type: none"> • To cover a livestock housing unit • To cover a biobed • To repair or replace existing roofing • To cover concrete funded under RP15 Concrete yard renewal or concrete funded under a current Catchment sensitive Farming agreement. <p>If any part of the roof supporting structure forms part of the silage or slurry store, consult the Environment Agency, obtain any necessary consents, and submit a copy of their advice, together with any consents, with your application.</p> <p>Check with your Local Planning Authority whether planning consent is needed and submit a copy of their advice, together with a copy of any consent, with your application.</p>	78	2	1				
RP29	Self-supporting covers for slurry stores/sq m	To help reduce the risk of water pollution by reducing the volume of dirty water to be stored and spread by diverting rainwater to a clean water drain.	<p>This item can only be used in areas targeted for the reduction of water pollution from agriculture with the written support of a Catchment Sensitive Farming Officer.</p> <p>This item is for existing above ground circular stores. You cannot use this item:</p> <ul style="list-style-type: none"> • To roof existing square/rectangular slurry stores. • For floating covers. • To cover structures other than slurry stores <p>Consult the Environment Agency, obtain any necessary consents, and submit a copy of their advice, together with any consents, with your application.</p> <p>Check with your Local Planning Authority whether planning consent is needed and submit a copy of their advice, together with a copy of any consent, with your application.</p>	38	2	1	0	0	1	

RP30	Floating covers (slurry stores, lagoons)/sq m	To help reduce risk of water pollution by reducing the volume of dirty water to be stored and spread by diverting rainwater away into clean water drains.	This item can only be used in areas targeted for the reduction of water pollution from agriculture. This item can only be used to cover existing slurry store or lagoons. Consult the Environment Agency, obtain any necessary consents, and submit a copy of their advice, together with any consents, with your application. Check with your Local Planning Authority whether planning consent is needed and submit a copy of their advice, together with a copy of any consent, with your application.	7	2	1	0	0	1	
RP31	Equipment to disrupt tramlines in arable areas	To support the purchase of tramline disruption equipment to reduce the risk of soil erosion, runoff and associated impacts to nearby water courses.	Funding is for the purchase of one piece of equipment per agreement where the farm is in an area targeted for the reduction of water pollution from agriculture and where the item has the written support of a Catchment Sensitive Farming Officer. For all farms with combinable crops where fields are highlighted at risk of soil	1875	2	1	1			

Wetlands

	Name	Aim	Requirements	Proposed payment rate £/ha	Focus Area ¹					
					4a:	4b:	4c:	5a:	5d:	5e:
WN1	Grip blocking drainage channels/block	To restore moorland habitats, vegetation mosaics and their associated wildlife, through the re-wetting of moorland peat soils to restore functioning peatlands.	This item is only available: <ul style="list-style-type: none"> • where grip blocking will contribute to restoration of Priority Habitats; or • where re-wetting can provide habitat for breeding waders; or • where there is written support from the Environment Agency for mediation of flood risk; or • where blocking of grips or drainage channels is specified within a Feasibility Study or Implementation Plan agreed by NE. This item can only be used in conjunction with one of the following options: <ul style="list-style-type: none"> • UP2 Management of rough grazing for birds • UP3 Management of moorland 	19	1	1	1	2	1	1
WN2	Creation of scrapes and gutters/sq m	Scrapes provide areas of bare ground, which may be designed to hold water in wet habitats or provide early successional areas in dry habitats. Gutters provide shallow channels to hold/transport water through wet habitats and provide feeding areas for waders.	This capital item cannot be used on historic or archaeological features, unless consent has been given by a Natural England specialist or local Historic Environment Service.	3.5	1	1				
WN3	Ditch, dyke and rhine restoration/m	To restore the wildlife value of over-grown or neglected ditches and/or to help establish raised water levels for habitat restoration or creation.	This item can only be used when an assessment of the existing biological interest, particularly protected species, is submitted with the application.	9	1	1				
WN4	Ditch, dyke and rhine creation/m	To establish raised water levels for habitat restoration or creation.	This item can only be used in combination with one of the following management options: <ul style="list-style-type: none"> • Management of reedbed • Creation of reedbed • Management of fen • Creation of fen • Restoration towards species-rich grassland • Creation of species-rich grassland • Management of wet grassland for breeding waders • Management of wet grassland for wintering waders & wildfowl • Creation of wet grassland for breeding waders • Creation of wet grassland for wintering waders & wildfowl • Management of grassland for target features • Creation of grassland for target features • Management of historic water meadows through traditional irrigation 	10.5	1	1				
WN5	Pond management – first 100 sq m/100 sq m	To create networks or complexes of at least 3 ponds or to restore the wildlife value of ponds that have become degraded.	You can only use this item on ponds of up to 1 ha. You can only use this item in combination with a pond buffer strip option where the pond is adjacent to cultivated land or intensive grassland. Ponds must not be sited within 6m of a historic or archaeological feature identified in the FER or within areas of wildlife habitat identified in the FER except with the written agreement of Natural	338	1	1				

¹ 1 = primary outcome 2 = secondary benefit potential

			England.								
WN6	Pond management (areas more than 100 sq m)/100 sq m	To create networks or complexes of at least 3 ponds or to restore the wildlife value of ponds that have become degraded.	You can only use this item on ponds of up to 1 ha. Ponds must not be sited within 6m of an historic or archaeological feature identified in the FER or within areas of wildlife habitat identified in the FER except with the written agreement of Natural England. You can only use this item in combination with a pond buffer strip option where the pond is adjacent to cultivated land or intensive grassland.	213	1	1					
WN7	Restoration of large water bodies	To restore the wildlife value of large water bodies that have become degraded.	This item is only available on SSSIs where the ecologically degraded water body is 1 ha or greater in extent, and where the management is necessary to achieve favourable condition. This item can only be used where other land management options are included in the agreement.	Actual	1	1					
WN8	Timber sluice/unit	To provide a simple mechanism for water level control to support raised water levels for habitat restoration or creation.	This item can only be used in combination with one of the following management options: <ul style="list-style-type: none"> • Management of reedbed • Creation of reedbed • Management of fen • Creation of fen • Restoration towards species-rich grassland • Creation of species-rich grassland • Management of wet grassland for breeding waders • Management of wet grassland for wintering waders & wildfowl • Creation of wet grassland for breeding waders • Creation of wet grassland for wintering waders & wildfowl • Management of grassland for target features • Creation of grassland for target features • Management of historic water meadows through traditional irrigation 	394	1	1	2				
WN9	Brick, stone or concrete sluice/unit	To provide a robust and substantial structure for water level control to support raised water levels for habitat restoration or creation.	This item can only be used in combination with one of the following management options: <ul style="list-style-type: none"> • Management of reedbed • Creation of reedbed • Management of fen • Creation of fen • Restoration towards species-rich grassland • Creation of species-rich grassland • Management of wet grassland for breeding waders • Management of wet grassland for wintering waders & wildfowl • Creation of wet grassland for breeding waders • Creation of wet grassland for wintering waders & wildfowl • Management of grassland for target features • Creation of grassland for target features • Management of historic water meadows through traditional irrigation. 	3100	1	1	2				
WN10	Construction of water penning structures	To provide a bespoke water penning or control structure to support raised water levels for habitat restoration or creation.	This item can only be used in combination with one of the following management options where the use of standard soil bunds and/or sluices will not be sufficient to achieve the intended environmental objectives: <ul style="list-style-type: none"> • Management of reedbed • Creation of reedbed • Management of fen • Creation of fen • Management of wet grassland for breeding waders • Management of wet grassland for wintering waders & wildfowl • Creation of wet grassland for breeding waders • Creation of wet grassland for wintering waders & wildfowl 	Actual	1	1	2				

Wetlands Pt 2 of 2

Wildlife Boxes

	Name	Aim	Requirements	Proposed payment rate €/ha	Focus Area ²				
					4a	4b	4c	5d	5e
WB1	Small wildlife box	To provide artificial nesting, roosting and hibernation sites for specific mammals and birds, notably Tree Sparrow, Dormouse, targeted bat species or targeted invertebrate pollinators.	This item can only be used where the other year round requirements of the target species (summer and winter foraging habitat) are being met on the holding or nearby. This item can only be used for Tree Sparrow, Dormouse or targeted bat or invertebrate pollinator species, unless use for another species is supported by an environmental specialist.	36/unit	1	0	0	0	0
WB2	Medium wildlife box	To provide artificial nesting, roosting and hibernation sites for mammals and birds, notably Tree Sparrow or targeted bat species.	This item can only be used where the other year round requirements of the target species (summer and winter foraging habitat) are being met on the holding or nearby. This item can only be used for a triple box for Tree Sparrow or bats, unless use for another species is supported by an environmental bird specialist.	49/unit	1	0	0	0	0
WB3	Large wildlife box	To provide artificial nesting and roosting sites for large birds, notably Barn Owl and Kestrel.	This item can only be used where the other year round requirements of the target species (summer and winter foraging habitat) are being met on the holding or nearby. This item can only be used for Barn Owl or Kestrel unless use for another bird species is supported by an environmental bird specialist.	125/unit	1	0	0	0	0

² 1 = primary outcome 2 = secondary benefit potential

Wildlife boxes

Educational Access

	Name	Aim	Requirements	Proposed payment rate €/ha	Focus Area ⁹				
					4a	4b	4c	5d	5e
AC1	Access capital items	To support new public access and/or manage existing access on your land.	You cannot use this item when you have a duty to provide structures to facilitate public access to the holding. You cannot use this item for maintenance of existing structures. It is for new structures. You can use this item on land across your holding	Actuals 100% of costs	1				
AC2	Countryside Educational Access Visits Accreditation	To enable the agreement holder, or their representative, to gain accreditation under CEVAS	You can only use this item in combination with the Educational Access option (ED1), once during the lifetime of the agreement.	219	1				

⁹ 1 = primary outcome 2 = secondary benefit potential

Educational Access

Feature Management & Payment Advice

	Name	Aim	Requirements	Proposed payment rate €/ha	4a	4b	4c	5e
FM1	Management of geodiversity features	To protect and manage geological features.	You can only use this item on SSSIs.	Actuals 100% of costs	1	0	0	0
FM2	Major preparatory works for Priority habitat (creation and restoration) and for priority species.	To enable complex and/or large scale restoration and creation projects for Priority Habitats and/or Priority Species.	<p>This item can only be used either:</p> <ul style="list-style-type: none"> • for the creation or enhancement of priority habitat in combination with one of the following management options: <ul style="list-style-type: none"> o CT1 Management of coastal sand dunes and vegetated shingle o CT2 Creation of coastal sand dunes and vegetated shingle on arable land and improved grassland o CT3 Management of coastal saltmarsh o CT4 Creation of inter-tidal and saline habitat on arable land o CT5 Creation of inter-tidal and saline habitat by non-intervention o UP3 Management of moorland o LH1 Management of lowland heathland o LH2 Restoration of forestry and woodland to lowland heathland o LH3 Creation of heathland from arable or improved grassland o WT6 Management of fescuebed o WT7 Creation of reedbed o WT8 Management of fen o WT9 Creation of fen o WT10 Management of lowland raised bog o BE4 Management of traditional orchards o BE5 Creation of traditional orchards o GS6 Management of species-rich grassland o GS7 Restoration towards species-rich grassland o GS8 Creation of species-rich grassland o GS9 Management of wet grassland for breeding waders o GS10 Management of wet grassland for wintering waders and wildfowl o GS11 Creation of wet grassland for breeding waders o GS12 Creation of wet grassland for wintering waders and wildfowl o GS13 Management of grassland for target features o GS14 Creation of grassland for target features o WD4 Management of wood pasture and parkland o WD5 Restoration of wood pasture and parkland o WD6 Creation of wood pasture o SW12 Making space for water • or • In combination with a land management option where a Section 41 priority species is known to be present or occurs locally and targeted favourable management is likely to lead to colonisation by that species. The proposed work must have written support from a recognised specialist (individual or organisation) in the species group to be targeted; or • if major preparatory works are identified within an implementation plan or feasibility study approved by Natural England. 	Actuals 100% of costs	1	0	0	0
PA1	Implementation Plan	To plan and prescribe the detail of management to meet the requirements of proposed options and/or capital works.	This item can only be used with the written agreement of Natural England.	1375/unit	1	1	1	1
PA2	Feasibility Study	To inform the protection or management of habitats.	This item can only be used with the written agreement of Natural England.	Actuals 100% of costs	1	1	1	1

Feature Planning Pt 1 of 2

		features or species by providing sufficient information to plan and prescribe management over the length of a multi-annual agreement.							
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Feature Planning Pt 2 of 2

8.2.3.3.4.9. Verifiability and controllability of the measures and/or types of operations

8.2.3.3.4.9.1. Risk(s) in the implementation of the measures

The key risks to verifiability and controllability for investment in non-productive investments are those identified by the non-area-related root causes identified in the Commission’s working document **SWD(2013) 244 final** and reiterated in the **Error Rates** technical guidance fiche. These are both administrative and beneficiary-related. A control framework has been developed which sets out clearly how grant funded activity will be controlled and verified. This includes grants funded through actual and standard costs for non-productive investments linked to the achievements of agri-environment-climate objectives.

A clear separation of duties and set of procedures are put in place to ensure claims are processed correctly (**Root Cause 9**); that the reasonableness of costs are checked (including improving consistency of recording details), and VAT status is verified and eligibility conditions are met based on a transparent and justifiable rationale (**Root Cause 10**). The application of clear and appropriate tender procedures (**Root Cause 11**) by private beneficiaries for actual costs will include exhaustive checking of invoices and bank statements pre-payment, so the error rate tends to remain low, alongside further checks on evidence of defrayal, progress reports, photographs and on-the-spot checks or final claim inspections.

The risk of error due to incorrect systems of checks and deficient administrative procedures (**Root Cause 12**) will include: putting in place appropriate and proportionate cross checks and an assessment of other potential sources of national funding (although this is likely to be limited). This will include relevant checks that regulatory requirements and approvals are in place for work carried out.

We do not intend to undertake in-situ visits to all investments. These will be undertaken via a risk-based approach. In the majority of cases, non-productive investments are linked to area-based investments, where beneficiaries will receive an on-the-spot inspection over the lifetime of an agreement. All Higher Tier agreements will receive an “aftercare” visit whereby checks will, where possible, be made that allows verification of the investment and adjustments to payments made if anomalies are found. Additionally, we would not look to undertake in-situ visits where investments are for less than £5,000. We will also make greater use of photographic evidence to verify that work has been completed. Checks will be made on all actual cost items of receipted invoices and other supporting evidence. Finally, we will ensure improved documentation of findings and evidence from in-situ visits made and of checks made on documentation submitted.

Clear guidance and support is provided to beneficiaries to ensure that only eligible expenditure is claimed and where ineligible expenditure is identified that the system of reduction applied is proportionate and fair (**Root Cause 14**). Beneficiaries cannot start a project before submitting an application and must receive approval first prior to doing so. Any modifications or variations must also be explicitly approved and justified. Application forms, offer letters and claim forms ensure that what is deemed eligible expenditure is set out as clearly as possible, and set out specifically documentation requirements and deadlines for completion (**Root Cause 15**).

An overview of the Capital Items Controls Framework is in the Annexes.

8.2.3.3.4.9.2. *Mitigating actions*

In addition to those identified above, mitigating actions will include:

- Reasonableness of actual costs will be evaluated via an appropriate system including use of reference costs and a comparison of different offers to ensure appropriate checks are in place. Beneficiaries and/or the delivery body will need to provide a clear specification of the activity to be procured; invite to tender a minimum of three written quotations and evaluate all bids and select the preferred supplier against clear pre-established and recorded value for money criteria;
- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;
- Training for administration staff including compliance and accreditation, fraud and un-conscious bias training [**Corrective and Preventive Action 1**: Training for administration staff];
- Guidance for administrative staff to ensure appropriate appraisal of applications, and that variations to contract are appropriately controlled and implemented.
- Information to all beneficiaries via online guidance. Administrative support and guidance from delivery body advisers to support beneficiaries delivering actions in Natura 2000 and SSSI sites. Advice to support the delivery of water quality improvements via use of Measure 2 [**Corrective and Preventive Action 2**: Information, training and advice for beneficiaries and **Corrective and Preventive Action 3**: Information campaigns and guidance documents]
- Improved IT tools via the introduction of a new IT system [**Corrective and Preventive Action 4**:

Improvement of IT tools]

- Clear change control processes for making changes to the Programme document and a regular review of Standard Costs [**Corrective and Preventive Action 5**: Programme amendment, simplification of measures and modification of contracts]. This will include an independent review of standard cost items in 2017 using data from inspectorate visits. The review will also look at the impact of non-productive investments including a Value for Money (VfM) exercise on their use.
- Regular reviews of control statistics, key and ancillary controls scheme and corporate governance. Transaction testing and the Annual Attestation report process also provides formal assurance to support **Corrective and Preventive Action 7**: Improving internal control and coordination procedures;
- Making the system of reducing payments applies penalties proportionate to the gravity of the infringement [**Corrective and Preventive Action 8**].

8.2.3.3.4.9.3. Overall assessment of the measure

The overall assessment of risk following mitigating actions is low.

We have responded to specific audit criticism raised under the current programming period, Measure 216, under the text set out above. The additional controls put in place provide us with an assurance that appropriate controls for grant-funded activity in England are in place.

Defra recognises the importance of reinforcing preventative measures to reduce the risk of errors pertaining to implementation of the RDP. This will include Corrective and Preventative Actions in part highlighted above to ensure the provision of:

- training for administration staff (CPA1);
- information, training and advice for beneficiaries (CPA2);
- information campaigns and guidance documents (CPA3);
- improvement of IT tools (CPA 5);
- modification of contracts (CPA6); and
- improving internal control and coordination procedures (CPA7).

8.2.3.3.4.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable.

8.2.3.3.4.11. Information specific to the operation

Definition of non productive investments

Non -productive investments linked to the achievement of agri- environment -climate objectives as pursued under this Regulation (EU) 1305/2013, including biodiversity conservation status of species and habitat as well as enhancing the public amenity value of a Natura 2000 area or other high nature value

systems to be defined in the programme.

Definition of collective investments

Investments made through a co-operative group but with a formal, legally enforceable agreement regarding ownership, use, and access to a shared asset.

Definition of integrated projects

A project commissioned by the Managing Authority, possibly delivered through an external organisation winning a tender, to deliver a defined outcome with specific KPIs and drawing on the Rural Development Regulations to offer a co-ordinated initiative.

Definition and identification of the eligible Natura 2000 sites and other eligible areas of high nature value

Not applicable.

Description of the targeting of the support to farms in accordance with the SWOT carried out in relation to the priority referred to in Article 5(2) of Regulation (EU) No 1305/2013

Not applicable

List of new requirements imposed by Union legislation for complying with which support may be granted under Article 17(6) of Regulation (EU) No 1305/2013

To ensure we obtain real additionality and value for money from the RDPE, it is not proposed to provide support to beneficiaries to simply comply with Regulatory requirements.

Where relevant, the minimum standards for energy efficiency referred to in Article 13(c) of Delegated Regulation (EU) No 807/2014

Not applicable

Where relevant, definition of the thresholds referred to in Article 13(e) of Delegated Regulation (EU) No 807/2014

Not applicable

8.2.3.4. Verifiability and controllability of the measures and/or types of operations

8.2.3.4.1. Risk(s) in the implementation of the measures

The key risks to verifiability and controllability for investment in physical assets are those identified by the non-area-related root causes identified in the Commission's working document **SWD(2013) 244 final** and reiterated in the Error Rates technical guidance fiche. These are both administrative and beneficiary related. A control framework has been developed which sets out clearly how grant funded activity will be controlled and verified. This will include grants funded through the LEADER approach and actual and standard costs for non-productive investments linked to the achievements of agri-environment-climate objectives.

A clear separation of duties and set of procedures are put in place to ensure claims are processed correctly (**Root Cause 9**) and that the reasonableness of costs and eligibility conditions are met (**Root Cause 10**) based on a transparent and justifiable rationale. The application of clear and appropriate tender procedures (**Root Cause 12**) by private beneficiaries for actual costs will include exhaustive checking of invoices and bank statements pre-payment, so the error rate tends to remain low, alongside further checks on evidence of defrayal, progress reports, photographs and on-the-spot checks or final claim inspections. This will include re-performance checks of LEADER activity and relevant checks that regulatory requirements and approvals are in place for work carried out.

Clear guidance and support is provided to beneficiaries to ensure that only eligible expenditure is claimed and where ineligible expenditure is identified that the system of reduction applied is proportionate and fair (**Root Cause 14**). Beneficiaries cannot start a project before submitting an application and must receive approval first prior to doing so. Any modifications or variations must also be explicitly approved and justified. Application forms, offer letters and claim forms ensure that what is deemed eligible expenditure is set out as clearly as possible, and set out specifically documentation requirements and deadlines for completion (**Root Cause 15**).

8.2.3.4.2. Mitigating actions

In addition to those identified above, mitigating actions will include:

- Reasonableness of actual costs will be evaluated via an appropriate system including via use of reference costs and a comparison of different offers to ensure appropriate checks are in place. Beneficiaries will need to provide a clear specification of the activity to be procured; invite to tender a minimum of three written quotations and evaluate all bids and select the preferred supplier against clear pre-established and recorded value for money criteria;
- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;
- Training for administration staff including compliance, fraud and un-conscious bias training;
- Guidance for administrative staff to ensure appropriate appraisal of applications, and that variations to contract are appropriately controlled and implemented.

8.2.3.4.3. Overall assessment of the measure

The overall assessment of risk following mitigating actions is **low**. Appropriate controls for grant-funded activity in England are in place and have historically not led to high error rates, audit criticisms or concerns. Despite this, Defra recognises the importance of reinforcing preventative measures to reduce the risk of errors pertaining to implementation of the RDP. This will include **Corrective and Preventative Actions** in part highlighted above to ensure the provision of: training for administration staff (**CPA1**); information, training and advice for beneficiaries (**CPA2**); information campaigns and guidance documents (**CPA3**); improvement of IT tools (**CPA 5**); modification of contracts (**CPA6**) and improving internal control and coordination procedures (**CPA7**).

8.2.3.5. Methodology for calculation of the amount or support rate, where relevant

Not applicable

8.2.3.6. Information specific to the measure

Definition of non productive investments

Investments in capital items that provide no, or very minor, economic benefit to the business.

Definition of collective investments

Investments made through a co-operative group but with a formal, legally enforceable agreement regarding ownership, use, and access to a shared asset.

Definition of integrated projects

A project commissioned by the Managing Authority, possibly delivered through an external organisation winning a tender, to deliver a defined outcome with specific KPIs and drawing on the Rural Development Regulations to offer a co-ordinated initiative.

Definition and identification of the eligible Natura 2000 sites and other eligible areas of high nature value

Not applicable.

Description of the targeting of the support to farms in accordance with the SWOT carried out in relation to the priority referred to in Article 5(2) of Regulation (EU) No 1305/2013

Not applicable

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List of new requirements imposed by Union legislation for complying with which support may be granted under Article 17(6) of Regulation (EU) No 1305/2013

To ensure we obtain real additionality and value for money from the RDPE, it is not proposed to provide support to beneficiaries to simply comply with Regulatory requirements.

Where relevant, the minimum standards for energy efficiency referred to in Article 13(c) of Delegated Regulation (EU) No 807/2014

Not applicable

Where relevant, definition of the thresholds referred to in Article 13(e) of Delegated Regulation (EU) No 807/2014

Not applicable

8.2.3.7. Other important remarks relevant to understand and implement the measure

None

8.2.4. M06 - Farm and business development (art 19)

8.2.4.1. Legal basis

Article 19 of Regulation (EC) No 1305/2013

8.2.4.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

This measure will be used to provide Programme support for the development and creation of rural micro and small businesses and also farm diversification activity where these investments are beneficial to the wider rural economy and contribute to the UK Government's growth agenda. These needs are identified as opportunities in the SWOT analysis in Chapter 4.

Support for small businesses and micro enterprises, including social enterprises, would include, but not be limited to, start-up aid for new entrant young farmers and other new entrants; funding for rural tourism product development; support for manufacturing and agri-food activity and supply chain development. Support would be focused on encouraging innovation and growth, including new product and market development. The farm and business development measure may be used in combination with other measures such as knowledge transfer and co-operation to encourage the development of networking and clustering between enterprises.

When focusing funding we will take into consideration geographic areas or hubs where particular policies are in place to support growth in rural areas and through the agri-food supply chain.

€105.6 million of the programme budget has been identified for this measure.

Actions under this measure will contribute directly to focus areas 2(b) and 6(a).

This measure may be used to help businesses adopt new and innovative practices or procedures in order to boost productivity and sustainability and to help adapt and mitigate against climate change impacts. In defining the required content of business plans for support under this measure we will ask applicants to consider what climate actions may be relevant to their businesses.

Where investments are below the level legally requiring completion of an EIA, we will not require an EIA to be undertaken as a condition of RDP support. We will request information on environmental and climate impact through project applications, and include this in assessment, but the level of detail requested will be proportionate to the type of operation and the level of funding sought.

8.2.4.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regard to the setting of selection criteria

8.2.4.3.1. Sub measure 6.1 - Business start-up aid for young farmers

Sub-measure:

- 6.1 - business start up aid for young farmers

8.2.4.3.1.1. Description of the type of operation

Support for young farmers setting up as head of holding.

8.2.4.3.1.2. Type of support

Grant payment made in two instalments – an initial payment of 80% of the total will be made following the applicant being informed that they have been successful in their bid with the remainder (20%) being paid during the final year of the implementation of the business plan. Payment will be subject to the correct implementation of the business plan.

8.2.4.3.1.3. Links to other legislation

Article 65 of Regulation 1303/2013

Article 9 of Regulation 1307/2013

8.2.4.3.1.4. Beneficiaries

Those who meet the definition of a Young Farmer set out on Regulation (EU) No 1305/2013 and the delegated acts.

8.2.4.3.1.5. Eligible costs

Support for agricultural activities. No restrictions other than linked to the submitted business plan.

8.2.4.3.1.6. Eligibility conditions

Implementation of the business plan must commence within 9 months of the date of the granting of support under this measure.

Applicants will be required to set out their existing occupational skills as a key part of their business plan.

Occupational skills may consist of formal academic or vocational qualifications, but these do not necessarily need to be in agricultural subjects; they may be in other fields that could be applied effectively in an agricultural context (for example economics, geography, business studies, accountancy and sciences). Alternatively occupational skills may be demonstrated through a track record of training and learning through work experience which did not necessarily result in a formal academic or vocational qualification. Where applicants intend to acquire these skills during the 12 month grace period the business plan will require details of relevant training to be undertaken.

In the context of support under this measure setting up as head of holding means that the young farmer must be in the process of applying to become the head of holding for the first time at the time of making an application for support. In order to be considered the head of holding they must be able to exercise effective and long term control over the holding in terms of decisions related to management, benefits and financial risks. For a single member business the position is clear in that the only member of the business will be head of holding. For multi-member businesses and legal entities they will need to be able to provide evidence that they are in a position to exercise such control.

The process of 'setting up' will begin when an applicant can demonstrate that they are actively preparing to become head of holding for the first time. This must be no more than 18 months before the date that they will become head of holding and will meet the active farmer definition. The process of setting up will end when the applicant has either entered into a contractual agreement or equivalent arrangement that results in them meeting the criteria of head of holding.

Access through this sub-measure will be restricted to holdings with projected standard outputs of between 12,500 euros and 250,000 euros with projected standard outputs needing to be achieved by year 4 of the business plan. In selecting the upper threshold we have sought to exclude farm business that are unlikely to need support as they are already achieving standard outputs significantly above the average for England. By establishing the lower threshold at Euro 12,500 we are seeking to focus our limited resources on to those new entrants who we believe offer the best potential to drive up the productivity of agriculture in England going forward.

8.2.4.3.1.7. Principles with regards to the setting of selection criteria

The selection process will be: proportionate; open; transparent and fair throughout the programming period and will set out clearly whether either exclusion or inclusion criteria will apply. There will be a separation between those directly involved with supporting pipeline development of bids for support and those taking decisions on applications. The requirements of the Rural Development Regulation and other relevant EU regulations will be met and, as necessary, it will be comply with public procurement rules.

Beneficiaries will be selected on the basis of calls for proposals, applying economic and environmental efficiency criteria, as per Article 49(3) of (EU) regulation 1305/2013. The selection process will be on a competitive basis.

Applications will be assessed against their strategic fit with the Programme Document. They will also be assessed against the business plan that the applicant has to submit setting out how they will develop their business to increase productivity as well as how they will develop their own skills, over a five year period. Applicants will be encouraged to consider how their plans will impact on the environment and contribute to climate change and how they will embrace innovative equipment and techniques. They must

however demonstrate that the activities in their business plan are achievable in the timeframe it covers.

All applications will be subject to a formal appraisal that will consider:

- Need for public support;
- Value for money;
- Energy efficiency;
- Deliverability/measurability;
- Clear exit strategy from programme funding and demonstration of how they will use the support received to acquire a track record that would assist them in securing private finance at a later date.

Appraisal of applications will be undertaken using a scoring system, which will involve a minimum threshold, above which applications will be prioritised. Thresholds set will ensure projects with no value-added are eliminated through selection.

Use of this measure may be combined with measures 1 and 2 in that applicants may be expected to apply for further training, advice and mentoring that would assist them in achieving the objectives in their business plan to best effect. In those instances they will be assessed against the selection criteria and rules relating to those measures.

8.2.4.3.1.8. (Applicable) amounts and support rates

As part of each competitive call applicants will be invited to request a level of funding within the range of 40,000 – 70,000 euros. During each individual call this funding range will remain the same. Those applying for funding above the minimum amount of 40,000 euros will need to demonstrate an additional level of potential economic and productivity benefit from their activity within their business plan, which will provide sufficient value for money to justify the higher amount. This principle will be translated into concrete selection criteria which will be used at the stage of the call for applications. We will not apply any criteria related to the size of the investment provided in the business plan.

8.2.4.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.4.3.1.9.1. *Risk(s) in the implementation of the measures*

The key risks to verifiability and controllability for farm and business development are those identified by the non-area-related root causes identified in the Commission's working document **SWD(2013) 244 final** and reiterated in the Error Rates technical guidance fiche. These are both administrative and beneficiary related. A control framework has been developed which sets out clearly how grant funded activity will be controlled and verified. This will include grants funded through productivity and growth priorities under Measure 6.

A clear separation of duties and set of procedures will be put in place to ensure claims are processed correctly (**Root Cause 9**) and that the reasonableness of costs are checked and eligibility conditions are met (**Root Cause 10**) based on a transparent and justifiable rationale. The application of clear and appropriate tender procedures (**Root Cause 12**) by private beneficiaries for actual costs will include exhaustive checking of invoices and bank statements pre-payment, so the error rate tends to remain low, alongside further checks on evidence of defrayal, progress reports, photographs and on-the-spot checks

or final claim inspections. Business start-up aid for young farmers will include submission and appropriate appraisal of business plans and checks that regulatory requirements have been met concerning the setting-up of a young farmer and meeting the active farmer definition and criteria for head of holding.

Beneficiaries cannot start a project before submitting an application and must receive approval first prior to doing so. Any modifications or variations must also be explicitly approved and justified. Application forms, offer letters and claim forms ensure that what is deemed eligible expenditure is set out as clearly as possible, and set out specifically documentation requirements and deadlines for completion (**Root Cause 15**).

8.2.4.3.1.9.2. *Mitigating actions*

In addition to those identified above, mitigating actions will include:

- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;
- Training for administration staff including compliance, fraud and unconscious bias training;
- Guidance for administrative staff to ensure appropriate appraisal of applications, and that variations to contract are appropriately controlled and implemented.

8.2.4.3.1.9.3. *Overall assessment of the measure*

The overall assessment of risk following mitigating actions is **low**.

We have responded to specific audit criticism raised under the 2007-13 programming period relating to non-productive and LEADER investments and as similar checks are relevant to this sub-measure we have included appropriate improvements as above. The additional controls put in place provide us with an assurance that appropriate controls for this type of activity are in place.

Defra recognises the importance of reinforcing preventative measures to reduce the risk of errors pertaining to implementation of the RDP. This will include **Corrective and Preventative Actions** in part highlighted above to ensure the provision of: training for administration staff (**CPA1**); information, training and advice for beneficiaries (**CPA2**); information campaigns and guidance documents (**CPA3**); improvement of IT tools (**CPA 5**); modification of contracts (**CPA6**) and improving internal control and coordination procedures (**CPA7**).

8.2.4.3.1.10. Methodology for calculation of the amount or support rate, where relevant

None

8.2.4.3.1.11. Information specific to the operation

Definition of small farm referred to in Article 19(1)(a)(iii) of Regulation (EU) No 1305/2013

Not applicable

Definition of upper and lower thresholds as referred to in the third subparagraph of Article 19(4) of Regulation (EU) No 1305/2013

Access through this sub-measure will be restricted to holdings with projected standard outputs of between 12,500 euros and 250,000 euros with projected standard outputs needing to be achieved by year 4 of the business plan. In selecting the upper threshold we have sought to exclude farm business that are unlikely to need support as they are already achieving standard outputs significantly above the average for England. By establishing the lower threshold at Euro 12,500 we are seeking to focus our limited resources on to those new entrants who we believe offer the best potential to drive up the productivity of agriculture in England going forward.

Specific conditions for support for young farmers where not setting up as a sole head of the holding in accordance with Article 2(1) and (2) of Delegated Regulation No 807/2014

Where the young farmer applying is not setting up as a sole head of holding, they must be capable of exercising effective and long-term control over the holding.

Information on the application of the grace period referred to in Article 2(3) of Delegated Regulation No 807/2014

Applicants for young farmer business start up support will be expected to have the skills necessary to successfully manage a farm business. However, a period of grace of up to twelve months will be permitted if there is a strong case included in the business case.

Summary of the requirements of the business plan

Broadly the business plan shall set out the following information for the farm business for the first 5 years of the business:

- Financial forecasts including a cash flow forecast and projected profit and loss account
- Marketing and sales strategy
- Details of staff and management team
- Operations plan (see below)
- Funding requirements and sources

The Operations plan is a description of the farm itself and how the farm business will operate. It may include details of:

- Land, buildings and available facilities;

- Equipment, vehicles and farm machinery;
- Materials and supplies;
- What will be produced and when;
- Plans for new facilities;
- Environmental assessments;
- Any relevant licences and regulations;
- Expansion plans.

Use of the possibility to combine different measures through the business plan giving access of the young farmer to these measures

Support may be provided to young farmers setting up who are simultaneously developing non-agricultural business/activities in rural areas.

Domains of diversification covered

Not applicable

8.2.4.3.2. Sub measure 6.2 - Business start-up aid for non-agricultural activities in rural areas

Sub-measure:

- 6.2 - business start up aid for non-agricultural activities in rural areas

8.2.4.3.2.1. Description of the type of operation

This sub-measure will be used for two particular purposes:

- To encourage the creation business start-ups offering services to farm businesses, as a route for attracting entrepreneurial new entrants into farming without the need for them to become head of a farm holding and to lease or purchase land; and
- To encourage the creation of high value-added new rural start-ups operating outside the farming sector, where these have the potential to make a significant contribution in terms of new jobs and wider economic benefit to the rural economy.

Examples include:

- Processing and marketing resulting in non-Annex I products as output (no matter the input);
- Rural tourism activities including those linked to economic development including tourist accommodation
- Construction, re-construction or establishment of workshops, factories, plants and other premises and facilities;
- Social service provision;
- Development of crafts and handicraft activities;
- Leisure, recreational and sport activities;
- IT activities;
- Architecture and engineering activities, accounting, book keeping and auditing services, technical services, industrial cleaning, veterinary activities;
- Support for members of the farm household or others to start up farm related services e.g. contracting services.

Actions under this sub-measure will contribute directly to focus area 6(a).

8.2.4.3.2.2. Type of support

Grant payment made in two instalments – an initial payment of 80% of the total will be made following the applicant being informed that they have been successful in their bid with the remainder (20%) being paid during the final year of the implementation of the business plan. Payment will be subject to the correct implementation of the business plan.

8.2.4.3.2.3. Links to other legislation

None

8.2.4.3.2.4. Beneficiaries

- Non-agricultural micro and small enterprises in rural areas, including social enterprises
- Natural persons in rural areas
- Farmers or members of the farm household diversifying into non-agricultural activities

8.2.4.3.2.5. Eligible costs

Support for non-agricultural activities. No restrictions other than linked to the submitted business plan.

8.2.4.3.2.6. Eligibility conditions

Projects will start within at least 9 months of granting aid.

For general start-up aid provided to rural businesses, eligibility will be limited to enterprises and to natural persons intending to establish enterprises. Support will not be provided to self-employed persons, or those planning to become self-employed persons. These criteria will not apply to applications for start-up aid for contractors providing services to farm businesses, for which no additional limitations will apply.

8.2.4.3.2.7. Principles with regards to the setting of selection criteria

The selection process will be: proportionate; open; transparent and fair throughout the programming period and will set out clearly whether either exclusion or inclusion criteria will apply. There will be a separation between those directly involved with supporting pipeline development of bids for support and those taking decisions on applications. The requirements of the Rural Development Regulation and other relevant EU regulations will be met and, as necessary, it will be comply with public procurement rules.

Beneficiaries will be selected on the basis of calls for proposals, applying economic and environmental efficiency criteria, as per Article 49(3) of (EU) regulation 1305/2013. The selection process will be on a competitive basis.

For rural businesses outside of farming, calls will be competitive but will also be targeted on a geographical basis.

Applications will be assessed against their strategic fit with the Programme Document. They will also be assessed against the business plan that the applicant has to submit setting out how they will develop their business to increase productivity as well as how they will develop their own skills, over a five year period. Applicants will be encouraged to consider how their plans will impact on the environment and contribute to climate change and how they will embrace innovative equipment and techniques. They must however demonstrate that the activities in their business plan are achievable in the timeframe it covers.

All applications will be subject to a formal appraisal that will consider:

- Displacement;
- Deadweight;
- Need for public support;
- Value for money;
- Energy efficiency;
- Deliverability/measurability;
- Clear exit strategy from programme funding and demonstration of how they will use the support received to acquire a track record that would assist them in securing private finance at a later date.

Appraisal of applications will be undertaken using a scoring system, which will involve a minimum threshold, above which applications will be prioritised. The scoring system will reflect consideration of the number, skill-level and sustainability of jobs created. Thresholds set will ensure projects with no value-added are eliminated through selection. Minimum thresholds for the number of jobs created and for the target turnover of start-up businesses may also be applied to calls for projects.

Use of this measure may be combined with measures 1 and 2 in that applicants may be expected to apply for further training, advice and mentoring that would assist them in achieving the objectives in their business plan to best effect. In those instances they will be assessed against the selection criteria and rules relating to those measures.

8.2.4.3.2.8. (Applicable) amounts and support rates

As part of each competitive call applicants will be invited to request a level of funding within the range of 40,000 – 70,000 euros. During each individual call this funding range will remain the same. Those applying for funding above the minimum amount of 40,000 will need to demonstrate an additional level of potential economic and productivity benefit from their activity within their business plan, which will provide sufficient value for money to justify the higher amount. This principle will be translated into concrete selection criteria which will be used at the stage of the call for applications. We will not apply any criteria related to the size of the investment provided in the business plan.

8.2.4.3.2.9. Verifiability and controllability of the measures and/or types of operations

8.2.4.3.2.9.1. *Risk(s) in the implementation of the measures*

The key risks to verifiability and controllability for farm and business development are those identified by the non-area-related root causes identified in the Commission's working document **SWD(2013) 244 final** and reiterated in the Error Rates technical guidance fiche. These are both administrative and beneficiary related. A control framework has been developed which sets out clearly how grant funded activity will be controlled and verified. This will include grants funded through productivity and growth priorities under Measure 6.

A clear separation of duties and set of procedures will be put in place to ensure claims are processed correctly (**Root Cause 9**) and that the reasonableness of costs are checked and eligibility conditions are met (**Root Cause 10**) based on a transparent and justifiable rationale. The application of clear and appropriate tender procedures (**Root Cause 12**) by private beneficiaries for actual costs will include exhaustive checking of invoices and bank statements pre-payment, so the error rate tends to remain low, alongside further checks on evidence of defrayal, progress reports, photographs and on-the-spot checks

or final claim inspections. This will include submission and appropriate appraisal of business plans.

Beneficiaries cannot start a project before submitting an application and must receive approval first prior to doing so. Any modifications or variations must also be explicitly approved and justified. Application forms, offer letters and claim forms ensure that what is deemed eligible expenditure is set out as clearly as possible, and set out specifically documentation requirements and deadlines for completion (**Root Cause 15**).

8.2.4.3.2.9.2. *Mitigating actions*

In addition to those identified above, mitigating actions will include:

- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;
- Training for administration staff including compliance, fraud and unconscious bias training;
- Guidance for administrative staff to ensure appropriate appraisal of applications, and that variations to contract are appropriately controlled and implemented.

8.2.4.3.2.9.3. *Overall assessment of the measure*

The overall assessment of risk following mitigating actions is **low**.

We have responded to specific audit criticism raised under the 2007-13 programming period relating to non-productive and LEADER investments and as similar checks are relevant to this sub-measure we have included appropriate improvements as above. The additional controls put in place provide us with an assurance that appropriate controls for this type of activity are in place.

Defra recognises the importance of reinforcing preventative measures to reduce the risk of errors pertaining to implementation of the RDP. This will include **Corrective and Preventative Actions** in part highlighted above to ensure the provision of: training for administration staff (**CPA1**); information, training and advice for beneficiaries (**CPA2**); information campaigns and guidance documents (**CPA3**); improvement of IT tools (**CPA 5**); modification of contracts (**CPA6**) and improving internal control and coordination procedures (**CPA7**).

8.2.4.3.2.10. Methodology for calculation of the amount or support rate, where relevant

None

8.2.4.3.2.11. Information specific to the operation

Definition of small farm referred to in Article 19(1)(a)(iii) of Regulation (EU) No 1305/2013

Not applicable

Definition of upper and lower thresholds as referred to in the third subparagraph of Article 19(4) of Regulation (EU) No 1305/2013

Not applicable

Specific conditions for support for young farmers where not setting up as a sole head of the holding in accordance with Article 2(1) and (2) of Delegated Regulation No 807/2014

Not applicable

Information on the application of the grace period referred to in Article 2(3) of Delegated Regulation No 807/2014

Summary of the requirements of the business plan

Broadly the business plan shall set out the following information for the first 5 years of the business:

- Need for the business, market research and evidence of market demand
- Financial forecasts including a cash flow forecast and projected profit and loss account
- Marketing and sales strategy
- Details of staff and management team
- Operations plan (see below)
- Funding requirements and sources

The Operations plan is a description of the business itself and how it will operate. It may include details of:

- Land, buildings and available facilities;
- Equipment, vehicles and machinery;
- Materials and supplies;
- What will be produced and when;
- Plans for new facilities;
- Environmental assessments;
- Any relevant licences and regulations;
- Expansion plans.

Use of the possibility to combine different measures through the business plan giving access of the young farmer to these measures

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Domains of diversification covered

Not applicable.

8.2.4.3.3. Sub measure 6.4 - Support for investments on creation and development of non-agricultural activities

Sub-measure:

- 6.4 - support for investments in creation and development of non-agricultural activities

8.2.4.3.3.1. Description of the type of operation

This sub-measure will be used as a principal means of support for growth objectives, in particular the creation and expansion of rural businesses through the development of new product lines and processes. Support will be provided both on-farm for diversification activities and to non-farming businesses.

Examples include:

- Processing and marketing resulting in non-Annex I products as output (no matter the input);
- Rural tourism activities linked to economic development including tourist accommodation;
- Farm diversification activities, including rural tourism, that also contribute to wider rural growth;
- Construction, re-construction or establishment of workshops, factories, plants and other premises and facilities;
- Development of crafts and handicraft activities; and
- Leisure, recreational and sport activities.

Actions under this sub-measure will contribute directly to focus area 6(a).

8.2.4.3.3.2. Type of support

Grant

8.2.4.3.3.3. Links to other legislation

None

8.2.4.3.3.4. Beneficiaries

- Farmers or members of the farm household diversifying into non-agricultural activities;
- Small and micro rural businesses and natural persons in rural areas.

8.2.4.3.3.5. Eligible costs

- The costs of construction, acquisition (including leasing) or improvement to immovable property;
- The purchase or lease purchase of new machinery and equipment;
- General costs linked to facilitating investments such as architect, engineer, consultation fees and

technical support;

- Intangible investments including, acquisition or development of computer software and acquisition of patents, licences, copyrights, trademarks.

In line with Article 45 of Reg. (EU) No 1305/2013, general costs will be limited to a maximum of 15% of total eligible costs.

8.2.4.3.3.6. Eligibility conditions

Investments will be linked to a business plan which will need to address environmental requirements under EU and domestic law, in line with the scale of investment sought. For larger investments this will include an Environmental Impact Assessment covering air, water quality, soil and biodiversity.

Applications will be assessed against the business plan that the applicant has to submit setting out how they will develop their business to increase productivity as well as how they will develop their own skills, over a five year period. Applicants will be encouraged to consider how their plans will impact on the environment and contribute to climate change and how they will embrace innovative equipment and techniques. They must however confirm that their plans are realistically achievable within the period of the business plan.

8.2.4.3.3.7. Principles with regards to the setting of selection criteria

The selection process will be: proportionate; open; transparent and fair throughout the programming period and will set out clearly whether either exclusion or inclusion criteria will apply. There will be a separation between those directly involved with supporting pipeline development of bids for investment and those taking decisions on applications. The requirements of the Rural Development Regulation and other relevant EU regulations will be met and, as necessary, it will be comply with public procurement rules.

Applications will be assessed against their strategic fit with the Programme Document in the context of the call for applications.

All applications will be subject to a formal appraisal that will consider:

- Deadweight;
- Displacement;
- Need for public support;
- Value for money;
- Energy efficiency;
- Deliverability/measurability;
- Clear exit strategy from programme funding.

Applications will be assessed against sustainability principles, which will include specific consideration of their impact on the environment and contribution to climate change mitigation and achievement of improved adaptation to climate change.

Appraisal of applications will be undertaken using a scoring system, which will involve a minimum

threshold, above which applications will be prioritised.

The scoring system will reflect consideration of the number, skill-level and sustainability of jobs created. Value added to primary producers in the supply chain will also be considered

Calls may include additional criteria or support may be weighted in favour of businesses in particular geographic areas or hubs where particular policies are in place to support growth in rural areas and through the agri-food supply chain.

8.2.4.3.3.8. (Applicable) amounts and support rates

In order to increase investment in non-agricultural activity by small and micro rural businesses and natural persons wishing to establish such businesses, we will support rural tourism activities, processing of non-agricultural products, crafts and handcraft activities, leisure, recreational and sport activities.

Using the ABER or industrial de minimis provisions, we will offer support rates of 40% for commercial investments in profit-generating operations. We will also offer a rate of 100% support for non-profit making operations. However such operations will be expected to demonstrate a clear value-added benefit to the wider rural economy, even where the direct investment is not proposed to be profit-generating.

Where investments are made under general block exemption provisions (GBER Article 17(6)), our support rates for small and micro-businesses and natural persons will be 20% of eligible costs.

8.2.4.3.3.9. Verifiability and controllability of the measures and/or types of operations

8.2.4.3.3.9.1. *Risk(s) in the implementation of the measures*

The key risks to verifiability and controllability for farm and business development are those identified by the non-area-related root causes identified in the Commission's working document **SWD(2013) 244 final** and reiterated in the Error Rates technical guidance fiche. These are both administrative and beneficiary related. A control framework has been developed which sets out clearly how grant funded activity will be controlled and verified. This will include grants funded through the LEADER approach, and through our productivity and growth priorities.

A clear separation of duties and set of procedures will be put in place to ensure claims are processed correctly (**Root Cause 9**) and that the reasonableness of costs are checked and eligibility conditions are met (**Root Cause 10**) based on a transparent and justifiable rationale. The application of clear and appropriate tender procedures (**Root Cause 12**) by private beneficiaries for actual costs will include exhaustive checking of invoices and bank statements pre-payment, so the error rate tends to remain low, alongside further checks on evidence of defrayal, progress reports, photographs and on-the-spot checks or final claim inspections. This will include submission and appropriate appraisal of business plans.

Beneficiaries cannot start a project before submitting an application and must receive approval first prior to doing so. Any modifications or variations must also be explicitly approved and justified. Application forms, offer letters and claim forms ensure that what is deemed eligible expenditure is set out as clearly as possible, and set out specifically documentation requirements and deadlines for completion (**Root Cause 15**).

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8.2.4.3.3.9.2. *Mitigating actions*

In addition to those identified above, mitigating actions will include:

- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;
- Training for administration staff including compliance, fraud and un-conscious bias training;
- Guidance for administrative staff to ensure appropriate appraisal of applications, and that variations to contract are appropriately controlled and implemented.

8.2.4.3.3.9.3. *Overall assessment of the measure*

The overall assessment of risk following mitigating actions is **low**.

We have responded to specific audit criticism raised under the 2007-13 programming period relating to non-productive and LEADER investments and as similar checks are relevant to this sub-measure we have included appropriate improvements as above. The additional controls put in place provide us with an assurance that appropriate controls for this type of activity are in place.

Defra recognises the importance of reinforcing preventative measures to reduce the risk of errors pertaining to implementation of the RDP. This will include **Corrective and Preventative Actions** in part highlighted above to ensure the provision of: training for administration staff (**CPA1**); information, training and advice for beneficiaries (**CPA2**); information campaigns and guidance documents (**CPA3**); improvement of IT tools (**CPA 5**); modification of contracts (**CPA6**) and improving internal control and coordination procedures (**CPA7**).

8.2.4.3.3.10. Methodology for calculation of the amount or support rate, where relevant

None

8.2.4.3.3.11. Information specific to the operation

Definition of small farm referred to in Article 19(1)(a)(iii) of Regulation (EU) No 1305/2013

Not applicable

Definition of upper and lower thresholds as referred to in the third subparagraph of Article 19(4) of Regulation (EU) No 1305/2013

Not applicable

Specific conditions for support for young farmers where not setting up as a sole head of the holding in accordance with Article 2(1) and (2) of Delegated Regulation No 807/2014

Not applicable

Information on the application of the grace period referred to in Article 2(3) of Delegated Regulation No 807/2014

Not applicable

Summary of the requirements of the business plan

Broadly the business plan shall set out the following information for the first 5 years of the business:

- Need for the business, market research and evidence of market demand
- Financial forecasts including a cash flow forecast and projected profit and loss account
- Marketing and sales strategy
- Details of staff and management team
- Operations plan (see below)
- Funding requirements and sources

The Operations plan is a description of how the business will operate. It may include details of:

- Land, buildings and available facilities;
- Equipment, vehicles and machinery;
- Materials and supplies;
- What is produced and when;
- Plans for new facilities;
- Environmental assessments;
- Any relevant licences and regulations;
- Expansion plans.

Use of the possibility to combine different measures through the business plan giving access of the young farmer to these measures

Not applicable

Domains of diversification covered

There is no definitive list of areas into which farm businesses can diversify. Support will be restricted to farmers or members of the farm household diversifying into non-agricultural activities in rural areas.

8.2.4.4. Verifiability and controllability of the measures and/or types of operations

8.2.4.4.1. Risk(s) in the implementation of the measures

The key risks to verifiability and controllability for farm and business development are those identified by the non-area-related root causes identified in the Commission's working document **SWD(2013) 244 final** and reiterated in the Error Rates technical guidance fiche. These are both administrative and beneficiary related. A control framework has been developed which sets out clearly how grant funded activity will be controlled and verified. This will include grants funded through our productivity and growth priorities.

A clear separation of duties and set of procedures will be put in place to ensure claims are processed correctly (**Root Cause 9**) and that the reasonableness of costs are checked and eligibility conditions are met (**Root Cause 10**) based on a transparent and justifiable rationale. The application of clear and appropriate tender procedures (**Root Cause 12**) by private beneficiaries for actual costs will include exhaustive checking of invoices and bank statements pre-payment, so the error rate tends to remain low, alongside further checks on evidence of defrayal, progress reports, photographs and on-the-spot checks or final claim inspections. This will include submission and appropriate appraisal of business plans.

Clear guidance and support is provided to beneficiaries to ensure that only eligible expenditure is claimed and where ineligible expenditure is identified that the system of reduction applied is proportionate and fair (**Root Cause 14**). Beneficiaries cannot start a project before submitting an application and must receive approval first prior to doing so. Any modifications or variations must also be explicitly approved and justified. Application forms, offer letters and claim forms ensure that what is deemed eligible expenditure is set out as clearly as possible, and set out specifically documentation requirements and deadlines for completion (**Root Cause 15**).

Business start-up aid for young farmers will include submission and appropriate appraisal of business plans and checks that regulatory requirements have been met concerning the setting-up of a young farmer and meeting the active farmer definition and criteria for head of holding.

8.2.4.4.2. Mitigating actions

In addition to those identified above, mitigating actions will include:

- Reasonableness of actual costs will be evaluated via an appropriate system including via use of reference costs and a comparison of different offers to ensure appropriate checks are in place. Beneficiaries will need to provide a clear specification of the activity to be procured; invite to tender a minimum of three written quotations and evaluate all bids and select the preferred supplier against clear pre-established and recorded value for money criteria;
- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;
- Training for administration staff including compliance, fraud and un-conscious bias training;
- Guidance for administrative staff to ensure appropriate appraisal of applications, and that

variations to contract are appropriately controlled and implemented.

8.2.4.4.3. Overall assessment of the measure

The overall assessment of risk following mitigating actions is **low**.

We have responded to specific audit criticism raised under the 2007-13 programming period relating to non-productive and LEADER investments and as similar checks are relevant to this sub-measure we have included appropriate improvements as above. The additional controls put in place provide us with an assurance that appropriate controls for this type of activity are in place.

Defra recognises the importance of reinforcing preventative measures to reduce the risk of errors pertaining to implementation of the RDP. This will include **Corrective and Preventative Actions** in part highlighted above to ensure the provision of: training for administration staff (**CPA1**); information, training and advice for beneficiaries (**CPA2**); information campaigns and guidance documents (**CPA3**); improvement of IT tools (**CPA 5**); modification of contracts (**CPA6**) and improving internal control and coordination procedures (**CPA7**).

8.2.4.5. Methodology for calculation of the amount or support rate, where relevant

None

8.2.4.6. Information specific to the measure

Definition of small farm referred to in Article 19(1)(a)(iii) of Regulation (EU) No 1305/2013

Not applicable

Definition of upper and lower thresholds as referred to in the third subparagraph of Article 19(4) of Regulation (EU) No 1305/2013

Access to sub-measure 4.1 will be restricted to holdings with projected standard outputs of between 12,500 euros and 250,000 euros with projected standard outputs needing to be achieved by year 4 of the business plan. In selecting the upper threshold we have sought to exclude farm business that are unlikely to need support as they are already achieving standard outputs significantly above the average for England. By establishing the lower threshold at Euro 12,500 we are seeking to focus our limited resources on to those new entrants who we believe offer the best potential to drive up the productivity of agriculture in England going forward.

Specific conditions for support for young farmers where not setting up as a sole head of the holding in accordance with Article 2(1) and (2) of Delegated Regulation No 807/2014

Where the young farmer applying for start up aid is not setting up as a sole head of holding, they must be capable of exercising effective and long-term control over the holding.

Information on the application of the grace period referred to in Article 2(3) of Delegated Regulation No 807/2014

Applicants under the young farmer investments will be expected to have the skills necessary to successfully manage a farm business. However, a period of grace of up to twelve months will be permitted if there is a strong case included in the business case.

Summary of the requirements of the business plan

Broadly the business plan shall set out the following information for the farm or other business for the first 5 years of the business:

- Financial forecasts including a cash flow forecast and projected profit and loss account
- Marketing and sales strategy
- Details of staff and management team
- Operations plan (see below)
- Funding requirements and sources

The Operations plan is a description of the farm itself and how the farm business will operate. It may include details of:

- Land, buildings and available facilities;
- Equipment, vehicles and machinery;
- Materials and supplies;
- What is produced and when;
- Plans for new facilities;
- Environmental assessments;
- Any relevant licences and regulations;
- Expansion plans.

Use of the possibility to combine different measures through the business plan giving access of the young farmer to these measures

Support may be provided to young farmers setting up who are simultaneously developing non-agricultural business/activities in rural areas.

Domains of diversification covered

There is no definitive list of areas into which farm businesses can diversify. However, investment will be

restricted to farmers or members of the farm household diversifying into non-agricultural activities in rural areas.

8.2.4.7. Other important remarks relevant to understand and implement the measure

None

8.2.5. M07 - Basic services and village renewal in rural areas (art 20)

8.2.5.1. Legal basis

Article 20 of Regulation (EC) No 1305/2013

8.2.5.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

This measure will be used to contribute to our aims of developing a more thriving and resilient rural economy and communities and to enhance landscape quality and character to meet the challenges specific to rural communities which suffer economic, geographic and demographic factors relating to distance, population scarcity, aging, social isolation and market structure that can impact on people's lives. Distances from economic centres and essential services and limited local amenities create additional challenges. Investments through this measure aim to alleviate some of these difficulties particularly the lack of access to services and the provision of infrastructure, such as access to ICT and the development of community buildings, public spaces and cultural, tourism and heritage amenities, including the renovation and maintenance of historic farm buildings. This measure will also be used to encourage visits to farms for educational purposes, so that the public get a greater understanding of the countryside and rural areas. Investment in this measure will address the weaknesses and opportunities set out in the SWOT.

€86.6 million of the programme budget has been identified for this measure.

Actions under this measure will contribute directly to Focus Areas 4(a) and 6(b)(c).

Investment in infrastructure and service planning will address the likely impacts of climate change. This could be an upgrade of drainage infrastructure to cope with increased periods of heavy rainfall, or planning services to cope with other extreme weather events.

Where investments are below the level legally requiring completion of an EIA, we will not require an EIA to be undertaken as a condition of RDP support. We will request information on environmental and climate impact through project applications, and include this in assessment, but the level of detail requested will be proportionate to the type of operation and the level of funding sought.

8.2.5.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regard to the setting of selection criteria

8.2.5.3.1. Sub measure 7.2 - Support for investments in renewables infrastructure

Sub-measure:

- 7.2 - support for investments in the creation, improvement or expansion of all types of small scale

infrastructure, including investments in renewable energy and energy saving

8.2.5.3.1.1. Description of the type of operation

Examples include:

- Construction of facilities in rural areas to enable use of energy from renewable sources including anaerobic digestion, biomass and hydro;
- Setting up of distribution networks for energy and energy products (i.e. heat/electric/gas) from anaerobic digestion, biomass and other renewable sources;
- Construction of ancillary infrastructure associated with the production of renewable energy where this provides additional environmental protection;
- Projects demonstrating the examples shown above.

Actions under this sub-measure will contribute directly to Focus Area 6(b)

8.2.5.3.1.2. Type of support

Grant

8.2.5.3.1.3. Links to other legislation

Article 45(6) of Regulation (EC) No 1305/2013 (RDR)

8.2.5.3.1.4. Beneficiaries

Small / micro rural businesses and rural community groups, and any public or private entities working in partnership with small and micro business and rural community groups

We would typically expect projects to be brought forward in conjunction with local development plans and include the involvement of public bodies where project outcomes are enhanced by their inclusion.

8.2.5.3.1.5. Eligible costs

This sub-measure will only support costs limited to the initial investment. Operational costs will not be eligible for support. Eligible costs will include:

- Costs of feasibility studies;
- Construction of renewable energy production plant and distribution capacity;
- Ancillary costs of environmental protection infrastructure associated with a renewables investment;
- Pipes, pumps, thermal heat store, plus laying and installation;
- Heat exchange systems and controls;

- Low pressure gas distribution networks;
- General costs (e.g. architects fees, engineers fees, etc.) or other consultancy fees, which should be limited to a maximum of 15% of total project costs.

8.2.5.3.1.6. Eligibility conditions

Investments will be on the basis of a sustainable management plan.

In order to achieve the maximum effectiveness of support, operations supported have to be implemented in accordance with plans for the development of municipalities/villages in rural areas and their basic services, where such plans exist, and shall be consistent with any local development strategy.

Support to bioenergy projects shall be limited to bioenergy meeting the applicable sustainability criteria laid down in Union legislation, including in Article 17(2) to (6) of Directive 2009/28/EC. VAT is not eligible unless not recoverable.

8.2.5.3.1.7. Principles with regards to the setting of selection criteria

The selection process will be: proportionate; open; transparent and fair throughout the programming period and will set out clearly whether either exclusion or inclusion criteria will apply. There will be a separation between those directly involved with supporting pipeline development of bids for investment and those taking decisions on applications. The requirements of the Rural Development Regulation and other relevant EU regulations will be met and, as necessary, it will be comply with public procurement rules.

Applications will be assessed against their strategic fit with the Programme Document in the context of the call for applications.

All applications will be subject to a formal appraisal that will consider:

- Deadweight;
- Displacement;
- Need for public support;
- Value for money;
- Deliverability/measurability;
- Energy efficiency;
- Clear exit strategy from programme funding.

Applications will be assessed against sustainability principles, which will include specific consideration of their impact on the environment and contribution to climate change mitigation and achievement of improved adaptation to climate change.

Appraisal of applications will be undertaken using a scoring system, which will involve a minimum threshold, above which applications will be prioritised.

The scoring system will reflect consideration of the impact of investment on value-added to local

economic growth, including where relevant jobs created.

Appraisal will also include consideration of the extent to which applicants have demonstrated awareness of and compliance with other domestic policy instruments around renewables.

8.2.5.3.1.8. (Applicable) amounts and support rates

For rural micro businesses we will fund renewable energy projects at 65% in convergence areas and 50% in all other areas under GBER Article 46.

For rural small businesses we will fund renewable energy projects at 55% in convergence areas and 40% in all other areas under GBER Article 46.

For community groups developing renewable energy projects we will fund these at 100% under industrial de minimis.

8.2.5.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.5.3.1.9.1. *Risk(s) in the implementation of the measures*

The key risks to verifiability and controllability for basic services and village renewal in rural areas are those identified by the non-area-related root causes identified in the Commission's working document **SWD(2013) 244 final** and reiterated in the Error Rates technical guidance fiche. These are both administrative and beneficiary related. A control framework has been developed which sets out clearly how grant funded activity will be controlled and verified.

A clear separation of duties and set of procedures are put in place to ensure claims are processed correctly (**Root Cause 9**) and that the reasonableness of costs and eligibility conditions are met (**Root Cause 10**) based on a transparent and justifiable rationale. The application of clear and appropriate tender procedures (**Root Cause 12**) by private beneficiaries for actual costs will include exhaustive checking of invoices and bank statements pre-payment, so the error rate tends to remain low, alongside further checks on evidence of defrayal, progress reports, photographs and on-the-spot checks or final claim inspections. This will include submission and appraisal of business plans or feasibility studies where appropriate; and relevant checks that regulatory requirements and approvals are in place for work carried out. Clear guidance and support is provided to beneficiaries to ensure that only eligible expenditure is claimed and where ineligible expenditure is identified that the system of reduction applied is proportionate and fair (**Root Cause 14**). Beneficiaries cannot start a project before submitting an application and must receive approval first prior to doing so. Any modifications or variations must also be explicitly approved and justified. Application forms, offer letters and claim forms ensure that what is deemed eligible expenditure is set out as clearly as possible, and set out specifically documentation requirements and deadlines for completion (**Root Cause 15**).

8.2.5.3.1.9.2. *Mitigating actions*

In addition to those identified above, mitigating actions will include:

- Reasonableness of actual costs will be evaluated via an appropriate system including via use of reference costs and a comparison of different offers to ensure appropriate checks are in place. Beneficiaries will need to provide a clear specification of the activity to be procured; invite to tender a minimum of three written quotations and evaluate all bids and select the preferred supplier against clear pre-established and recorded value for money criteria;
- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;
- Training for administration staff including compliance, fraud and un-conscious bias training;
- Guidance for administrative staff to ensure appropriate appraisal of applications, and that variations to contract are appropriately controlled and implemented.

8.2.5.3.1.9.3. Overall assessment of the measure

The overall assessment of risk following mitigating actions is **low**. Appropriate controls for grant-funded activity in England are in place and have historically not led to high error rates, audit criticisms or concerns. Despite this, Defra recognises the importance of reinforcing preventative measures to reduce the risk of errors pertaining to implementation of the RDP. This will include **Corrective and Preventative Actions** in part highlighted above to ensure the provision of: training for administration staff (**CPA1**); information, training and advice for beneficiaries (**CPA2**); information campaigns and guidance documents (**CPA3**); improvement of IT tools (**CPA 5**); modification of contracts (**CPA6**) and improving internal control and coordination procedures (**CPA7**).

8.2.5.3.1.10. Methodology for calculation of the amount or support rate, where relevant

None

8.2.5.3.1.11. Information specific to the operation

Definition of small scale infrastructure, including small scale tourism infrastructure as referred to in Article 20(1)(e) of Regulation (EU) No 1305/2013

For investment in renewable energy small scale will refer to total installed capacity of up to 5MW.

If applicable, specific derogation allowing to support bigger scale infrastructure for investments in broad band and renewable energy

Not applicable

Information on the application of the grace period referred to in Article 2(3) of Delegated Regulation No 807/2014

Not applicable

Definition of the thresholds referred to in Article 13(e) of [DA RD – C(2014)1460]

Not applicable

8.2.5.3.2. Sub measure 7.3 - Support for broadband infrastructure

Sub-measure:

- 7.3 - support for broadband infrastructure, including its creation, improvement and expansion, passive broadband infrastructure and provision of access to broadband and public e-government

8.2.5.3.2.1. Description of the type of operation

- Support for broadband infrastructure in 5-10% hard to reach rural areas;
- Provision of demand aggregation and stimulation; and
- Training support to rural businesses and communities.

Actions under this sub-measure will contribute directly to Focus Area 6(c)

8.2.5.3.2.2. Type of support

Grant

8.2.5.3.2.3. Links to other legislation

None

8.2.5.3.2.4. Beneficiaries

Rural businesses and communities

8.2.5.3.2.5. Eligible costs

This sub-measure will only support costs limited to the initial investment. Operational costs will not be eligible for support. Eligible costs will include:

- Creation of and enabling access to broadband infrastructure, including backhaul facilities and ground equipment (e.g. fixed, wireless, enhanced mobile, satellite, or combination of technologies)
- Upgrade of existing infrastructure
- Laying down passive infrastructure (e.g. civil engineering works such as ducts and other network elements)
- Costs associated with demand aggregation and stimulation programmes and training support

8.2.5.3.2.6. Eligibility conditions

Investments will be on the basis of eligible business plan. Infrastructure to be technology neutral, open access, state aid compliant.

8.2.5.3.2.7. Principles with regards to the setting of selection criteria

The selection process will be: proportionate; open; transparent and fair throughout the programming period and will set out clearly whether either exclusion or inclusion criteria will apply. There will be a separation between those directly involved with supporting pipeline development of bids for investment and those taking decisions on applications. The requirements of the Rural Development Regulation and other relevant EU regulations will be met and, as necessary, it will be comply with public procurement rules.

Applications will be assessed against their strategic fit with the Programme Document in the context of the call for applications.

All applications will be subject to a formal appraisal that will consider:

- Deadweight;
- Displacement;
- Need for public support;
- Deliverability/measurability;
- Energy efficiency;
- Clear exit strategy from programme funding;
- Strategic Fit - In final 5%;
- Delivery and technical solution;
- Sustainability of the project;
- Value for money – specifically considering the number of premises passed.

Selection criteria will include the need to demonstrate how the proposal will be aligned with other local / regional broadband plans and strategies.

Applications will be assessed against their potential to deliver broadband services at 30Mbps or more by 2020. Proposals not able to offer this potential will be eliminated.

Applications will be assessed against sustainability principles, which will include specific consideration of their impact on the environment and contribution to climate change mitigation and achievement of improved adaptation to climate change.

Appraisal of applications will be undertaken using a scoring system, which will involve a minimum threshold, above which applications will be prioritised.

8.2.5.3.2.8. (Applicable) amounts and support rates

100%, subject to state aid rules.

8.2.5.3.2.9. Verifiability and controllability of the measures and/or types of operations

8.2.5.3.2.9.1. Risk(s) in the implementation of the measures

The key risks to verifiability and controllability for basic services and village renewal in rural areas are those identified by the non-area-related root causes identified in the Commission's working document **SWD(2013) 244 final** and reiterated in the Error Rates technical guidance fiche. These are both administrative and beneficiary related. A control framework has been developed which sets out clearly how grant funded activity will be controlled and verified. This will include community renewable energy production and distribution network actions, broadband infrastructure, grants funded in rural areas and actions to protect and enhance landscape quality linked to the achievements of agri-environment-climate objectives.

A clear separation of duties and set of procedures are put in place to ensure claims are processed correctly (**Root Cause 9**) and that the reasonableness of costs and eligibility conditions are met (**Root Cause 10**) based on a transparent and justifiable rationale. As noted in the England RDPE Error Rate Reduction Plan, this will include improving consistency of recording details for the reasonableness of costs and verification of VAT status. The application of clear and appropriate tender procedures (**Root Cause 12**) by private beneficiaries for actual costs will include exhaustive checking of invoices and bank statements pre-payment, so the error rate tends to remain low, alongside further checks on evidence of defrayal, progress reports, photographs and on-the-spot checks or final claim inspections. The risk of error due to incorrect systems of checks and deficient administrative procedures will include an assessment of other potential sources of national funding (although this is likely to be limited) and of complementarity and any potential overlap of geographical coverage with other EU funding, particularly ERDF. It will also include submission and appraisal of business plans or feasibility studies where appropriate; and relevant checks that regulatory requirements and approvals are in place for work carried out.

Clear guidance and support is provided to beneficiaries to ensure that only eligible expenditure is claimed and where ineligible expenditure is identified that the system of reduction applied is proportionate and fair (**Root Cause 14**). Beneficiaries cannot start a project before submitting an application and must receive approval first prior to doing so. Any modifications or variations must also be explicitly approved and justified. Application forms, offer letters and claim forms ensure that what is deemed eligible expenditure is set out as clearly as possible, and set out specifically documentation requirements and deadlines for completion (**Root Cause 15**).

8.2.5.3.2.9.2. Mitigating actions

In addition to those identified above, mitigating actions will include:

- Reasonableness of actual costs will be evaluated via an appropriate system including via use of reference costs and a comparison of different offers to ensure appropriate checks are in place. Beneficiaries will need to provide a clear specification of the activity to be procured; invite to tender a minimum of three written quotations and evaluate all bids and select the preferred supplier against clear pre-established and recorded value for money criteria;
- Advertisement of a procurement framework via open competition using OJEU and domestic public procurement processes and EU legislation and using IT procurement tools will be undertaken where appropriate;

- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;
- Training for administration staff including compliance, fraud and un-conscious bias training;
- Guidance for administrative staff to ensure appropriate appraisal of applications, and that variations to contract are appropriately controlled and implemented.

8.2.5.3.2.9.3. Overall assessment of the measure

The overall assessment of risk following mitigating actions is **low**.

We have responded to specific audit criticism raised under the current programming period relating to non-productive and LEADER investments and have suggested appropriate improvements under the text set out above for this type of investment, as similar checks are relevant to this. The additional controls put in place provide us with an assurance that appropriate controls for this type of activity in England are in place.

Defra recognises the importance of reinforcing preventative measures to reduce the risk of errors pertaining to implementation of the RDP. This will include **Corrective and Preventative Actions** in part highlighted above to ensure the provision of: training for administration staff (**CPA1**); information, training and advice for beneficiaries (**CPA2**); information campaigns and guidance documents (**CPA3**); improvement of IT tools (**CPA 5**); modification of contracts (**CPA6**) and improving internal control and coordination procedures (**CPA7**).

8.2.5.3.2.10. Methodology for calculation of the amount or support rate, where relevant

None

8.2.5.3.2.11. Information specific to the operation

Definition of small scale infrastructure, including small scale tourism infrastructure as referred to in Article 20(1)(e) of Regulation (EU) No 1305/2013

A range of broadband solutions are proposed including fixed, wireless and satellite. The scale will range in size and cost depending on the solution and project area. Infrastructure investments under €200k will be considered as small-scale.

If applicable, specific derogation allowing to support bigger scale infrastructure for investments in broadband and renewable energy

We will, as necessary, apply a derogation allowing support for larger scale infrastructure investments in broadband. This will be applied in particular where necessary to ensure complementarity with broadband investments under ERDF.

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Information on the application of the grace period referred to in Article 2(3) of Delegated Regulation No 807/2014

Not applicable

Definition of the thresholds referred to in Article 13(e) of [DA RD – C(2014)1460]

Not applicable

8.2.5.3.3. Sub measure 7.5 - Support for recreational and small scale tourism infrastructure

Sub-measure:

- 7.5 - support for investments for public use in recreational infrastructure, tourist information and small scale tourism infrastructure

8.2.5.3.3.1. Description of the type of operation

Examples include:

- Investments linking people with the natural environment, e.g. access infrastructure;
- Investments that provide information on and develop, cultural, leisure and heritage products and activities that attract visitors and benefit the local community;
- Shops, catering services – restaurants and cafes;
- Investments in green infrastructure – such as paths, cycle ways;
- Visitor attractions and associated, marketing;
- Support for events and festivals;
- Signposting of touristic sites;
- Construction and modernisation of tourism information centres, visitor information and guidance;
- Construction of shelters and safety facilities linked to soft-tourism;
- Establishing of e-booking systems for tourist services.

Actions under this sub-measure will contribute directly to Focus Area 6(b) .

8.2.5.3.3.2. Type of support

Grant

8.2.5.3.3.3. Links to other legislation

None

8.2.5.3.3.4. Beneficiaries

Rural businesses; farmers / land owners; rural communities

8.2.5.3.3.5. Eligible costs

This sub-measure will only support costs limited to the initial investment. Operational costs will not be

eligible for support.

Eligible costs will include:

- the costs of construction, acquisition (including leasing) or improvement to immovable property;
- general costs such as architect, engineer and consultation fees . These costs will normally be restricted to a maximum of 15% of total project costs;
- intangible investments including, acquisition or development of computer software and acquisition of patents, licences, copyrights, trademarks.

Ineligible costs include:

- simple replacement investments;
- costs connected with the leasing contract, such as lessor's margin, interest refinancing costs, overheads and insurance charges;
- salaries, running costs
- contributions in kind;
- the purchase or lease purchase of new machinery and equipment.

8.2.5.3.3.6. Eligibility conditions

In order to achieve the maximum effectiveness of support, operations supported should be linked to existing local development strategies, for example in the case of tourism investments to destination management plans, where these exist.

8.2.5.3.3.7. Principles with regards to the setting of selection criteria

The selection process will be: proportionate; open; transparent and fair throughout the programming period and will set out clearly whether either exclusion or inclusion criteria will apply. There will be a separation between those directly involved with supporting pipeline development of bids for investment and those taking decisions on applications. The requirements of the Rural Development Regulation and other relevant EU regulations will be met and, as necessary, it will be comply with public procurement rules.

Applications will be assessed against their strategic fit with the Programme Document in the context of the call for applications.

All applications will be subject to a formal appraisal that will consider:

- Deadweight;
- Displacement;
- Need for public support;
- Value for money;
- Deliverability/measurability;
- Energy efficiency;

- Clear exit strategy from programme funding.

Applications will be assessed against sustainability principles, which will include specific consideration of their impact on the environment and contribution to climate change mitigation and achievement of improved adaptation to climate change.

Appraisal of applications will be undertaken using a scoring system, which will involve a minimum threshold, above which applications will be prioritised.

8.2.5.3.3.8. (Applicable) amounts and support rates

We will provide support at a rate of 80% for investments (including multi-functional recreational infrastructure, cultural and heritage investments, events and festivals) where these are non-profit making, but have a benefit in terms of value added to the wider local tourist economy.

We will provide support at a rate of 40% for investments in commercial tourist businesses and enterprises, again where these have benefits in terms of value added to the wider local tourist economy.

We will provide some limited support at a rate of 100% for small capital investments (eg signposting and interpretation boards, shelters and safety facilities linked to soft-tourism) where these generate no income and are linked to a wider strategy for destination management.

Investments will be made under industrial de minimis provisions where applicable. Where investments are made under GBER Articles 53 and 55, as relevant, state aid limits on rates of support will apply.

8.2.5.3.3.9. Verifiability and controllability of the measures and/or types of operations

8.2.5.3.3.9.1. Risk(s) in the implementation of the measures

The key risks to verifiability and controllability for basic services and village renewal in rural areas are those identified by the non-area-related root causes identified in the Commission's working document **SWD(2013) 244 final** and reiterated in the Error Rates technical guidance fiche. These are both administrative and beneficiary related. A control framework has been developed which sets out clearly how grant funded activity will be controlled and verified. This will include community renewable energy production and distribution network actions, broadband infrastructure, grants funded in rural areas and actions to protect and enhance landscape quality linked to the achievements of agri-environment-climate objectives.

A clear separation of duties and set of procedures are put in place to ensure claims are processed correctly (**Root Cause 9**) and that the reasonableness of costs and eligibility conditions are met (**Root Cause 10**) based on a transparent and justifiable rationale. As noted in the England RDPE Error Rate Reduction Plan, this will include improving consistency of recording details for the reasonableness of costs and verification of VAT status. The application of clear and appropriate tender procedures (**Root Cause 12**) by private beneficiaries for actual costs will include exhaustive checking of invoices and bank statements pre-payment, so the error rate tends to remain low, alongside further checks on evidence of defrayal, progress reports, photographs and on-the-spot checks or final claim inspections. The risk of error due to

incorrect systems of checks and deficient administrative procedures will include an assessment of other potential sources of national funding (although this is likely to be limited) and of complementarity and any potential overlap of geographical coverage with other EU funding, particularly ERDF. It will also include submission and appraisal of business plans or feasibility studies where appropriate; and relevant checks that regulatory requirements and approvals are in place for work carried out.

Clear guidance and support is provided to beneficiaries to ensure that only eligible expenditure is claimed and where ineligible expenditure is identified that the system of reduction applied is proportionate and fair (**Root Cause 14**). Beneficiaries cannot start a project before submitting an application and must receive approval first prior to doing so. Any modifications or variations must also be explicitly approved and justified. Application forms, offer letters and claim forms ensure that what is deemed eligible expenditure is set out as clearly as possible, and set out specifically documentation requirements and deadlines for completion (**Root Cause 15**).

8.2.5.3.3.9.2. *Mitigating actions*

In addition to those identified above, mitigating actions will include:

- Reasonableness of actual costs will be evaluated via an appropriate system including via use of reference costs and a comparison of different offers to ensure appropriate checks are in place. Beneficiaries will need to provide a clear specification of the activity to be procured; invite to tender a minimum of three written quotations and evaluate all bids and select the preferred supplier against clear pre-established and recorded value for money criteria;
- Advertisement of a procurement framework via open competition using OJEU and domestic public procurement processes and EU legislation and using IT procurement tools will be undertaken where appropriate;
- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;
- Training for administration staff including compliance, fraud and un-conscious bias training;
- Guidance for administrative staff to ensure appropriate appraisal of applications, and that variations to contract are appropriately controlled and implemented.

8.2.5.3.3.9.3. *Overall assessment of the measure*

The overall assessment of risk following mitigating actions is **low**.

We have responded to specific audit criticism raised under the current programming period relating to non-productive and LEADER investments and have suggested appropriate improvements under the text set out above for this type of investment, as similar checks are relevant to this. The additional controls put in place provide us with an assurance that appropriate controls for this type of activity in England are in place.

Defra recognises the importance of reinforcing preventative measures to reduce the risk of errors pertaining to implementation of the RDP. This will include **Corrective and Preventative Actions** in part highlighted above to ensure the provision of: training for administration staff (**CPA1**); information, training and advice for beneficiaries (**CPA2**); information campaigns and guidance documents (**CPA3**);

improvement of IT tools (CPA 5); modification of contracts (CPA6) and improving internal control and coordination procedures (CPA7).

8.2.5.3.3.10. Methodology for calculation of the amount or support rate, where relevant

None

8.2.5.3.3.11. Information specific to the operation

Definition of small scale infrastructure, including small scale tourism infrastructure as referred to in Article 20(1)(e) of Regulation (EU) No 1305/2013

Small scale infrastructure for tourism is defined as encompassing a range of physical investments, such as small buildings for tourist information centres; visitor centres, shelters and signage along trails, and interpretation boards. It will also cover related small IT infrastructure such as e-booking systems for tourist services.

If applicable, specific derogation allowing to support bigger scale infrastructure for investments in broad band and renewable energy

Not applicable

Information on the application of the grace period referred to in Article 2(3) of Delegated Regulation No 807/2014

Not applicable

Definition of the thresholds referred to in Article 13(e) of [DA RD – C(2014)1460]

Not applicable

8.2.5.3.4. Sub measure 7.6 - Support for maintenance, restoration and upgrading of the cultural and natural heritage

Sub-measure:

- 7.6 - support for studies/investments associated with the maintenance, restoration and upgrading of the cultural and natural heritage of villages, rural landscapes and high nature value sites including related socio-economic aspects, as well as environmental awareness actions

8.2.5.3.4.1. Description of the type of operation

Examples include:

- Support for the protection and enhancement of landscape character, quality and sense of place;
- Support for protection of cultural heritage features and traditional farm buildings;
- Support for events linked to cultural activity at these sites.

Actions under this sub-measure will contribute directly to Focus Area 4(a).

8.2.5.3.4.2. Type of support

Grant

8.2.5.3.4.3. Links to other legislation

None

8.2.5.3.4.4. Beneficiaries

Farmers / land owners, rural communities

8.2.5.3.4.5. Eligible costs

- Costs of construction /restoration of buildings;
- General costs such as architects and engineering fees.

8.2.5.3.4.6. Eligibility conditions

Investments under this measure must be for a non-productive investment which is linked to the achievement of agri-environment-climate objectives.

8.2.5.3.4.7. Principles with regards to the setting of selection criteria

The selection process will be: proportionate; open; transparent and fair throughout the programming period and will set out clearly whether either exclusion or inclusion criteria will apply. There will be a separation between those directly involved with supporting pipeline development of bids for investment and those taking decisions on applications. The requirements of the Rural Development Regulation and other relevant EU regulations will be met and, as necessary, it will be comply with public procurement rules.

Applications will be assessed against their strategic fit with the Programme Document in the context of the call for applications. All applications will be subject to a formal appraisal that will consider:

- Deadweight;
- Displacement;
- Need for public support;
- Value for money;
- Energy efficiency;
- Deliverability/measurability;
- Clear exit strategy from programme funding.

Applications will be assessed against sustainability principles, which will include specific consideration of their impact on the environment and contribution to climate change mitigation and achievement of improved adaptation to climate change.

Appraisal of applications will be undertaken using a scoring system, which will involve a minimum threshold, above which applications will be prioritised

8.2.5.3.4.8. (Applicable) amounts and support rates

100%, subject to state aid rules

8.2.5.3.4.9. Verifiability and controllability of the measures and/or types of operations

8.2.5.3.4.9.1. *Risk(s) in the implementation of the measures*

The key risks to verifiability and controllability for basic services and village renewal in rural areas are those identified by the non-area-related root causes identified in the Commission's working document **SWD(2013) 244 final** and reiterated in the Error Rates technical guidance fiche. These are both administrative and beneficiary related. A control framework has been developed which sets out clearly how grant funded activity will be controlled and verified. This will include community renewable energy production and distribution network actions, broadband infrastructure, grants funded in rural areas and actions to protect and enhance landscape quality linked to the achievements of agri-environment-climate objectives.

A clear separation of duties and set of procedures are put in place to ensure claims are processed correctly

(Root Cause 9) and that the reasonableness of costs and eligibility conditions are met **(Root Cause 10)** based on a transparent and justifiable rationale. As noted in the England RDPE Error Rate Reduction Plan, this will include improving consistency of recording details for the reasonableness of costs and verification of VAT status. The application of clear and appropriate tender procedures **(Root Cause 12)** by private beneficiaries for actual costs will include exhaustive checking of invoices and bank statements pre-payment, so the error rate tends to remain low, alongside further checks on evidence of defrayal, progress reports, photographs and on-the-spot checks or final claim inspections. The risk of error due to incorrect systems of checks and deficient administrative procedures will include an assessment of other potential sources of national funding (although this is likely to be limited) and of complementarity and any potential overlap of geographical coverage with other EU funding, particularly ERDF. This will also include submission and appraisal of business plans or feasibility studies where appropriate; and relevant checks that regulatory requirements and approvals are in place for work carried out.

Clear guidance and support is provided to beneficiaries to ensure that only eligible expenditure is claimed and where ineligible expenditure is identified that the system of reduction applied is proportionate and fair **(Root Cause 14)**. Beneficiaries cannot start a project before submitting an application and must receive approval first prior to doing so. Any modifications or variations must also be explicitly approved and justified. Application forms, offer letters and claim forms ensure that what is deemed eligible expenditure is set out as clearly as possible, and set out specifically documentation requirements and deadlines for completion **(Root Cause 15)**.

8.2.5.3.4.9.2. *Mitigating actions*

In addition to those identified above, mitigating actions will include:

- Reasonableness of actual costs will be evaluated via an appropriate system including via use of reference costs and a comparison of different offers to ensure appropriate checks are in place. Beneficiaries will need to provide a clear specification of the activity to be procured; invite to tender a minimum of three written quotations and evaluate all bids and select the preferred supplier against clear pre-established and recorded value for money criteria;
- Advertisement of a procurement framework via open competition using OJEU and domestic public procurement processes and EU legislation and using IT procurement tools will be undertaken where appropriate;
- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;
- Training for administration staff including compliance, fraud and un-conscious bias training;
- Guidance for administrative staff to ensure appropriate appraisal of applications, and that variations to contract are appropriately controlled and implemented.

8.2.5.3.4.9.3. *Overall assessment of the measure*

The overall assessment of risk following mitigating actions is **low**.

We have responded to specific audit criticism raised under the current programming period relating to non-productive and LEADER investments and have suggested appropriate improvements under the text

set out above for this type of investment, as similar checks are relevant to this. The additional controls put in place provide us with an assurance that appropriate controls for this type of activity in England are in place.

Defra recognises the importance of reinforcing preventative measures to reduce the risk of errors pertaining to implementation of the RDP. This will include **Corrective and Preventative Actions** in part highlighted above to ensure the provision of: training for administration staff (**CPA1**); information, training and advice for beneficiaries (**CPA2**); information campaigns and guidance documents (**CPA3**); improvement of IT tools (**CPA 5**); modification of contracts (**CPA6**) and improving internal control and coordination procedures (**CPA7**).

8.2.5.3.4.10. Methodology for calculation of the amount or support rate, where relevant

None

8.2.5.3.4.11. Information specific to the operation

Definition of small scale infrastructure, including small scale tourism infrastructure as referred to in Article 20(1)(e) of Regulation (EU) No 1305/2013

Not applicable

If applicable, specific derogation allowing to support bigger scale infrastructure for investments in broadband and renewable energy

Not applicable

Information on the application of the grace period referred to in Article 2(3) of Delegated Regulation No 807/2014

Not applicable

Definition of the thresholds referred to in Article 13(e) of [DA RD – C(2014)1460]

Not applicable

8.2.5.4. Verifiability and controllability of the measures and/or types of operations

8.2.5.4.1. Risk(s) in the implementation of the measures

The key risks to verifiability and controllability for basic services and village renewal in rural areas are those identified by the non-area-related root causes identified in the Commission's working document **SWD(2013) 244 final** and reiterated in the Error Rates technical guidance fiche. These are both administrative and beneficiary related. A control framework has been developed which sets out clearly how grant funded activity will be controlled and verified. This will include community renewable energy production and distribution network actions, broadband infrastructure, grants funded in rural areas and actions to protect and enhance landscape quality linked to the achievements of agri-environment-climate objectives.

A clear separation of duties and set of procedures are put in place to ensure claims are processed correctly (**Root Cause 9**) and that the reasonableness of costs and eligibility conditions are met (**Root Cause 10**) based on a transparent and justifiable rationale. As noted in the England RDPE Error Rate Reduction Plan, this will include improving consistency of recording details for the reasonableness of costs and verification of VAT status. The application of clear and appropriate tender procedures (**Root Cause 12**) by private beneficiaries for actual costs will include exhaustive checking of invoices and bank statements pre-payment, so the error rate tends to remain low, alongside further checks on evidence of defrayal, progress reports, photographs and on-the-spot checks or final claim inspections. The risk of error due to incorrect systems of checks and deficient administrative procedures will include an assessment of other potential sources of national funding (although this is likely to be limited) and of complementarity and any potential overlap of geographical coverage with other EU funding, particularly ERDF. This will also include submission and appraisal of business plans or feasibility studies where appropriate; and relevant checks that regulatory requirements and approvals are in place for work carried out.

Clear guidance and support is provided to beneficiaries to ensure that only eligible expenditure is claimed and where ineligible expenditure is identified that the system of reduction applied is proportionate and fair (**Root Cause 14**). Beneficiaries cannot start a project before submitting an application and must receive approval first prior to doing so. Any modifications or variations must also be explicitly approved and justified. Application forms, offer letters and claim forms ensure that what is deemed eligible expenditure is set out as clearly as possible, and set out specifically documentation requirements and deadlines for completion (**Root Cause 15**).

8.2.5.4.2. Mitigating actions

In addition to those identified above, mitigating actions will include:

- Reasonableness of actual costs will be evaluated via an appropriate system including via use of reference costs and a comparison of different offers to ensure appropriate checks are in place. Beneficiaries will need to provide a clear specification of the activity to be procured; invite to tender a minimum of three written quotations and evaluate all bids and select the preferred supplier against clear pre-established and recorded value for money criteria;
- Advertisement of a procurement framework via open competition using OJEU and domestic public procurement processes and EU legislation and using IT procurement tools will be undertaken where appropriate;

- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;
- Training for administration staff including compliance, fraud and un-conscious bias training;
- Guidance for administrative staff to ensure appropriate appraisal of applications, and that variations to contract are appropriately controlled and implemented.

8.2.5.4.3. Overall assessment of the measure

The overall assessment of risk following mitigating actions is **low**.

We have responded to specific audit criticism raised under the current programming period relating to non-productive and LEADER investments and have suggested appropriate improvements under the text set out above for this type of investment, as similar checks are relevant to this. The additional controls put in place provide us with an assurance that appropriate controls for this type of activity in England are in place.

Defra recognises the importance of reinforcing preventative measures to reduce the risk of errors pertaining to implementation of the RDP. This will include **Corrective and Preventative Actions** in part highlighted above to ensure the provision of: training for administration staff (**CPA1**); information, training and advice for beneficiaries (**CPA2**); information campaigns and guidance documents (**CPA3**); improvement of IT tools (**CPA 5**); modification of contracts (**CPA6**) and improving internal control and coordination procedures (**CPA7**).

8.2.5.5. Methodology for calculation of the amount or support rate, where relevant

None

8.2.5.6. Information specific to the measure

Definition of small scale infrastructure, including small scale tourism infrastructure as referred to in Article 20(1)(e) of Regulation (EU) No 1305/2013

For investment in renewable energy small scale will refer to total installed capacity of up to 5MW.

If applicable, specific derogation allowing to support bigger scale infrastructure for investments in broadband and renewable energy

A range of broadband solutions are proposed including fixed, wireless and satellite. The scale will range in size and cost depending on the solution and project area.

Information on the application of the grace period referred to in Article 2(3) of Delegated Regulation No 807/2014

Not applicable

Definition of the thresholds referred to in Article 13(e) of [DA RD – C(2014)1460]

Not applicable

8.2.5.7. Other important remarks relevant to understand and implement the measure

None

8.2.6. M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)

8.2.6.1. Legal basis

Article 21 of Regulation (EU) No 1305/13

8.2.6.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

Any forest areas supported under this Measure must be managed in accordance with the UKFS and, for all holdings in excess of 10 ha, will need to have an approved woodland management plan in place. As recommended in the EU Forest Strategy, this measure will support investments in modernising forestry technologies; improving the resilience, environmental value and mitigation potential of forest ecosystems; achieving nature, biodiversity and wider ecosystem services objectives; adapting to climate change; forest protection; and creating new woodland.

As highlighted in the report of the Independent Panel on Forestry there is a widespread view that a continued increase in woodland area is desirable in England, with the proviso that it is the ‘right tree in the right place’. Afforestation can be an effective means of climate change mitigation and woodland extension and defragmentation would improve resilience to climate change and would have significant biodiversity benefits, particularly if semi-natural woodland is involved. The national climate adaptation plan does not set any requirements for forestry but does commit Defra, the Forestry Commission and Natural England to ensure that adaptation and resilience are supported by the design and implementation of forestry measures in the next Rural Development Programme for England (2014 to 2020). Woodland creation in appropriate locations can achieve water management and water quality objectives included in the Water Framework Directive, this includes tackling diffuse pollution through both barrier and interception functions. Riparian and floodplain woodland can protect river morphology and moderate stream temperatures. Afforestation of soils susceptible to erosion can help reduce sedimentation and help mitigating flood risk. The creation of an extensive network of even small areas of woodland in landscapes otherwise devoid of existing woodland cover can be a significant benefit to many species of invertebrates and vertebrates. Support for afforestation of both agricultural and non-agricultural land to achieve the above objectives will therefore be provided.

The woodlands of England, although they only cover 10% of the land area, have a significant value; primarily as areas of high biodiversity, components of high quality landscapes and repositories of carbon. However it is estimated that only about 40% of the non-state owned woodlands are managed in accordance with the UK Forestry Standard (which transposes all the Pan-European operational guidelines on Sustainable Forest Management into the UK setting) so a major objective of this measure will be to ensure the extent of management to UKFS is increased. The Standard sets requirements for general forestry practice, biodiversity, climate change, historic environment, landscape, people, soil and water.

Whilst both ‘pests’ and ‘diseases’ are a natural part of forest ecosystems, in recent years the number of new pests and diseases and severity of impact on individual trees and forest areas appears to be increasing. These threats are covered by the UK Tree Health and Biosecurity Action Plan and as any new pests or diseases are identified they will be included in that plan.

In some cases preventative measures may need to be undertaken to reduce the likelihood of spread of

pests and disease, such as the removal of host species for some pathogens e.g. rhododendron in areas where *Phytophthora* is present, and removal of young ash infected with *Chalara*, and in these cases support will be provided. Whilst a well-targeted approach to pest and disease control (in accordance with the the principles of Integrated Pest Management and the various pesticides regulations) may sometimes be effective, for example controlling grey squirrels where they are a threat to remaining red squirrel populations, in general widespread control is rarely possible or viable. Where significant reduction in forest potential has resulted from pests or diseases restorative action, particularly regeneration with alternative species, may be supported.

Although an increase in the likelihood of forest fires has been identified as a risk in the SWOT, to date their incidence has not been at a level that has required the development of a national forest protection plan and associated identification of medium and high risk areas. Support will not therefore be available for forest fire related activity. This will however be kept under review.

Although low levels of grazing/browsing within woodlands are probably beneficial and assist initial woodland regeneration through the removal of competing vegetation, at higher levels such regeneration, whether by planting or from seed or coppice regrowth, tends to be unsuccessful, thus leading to a gradual decline and eventual woodland deterioration. In lowland Britain deer densities above 14 per km² are likely to be too high to allow effective regeneration, yet over much of England this figure is vastly exceeded and in one recent study a maximum density of 45 per km² was found. Intensified deer browsing is causing reductions in woodland understory structures in many parts of the lowland England which is having very significant adverse effects on general biodiversity. It may be possible to keep wild deer out of sensitive sites by means of fencing, but as stated above low levels of browsing and grazing are deemed to be positive in many cases. At the landscape scale the only effective means by which browsing damage can be reduced to a level which will allow successful regeneration is through management of deer populations by culling. Support may therefore be provided to facilitate such management and where appropriate will include the development of venison supply chains with the intention of reducing the direct cost of deer management in the long term.

There is no legal obligation for land-holders to manage deer or squirrel populations as these species are not included in the 1954 Pest Act. However all management of populations must be undertaken in accordance with the Wildlife and Countryside Act (1975) and the Animal Welfare Act (2006). If squirrel populations are controlled using pesticides this must be in accordance with the Grey Squirrels (Warfarin) Order (1973) and the Control of Pesticides Regulations (1986). Integrated Pest Management is an obligatory requirement for professional users. Under UK legislation the general principles are considered as voluntary, except record keeping. Record keeping is mandatory and we will not fund record keeping in relation to IPM. Prevention and/or suppression of harmful organisms is to be achieved or supported and pest species managed in accordance with the principles of Integrated Pest Management and the pesticide regulation and directive.

At present only about 40% of the annual increment of England's woodland is harvested and that from broadleaved woodlands is considerably lower. There is therefore the potential to significantly increase wood and timber production. One reason for the lack of production in the past has been the lack of economic viability due to low value of wood and timber and the relatively high cost of management activity. Improving economic viability is likely to lead to increased woodland management. Prices for both coniferous and low grade hardwoods have increased in the last few years, the latter in response to a growing demand for woodfuel, but a supply chain needs to be re-established. Support may therefore be provided to improve the economic viability through mechanisation and supply chain development.

Innovation will be required in the development of supply chains and collaboration between woodland

owners to address landscape scale issues such as deer management and habitat defragmentation.

The need for investment in the forestry sector is clearly set out in the SWOT in respect of both business support and the environmental benefit from investment in woodland establishment and management.

Where investments are below the level legally requiring completion of an EIA, we will not require an EIA to be undertaken as a condition of RDP support. We will request information on environmental and climate impact through project applications, and include this in assessment, but the level of detail requested will be proportionate to the type of operation and the level of funding sought.

€218.5 million of the programme budget, including additional national financing, has been identified for this measure.

Actions under this measure will contribute directly to Focus Areas 4(a)(b)(c), 5(c) and indirectly towards 2(a)(b), 5(e) and 6(a).

8.2.6.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regard to the setting of selection criteria

8.2.6.3.1. Sub measure 8.1 - Support for afforestation / creation of woodland establishment cost and maintenance premium per ha

Sub-measure:

- 8.1 - support for afforestation/creation of woodland

8.2.6.3.1.1. Description of the type of operation

Activities to establish new forest and wooded areas (except short rotation coppice, Christmas trees and fast growing trees for energy production).

Actions under this sub-measure will contribute directly to Focus Areas 4(a)(b)(c) and 5(c) and indirectly towards 2(a) and 5(e).

8.2.6.3.1.2. Type of support

Grant support for establishment costs and an annual premium per hectare for maintenance for a period of ten years following planting.

8.2.6.3.1.3. Links to other legislation

Article 6 of Delegated Regulation, Article 67 of Regulation (EU) 1303/13; Environmental Impact Assessment (Forestry) (England and Wales) Regulations 1999 (implementing Directive 85/337/EEC as

amended by Directive 97/11/EC); Plant Protection Products Regulation 2011 (which implements EU Regulation (EC) 1107/2009); and Plant Protection Products (sustainable use) Regulations 2012 (which implements the European Sustainable Use Directive 2009/128/EC).

8.2.6.3.1.4. Beneficiaries

- Private and public land holders. In the case of State owned land the holder will be a private body.
- Publicly owned land, even if held by private individuals, will not be eligible for maintenance payments.

8.2.6.3.1.5. Eligible costs

The supply and planting of seedlings, protection of the plantation through either individual tree protection or fencing appropriate to the threat posed (domestic stock, rabbits, deer), replanting in the first year of the afforestation in the case of biotic or abiotic damage that has caused large scale (over 25%) failure, provided this has not been caused by negligence e.g. fences have not been maintained.

Weeding, early and late cleaning, ensuring all fences are maintained and preventative actions against browsing animals. The removal of individual tree protection when no longer required and by year 10 at the latest.

8.2.6.3.1.6. Eligibility conditions

All applications for support must be accompanied with a Woodland Creation Plan which will detail the objectives of the planting, a map of the proposed planting area and any part of it which will be left as 'open space', the species to be planted with percentages, the density of planting and the means of protection.

All applications will be subject to the EIA Regulations which will ensure there is no inappropriate afforestation of sensitive habitats. Within sensitive areas (Natura 2000, SSSIs, World Heritage Sites, Scheduled Ancient Monuments) all applications will be assessed to determine whether consent is required. In National Parks and AONBs the threshold will be 2ha and elsewhere the threshold will be 5ha. However if any woodland creation has been undertaken on land adjacent to the proposed site within the previous five years that will also be taken into account.

All afforestation applications must meet the UK Forestry Standard. All afforestation proposals are subject to public consultation so that any applications that fall below the automatic EIA threshold but may affect a sensitive site are likely to be highlighted and therefore be subject to an EIA determination. Natural England will be invited to comment on any applications related to afforestation.

In all cases the selection of species to be planted shall be appropriate to meet the objectives of the woodland planting and be ecologically adapted and resilient to climate change in the bio-geographical area concerned and shall take account of site specific pedologic and hydrologic conditions. The use of Ecological Site Classification shall assist in this selection.

The maintenance premium will only be available in association with woodland establishment payments.

8.2.6.3.1.7. Principles with regards to the setting of selection criteria

The selection process will be: proportionate; open; transparent and fair throughout the programming period. Areas which present the best opportunities to deliver the objectives of our environmental land management priorities will be identified and applications scored to secure the best quality “offers”. Coordination would not be obligatory. Rather, high quality individual applications addressing local priorities will characterise these agreements. The initial objectives for this measure will be to enhance biodiversity, to address Water Framework Directive commitments and to help mitigate flood risk. Individual applications will be scored against how well they deliver against these objectives; therefore to enhance biodiversity it can be expected that the use of broadleaved species with a high percentage of native species will score most highly, whilst to help mitigate flood risk a much wider range of species may be appropriate.

8.2.6.3.1.8. (Applicable) amounts and support rates

- Establishment and protection will be based on standard costs with a support rate of 80% and set out in the annex. Standard costs have been calculated by the Forestry Commission based on invoiced costs for the same operations on the State forest and confirmed by a ‘Standard Costs Working Group’. These costs have been independently externally verified.
- Annual premium for maintenance will be £200/ha/annum for a period of ten years. The annual maintenance premium is calculated as being about 60% of the average annual costs associated with maintaining new planted woodland to year 10 and includes the cost of keeping newly planted trees weed-free through use of herbicide or mulch (where planting is adjacent to a water-course use of herbicides will be prohibited as required by the UKFS), replacement of individual trees that die, maintenance of fencing or other protection, early and late ‘cleaning’ and removal of individual tree protection at year 10 (if appropriate). The component of the premium that relates to vegetation management through the use of herbicides has been based on minimum use in accordance with published guidelines. It is deemed that this is in accordance with the principles of IPM.
- The list of options for all sub-measures are attached.

Option	Name	Payment rate €/ha/annum
Woodland and Scrub		
WD1	Woodland creation – Maintenance Payments	250
Access and Engagement		
AC1	Access capital items	Actual
Fencing & Gates		
FG1	Fencing/m	5
FG2	Sheep netting/m	6
FG4	Rabbit fencing supplement/m	3
FG5	Fencing supplement - difficult sites	2
FG9	Deer fencing/m	9
FG10	Temporary deer fencing/m	7
FG11	Deer enclosure plot/unit	170
FG12	Wooden field gate/gate	488
FG14	Badger gate/unit	169
FG15	Water gates /gate	300
Forestry		
FY1	Deer high seat/unit	375
Payment for Plans		
PA2	Feasibility study	Actual
PA3	woodland management plan/per ha	12.5-25
Scrub, Tree & Bracken Control		
SB1	Scrub control	325 to 2108
SB2	Scrub control – difficult sites	Actual
SB4	Chemical bracken control /ha	213
SB5	Mechanical bracken control/ha	211
SB6	Rhododendron control – Small/ha	3500
SB7	Rhododendron control – Medium/ha	4000
SB8	Rhododendron control – large/ha	5500
SB9	Plant health supplement/ha	1150
Soil and Water		
RP3	Watercourse crossings/unit	375
RP5	Cross drains/unit	306
RP6	Installation of piped culverts in ditches/unit	425
RP12	Check dams/unit	53
Trees and Orchards		
TE4	Supply and plant tree/tree	2
TE5	Supplement for use of individual tree-shelters/unit	2
WN5	Pond management – first 100 sq m/100 sq m	338
WN8	Timber sluice/unit	394
Wildlife Boxes		
WB1	Small wildlife box/unit	36
WB2	Medium wildlife box/unit	49
WB3	Large wildlife box/unit	125

Measure 8

8.2.6.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.6.3.1.9.1. Risk(s) in the implementation of the measures

The key risks to verifiability and controllability for investments in forest area development and improvement in the viability of forests are those identified by the non-area-related root causes identified in the Commission's working document **SWD(2013) 244 final** and reiterated in the Error Rates technical guidance fiche. These are both administrative and beneficiary related. A control framework has been developed which sets out clearly how grant funded activity will be controlled and verified.

A clear separation of duties and set of procedures are put in place to ensure claims are processed correctly (**Root Cause 9**) and that the reasonableness of costs are checked and eligibility conditions are met (**Root Cause 10**) based on a transparent and justifiable rationale. As noted in the England RDPE Error Rate Reduction Plan this will include improving consistency of recording details for the reasonableness of costs. The application of clear and appropriate procedures (**Root Cause 12**) will include checks on evidence of defrayal, progress reports, photographs and on-the-spot checks or final claim inspections.

The risk of error due to incorrect systems of checks and deficient administrative procedures shall include an assessment of other sources of national funding (although this is likely to be limited).

This will include submission and appraisal of Woodland Creation Plans. This will include relevant checks that regulatory requirements (e.g. EIA) and approvals are in place for work carried out and that work will be in accordance with the UK Forestry Standard.

We do not intend to undertake in-situ visits to all investments. These will be undertaken via a risk-based approach. In the majority of cases beneficiaries will receive an on-the-spot inspection over the lifetime of an agreement whereby checks will be made that allows verification of the investment and adjustments to payments made if anomalies are found. Additionally, we would not look to undertake in-situ visits where investments are for less than £5,000. We will also make greater use of photographic evidence to verify that work has been completed. Finally, we will ensure improved documentation of findings and evidence from in-situ visits made and of checks made on documentation submitted.

Clear guidance and support is provided to beneficiaries to ensure that only eligible expenditure is claimed and where ineligible expenditure is identified that the system of reduction applied is proportionate and fair (**Root Cause 14**). Beneficiaries cannot start a project before submitting an application and must receive approval first prior to doing so. Any modifications or variations must also be explicitly approved and justified. Application forms, offer letters and claim forms ensure that what is deemed eligible expenditure is set out as clearly as possible, and set out specifically documentation requirements and deadlines for completion (**Root Cause 15**).

8.2.6.3.1.9.2. Mitigating actions

In addition to those identified above, mitigating actions will include:

- Reasonableness of actual costs as noted in other Measures;
- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;
- Training for administration staff including compliance, fraud and un-conscious bias training;

- Guidance for administrative staff to ensure appropriate appraisal of applications, and that variations to contract are appropriately controlled and implemented.

8.2.6.3.1.9.3. Overall assessment of the measure

We have responded to specific audit criticism raised under the 2007-13 programming period relating to non-productive and LEADER investments and as similar checks are relevant to this measure we have included appropriate improvements as above. The additional controls put in place provide us with an assurance that appropriate controls for this type of activity are in place.

The overall assessment of risk following mitigating actions is **low**. Defra recognises the importance of reinforcing preventative measures to reduce the risk of errors pertaining to implementation of the RDP. This will include **Corrective and Preventative Actions** in part highlighted above to ensure the provision of: training for administration staff (**CPA1**); information, training and advice for beneficiaries (**CPA2**); information campaigns and guidance documents (**CPA3**); improvement of IT tools (**CPA 5**); modification of contracts (**CPA6**) and improving internal control and coordination procedures (**CPA7**).

8.2.6.3.1.10. Methodology for calculation of the amount or support rate, where relevant

Standard costs have been calculated by the Forestry Commission based on invoiced costs for the same operations on the State forest and confirmed by a 'Standard Costs Working Group'. The annual maintenance premium is calculated as being about 60% of the average annual costs associated with maintaining new planted woodland to year 10 and includes the cost of keeping newly planted trees weed-free through use of herbicide or mulch (where planting is adjacent to a water-course use of herbicides will be prohibited as required by the UKFS), replacement of individual trees that die, maintenance of fencing or other protection, early and late 'cleaning' and removal of individual tree protection at year 10 (if appropriate). These costs have been independently externally verified.

The component of the premium that relates to vegetation management through the use of herbicides has been based on minimum use in accordance with published guidelines. It is deemed that this is in accordance with the principles of IPM.

8.2.6.3.1.11. Information specific to the operation

Definition and justification of the holding size above which support will be conditional on the submission of a forest management plan or equivalent instrument

Not applicable as a woodland creation plan will be an 'equivalent instrument'.

Definition of an "equivalent instrument"

In the case of support for afforestation an 'equivalent instrument' to a forest management plan shall be a 'Woodland Creation Plan'. This plan shall provide:

- details of the objectives for the woodland creation,
- a map that clearly locates the proposed area to be planted, the detailed layout of open space with the new woodland,
- details of species and percentages to be planted,
- details of the means of protection against damage that may be caused by domestic animals or wildlife,
- details of maintenance operations required to year ten to ensure full establishment.

[Afforestation and creation of woodlands] Identification of species, areas and methods to be used to avoid inappropriate afforestation as referred to in Article 6(a) of Delegated Regulation No 807/2014, including the description of the environmental and climatic conditions of the areas in which afforestation is foreseen as referred to in Article 6(b) of that Regulation

All afforestation applications must meet the UK Forestry Standard and be subject to the EIA Regulations which will ensure there is no inappropriate afforestation of sensitive habitats. Within sensitive areas (Natura 2000, SSSIs, World Heritage Sites, Scheduled Ancient Monuments) all applications will be assessed to determine whether consent is required, in National Parks and AONBs the threshold will be 2ha and elsewhere the threshold will be 5ha (however if any woodland creation has been undertaken on land adjacent to the proposed site within the previous five years that will also be taken into account). Also all afforestation proposals are subject to public consultation so that any applications that fall below the automatic EIA threshold but may affect a sensitive site are likely to be highlighted and therefore be subject to an EIA determination

Any afforestation of Natura 2000 sites will be agreed with Natural England.

[Afforestation and creation of woodlands] Definition of the minimum environmental requirements referred to in Article 6 of Delegated Regulation No 807/2014

In all cases the selection of species to be planted shall be appropriate to meet the objectives of the woodland planting and be ecologically adapted and resilient to climate change in the bio-geographical area concerned and shall take account of site specific pedologic and hydrologic conditions. The use of Ecological Site Classification, a computer based decision support system, shall assist in this selection.

Defra anticipates that the breakdown for afforestation will be as follows:

Scheme	TOTAL (Ha)
Afforestation, ha	14,000
<i>of which afforestation of non-native tree species</i>	3,500
<i>of which native tree species</i>	10,500
<i>of which forestry fibre</i>	0

These figures are based on 75% expenditure to help achieve Biodiversity 2020 targets using mainly

native species.

[Establishment of agro-forestry systems] Specification of minimum and maximum number of trees to be planted and, when mature, to be retained, per hectare and forest species to be used as referred to in Article 23(2) of Regulation (EU) No 1305/2013

Measure not used

[Establishment of agro-forestry systems] Indication of environmental benefits of the supported systems

Measure not used

[Prevention and restoration of damage from forest fires and natural disasters and catastrophic events] Where relevant, list of species of organisms harmful to plants which may cause a disaster

Not applicable to this sub-measure.

[Prevention and restoration of damage from forest fires and natural disasters and catastrophic events] Identification of forest areas classified as being at medium to high risk of forest fire according to the relevant forest protection plan

Not applicable to this sub-measure.

[Prevention and restoration of damage from forest fires and natural disasters and catastrophic events] In case of preventive actions concerning pests and diseases, description of a relevant disaster occurrence, supported by scientific evidence, including, where relevant, recommendations on dealing with pests and diseases made by scientific organisations

Not applicable to this sub-measure.

[Investments improving the resilience and environmental value of forest ecosystems] Definition of types of eligible investment and their expected environmental outcome and/or public amenity value

Not applicable to this sub-measure.

8.2.6.3.2. Sub measure 8.3 - Support for prevention of damage to forests from forest fires and natural disasters and catastrophic events

Sub-measure:

- 8.3 - support for prevention of damage to forests from forest fires and natural disasters and catastrophic events

8.2.6.3.2.1. Description of the type of operation

Activities to prevent the spread of non-endemic insect pests and diseases. Dependent on the type of threat activities may include premature felling of infected trees (for example to reduce the rate of spread of *Chalara fraxinea* and Asian Longhorn Beetle), the removal of alternative host species (such as *Rhododendron* to reduce the rate of spread of *Phytophthora* spp.) or the direct control of localised pest infestations (for example insecticidal spraying against *Thaumetopoea processionea*).

Although an increase in the likelihood of forest fires has been identified as a risk in the SWOT, to date their incidence has not been at a level that has required the development of a national forest protection plan and associated identification of medium and high risk areas. Support will not therefore be available for forest fire related activity. This will however be kept under review.

Actions under this sub-measure will contribute directly to Focus Area 4(a) and indirectly towards 2(a).

8.2.6.3.2.2. Type of support

Grant

8.2.6.3.2.3. Links to other legislation

Article 67 of Regulation (EU) 1303/13; Plant Protection Products Regulation 2011 (which implements EU Regulation (EC) 1107/2009); and Plant Protection Products (sustainable use) Regulations 2012 (which implements the European Sustainable Use Directive 2009/128/EC).

8.2.6.3.2.4. Beneficiaries

Private and public forest holders. State forests will not be eligible.

8.2.6.3.2.5. Eligible costs

The felling of infected stands of trees, removal of host vegetation, direct control of pest species.

8.2.6.3.2.6. Eligibility conditions

Any pest or disease will be included in the UK Tree Health and Biosecurity Action Plan, which will be updated as necessary. This Action Plan, produced by UK governments, is based on sound scientific evidence of when a pest or disease may cause a major threat and the appropriate response to that threat. Those species currently identified are various species of *Phytophthora*, *Chalara fraxinea*, and *Thaumetopoea processionea*.

Where urgent action is needed to deal with pest and disease outbreaks to reduce the likelihood of spread a woodland management plan will not be required. Forest holders will however be encouraged to develop new or modify existing plans in the light of pest or disease outbreaks. In all other cases for woodland holdings over 10 ha in extent, the investment must be justified in an approved woodland management plan.

8.2.6.3.2.7. Principles with regards to the setting of selection criteria

The selection process will be: proportionate; open; transparent and fair throughout the programming period. Areas which present the best opportunities to deliver environmental land management objectives will be identified and applications scored to secure the best quality “offers”. Coordination would not be obligatory, rather high quality individual applications addressing local priorities will characterise these agreements.

8.2.6.3.2.8. (Applicable) amounts and support rates

- Support will be based on standard costs with support rates up to 100% and set out in the annex. Standard costs have been calculated by the Forestry Commission based on invoiced costs for the same operations on the State forest and confirmed by a ‘Standard Costs Working Group’. These costs have been independently externally verified.
- The direct control of pest species will be based on actual costs with support rate up to 100%.
- For the list of options see Measure 8.1

8.2.6.3.2.9. Verifiability and controllability of the measures and/or types of operations

8.2.6.3.2.9.1. Risk(s) in the implementation of the measures

The key risks to verifiability and controllability for investments in forest area development and improvement in the viability of forests are those identified by the non-area-related root causes identified in the Commission’s working document **SWD(2013) 244 final** and reiterated in the Error Rates technical guidance fiche. These are both administrative and beneficiary related. A control framework has been developed which sets out clearly how grant funded activity will be controlled and verified.

A clear separation of duties and set of procedures are put in place to ensure claims are processed correctly (**Root Cause 9**) and that the reasonableness of costs are checked and eligibility conditions are met (**Root Cause 10**) based on a transparent and justifiable rationale. As noted in the England RDPE Error Rate Reduction Plan this will include include improving consistency of recording details for the reasonableness of costs. The application of clear and appropriate procedures (**Root Cause 12**) will

include checks on evidence of defrayal, progress reports, photographs and on-the-spot checks or final claim inspections.

The risk of error due to incorrect systems of checks and deficient administrative procedures shall include an assessment of other sources of national funding (although this is likely to be very limited).

This will include submission and appraisal of Woodland Management Plans, where appropriate. This will include relevant checks that regulatory requirements (e.g. EIA or felling licence) and approvals are in place for work carried out and that work will be in accordance with the UK Forestry Standard and utilise a template provided by the Forestry Commission.

Clear guidance and support is provided to beneficiaries to ensure that only eligible expenditure is claimed and where ineligible expenditure is identified that the system of reduction applied is proportionate and fair (**Root Cause 14**). Beneficiaries cannot start a project before submitting an application and must receive approval first prior to doing so. Any modifications or variations must also be explicitly approved and justified. Application forms, offer letters and claim forms ensure that what is deemed eligible expenditure is set out as clearly as possible, and set out specifically documentation requirements and deadlines for completion (**Root Cause 15**).

We do not intend to undertake in-situ visits to all investments. These will be undertaken via a risk-based approach. In the majority of cases beneficiaries will receive an on the-spot inspection over the lifetime of an agreement whereby checks will be made that allows verification of the investment and adjustments to payments made if anomalies are found. Additionally, we would not look to undertake in-situ visits where investments are for less than £5,000. We will also make greater use of photographic evidence to verify that work has been completed. Finally, we will ensure improved documentation of findings and evidence from in-situ visits made and of checks made on documentation submitted.

8.2.6.3.2.9.2. Mitigating actions

In addition to those identified above, mitigating actions will include:

- Reasonableness of actual costs as noted in other Measures;
- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;
- Training for administration staff including compliance, fraud and un-conscious bias training;
- Guidance for administrative staff to ensure appropriate appraisal of applications, and that variations to contract are appropriately controlled and implemented.

8.2.6.3.2.9.3. Overall assessment of the measure

We have responded to specific audit criticism raised under the 2007-13 programming period relating to non-productive and LEADER investments and as similar checks are relevant to this measure we have included appropriate improvements as above. The additional controls put in place provide us with an assurance that appropriate controls for this type of activity are in place.

The overall assessment of risk following mitigating actions is **low**. Defra recognises the importance of

reinforcing preventative measures to reduce the risk of errors pertaining to implementation of the RDP. This will include **Corrective and Preventative Actions** in part highlighted above to ensure the provision of: training for administration staff (**CPA1**); information, training and advice for beneficiaries (**CPA2**); information campaigns and guidance documents (**CPA3**); improvement of IT tools (**CPA 5**); modification of contracts (**CPA6**) and improving internal control and coordination procedures (**CPA7**).

8.2.6.3.2.10. Methodology for calculation of the amount or support rate, where relevant

Standard costs have been calculated by the Forestry Commission based on invoiced costs for the same operations on the State forest and confirmed by a 'Standard Costs Working Group'. These costs have been independently externally verified.

8.2.6.3.2.11. Information specific to the operation

Definition and justification of the holding size above which support will be conditional on the submission of a forest management plan or equivalent instrument

All woodland holdings over 10 hectares in extent seeking support shall have an extant approved woodland management plan that provides justification for the support being applied for. As the average size of a woodland holding is 14 ha this will ensure the majority of applications will be required to prepare management plans. Management plans may be prepared specifically to support applications for grant aid or may be pre-existing. All plans must be in accordance with the principles of Sustainable Forest Management as defined by the UK Forestry Standard and shall be valid for a period of five years.

Definition of an "equivalent instrument"

Not applicable

[Afforestation and creation of woodlands] Identification of species, areas and methods to be used to avoid inappropriate afforestation as referred to in Article 6(a) of Delegated Regulation No 807/2014, including the description of the environmental and climatic conditions of the areas in which afforestation is foreseen as referred to in Article 6(b) of that Regulation

Not applicable to this sub-measure

[Afforestation and creation of woodlands] Definition of the minimum environmental requirements referred to in Article 6 of Delegated Regulation No 807/2014

Not applicable to this sub-measure

[Establishment of agro-forestry systems] Specification of minimum and maximum number of trees to be planted and, when mature, to be retained, per hectare and forest species to be used as referred to in Article 23(2) of Regulation (EU) No 1305/2013

Measure not used

[Establishment of agro-forestry systems] Indication of environmental benefits of the supported systems

Measure not used

[Prevention and restoration of damage from forest fires and natural disasters and catastrophic events] Where relevant, list of species of organisms harmful to plants which may cause a disaster

Not applicable to this sub-measure

[Prevention and restoration of damage from forest fires and natural disasters and catastrophic events] Identification of forest areas classified as being at medium to high risk of forest fire according to the relevant forest protection plan

No such classification exists in England therefore prevention from and restoration following forest fires will not be supported.

[Prevention and restoration of damage from forest fires and natural disasters and catastrophic events] In case of preventive actions concerning pests and diseases, description of a relevant disaster occurrence, supported by scientific evidence, including, where relevant, recommendations on dealing with pests and diseases made by scientific organisations

Any pest or disease will be included in the UK Tree Health and Biosecurity Action Plan, which will be updated as necessary. This Action Plan, produced by UK governments, is based sound scientific evidence of when a pest or disease may cause a major threat and the appropriate response to that threat.

[Investments improving the resilience and environmental value of forest ecosystems] Definition of types of eligible investment and their expected environmental outcome and/or public amenity value

Not applicable to this sub-measure.

8.2.6.3.3. Sub measure 8.4 - Support for restoration of damage to forests from forest fires and natural disasters and catastrophic events

Sub-measure:

- 8.4 - support for restoration of damage to forests from forest fires and natural disasters and catastrophic events

8.2.6.3.3.1. Description of the type of operation

Restorative actions including the clearing and replanting of forests damaged by non-endemic pests and diseases, natural disasters or forest fires.

For woodland holdings over 10 ha in extent, the investment must be justified in an approved woodland management plan.

Actions under this sub-measure will contribute directly to Focus Areas 4(a)(b)(c) and indirectly towards 2(a) and 5(e).

8.2.6.3.3.2. Type of support

Grant

8.2.6.3.3.3. Links to other legislation

Article 67 of Regulation (EU) 1303/13; Plant Protection Products Regulation 2011 (which implements EU Regulation (EC) 1107/2009); and Plant Protection Products (sustainable use) Regulations 2012 (which implements the European Sustainable Use Directive 2009/128/EC).

8.2.6.3.3.4. Beneficiaries

Private and public forest holders. State forests will not be eligible.

8.2.6.3.3.5. Eligible costs

The supply and planting of seedlings of alternative species and their protection through the use of individual tree protection or fencing.

8.2.6.3.3.6. Eligibility conditions

Restorative actions including the clearing and replanting of forests damaged by non-endemic pests and

diseases, natural disasters or forest fires.

The supply and planting of seedlings, in the case of damage caused by pets or diseases will be of alternative non-susceptible species, and their protection through the use of individual tree protection or fencing.

Damage must have been caused by a pest or disease included in the UK Tree Health and Biosecurity Action Plan or following a natural disaster or forest fire. In all cases the damages must have resulted in the death of at least 20% of the trees in the affected stand.

8.2.6.3.3.7. Principles with regards to the setting of selection criteria

The selection process will be: proportionate; open; transparent and fair throughout the programming period. Areas which present the best opportunities to deliver our environmental land management objectives will be identified and applications scored to secure the best quality “offers”. Coordination would not be obligatory, rather high quality individual applications addressing local priorities will characterise these agreements.

8.2.6.3.3.8. (Applicable) amounts and support rates

Support will be based on standard costs with support rates up to 100% and set out in the annex. Standard costs have been calculated by the Forestry Commission based on invoiced costs for the same operations on the State forest and confirmed by a ‘Standard Costs Working Group’. These costs have been independently externally verified.

For the list of options see Measure 8.1

8.2.6.3.3.9. Verifiability and controllability of the measures and/or types of operations

8.2.6.3.3.9.1. *Risk(s) in the implementation of the measures*

The key risks to verifiability and controllability for investments in forest area development and improvement in the viability of forests are those identified by the non-area-related root causes identified in the Commission’s working document **SWD(2013) 244 final** and reiterated in the Error Rates technical guidance fiche. These are both administrative and beneficiary related. A control framework has been developed which sets out clearly how grant funded activity will be controlled and verified.

A clear separation of duties and set of procedures are put in place to ensure claims are processed correctly (**Root Cause 9**) and that the reasonableness of costs are checked and eligibility conditions are met (**Root Cause 10**) based on a transparent and justifiable rationale. As noted in the England RDPE Error Rate Reduction Plan this will include improving consistency of recording details for the reasonableness of costs. The application of clear and appropriate procedures (**Root Cause 12**) will include checks on evidence of defrayal, progress reports, photographs and on-the-spot checks or final claim inspections.

This will include submission and appraisal woodland management plans where appropriate. This will

include relevant checks that regulatory requirements (e.g. EIA or felling licence) and approvals are in place for work carried out and that work will be in accordance with the UK Forestry Standard.

Clear guidance and support is provided to beneficiaries to ensure that only eligible expenditure is claimed and where ineligible expenditure is identified that the system of reduction applied is proportionate and fair (**Root Cause 14**). Beneficiaries cannot start a project before submitting an application and must receive approval first prior to doing so. Any modifications or variations must also be explicitly approved and justified. Application forms, offer letters and claim forms ensure that what is deemed eligible expenditure is set out as clearly as possible, and set out specifically documentation requirements and deadlines for completion (**Root Cause 15**).

We do not intend to undertake in-situ visits to all investments. These will be undertaken via a risk-based approach. In the majority of cases beneficiaries will receive an on-the-spot inspection over the lifetime of an agreement whereby checks will be made that allows verification of the investment and adjustments to payments made if anomalies are found. Additionally, we would not look to undertake in-situ visits where investments are for less than £5,000. We will also make greater use of photographic evidence to verify that work has been completed. Finally, we will ensure improved documentation of findings and evidence from in-situ visits made and of checks made on documentation submitted.

8.2.6.3.3.9.2. Mitigating actions

In addition to those identified above, mitigating actions will include:

- Reasonableness of actual costs as noted in other Measures;
- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;
- Training for administration staff including compliance, fraud and un-conscious bias training;
- Guidance for administrative staff to ensure appropriate appraisal of applications, and that variations to contract are appropriately controlled and implemented.

8.2.6.3.3.9.3. Overall assessment of the measure

We have responded to specific audit criticism raised under the 2007-13 programming period relating to non-productive and LEADER investments and as similar checks are relevant to this measure we have included appropriate improvements as above. The additional controls put in place provide us with an assurance that appropriate controls for this type of activity are in place.

The overall assessment of risk following mitigating actions is **low**. Defra recognises the importance of reinforcing preventative measures to reduce the risk of errors pertaining to implementation of the RDP. This will include **Corrective and Preventative Actions** in part highlighted above to ensure the provision of: training for administration staff (**CPA1**); information, training and advice for beneficiaries (**CPA2**); information campaigns and guidance documents (**CPA3**); improvement of IT tools (**CPA 5**); modification of contracts (**CPA6**) and improving internal control and coordination procedures (**CPA7**).

8.2.6.3.3.10. Methodology for calculation of the amount or support rate, where relevant

Standard costs have been calculated by the Forestry Commission based on invoiced costs for the same operations on the State forest and confirmed by a 'Standard Costs Working Group'. These costs have been independently externally verified.

8.2.6.3.3.11. Information specific to the operation

Definition and justification of the holding size above which support will be conditional on the submission of a forest management plan or equivalent instrument

All woodland holdings over 10 hectares in extent seeking support shall have an extant approved woodland management plan that provides justification for the support being applied for. As the average size of a woodland holding is 14 ha this will ensure the majority of applications will be required to prepare management plans. Management plans may be prepared specifically to support applications for grant aid or may be pre-existing. All plans must be in accordance with the principles of Sustainable Forest Management as defined by the UK Forestry Standard and shall be valid for a period of five years.

Definition of an "equivalent instrument"

Not applicable

[Afforestation and creation of woodlands] Identification of species, areas and methods to be used to avoid inappropriate afforestation as referred to in Article 6(a) of Delegated Regulation No 807/2014, including the description of the environmental and climatic conditions of the areas in which afforestation is foreseen as referred to in Article 6(b) of that Regulation

Not applicable to this sub-measure.

[Afforestation and creation of woodlands] Definition of the minimum environmental requirements referred to in Article 6 of Delegated Regulation No 807/2014

Not applicable to this sub-measure.

[Establishment of agro-forestry systems] Specification of minimum and maximum number of trees to be planted and, when mature, to be retained, per hectare and forest species to be used as referred to in Article 23(2) of Regulation (EU) No 1305/2013

Measure not used

[Establishment of agro-forestry systems] Indication of environmental benefits of the supported systems

Measure not used

[Prevention and restoration of damage from forest fires and natural disasters and catastrophic events] Where relevant, list of species of organisms harmful to plants which may cause a disaster

Any pest or disease will be included in the UK Tree Health and Biosecurity Action Plan, which will be updated as necessary. Those species currently identified are various species of *Phytophthora*, *Chalara fraxinea*, *Thaumetopoea processionea*.

[Prevention and restoration of damage from forest fires and natural disasters and catastrophic events] Identification of forest areas classified as being at medium to high risk of forest fire according to the relevant forest protection plan

No such classification exists in England therefore prevention from and restoration following forest fires will not be supported.

[Prevention and restoration of damage from forest fires and natural disasters and catastrophic events] In case of preventive actions concerning pests and diseases, description of a relevant disaster occurrence, supported by scientific evidence, including, where relevant, recommendations on dealing with pests and diseases made by scientific organisations

Any pest or disease will be included in the UK Tree Health and Biosecurity Action Plan, which will be updated as necessary. This Action Plan, produced by UK governments, is based sound scientific evidence of when a pest or disease may cause a major threat and the appropriate response to that threat.

[Investments improving the resilience and environmental value of forest ecosystems] Definition of types of eligible investment and their expected environmental outcome and/or public amenity value

Not applicable to this sub-measure.

8.2.6.3.4. Sub measure 8.5 - Support for investments improving the resilience and environmental value of forest ecosystems

Sub-measure:

- 8.5 - support for investments improving the resilience and environmental value of forest ecosystems

8.2.6.3.4.1. Description of the type of operation

- Activities to protect habitats and species, including erection of fencing appropriate to the threat (domestic livestock, rabbits, deer), erection of high seats to facilitate the management of deer, the acquisition of traps to enable the control of grey squirrels in red squirrel protection zones.
- The creation of permanent open areas within woodland to diversify structure (subsequent maintenance of such areas is not eligible).
- Investments to maintain or improve the quality of water draining from wooded watersheds, particularly the removal of coniferous species adjacent to water courses and replanting with broadleaves.
- The construction of woody leaky dams within woodlands where these will help alleviate the threat of flooding in flood prone areas as part the provision of wider ecosystem services of forest areas.
- The conversion of non-indigenous plantations at time of regeneration by planting with native species.
- The diversification of species within plantations through planting at time of regeneration to improve resilience to climate change and enhance biodiversity value.
- The preparation of forest management plans in accordance with the UK Forestry Standard.

Actions under this sub-measure will contribute directly to Focus Areas 4(a)(b)(c) and indirectly towards 2(a) and 5(e).

8.2.6.3.4.2. Type of support

Grant

8.2.6.3.4.3. Links to other legislation

Article 67 of Regulation (EU) 1303/13; the Forestry Act 1967; Plant Protection Products Regulation 2011 (which implements EU Regulation (EC) 1107/2009); and Plant Protection Products (sustainable use) Regulations 2012 (which implements the European Sustainable Use Directive 2009/128/EC).

8.2.6.3.4.4. Beneficiaries

Private and public forest holders. State forests will only be eligible if managed by a private body.

8.2.6.3.4.5. Eligible costs

- The direct costs associated with the implementation of the investments identified above. This will include materials, services and labour.
- The supply and planting of seedlings and their protection by means of individual guards.
- The direct costs associated with the removal of coniferous species adjacent to water courses taking into account any income that may be obtained from the sale of any timber produced.
- The direct costs for the creation of woody dams.
- The direct costs associated with the production of a forest management plan, including survey, cartography, mensuration and drafting.

8.2.6.3.4.6. Eligibility conditions

- For woodland holdings over 10 ha in extent, the investment must be justified in an approved woodland management plan.
- The investment shall not result in a significant increase in the value or profitability of the woodland holding.
- Where restocking is supported it must be with species differing from those originally present.
- Support for felling shall be dependent on the existence of an approved felling licence.
- Support for restocking shall be dependent on the felling of the previous crop having been approved through a felling licence.
- In the case of support for the preparation of forest management plans the area of woodland must exceed 3 ha, the plan shall be in accordance with the UK Forestry Standard and utilise a template provided by the Forestry Commission.

8.2.6.3.4.7. Principles with regards to the setting of selection criteria

The selection process will be: proportionate; open; transparent and fair throughout the programming period. Areas which present the best opportunities to deliver our environmental land management objectives will be identified and applications scored to secure the best quality “offers”. Coordination would not be obligatory, rather high quality individual applications addressing local priorities will characterise these.

8.2.6.3.4.8. (Applicable) amounts and support rates

Support will be based on standard costs with support rates up to 100% and set out in the annex. Standard costs have been calculated by the Forestry Commission based on invoiced costs for the same operations on the State forest and confirmed by a ‘Standard Costs Working Group’. These costs have been independently externally verified.

For the list of options see Measure 8.1

8.2.6.3.4.9. Verifiability and controllability of the measures and/or types of operations

8.2.6.3.4.9.1. Risk(s) in the implementation of the measures

The key risks to verifiability and controllability for investments in forest area development and improvement in the viability of forests are those identified by the non-area-related root causes identified in the Commission's working document **SWD(2013) 244 final** and reiterated in the Error Rates technical guidance fiche. These are both administrative and beneficiary related. A control framework has been developed which sets out clearly how grant funded activity will be controlled and verified.

A clear separation of duties and set of procedures are put in place to ensure claims are processed correctly (**Root Cause 9**) and that the reasonableness of costs are checked and eligibility conditions are met (**Root Cause 10**) based on a transparent and justifiable rationale. As noted in the England RDPE Error Rate Reduction Plan this will include improving consistency of recording details for the reasonableness of costs. The application of clear and appropriate procedures (**Root Cause 12**) will include checks on evidence of defrayal, progress reports, photographs and on-the-spot checks or final claim inspections.

This will include submission and appraisal of Woodland Management Plans, where appropriate. This will include relevant checks that regulatory requirements (e.g. EIA or felling licence) and approvals are in place for work carried out and that work will be in accordance with the UK Forestry Standard and utilise a template provided by the Forestry Commission.

Clear guidance and support is provided to beneficiaries to ensure that only eligible expenditure is claimed and where ineligible expenditure is identified that the system of reduction applied is proportionate and fair (**Root Cause 14**). Beneficiaries cannot start a project before submitting an application and must receive approval first prior to doing so. Any modifications or variations must also be explicitly approved and justified. Application forms, offer letters and claim forms ensure that what is deemed eligible expenditure is set out as clearly as possible, and set out specifically documentation requirements and deadlines for completion (**Root Cause 15**).

We do not intend to undertake in-situ visits to all investments. These will be undertaken via a risk-based approach. In the majority of cases, non-productive investments are linked to area-based investments, where beneficiaries will receive an on the-spot inspection over the lifetime of an agreement. All agreements will receive an "aftercare" visit whereby checks will, where possible, be made that allows verification of the investment and adjustments to payments made if anomalies are found. Additionally, we would not look to undertake in-situ visits where investments are for less than £5,000. We will also make greater use of photographic evidence to verify that work has been completed. Checks will be made on all actual cost items of receipted invoices and other supporting evidence. Finally, we will ensure improved documentation of findings and evidence from in-situ visits made and of checks made on documentation submitted.

8.2.6.3.4.9.2. Mitigating actions

In addition to those identified above, mitigating actions will include:

- Reasonableness of actual costs as noted in other Measures;
- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;

- Training for administration staff including compliance, fraud and un-conscious bias training;
- Guidance for administrative staff to ensure appropriate appraisal of applications, and that variations to contract are appropriately controlled and implemented.

8.2.6.3.4.9.3. Overall assessment of the measure

The overall assessment of risk following mitigating actions is **low**. Appropriate controls for grant-funded activity in England are in place and have historically not led to high error rates, audit criticisms or concerns. Despite this, Defra recognises the importance of reinforcing preventative measures to reduce the risk of errors pertaining to implementation of the RDP. This will include **Corrective and Preventative Actions** in part highlighted above to ensure the provision of: training for administration staff (**CPA1**); information, training and advice for beneficiaries (**CPA2**); information campaigns and guidance documents (**CPA3**); improvement of IT tools (**CPA 5**); modification of contracts (**CPA6**) and improving internal control and coordination procedures (**CPA7**).

8.2.6.3.4.10. Methodology for calculation of the amount or support rate, where relevant

Standard costs have been calculated by the Forestry Commission based on invoiced costs for the same operations on the State forest and confirmed by a 'Standard Costs Working Group'. These costs have been independently externally verified.

8.2.6.3.4.11. Information specific to the operation

Definition and justification of the holding size above which support will be conditional on the submission of a forest management plan or equivalent instrument

All woodland holdings over 10 hectares in extent seeking support shall have an extant approved woodland management plan that provides justification for the support being applied for. As the average size of a woodland holding is 14 ha this will ensure the majority of applications will be required to prepare management plans. Management plans may be prepared specifically to support applications for grant aid or may be pre-existing. All plans must be in accordance with the principles of Sustainable Forest Management as defined by the UK Forestry Standard and shall be valid for a period of five years.

Definition of an "equivalent instrument"

[Afforestation and creation of woodlands] Identification of species, areas and methods to be used to avoid inappropriate afforestation as referred to in Article 6(a) of Delegated Regulation No 807/2014, including the description of the environmental and climatic conditions of the areas in which afforestation is foreseen as referred to in Article 6(b) of that Regulation

Not applicable to this sub-measure.

[Afforestation and creation of woodlands] Definition of the minimum environmental requirements referred to in Article 6 of Delegated Regulation No 807/2014

Not applicable to this sub-measure.

[Establishment of agro-forestry systems] Specification of minimum and maximum number of trees to be planted and, when mature, to be retained, per hectare and forest species to be used as referred to in Article 23(2) of Regulation (EU) No 1305/2013

Measure not used

[Establishment of agro-forestry systems] Indication of environmental benefits of the supported systems

Measure not used

[Prevention and restoration of damage from forest fires and natural disasters and catastrophic events] Where relevant, list of species of organisms harmful to plants which may cause a disaster

Not applicable to this sub-measure.

[Prevention and restoration of damage from forest fires and natural disasters and catastrophic events] Identification of forest areas classified as being at medium to high risk of forest fire according to the relevant forest protection plan

Not applicable to this sub-measure.

[Prevention and restoration of damage from forest fires and natural disasters and catastrophic events] In case of preventive actions concerning pests and diseases, description of a relevant disaster occurrence, supported by scientific evidence, including, where relevant, recommendations on dealing with pests and diseases made by scientific organisations

Any pest or disease will be included in the UK Tree Health and Biosecurity Action Plan, which will be updated as necessary. This Action Plan is based sound scientific evidence of when a pest or disease may cause a major threat and the appropriate response to that threat.

[Investments improving the resilience and environmental value of forest ecosystems] Definition of types of eligible investment and their expected environmental outcome and/or public amenity value

Activities to protect habitats and species, including erection of fencing appropriate to the threat (domestic

livestock, rabbits, deer), erection of high seats to facilitate the management of deer, the acquisition of traps to enable the control of grey squirrels in red squirrel protection zones.

The creation of permanent open areas within woodland to diversify structure (subsequent maintenance of such areas is not eligible).

Investments to maintain or improve the quality of water draining from wooded watersheds, particularly the removal of coniferous species adjacent to water courses and replanting with broadleaves.

The construction of woody leaky dams within woodlands where these will help alleviate the threat of flooding in flood prone area as part the provision of wider ecosystem services of forest areas.

The conversion of non-indigenous plantations at time of regeneration by planting with native species.

The diversification of species within plantations through planting at time of regeneration to improve resilience to climate change and enhance biodiversity value.

The preparation of forest management plans in accordance with the UK Forestry Standard.

8.2.6.3.5. Sub measure 8.6 - Support for investments in processing, mobilising and marketing of forestry products

Sub-measure:

- 8.6 - support for investments in forestry technologies and in processing, mobilising and marketing of forest products

8.2.6.3.5.1. Description of the type of operation

Investments in machinery and equipment to facilitate the production, extraction, mobilising, processing and marketing of both timber and non-timber forest products.

The construction of forest roads is not eligible under this sub-measure but will be supported under Measure 4.

Support will not be provided for 'Investments in improving the economic value of forests'.

Actions under this sub-measure will contribute indirectly towards Focus areas 2(a) and 6(a).

8.2.6.3.5.2. Type of support

Grant

8.2.6.3.5.3. Links to other legislation

None

8.2.6.3.5.4. Beneficiaries

Private forest holders and SMEs.

8.2.6.3.5.5. Eligible costs

- Investments in development and rationalization of the marketing and processing of wood; including felling, dismembering, stripping, cutting up, chipping, storing, protective treatments and drying of woods and other working operations prior to the industrial processing, including production of material for energy generation.
- Costs related to the mobilizing of wood.
- Transportation of wood within a forest by specialized forestry equipment, excluding standard transport activities.
- Forestry specific transporting machines (e.g. forwarders, cable cranes etc.) will be supported .
- Equipment and "one-off actions" as forestry specific investments (not regular maintenance

activities) will be supported.

- Investments in the production, processing and marketing of non-timber forest products, particularly wild venison. This shall include on-holding cold storage and butchery facilities.
- The purchase or lease purchase of machinery and equipment up to market value of the asset. This may include second hand equipment in which case applicants will be asked to prove that it complies with health and safety legislation and the EC Directive on machinery, has not previously been grants funded, is fit for purposes and has at least 5 years useful life remaining.
- Support will not be provided for ‘Investments in improving the economic value of forests.
- In wood transportation is covered in current text but would argue that transportation on public roads is not eligible under State aid rules Directive 2006/42/EC.

8.2.6.3.5.6. Eligibility conditions

All applications for support must be accompanied by a full business case.

Small scale (pre-industrial) processing shall be limited to chipping, splitting and sawing, using mobile or fixed machinery, with an annual processing capacity of less than 10,000 m³.

Large scale or industrial processing shall be that undertaken by static machinery with an annual processing capacity that exceeds 10,000m³ and shall not be eligible for support under this measure.

8.2.6.3.5.7. Principles with regards to the setting of selection criteria

The selection process will be: proportionate; open; transparent and fair throughout the programming period and will set out clearly whether either exclusion or inclusion criteria will apply. There will be a separation between those directly involved with supporting pipeline development of bids for investment and those taking decisions on applications. The requirements of the Rural Development Regulation and other relevant EU regulations will be met.

Applications will be assessed against their strategic fit with the Programme Document in the context of an individual call for projects. For example applications for support in relation to farm and forestry productivity will need to demonstrate how they will improve the economic viability of the business and improve the management of woodland. All applications will be subject to a formal appraisal that will consider:

- Deadweight;
- Displacement;
- Need for public support;
- Value for money;
- Energy efficiency;
- Deliverability/measurability;
- Clear exit strategy from programme funding and indication that the benefits generated will have sufficient longevity.

Applications will be assessed against sustainability principles, which will include specific consideration of their impact on the environment and contribution to climate change mitigation and achievement of

improved adaptation to climate change.

Appraisal of applications will be undertaken using a scoring system, which will involve a minimum threshold, above which applications will be prioritised.

Higher priority will be given to activity which most matches policy priorities at the time – we will review policy priorities on an ongoing basis to check they remain accurate.

All applications for support must be accompanied by a full business case. For investments in harvesting and extraction machinery by forest owners the business case shall clearly indicate how these investments will contribute to the improvement of one or more forest holdings and in the case of contractors when the acquired machinery is meant to serve several forestry holdings, this should also be clearly defined.

8.2.6.3.5.8. (Applicable) amounts and support rates

In order to encourage woodland owners and SMEs to invest in equipment needed to mobilise and process forestry products we will meet 40% of the eligible costs.

8.2.6.3.5.9. Verifiability and controllability of the measures and/or types of operations

8.2.6.3.5.9.1. Risk(s) in the implementation of the measures

The key risks to verifiability and controllability for investments in forest area development and improvement in the viability of forests are those identified by the non-area-related root causes identified in the Commission's working document **SWD(2013) 244 final** and reiterated in the Error Rates technical guidance fiche. These are both administrative and beneficiary related. A control framework has been developed which sets out clearly how grant funded activity will be controlled and verified.

A clear separation of duties and set of procedures are put in place to ensure claims are processed correctly (**Root Cause 9**) and that the reasonableness of costs are checked and eligibility conditions are met (**Root Cause 10**) based on a transparent and justifiable rationale. As noted in the England RDPE Error Rate Reduction Plan this will include improving consistency of recording details for the reasonableness of costs. The application of clear and appropriate tender procedures (**Root Cause 12**) by private beneficiaries for actual costs will include exhaustive checking of invoices and bank statements pre-payment, so the error rate tends to remain low, alongside further checks on evidence of defrayal, progress reports, photographs and on-the-spot checks or final claim inspections.

This will include submission and appraisal of Woodland Management Plans or full business case, where appropriate. This will include relevant checks that regulatory requirements (e.g. EIA or felling licence) and approvals are in place for work carried out and that work will be in accordance with the UK Forestry Standard and utilise a template provided by the Forestry Commission.

Clear guidance and support is provided to beneficiaries to ensure that only eligible expenditure is claimed and where ineligible expenditure is identified that the system of reduction applied is proportionate and fair (**Root Cause 14**). Beneficiaries cannot start a project before submitting an application and must receive approval first prior to doing so. Any modifications or variations must also be explicitly approved and justified. Application forms, offer letters and claim forms ensure that what is deemed eligible

expenditure is set out as clearly as possible, and set out specifically documentation requirements and deadlines for completion (**Root Cause 15**).

8.2.6.3.5.9.2. *Mitigating actions*

In addition to those identified above, mitigating actions will include:

- Reasonableness of actual costs as noted in other Measures;
- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;
- Training for administration staff including compliance, fraud and un-conscious bias training;
- Guidance for administrative staff to ensure appropriate appraisal of applications, and that variations to contract are appropriately controlled and implemented.

8.2.6.3.5.9.3. *Overall assessment of the measure*

The overall assessment of risk following mitigating actions is **low**. Appropriate controls for grant-funded activity in England are in place and have historically not led to high error rates, audit criticisms or concerns. Despite this, Defra recognises the importance of reinforcing preventative measures to reduce the risk of errors pertaining to implementation of the RDP. This will include **Corrective and Preventative Actions** in part highlighted above to ensure the provision of: training for administration staff (**CPA1**); information, training and advice for beneficiaries (**CPA2**); information campaigns and guidance documents (**CPA3**); improvement of IT tools (**CPA 5**); modification of contracts (**CPA6**) and improving internal control and coordination procedures (**CPA7**).

8.2.6.3.5.10. Methodology for calculation of the amount or support rate, where relevant

None

8.2.6.3.5.11. Information specific to the operation

Definition and justification of the holding size above which support will be conditional on the submission of a forest management plan or equivalent instrument

All woodland holdings over 10 hectares in extent seeking support shall have an extant approved woodland management plan that provides justification for the support being applied for. As the average size of a woodland holding is 14 ha this will ensure the majority of applications will be required to prepare management plans. Management plans may be prepared specifically to support applications for grant aid or may be pre-existing. All plans must be in accordance with the principles of Sustainable Forest Management as defined by the UK Forestry Standard and shall be valid for a period of five years.

Definition of an "equivalent instrument"

[Afforestation and creation of woodlands] Identification of species, areas and methods to be used to avoid inappropriate afforestation as referred to in Article 6(a) of Delegated Regulation No 807/2014, including the description of the environmental and climatic conditions of the areas in which afforestation is foreseen as referred to in Article 6(b) of that Regulation

Not applicable to this sub-measure.

[Afforestation and creation of woodlands] Definition of the minimum environmental requirements referred to in Article 6 of Delegated Regulation No 807/2014

Not applicable to this sub-measure.

[Establishment of agro-forestry systems] Specification of minimum and maximum number of trees to be planted and, when mature, to be retained, per hectare and forest species to be used as referred to in Article 23(2) of Regulation (EU) No 1305/2013

Measure not used

[Establishment of agro-forestry systems] Indication of environmental benefits of the supported systems

Measure not used

[Prevention and restoration of damage from forest fires and natural disasters and catastrophic events] Where relevant, list of species of organisms harmful to plants which may cause a disaster

Not applicable to this sub-measure.

[Prevention and restoration of damage from forest fires and natural disasters and catastrophic events] Identification of forest areas classified as being at medium to high risk of forest fire according to the relevant forest protection plan

Not applicable to this sub-measure.

[Prevention and restoration of damage from forest fires and natural disasters and catastrophic events] In case of preventive actions concerning pests and diseases, description of a relevant disaster occurrence, supported by scientific evidence, including, where relevant, recommendations on dealing with pests and diseases made by scientific organisations

Not applicable to this sub-measure.

[Investments improving the resilience and environmental value of forest ecosystems] Definition of types of eligible investment and their expected environmental outcome and/or public amenity value

Not applicable to this sub-measure.

8.2.6.4. *Verifiability and controllability of the measures and/or types of operations*

8.2.6.4.1. Risk(s) in the implementation of the measures

8.2.6.4.2. Mitigating actions

8.2.6.4.3. Overall assessment of the measure

8.2.6.5. *Methodology for calculation of the amount or support rate, where relevant*

8.2.6.6. *Information specific to the measure*

Definition and justification of the holding size above which support will be conditional on the submission of a forest management plan or equivalent instrument

All woodland holdings over 10 hectares in extent seeking support shall have an extant approved woodland management plan that provides justification for the support being applied for. As the average size of a woodland holding is 14 ha this will ensure the majority of applications will be required to prepare management plans. Management plans may be prepared specifically to support applications for grant aid or may be pre-existing. All plans must be in accordance with the principles of Sustainable Forest Management as defined by the UK Forestry Standard and shall be valid for a period of five years.

Definition of an "equivalent instrument"

In the case of support for afforestation an 'equivalent instrument' to a forest management plan shall be a 'Woodland Creation Plan'. This plan shall provide:

- details of the objectives for the woodland creation;
- a map that clearly locates the proposed area to be planted, the detailed layout of open space with the new woodland;
- details of species and percentages to be planted;
- details of the means of protection against damage that may be caused by domestic animals or wildlife;
- details of maintenance operations required to year ten to ensure full establishment;
- an indication of proposed management post establishment.

[Afforestation and creation of woodlands] Identification of species, areas and methods to be used to avoid inappropriate afforestation as referred to in Article 6(a) of Delegated Regulation No 807/2014, including the description of the environmental and climatic conditions of the areas in which afforestation is foreseen as referred to in Article 6(b) of that Regulation

In order to avoid inappropriate afforestation, all applications must meet the UK Forestry Standard and be subject to the EIA Regulations. This will ensure there is no inappropriate afforestation of sensitive habitats. Within sensitive areas (Natura 2000, SSSIs, World Heritage Sites, Scheduled Ancient Monuments) all applications will be assessed to determine whether consent is required, in National Parks and AONBs the threshold will be 2ha and elsewhere the threshold will be 5ha (however if any woodland creation has been undertaken on land adjacent to the proposed site within the previous five years that will also be taken into account). Also all afforestation proposals are subject to public consultation so that any applications that fall below the automatic EIA threshold but may affect a sensitive site are likely to be highlighted and therefore be subject to an EIA determination

Any afforestation of Natura 2000 sites will be agreed with Natural England.

[Afforestation and creation of woodlands] Definition of the minimum environmental requirements referred to in Article 6 of Delegated Regulation No 807/2014

In all cases the selection of species to be planted shall be appropriate to meet the objectives of the woodland planting and be ecologically adapted and resilient to climate change in the bio-geographical area concerned and shall take account of site specific pedologic and hydrologic conditions. The use of Ecological Site Classification shall assist in this selection.

Defra anticipates that the breakdown for afforestation will be as follows:

Scheme	TOTAL (Ha)
Afforestation, ha	14,000
<i>of which afforestation of non-native tree species</i>	3,500
<i>of which native tree species</i>	10,500
<i>of which forestry fibre</i>	0

These figures are based on 75% expenditure to help achieve Biodiversity 2020 targets using mainly native species.

[Establishment of agro-forestry systems] Specification of minimum and maximum number of trees to be planted and, when mature, to be retained, per hectare and forest species to be used as referred to in Article 23(2) of Regulation (EU) No 1305/2013

Measure not used

[Establishment of agro-forestry systems] Indication of environmental benefits of the supported systems

Measure not used

[Prevention and restoration of damage from forest fires and natural disasters and catastrophic events] Where relevant, list of species of organisms harmful to plants which may cause a disaster

Any pest or disease will be included in the UK Tree Health and Biosecurity Action Plan, which will be updated as necessary. Those species currently identified are various species of *Phytophthora*, *Chalara fraxinea*, *Thaumetopoea processionea*.

[Prevention and restoration of damage from forest fires and natural disasters and catastrophic events] Identification of forest areas classified as being at medium to high risk of forest fire according to the relevant forest protection plan

No such classification exists in England therefore prevention from and restoration following forest fires will not be supported.

[Prevention and restoration of damage from forest fires and natural disasters and catastrophic events] In case of preventive actions concerning pests and diseases, description of a relevant disaster occurrence, supported by scientific evidence, including, where relevant, recommendations on dealing with pests and diseases made by scientific organisations

Any pest or disease will be included in the UK Tree Health and Biosecurity Action Plan, which will be updated as necessary. This Action Plan is based sound scientific evidence of when a pest or disease may cause a major threat and the appropriate response to that threat.

[Investments improving the resilience and environmental value of forest ecosystems] Definition of types of eligible investment and their expected environmental outcome and/or public amenity value

Activities to protect habitats and species, including erection of fencing appropriate to the threat (domestic livestock, rabbits, deer), erection of high seats to facilitate the management of deer, the acquisition of

traps to enable the control of grey squirrels in red squirrel protection zones.

The creation of permanent open areas within woodland to diversify structure (subsequent maintenance of such areas is not eligible).

Investments to maintain or improve the quality of water draining from wooded watersheds, particularly the removal of coniferous species adjacent to water courses and replanting with broadleaves.

The construction of woody dams within woodlands where these will help alleviate the threat of flooding in flood prone areas.

The conversion of non-indigenous plantations at time of regeneration by planting with native species.

The diversification of species within plantations through planting at time of regeneration to improve resilience to climate change and enhance biodiversity value.

The preparation of forest management plans in accordance with the UK Forestry Standard.

8.2.6.7. Other important remarks relevant to understand and implement the measure

Definition of forest

“Forest” means land with a minimum area of 0.5 hectares and minimum width of 20 metres under stands of trees with, or with the potential to achieve, a height of 5 metres and crown cover of more than 20% of the ground.

In the case of afforestation, in **exceptional and fully justified cases** to address water or air quality issues, such as riparian buffer strips or shelter belts, the minimum area may be reduced to 0.1ha (in keeping with the UK definition already accepted by the EU in Decision 529/2013) and minimum width to 10 metres.

Integral open space shall be limited to 20% of the total forest area (in **exceptional and fully justified cases** this may be increased to 30%) and individual open spaces shall not exceed 0.5 ha or 20 metres in width. Any larger open areas shall not be considered as ‘forest’. Open space shall include forest tracks, rides, wayleaves and other permanent open areas.

Rural area definition

Any woodland meeting the above definition of ‘forest’ will be eligible under measures 8.1, 8.3, 8.4 and 8.5 even if outside the area defined as ‘rural’ in Section 8.1.

8.2.7. M10 - Agri-environment-climate (art 28)

8.2.7.1. Legal basis

Article 28 of Council Regulation 1305/2013.

8.2.7.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

This measure will be the primary one to be used to deliver environmental land management priorities and is clearly set out in the SWOT in Chapter 4. This will build on and enhance the environmental schemes that have been delivered in England since the 1987 Environmentally Sensitive Areas Scheme through to the Countryside Stewardship Schemes and the expansion of agri-environment that took place through Environmental Stewardship that was offered in the previous Rural Development Programme for England 2007-2013.

The activities funded under this measure, and others that will be combined to deliver the environmental land management priorities will contribute to meeting England's Biodiversity 2020 goals and the legal obligations under the Habitats, Birds and Water Framework Directives (WFD) and the soil commitments made in the Natural Environment White Paper, in particular that all soils will be managed sustainably by 2030[1]. The National Adaptation Programme report set out objectives for increasing the resilience of wildlife, habitats and ecosystems to climate change and smoothing their transition through the inevitable changes climate change will cause, both of which are supported by activities under this measure.

The England Prioritised Action Framework for Natura 2000 (PAF) sets out the potential measures required to achieve favourable condition for England Natura 2000 sites. This is being refined through the LIFE+ IPENS project, which is due to report in 2015. A key output is the provision of individual site improvement plans (SIPs), which identify the mechanisms and funding options (including under RDPE) needed to bring sites and species into favourable condition, which will in turn aid in the delivery of Favourable Conservation Status objectives. Section 41 of the Natural Environment and Rural Communities Act contains the list of the 56 priority habitat types that are deemed of principle importance for the conservation of biological diversity in England, many of these can be found within the N2K network. Ensuring that N2K sites are appropriately managed is afforded a high priority in the design and implementation of the relevant measures. For Measure 10 in particular prioritisation and targeting is explained at Section 8.2.7.2. (General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives). It also describes how particular sub-measures will contribute to particular commitments including the PAF.

Measure 10 (and associated measures in support of it) will be the key domestic resourcing mechanism to deliver the England PAF. The Site Improvement Plans (SIPs) being developed as part of the IPENS project will be used to inform the measure 10 operations that will need to be taken forward to deliver the improvements on the N2K sites. The SIPs and other outputs from IPENS will also feed into an updated PAF later in 2015.

The Habitats Directive requires that the measures put in place pursuant to the Directive are designed to achieve 'Favourable Conservation Status' (FCS) of Annex I habitats and Annex II species, and that all SACs have necessary management measures in place. (The Birds Directive has similar provisions.).

There is no deadline for achieving FCS. Delivering management activities on European sites (SACs/ SPAs), SSSIs and areas of habitat outside sites will all make a contribution to achieving FCS. The English Authorities report on the status of the habitats in Annex 1 of the Directive where they occur. The operations proposed in the Programme Document in relation in particular to Measure 10 but supported by associated measures 2; 4.4; 11 and 16 are expected to contribute a further 10% (by area) in the favourable condition of protected sites; maintain 95% in recovering condition; increase the condition of priority habitats by 10% (by area) and add almost 90K ha of new habitat. Actions to deliver these improvements in habitat condition and extent within and outside protected sites will also benefit species. The scale of ambition was informed by commitments to reverse declines in both widespread and rarer species. Action will be taken to improve habitat condition for rare species by increasing habitat heterogeneity and by increasing the amount and quality of habitat required to deliver for farmland, wetland and woodland birds.

For WFD Modelling work was conducted in early 2014 to give an indication of the potential benefit that might be achieved to the number and type of WFD objectives in England where agriculture is considered to be a contributory factor and where Measure 10 options (and associated Measure 4.4 investments) may offer some benefit. The level of benefit from the options we have estimated may lie between 3 and 30% improvement (between current position and WFD objective) depending on the catchment type, the focus on targeted effort and supporting advice and depending on the level of uptake by farmers. The Environment Agency will review this work at the programme mid-point.

These priorities will also deliver multiple secondary objectives on landscape, historic environment, educational access, flooding and genetic conservation. Climate change adaptation and mitigation will remain overarching objectives. A main ambition will be to target the scheme to deliver biodiversity, using around 75% of the budget, and the main secondary focus on water including flood management, with benefits obtained in combination where possible.

Beneficiaries will be provided with the knowledge and information necessary to implement the scheme in a variety of ways. For example for the more complex and environmentally demanding site specific agreements a programme of advice and aftercare will be in place to support agreement holders through the life of their agreements. For simpler agreements guidance material will be made available primarily through digital means. A fuller description of the advisory support for this measure is at 8.2.2.2.

Investments under this measure will contribute directly to focus areas 4(a)(b)(c) and indirectly to 5(d)(e). Fuller details of how the commitments contribute to the focus areas is set out in the tables below at 8.2.7.3.1.2. Description of the type of operation.

Climate change is projected to have a wide range of impacts on the natural environment. No options in the scheme are designed specifically to deliver on the cross cutting climate change mitigation or adaptation objectives as their primary goal. However, a great number of them contribute to this outcome by reducing overall emissions of GHGs; enhancing the resilience of our woodland, wetlands and other habitats; and the natural environment more generally; or improving retention and sequestration of carbon in soils and vegetation. In addition the location of certain measures, such as woodland creation around ammonia emitting sites, can have mitigating effects or increase adaptive capacity. Activities, including those around water, biodiversity and soils will be carried out with consideration of projected climate impacts and in such a way as to increase resilience to climate change. For example climate change adaptation and mitigation will both be supported through the protection and restoration of peatlands and other wetlands with the associated wider benefits for water quality, soils and biodiversity.

€2,896 million, including additional national co-financing and additional financing, of the programme

budget has been identified for this measure. For 2015 our expenditure is fully committed on agreements under the previous environmental scheme and will accordingly deliver across the a whole range of environmental outcomes but particularly on conserving and enhancing Natura 2000 sites under the Prioritised Action Framework.

There has been extensive evaluation of the past schemes and independent scientific scrutiny over recent years. A wide range of environmental outcomes have been documented and modelled with regard to the previous Environmental Stewardship Scheme. These include:

- Recent research results which suggest that Environmental Stewardship may have reversed or slowed the decline of a number of farmland bird species[2];
- 41% of English hedgerows (133,000 km) which are actively managed through agri-environment schemes providing shelter and food for a range of wildlife, pollinators and farmland birds;
- 30,000km of restored or newly planted hedgerows;
- 37,000km of grass margins, which help prevent pollution of water, protect hedgerows from agricultural activities and - when sown with wildflowers - encourage pollinators;
- 2,600km (24%) of the stone walls in England which are actively managed under agri-environment schemes and 3% have been actively restored providing shelter and habitat for small mammals and invertebrates;
- arable options which have helped to increase breeding populations of certain nationally scarce farmland birds e.g. curlew which has increased by 600% since 1989;
- 88% of eligible Sites of Special Scientific Interest (SSSIs) protected through Higher Level Stewardship of which 96% are classed as being in favourable condition or unfavourable recovering condition.
- The reintroduction of extinct species such as the short-haired bumblebee, where Higher Level Stewardship has been used to create the necessary flower-rich habitat.
- An estimated 2.09% to 4.27% reduction in nitrate losses per ha and 4% reduction in phosphate losses per ha.
- Estimated greenhouse gas reductions of 3.46 million tonnes of CO2 equivalent per year, an 11% reduction from the agriculture, forestry and land management sector in England.

From 2016 funding will be made available for undertakings under a new scheme. In preparing for the new programme a specific review of the previous Environmental Stewardship Scheme was commissioned.[3] In addition a report synthesising existing studies and other literature also informed the design of the new scheme. The new scheme therefore reflects evaluation of the past schemes and independent scientific scrutiny over recent years.[4] It therefore addresses the following issues:

- ‘deadweight’ (paying for things that would have happened anyway); for example the non-cutting period for hedgerows is now a scheme requirement.
- the need for improved spatial targeting; the scheme moves away from the untargeted “broad and shallow” approach of Entry Level Stewardship and is more targeted and focused identifying the environmental priorities for geographical areas (targeting detail at page 7).
- the need to deliver a more effective ecological network; we will be using the co-operative measure (16.5) to encourage coherent agreements over an area.
- directing the choice of commitments to ensure the uptake of the right combination of actions/options in the right locations; the targeting and scoring system will drive the choice of options to

reflect the environmental objectives for that given location.

In doing so it represents a development of the previous schemes and is more environmentally demanding of applicants.

The operations under this measure are composed of the following elements:

- Multi-annual land management operations on sites of high environmental value and closely supported by specialists from nature protection bodies (the Higher Tier).
- Selective multi-annual land management operations with directed choice of commitments to meet priorities identified in each geographical area with uptake incentivised by a scoring mechanism (the Mid-Tier:)

The Higher Tier is for the most environmentally important sites and woodlands. These will usually be in places that need complex management (such as habitat restoration, woodland creation or tailored measures for priority species). Applicants can use the full range of options and a wide range of the capital grants that the scheme offers. They can get one-to-one advice and support from Natural England and Forestry Commission advisers.

The application process will be similar to the current Higher Level Stewardship (HLS) scheme. Applicants will need to contact Natural England or the Forestry Commission before they can apply for the Higher Tier. Applications will be assessed for the environmental benefits they offer and agreements will be negotiated and agreed with those which offer the best outcomes.

The Mid Tier aims to address widespread environmental issues, such as reducing diffuse water pollution or improving the farmed environment for farmland birds and pollinators. Not all options will be available in this tier.

Scheme targeting and scoring will encourage applicants to choose options that help achieve the environmental priorities that are important in their wider area. This means that environmental benefits will not just be on individual holdings but more widespread. Applications in a given year will be scored and agreements offered to those which offer the best environmental value and will have therefore scored more highly.

In addition non-productive investments under measure 4.4:

- will be linked to the delivery of these multi annual land management operations.

They will also support:

- Universally accessible, small scale capital grants to manage and improve particular boundary features with environmental benefits such as hedge/wall restoration; and
- Targeted water capital grants: to address diffuse water pollution issues from agriculture

The scheme is underpinned by facilitation (measure 16), advice (measure 2) and technical assistance (measure 20) funding which enables work with farmers to optimise the environmental outcomes from their operations whilst supporting the necessary monitoring and evaluation activity.

The intention is to have a review in 2016 to consider uptake of this new operations and the competitiveness of agriculture to consider whether additional funding will be needed in the rest of the

Programme with a view to transferring an additional 3% from Pillar 1 under the provisions of Article 14 of Regulation 1307/2013 from 2018.

How the measures will operate in England

The commitments under the AECM measure 10 contribute towards a range of objectives on biodiversity; and water quality objectives as well as on organic soil; flood management; landscape, genetic conservation and more widely for climate change adaptation and conservation. There is in our view no absolute distinction between various measures. For example expenditure on forestry and organics under Measures 8, 15 and 11 are intended to deliver not only further creation of woodland or support for the organic sector but also to deliver towards the outcomes on biodiversity; water quality and the other objectives. The budgetary allocation for biodiversity therefore represents expenditure across all these measures not simply measure 10.

The operations under this measure will be delivered in a more targeted and innovative way which will provide the opportunity to realise benefits at landscape as well as individual scale.

We commissioned work from our specialist environmental agencies to consider delivery of these objectives. They have devised a balanced programme with a small amount of new activity to improve priority habitat across upland and lowland areas, farmland birds, pollinators and woodland management and creation. (These latter aspects will be funded under measures 8 and 15).

In addition we have also sought to identify key areas and sites where expenditure on water environment objectives would produce the best returns. Therefore expenditure is targeted at local catchments where agriculture is a significant issue and where most improvement can be made to a range of water obligations taken together. This would include synergies with biodiversity where it improves water-dependent Natura 2000 and SSSI sites, as well as other water objectives including some bathing waters and drinking water protection zones; action targeted at specific drinking water protected areas affected by agricultural pollution; and action targeted at around 30 local areas where bathing waters are most at risk of failing EU standards due to agricultural pollution. It would also, as a by-product, achieve some modest increase in general 'good status' of our water environment.

The targeting approach

The targeting framework will underpin the operations under this measure (as well as for the forestry measures and non-productive investments where appropriate) in the new Programme. It draws on approximately 400 data sets for the scheme objectives (soil & water, biodiversity, landscape, historic environment and synergies) to produce targeting priorities on a geographic basis that determine the appropriate national and local area environmental priorities. Data has been drawn from Natural England, Forestry Commission and Environment Agency own sources and from other sources where the data is of sufficient quality. These data sets are then used to create targeting information for the applicant, which identify priorities for each objective and key options to meet those priorities in local areas. It will inform the appraisal and selection of applications in the higher tier of the scheme. In the middle tier applicants will be able to view this information to see what is needed for their application to be successful. The framework will be accompanied by selection criteria (the scoring system) which encourages applicants to follow the targeting information and select the commitments, which will deliver the desired priority outcome in their particular area. The scoring system may also give more favourable consideration where applicants act in concert or take advice to achieve these objectives.

Synergies

In addition we see a substantial proportion of the expenditure across this and other measures as providing joint benefits. We have done a large amount of work to determine how this can be achieved. Work earlier this year found that there is potential to achieve at least 25% synergies between biodiversity and water outcomes through delivery of the environmental land management scheme we have designed to deliver across these measures.

The investment in biodiversity and water outcomes and woodland creation and management also has the potential to deliver other outcomes if appropriately targeted and vice versa. These synergies provide additional multiple outcome benefits at little or no additional cost. In delivering for water and biodiversity a high priority can be given to woodland creation and management in particular which has multiple benefits for biodiversity, water, landscape and climate change mitigation and adaptation (e.g. carbon sequestration). Targeting commitments already included in the measures can contribute to:

- habitat management for biodiversity which also maintains and improves natural landscape features, such as hedges, walls and woodland, enhancing local landscape character.
- wildlife habitat management creation which contributes to climate change adaptation and mitigation through delivery of carbon storage and sequestration, and help landscape-scale adaptation; and
- relatively small scale investment in clearing and restoring infected areas (e.g. of Ash, Larch, Rhododendron) protects existing biodiversity and water.

Development and consultation on the national targeting framework have allowed refinements which are likely to extend further the potential spatial extent of synergies as the area identified as a priority for water quality has expanded. The national targeting framework reflects the scope for these synergies and synergistic commitments will be score more favourably as part of the selection criteria.

Additionally, targeting statements will help inform the choice of commitment by applicants and will include opportunities for synergies. Refining synergies at the local scale through detailed planning across objectives will occur once the processes for delivery are in place, in particular as part of the pipelining process for high value sites. These strategic and detailed plans will further develop the identification of synergies and improve the estimate of the likely scale.

[1] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/228842/8082.pdf

[2] Baker, D. J., Freeman, S. N., Grice, P. V. and Siriwardena, G. M. (2012), Landscape-scale responses of birds to agri-environment management: a test of the English Environmental Stewardship scheme. *Journal of Applied Ecology*, **49**, 871-882

[3] Review of evidence requirements to support negotiations on future agri-environment schemes in next round of CAP - BD5011

[4] Evidence for New Environmental Land Management Scheme (NELMS) Design

8.2.7.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regard to the setting of selection criteria

8.2.7.3.1. Sub measure 10.1 - Payment for agri-environment-climate commitments

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.7.3.1.1. Description of the type of operation

For detailed descriptions of the type of operations see sub measures:

- Arable
- Boundaries, trees and orchards
- Coastal
- Grassland
- Historic Environment and Landscape
- Lowland Heathland
- Soil and water
- Supplements and Educational Access
- Uplands
- Wetlands
- Woodland and Scrub
- Options exclusive to organic land

8.2.7.3.1.2. Type of support

Support will be based on income foregone and additional costs. Support will be provided for the commitments as set out in the tables included with the submeasures listed above. Payment rates are set out more fully in the attached Final Options Payments and Measures List for measure 4.4, 10.1, 11.1.

Support will be via selection within 5 year multi annual commitments with the option of annual extensions for a further two years. However, 10 year commitments or longer will be offered in cases where such an exception is clearly justified. The circumstances and length of agreement are described in the attached table M10.1 Type of Support.

Exception category	Example situations	Rationale	NELMS options
Watery/wetland habitats	Coastal re-alignment, wetlands, salt marsh creation, peat restoration, blanket bog	Complex changes in water flow and retention, which have long term impacts on the environmental conditions and land use and therefore require extended period of incentive provision	CT2 Creation of coastal sand dunes and vegetated shingle (10 years) CT4 Creation of inter-tidal and saline habitat on arable land (20 years) CT5 Creation of inter-tidal and saline habitat by non-intervention (20 Years) GS11 Creation of wet grassland for breeding waders (10 Years) GS12 Creation of wet grassland for wintering waders and wildfowl (10 Years) SP2 Raised water level supplement (10 years) SW12 Making space for water (20 Years) UP3 Management of moorland (10 Years) WT7 Creation of reedbed (10 years) WT9 Creation of fen (10 years)
The cycle to establish the site character, not the achievement of favourable condition, is long	Species rich grasslands, traditional orchards, woodland creation/afforestation	Habitat and tree establishment takes at least 10 years.	BE5 Creation of traditional orchards (10 years) GS7 Restoration towards species-rich grassland (10 years) GS8 Creation of species-rich grassland (10 years) GS14 Creation of grassland for target features (10 years) LH2 Restoration of forestry and woodland to lowland heathland (10 years) LH3 Creation of heathland from arable or improved grassland (10 years) SW7 Arable reversion to grassland with low fertiliser input (10 years) WD5 Restoration of wood pasture and parkland (10 years) WD6 Creation of wood pasture (10 years)
Complex tenure arrangements	Upland and lowland commons	The negotiation process with interested parties is complex and contentious, requiring high admin investment but secures significant environmental outcomes in HNV areas.	Can be defined by customer registration process and the need for a separate SBI for commons and shared grazing

Commitments longer than 5-7 years

8.2.7.3.1.3. Links to other legislation

- Article 94 of Regulation 1306/2013 – Good Agricultural and Environmental Condition and Statutory Management Requirements;
- Chapter 3 of Regulation 1307/2013 relating to the greening requirements;
- Directive 2009/147/EC on the conservation of wild birds;
- Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora Directive 2000/60/EC establishing a framework for Community action in the field of water policy.
- Council Directive 85/337/EEC on the assessment of the effects of certain public and private projects on the environment.
- Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy.
- Council Directive 91/676/EEC of 12 December 1991 concerning the protection of waters against pollution caused by nitrates from agricultural sources.
- Directive 2009/128/EC of the European Parliament and of the Council of 21 October 2009 establishing a framework for Community action to achieve the sustainable use of pesticides.

8.2.7.3.1.4. Beneficiaries

- Beneficiaries under the mid-tier described at Section 8.2.7.2 above will be those who undertake to carry out this type of management on their land. The commitments have been specifically designed to be achievable by farmers and land managers in England and to fit with the management of their conventionally or organically farmed land.
- Higher Tier (see Section 8.2.7.2 above) is available to applications from farmers and land managers. However, priority will be given to those whose land falls within target areas or contains target features. For Natura 2000 sites, this will be extended to non-agricultural land managers so as to help these sites achieve favourable ecological condition.

In addition, a range of grants would be available to all land managers for non-productive investments linked to environmental/landscape benefits. See Measure 4.

8.2.7.3.1.5. Eligible costs

Commitments will be paid according to the payment rate for each option included in the individual agreement, and the area/length/number of the commitment selected. Maximum rates offered for each commitment will be based on national income foregone calculations and on costs incurred. These have been based on average figures across England.

Greening Double Funding

We do not intend to implement the equivalence provisions in the Direct Payment Regulations for any of our AECM commitments.

Article 28.6 of Regulation 1305/2013 requires Member States when calculating the payments under this measure to deduct the amount necessary in order to exclude double funding of the the greening practices in Regulation 1307/2013. The methodology to identify and remove the risk of double funding is:

- a. identify those operations (options) that are of a similar nature to the greening measures that will be implemented in England: *those where the requirements are similar (e.g. the AEC commitment for cover crops) and those where the AEC commitment results in land management that is similar to EFA (e.g. arable field margins, where the land is taken out of arable production - similar to EFA fallow);*
- b. for those commitments i) determine the specific elements of the income foregone (and additional cost) calculations that overlap with the greening requirement and ii) *identify those costs that would not be incurred (e.g. where no crop is foregone because the land will have to be taken out of production to meet the greening requirement) and savings that are not made (e.g. no savings on working capital arise from taking land out of production because those savings are made to meet the greening requirement)*
- c. Remove the “cost” items, identified above, from the original calculations and recalculate a reduced payment.

This methodology has been checked and verified by the independent verifier - Cumulus Consulting Ltd (author Dr James Jones; reviewer Paul Silcock).

The methodology described above has been applied to all three greening measures.

Permanent grassland – No part of the cost calculation for AEC options that are situated on permanent grassland includes the cost of maintaining the land as permanent grassland. The costs incurred all relate to

income foregone arising from changed practices on permanent grassland such as reducing inputs of fertilisers and associated additional costs arising. Therefore no AEC options on permanent grassland are at risk of double-funding.

Crop diversification – The Programme does not include AEC commitments that specifically require particular crop rotations nor determine the proportion or number of crops that can be grown. Some AEC commitments do require have actions which follow or have to be followed by a particular crop. Other commitments are only eligible on land where a particular crop is present. However, the baseline for all these commitments is the crop diversification measure and the requirement to have three crops in particular proportions. Therefore no arable AEC commitments in England risk double funding with the crop diversification measure.

Ecological Focus Area (EFA) –There are a number of AEC commitments that are of a similar nature to the EFAs applying in England. However, applying the methodology described above will not always result in a reduction in payment.

For example, for commitments involving activities on arable margins a large part of the income foregone payment reflects the cost associated with the requirement is to take the land out of arable production. This is of a similar nature to EFA fallow. Where this commitment is located on land which is also EFA fallow no payment will be made for costs that arise from taking land out of production. This means that the abated payments will be substantially lower than the unabated payments.

Conversely, for hedgerow management commitments no part of the income foregone calculation relates to the EFA requirement to retain the feature. Therefore there is no payment reduction because there is no double funding. A worked example of this methodology is at Section 8.2.7.3.1.11 in the subsection on describing the payment calculation methodology.

In line with Annex II of the Commission guidance fiche (Technical elements of agri-environment-climate measure in the programming period 2014 – 2020) and the methodology described above the commitments will have their payments reduced to take account of double-funding where they are co-located with Ecological Focus Areas (table attached).

Greening Double Funding Payment Rates

Option Code	Option	Aim	Payment Rate £/ha *£/plot	Double-funding £	Reduced Rate £/ha *£/plot	Payment Rate €/ha *€/plot	Double-funding €	Reduced Rate €/ha *€/plot
WD3	Woodland Edges on Arable land	To allow a scrub and grass mosaic to develop on the strip of land adjacent to woodland.	323	306	17	404	383	21
HS2	Take historic and archaeological features out of cultivation	To protect historic and archaeological features from damaging cultivation practices by reverting arable land and temporary grass leys to permanent grass.	425	334	91	531	418	114
SW1	4- 6 m buffer strip on cultivated land	To provide new habitat, protect existing landscape features and, when placed adjacent to a watercourse, contribute to improving water quality within the catchment	353	274	79	441	343	99
WT2	Buffering in-field ponds and ditches on arable land	To protect ponds and high value ditches from nutrient leaching and run-off, to maintain and enhance water quality and biodiversity.	501	428	73	626	535	91
AB11	Cultivated areas for arable plants	To create un-cropped cultivated areas for a wide range of scarce and declining annual arable plants, to provide areas of less densely vegetated ground which are ideal for insects and other invertebrates	532	367	165	665	459	206
AB5	Nesting plots for lapwing and stone curlew	To provide nesting sites for lapwing and stone curlew on arable land. The plots can also benefit other declining farmland birds, brown hare and some important arable plants.	524	428	96	655	535	120
AB9	Winter bird food	To provide important food resources for farmland birds, especially in winter and early spring.	677	404	271	846	505	339
AB6	Enhanced overwinter stubble	To provide important winter food sources for seed-eating birds, spring and summer foraging and nesting habitat for other farmland birds and undisturbed habitat for other farmland wildlife including many	436	428	8	545	535	10
AB1	Nectar Flower mix	To provide areas of flowering plants that will boost the availability of essential food sources for a range of nectar feeding insects, including butterflies and bumblebees.	511	404	107	639	505	134

AB3	Beetle banks	To provide nesting and foraging habitat for insects (including those that feed on crop pests), bumblebees, small mammals and some farmland birds.	573	428	145	716	535	181
AB4	Skylark plots*	To provide suitable nesting habitat for skylarks in winter cereal crops throughout their breeding season.	9	5	4	11	6	5
SW7	Winter Cover crops	To reduce nitrate leaching on land where soil would normally be left bare during winter before the next crop and to provide protection against soil erosion and loss of other pollutants on land parcels that drain directly into a watercourse.	114	114	0	143	143	0
SW3	In-field Grass strips	To grass out specific areas within a cultivated field in order to reduce the movement of sediment, nutrients and pesticides by surface runoff.	557	463	94	696	579	118
SW4	12-24 metre watercourse buffer strips on cultivated land	To reduce the risk of transport of potential pollutants, such as sediment, nutrients (principally phosphate) and pesticides, to watercourses	512	416	96	640	520	120
SW12	Making Space for Water	To support Water Framework Directive and SSSI river restoration programme by creating areas for seasonal flooding and rivers to meander.	646	440	206	808	550	258
AB8	Flower rich margins and plots	To create flower-rich margins or plots which provide important habitat and foraging sites for insects and wild birds	539	330	209	674	413	261
AB16	Autumn sown Bumblebird Mix	To provide important food resources for farmland birds and a range of nectar feeding insects, including butterflies and bumblebees on arable land and mixed farms.	550	404	146	688	505	183
AB15	Two year sown legume fallow.	To deliver valuable year-round habitat and food for farmland wildlife such as pollinators and farmland birds.	522	378	144	653	473	180
OP2	Organic Wild Bird Seed Mixture	To provide important food resources for farmland birds, especially in winter and early spring.	773	398	375	966	498	469

Greening Double Funding 2 of 2

8.2.7.3.1.6. Eligibility conditions

- Land eligible for Agri-Environment payments must be within:
 - An agriculture area as defined by Article 2.1(f) of Regulation 1305/2014;

In addition:

- land which is a Natura 2000 area; and
- land which is a terrestrial Biodiversity Action Plan priority habitats

is also eligible.

- Applicants need to be able to control the management of the land for the full length of the agreement (depending on the agreement this may be 5, 10 or up to 20 years).
- Full agricultural tenants on land owned by Exchequer funded bodies (e.g. government departments) may be eligible to apply for activities that are over and above the requirements of their tenancy agreement. Land that is owned and managed by another Government department or agency will usually not be eligible for the scheme.
- Tenants on a full agricultural tenancy are eligible to join providing their tenancy agreement lasts at least five years from the start of their agreement. Where this is not the case the tenant may

make a countersigned application with their landlord, who must agree to take on the management responsibilities for the land and, where appropriate, continue with the organic registration of the land, in the event of the tenant ceasing to control the land.

- Any land which is already subject to management conditions either through an existing legal requirement or under an existing grant scheme which cannot be combined with these commitments is ineligible for the scheme.
- The more specific eligibility conditions for each group of commitments are in the tables within the relevant sub-measures.

8.2.7.3.1.7. Principles with regards to the setting of selection criteria

The selection process will be: proportionate; open; transparent and fair throughout the programming period. In addition applications will be assessed to select those which present the best opportunities to deliver the objectives and meet the needs identified in the SWOT analysis and the needs assessment.

8.2.7.3.1.8. (Applicable) amounts and support rates

- Payment rates are detailed under operation submeasures and more fully in the Annex.
- The ceilings set for annual payments per hectare at Annex II of the Regulation (EU) 1305/2013 can be increased in duly substantiated cases taking account of specific circumstances to be justified in the Programme.
- The commitments in this Programme have been totally reviewed and revised to ensure good vfm by removing commitments which potentially carried significant levels of deadweight. In addition, targeting and priority-setting identify geographic areas where specific commitments delivering against those priorities will apply. It is therefore particularly important to set payment rates that compensate beneficiaries appropriately to deliver these actions in the locations where they are needed. To this end the payment rates reflect 100% of the typical costs.
- The review which informed the payment rates shows that the costs of participation have increased significantly since they were last examined. However, the payment ceilings have remained unchanged from those set 8 years ago in Regulation (EU) 1698/2005.
- Consequently, compensating fully for typical costs results in payments rates above the EU ceilings for 16 commitments in the annual crop category and 6 commitments for other land uses (grassland) . If payment is offered below the income forgone calculations it is highly likely that these commitments will not be taken up on a sufficient scale, reducing the likelihood of achieving the environmental goals of the programme and failing to meet the needs identified in the SWOT in Chapter 4. However, there may be limits set on the amount of land that can be placed under these commitments consistent with the delivery of the environmental outcomes.

These annual crop commitments above the €600 ceiling are in the **attached table**. These commitments are intended in particular to improve the biodiversity of arable land as described in section 8.2.7.3.1.2. They contribute to a variety of national and European policy commitments. In particular, these commitments will contribute to:

- EU Birds and Habitats Directives: including delivery for those Annex 1 habitats and Annex 2 species prioritised for conservation action under the Prioritised Action Framework for Natura 2000.

- EU Water Framework Directive (by restricting inputs and/or reducing soil erosion and flood risk through protecting underlying soils or increased surface roughness slowing run-off)
- Convention on Biological Diversity & EU Biodiversity Strategy (through supporting the aims of Biodiversity 2020)
- Supporting the ambitions to increase species diversity and the health of ecosystems

Similarly the six grassland commitments above the €450 ceiling are in the attached table '**Six grassland commitments above the €450 ceiling**'.

They are intended in particular to reverse declines in biodiversity; help reduce diffuse water pollution by reducing nutrient and pest control inputs and increase resilience to climate change by reducing habitats fragmentation. They contribute to:

- EU Birds and Habitats Directives: including delivery for those Annex 1 habitats and Annex 2 species prioritised for conservation action under the Prioritised Action Framework for Natura 2000
- EU Water Framework Directive (by restricting inputs and/or reducing soil erosion and flood risk through protecting underlying soils or increased surface roughness slowing run-off)
- Convention on Biological Diversity & EU Biodiversity Strategy (through supporting the aims of Biodiversity 2020)
- Domestic legislation on climate change adaptation and mitigation (linking habitats, securing soil carbon and fostering sequestration)
- Supporting the ambitions to increase species diversity and the health of ecosystems
- They may also help protect agricultural archaeology (restoration to grassland from cultivation) and support landscape quality and character (European Landscape Convention) through retention of more traditional low intensity grazing and field patterns (e.g. upland hay meadows).

Code	Option	Payment Rate €/ha
AB1	Nectar flower mix	639
AB3	Beetle banks	716
AB5	Nesting plots for lapwing and stone curlew	655
AB7	Whole crop cereals	619
AB8	Flower-rich margins and plots	674
AB9	Winter bird food	800
AB10	Un-harvested cereal headland	800
AB11	Cultivated areas for arable plants	665
AB15	Two year sown legume	653
AB16	Autumn sown bumblebird mix	688
LH3	Creation of heathland from arable or improved grassland	646
SW3	In-field strips	696
SW4	12-24m watercourse buffer strip on cultivated land	640
SW12	Making space for water	800
WT2	Buffering in-field ponds and ditches on arable land	626
OP2	Wild Bird seed mixture	800

Annual crop commitments above the 600 euros ceiling

Code	Option	Payment Rate €/ha
GS1	Take field corners out of management	456
GS11	Creation of wet grassland for breeding waders	508
HS6	Maintenance of designed/engineered water bodies	550
HS7	Management of historic water meadows through traditional irrigation	550
SW11	Riparian management strip	550
WT11	Wetland cutting supplement	550

Grassland commitments above the 450 euros ceiling

8.2.7.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.7.3.1.9.1. Risk(s) in the implementation of the measures

The key risks to verifiability and controllability for the agri-environment climate measure are those identified by the area-related root causes set out in the Commission's working document **SWD(2013) 244 final** and reiterated in the Error Rates technical guidance fiche. These are both administrative and beneficiary related.

Commitments that are difficult to verify and control is identified as the main risk (**Root Cause 6**) based on implementation of the 2007-2013 RDP and on audit findings. In particular, options which include maximum stocking densities and reduced inputs are seen as particularly difficult to verify, as are options which include time-limited actions such as cutting or mowing by a certain date. Options which include a 100% exclusion or reduction (including livestock) are also seen as presenting a medium risk of error as they are more likely to require a visual-only check.

For more specific detail for each type of operations see sub measures:

- Arable
- Boundaries, tress and orchards
- Coastal
- Grassland
- Historic Environment and Landscape
- Lowland Heathland
- Soil and water
- Supplements and Educational Access
- Uplands
- Wetlands
- Woodland and Scrub
- Options exclusive to organic land

8.2.7.3.1.9.2. Mitigating actions

Defra's approach to verification and control of these options is set out in the overall assessment provided under Chapter 18.

Defra's approach to these options will in all cases be predicated on the provision of sufficient advisory services to beneficiaries. "Priority Site" agreements will also be supported by the provision of detailed pre-application advice, and appropriate support within the agreement period. Any suspected breaches found will be flagged up to the Paying Agency for further inspection. This provides a good control mechanism which allows for a combination for administrative and visual checks, alongside detailed advice and guidance to beneficiaries.

Additionally, agreement holders in both "Priority Sites" and "Priority Areas" will be required to retain appropriate on-farm records that detail livestock movements across the holding and application of inputs and produce them on request. The principle of not increasing livestock and inputs across the holding will remain to ensure that reductions or exclusions within parcels or areas of specific importance are not displaced elsewhere. A cross-check against livestock databases at holding level will help to control this

aspect. Any suspected breaches or non-responses will be selected for further risk-based inspection.

In response to Commission concerns raised in audit findings, actions to improve the quality of the inspection function have already been taken within the Paying Agency and will continue to be further strengthened by regular training and guidance for staff to ensure appropriate verification of requirements. Detailed guidance will also be available to beneficiaries to ensure that requirements are followed and that environmental outcomes can be achieved. On-going training for administration staff will remain in place, and will particularly focus on the provision of high quality advice and guidance to applicants and staff to ensure adherence to compliance requirements. A new IT system is also being put in place which is designed to improve the quality of the land parcel identification system and IACS controls and reduce administrative and beneficiary error.

For more specific detail for each type of operations see sub measures:

- Arable
- Boundaries, tress and orchards
- Coastal
- Grassland
- Historic Environment and Landscape
- Lowland Heathland
- Soil and water
- Supplements and Educational Access
- Uplands
- Wetlands
- Woodland and Scrub
- Options exclusive to organic land

8.2.7.3.1.9.3. Overall assessment of the measure

The overall assessment of risk following mitigating actions is **medium-high**. Appropriate controls for agri-environment climate measure activity in England are in place. Commitments that are difficult to verify and control have been the subject of audit criticism.

Defra and the RPA are in general satisfied that the options and prescriptions can be effectively controlled and verified. The combination of controls proposed throughout the life of the agreement provides assurance on compliance, not any individual control in isolation.

For more specific detail for each type of operations see sub measures:

- Arable
- Boundaries, tress and orchards
- Coastal
- Grassland
- Historic Environment and Landscape
- Lowland Heathland
- Soil and water
- Supplements and Educational Access
- Uplands

- Wetlands
- Woodland and Scrub
- Options exclusive to organic land

8.2.7.3.1.10. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law

Relevant baseline:

In accordance with Article 28.3 of Regulation 1305/2013 all commitments have to comply with the relevant EU and international requirements, English standards and other scheme requirements in place at that time. This includes the relevant mandatory standards pursuant to Chapter 1 of Title VI of Regulation (EU) 1306/2013 - a broad set of Good Agricultural and Environmental Conditions (GAEC) designed to contribute to protection of the agricultural environment including habitats and landscape features and Statutory Management Requirements (SMRs) as applied by Articles 92 and 93 and set out in Annex II of Regulation (EU) no 1306/2013. It also includes the relevant criteria and minimum activities established under points (c)(ii) and (c)(iii) of Article 4(1) of Regulation (EU) No 1307/2013 and relevant minimum requirements for fertiliser and plant protection products use, as well as other relevant mandatory requirements established by national law. No payments are made for complying with these standards nor for undertaking normal farming practice in the English region of the UK.

The baseline for the woodland creation element of the new environmental land management scheme is set out under Measure 15.

Scheme requirements

In addition to meeting the relevant SMRs and GAECs and the requirements of Article 28.3 of the RD Regulation, agreement holders will have to meet relevant scheme requirements which sit above these, covering:

- Recording and retaining farm features such as hedges, walls and historic features, without damage or removal
- Cutting no more than 50% of hedges in any one calendar year
- Avoiding under-utilisation over the whole farmed area of the holding
- Protecting land under agreement from damaging activities such as field operations or stocking
- No payments are made for complying with these scheme requirements.

Minimum Activity

- The criterion to be met by farmers whose land is not in production pursuant to point (c) (ii) of Article 4(1) of Regulation (EU) No 1307/2013 is that the land should be free of dense scrub. There is no definition set for minimum activity pursuant to point (c) (iii) of Article 4(1) of Regulation (EU) No 1307/2013 because it was not applicable as there are no areas naturally kept

in a state suitable for grazing or cultivation in England.

SMRs and GAECs

By virtue of Article 92 of 1306/2013, all relevant GAECs and SMRs will apply to agri-environment climate commitments: the attached **Table of SMRs and GAECs** relates to the GAECs and SMRs specifically relevant to particular scheme options and which will have been taken into account when calculating the baseline beyond which payments are made.

The ‘Guide to Cross Compliance in England 2015’ sets out what the beneficiaries must and must not do to comply with their cross compliance requirements. The Guidance is available at: www.gov.uk/cap-reform and is attached as an **Annex**.

Normal farming practice

Member States are required to provide information which, among other things, illustrates the relation between agri-environment-climate commitments and relevant usual farming practices. The process of calculating the income foregone and additional costs for each AEC operations (option) is dependent on a precise assessment of the impact of the AEC operation (option) commitments (prescriptions) against the defined ‘typical’ farming system which the AEC operation (option) is replacing. This is the economic baseline. This baseline takes account of the costs of compliance with the regulatory regime, because the underpinning data that informs the economic baseline is derived from national datasets that reflect agricultural production carried out under the constraint of the regulatory regime. A fuller explanation and worked example is at Section 8.2.7.5 below.

Main Issue	Standards and Requirements		Domestic provisions
Water	SMR 1	Council Directive 91/676/EEC of 12 December 1991 concerning the protection of waters against pollution caused by nitrates from agricultural sources (OJ L 375, 31.12.1991, p. 1); Articles 4 and 5.	In Nitrate Vulnerable Zones (NVZs) designated by the Nitrate Pollution Prevention Regulations 2008 (SI 2349/2008): Parts 3 – 8 of the same Regulations apply.
	GAEC 1	Establishment of buffer strips along watercourses	
	GAEC 2	Water abstraction	Water Resources Act 1991 (as amended by the Water Act 2003), Environment Act 1995, The Water Resources (Abstraction and Impounding) Regulations 2006
	GAEC 3	Protection of ground water	Environmental Permitting Regulations 2010
Soil and carbon stock	GAEC 4	Minimum soil cover	
	GAEC 5	Minimum land management	
	GAEC 6	Maintenance of soil organic matter level	Heather and Grass Burning (England) Regulations 2007. Environmental Impact (Assessment) (Agriculture) (England) (No 2) Regulations 2006 The Crop Residues (Burning) Regulations 1993
Biodiversity	SMR 2	Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds (OJ L 20, 26.1.2010, p. 7); Articles 3(1), 3(2)(b), 4(1), (2) and (4)	Section 3 of the Game Act 1831. Sections 1(1, 5-7), 2, 4, 16, 28E (1)(a), (3)(b) and (3)(c), 28K, 28P (6) and (6A), and 31 of the Wildlife and Countryside Act 1981. Regulations 3, 19, 23 and 26 of the Conservation (Natural Habitats, &c.) Regulations 1994

GAEC and SMRS Table 1 of 3

			(SI 1994/2716).
	SMR 3	Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild flora and fauna (OJ L 206, 22.7.1992, p. 7); Article 6(1) and (2)	Sections 28E (1)(a), 28E (3)(b) and 28E(3)(c), 28K, 28P(6) and (6A), and 31 of the Wildlife and Countryside Act 1981. Regulations 3, 19, 23, 26, 42, 43(1), (4) and (6), 44 and 45 of the Conservation (Natural Habitats, &c.) Regulations 1994 (SI 1994 2716).
Landscape	GAEC 7a	Boundaries (This includes hedges (with the cutting ban now 01st March – 31st August inclusive), stone walls, earth banks and stone banks)	The Hedgerows Regulations 1997 Scheme entry requirements: 1. Retain landscape features including hedges and walls for duration of commitment; 2. Cut no more than half the hedges on the farm in any one year.
	GAEC 7b	Public Rights of Way	The Highways Act 1980.
	GAEC 7c	Trees (This will include the no cutting ban on trees that have a Tree Preservation Order or felling licence)	Felling of trees: The Forestry Act 1967: the Forestry (Felling of Trees) Regulations 1979 Tree Preservation Orders: The Town and Country Planning Act 1990 The Town and Country Planning (Trees) Regulations 1999
	GAEC 7d	Sites of Special Scientific Interest (SSSIs)	The Wildlife and Countryside Act 1981 (as amended by the Natural Environment and Rural Communities Act 2006)
	GAEC 7e	Ancient monuments	The Ancient Monuments and

GAEC and SMRs Table 2 of 3

			Archaeological Areas Act 1979
Plant protection products	SMR 10	Regulation (EC) No 1107/2009 of the European Parliament and of the Council of 21 October 2009 concerning the placing of plant protection products on the market and repealing Council Directives 79/117/EEC and 91/414/EEC (OJ L 309, 24.11.2009, p. 1); Article 55, first and second sentence	

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution; the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced by Directive 2009/128/EC of the European Parliament and of the Council, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites, as established by national legislation

Minimum Requirement for Fertilisers (Nitrates and Phosphates)

- Min Requirements for Fertilisers will include the Code of Good Agricultural Practice (COGAP) for the Protection of Water.
- The requirements concerning Nitrates will apply to applicants outside Nitrate Vulnerable Zones, and the requirements on phosphates will apply to applicants everywhere.
- The Code of Good Agricultural Practice for the protection of water describe the main risks of causing pollution from different agricultural and horticultural sources and provide practical guidance to help farmers and growers avoid causing pollution and protect soil.
- The Code is set out in the following link:- www.defra.gov.uk/farm/environment/cogap/index.htm

Minimum Requirement for Pesticides

- The Plant Protection Products Regulations 2011 (SI 2011 No 2131) and the Plant Protection Products (Sustainable Use) Regulations 2012 (SI 2012 No 1657).
- Under UK legislation the Integrated Pest Management general principles are considered as voluntary. Record keeping of pesticide use (general principle 8) is a regulatory requirement. The Code of Practice for professional users of pesticides encourages users in England to follow the general principles of IPM including on monitoring of pests (general principle 2). Therefore we do not fund either record keeping or monitoring of pests in relation to IPM or pesticides use generally under Measure 10. Prevention and/or suppression of harmful organisms is to be achieved or supported and pest species managed in accordance with the principles of Integrated Pest Management and the pesticide regulation and directive.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

The Farm Animal Genetic Resources Expert Committee provides UK government with technical advice on policy areas affecting farm animal genetic resources, and advise on mechanisms to identify breeds at risk. List of UK local breeds in danger of being lost to farming can be found at <https://www.gov.uk/government/publications/uk-native-animal-breeds-at-risk-list>

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 29(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013,

including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation

Payment Calculation

- The methodology adopted for the calculation of income foregone is based on guidance note The Technical Elements Agri-Environment-Climate Measure in the Programming Period 2014 – 2020. These calculations of income foregone have been carried out in accordance with the method and considerations laid out in Article 28 (3) and (6) of Council Regulation (EU) 1305/2013.
- The methodology; calculations and payment rates have all been independently verified by Cumulus Consultants and are described in extenso in the verifiers report attached in the **Annex**. The method for calculating income foregone and additional costs has been used since the start of agri-environment schemes in England over the last 25 years.
- The payment rates for the options and commitments are set on the basis of the costs of participation – effectively the financial difference between normal farming practice and farming within the restrictions of the commitments. This difference includes: changes in gross margin for a crop; savings on working capital; savings on fixed costs; cost of additional management required by the option and transaction costs. This net “cost of participation” is calculated and presented as a unified calculation of costs and savings. This figure is the payment which is made to compensate beneficiaries for the additional costs and income foregone resulting from the commitments made.
- The calculations contain only elements that are verifiable in terms of matching the requirements of the commitments to the changes that are envisaged. The calculations use sound budgeting principles and the assumptions are backed up by objective data linked wherever possible with evidence from official statistics and other respected, high quality independent sources.
- They are based on figures established by appropriate expertise. The Natural England staff that drew up the budgets comprise a team of specialists. They were able to draw on the expertise of and employed figures produced and prepared by The Andersons Centre (2011) and (2013) and the Organic Research Centre, which are both respected organisations in producing forecast data for the UK farming industry, in providing data for the budgets. Where costs could not be provided by the Andersons Centre, the source of these figures have been referenced.
- The budgets are designed for application in the English region of the UK and most of the supporting evidence is from England. There is some sub-regional differentiation, in particular in relation to the Severely Disadvantaged Areas and appropriate differentiated data sourcing has been used for this. In those instances where prescriptions are so specialised that they are only likely to be used in certain small areas of England evidence from these localities has occasionally been used. The payments do not contain elements linked to fixed investment costs which are funded from measure 4.4 instead.
- Further information and a worked example is at Section 8.2.7.5

8.2.7.3.2. Sub-measure 10.1.1 - Arable

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.7.3.2.1. Description of the type of operation

The assessment of needs shows declining biodiversity as a weakness in England on arable farmland, with additional future threats identified from competition for land use for crop production, impacts of climate change and other human-induced threats to functioning and resilient ecological networks. To reverse declines in biodiversity on arable farmland, there is a need to maintain and increase the extent of existing and new habitats at a landscape scale, which link together with the remaining areas of semi-natural habitat outside of statutory designation. In addition, better targeted habitat restoration and expansion is required to achieve better connected habitats at a landscape scale.

This group of commitments seek to improve the biodiversity of arable fields for birds, wild pollinators, rare arable plants and small mammals by providing bare cultivated fallows or sown areas of specific mixtures that provide the key resources missing in the landscape for these groups. They target support for species by providing year round food sources; foraging sites by using enriched seed mixtures; the creation of fallow plots for nesting; and the restriction in herbicides to allow natural species to complete life-cycles.

Beneficiaries will be expected to manage land during their crop rotations, often before and following the harvesting of combinable crops which provides food for overwintering birds without commercial levels of herbicides, pesticides, organic and inorganic fertilisers. They will be expected to establish appropriate seed mixes and manage them to a high standard to deliver the necessary output of seed. Nectar flower mixes and Flower-rich margins or plots both deliver essential resources for wild pollinators that meet their life-cycle needs during the season that cannot be met by natural flower populations. Enhanced overwinter stubbles deliver undisturbed natural regeneration which provides winter food resources and spring and summer foraging and nesting habitat for farmland birds and wild pollinators. Beetle banks provide important refuges from pesticide application and act as sources of beneficial biocontrol predators within the tussocky grass mixture which is created without the use of pesticides or fertiliser. For skylark plots they will create a minimum number of plots per ha and aim to minimise predation. For other ground nesting birds, beneficiaries will create a cultivated area of certain minimum and maximum sizes. Herbicides can only be used to spot treat injurious weeds. No mechanical weeding during the nesting season is permitted to protect the hatched chicks. Liming may be prohibited; grazing may be limited at certain calendar periods and cutting will need to take place periodically or on a rotational basis. Wild pollinators and farmland birds are also supported by options that take place over a two year period. Autumn sown bumble-bird delivers winter bird food in year one and flowers for pollinators in year 2, from the same unit of land. The two year sown fallow, provides ground cover in year one and flowers in year and combines this will control of blackgrass for the farmer, which will reduce the pesticide burden on the field in following years.

Many of the actions below could offer multiple benefits (depending on the specifics of their implementation) and contribute to a number of Focus Areas. These are detailed in the attached arable commitments table. . They will also contribute to a variety of national and European policy commitments. In particular, actions supporting the retention and ecological enhancement of arable land will contribute to:

- EU Birds and Habitats Directives: including delivery for those Annex 1 habitats and Annex 2 species prioritised for conservation action under the Prioritised Action Framework for Natura 2000
- EU Water Framework Directive (by restricting inputs and/or reducing soil erosion and flood risk

through protecting underlying soils or increased surface roughness slowing run-off)

- Convention on Biological Diversity & EU Biodiversity Strategy (through supporting the aims of Biodiversity 2020)
- Domestic legislation on:
 - Implementing an action programme for nitrate vulnerable zones set out in the Nitrate Pollution Prevention Regulations 2008, as amended. This legislation is currently being reviewed.
 - the sustainable use of Pesticides (UK National Action Plan for the Sustainable Use of Pesticides)
- Supporting the ambitions to increase species diversity and the health of ecosystems

	Name	Aim	Eligibility	Proposed payment rate €/ha	Focus Area ²				
					4a:	4b:	4c:	5d:	5e:
AB1	Nectar Flower mix	To provide areas of flowering plants that will boost the availability of essential food sources for a range of nectar feeding insects, including butterflies and bumblebees.	Arable land, temporary grassland and bush orchards. This commitment must not be used where evidence or records exist for important arable plants. These can either be historic (within the last 40 years) or from recent arable plant survey results.	639	1	2	2	2	2
AB2	Basic overwinter stubble	To provide a winter food source for seed-eating birds which feed on spilt grain and the seeds of broad-leaved weeds and a foraging habitat for brown hare.	Only stubble that follows the harvest of the following combinable crops is eligible: cereals (not maize), oilseed rape, linseed or field beans. This commitment must not be located on parcels at risk of soil erosion or run-off. This commitment is not available on organic parcels nor land in organic conversion.	105	1	-	-	-	-
AB3	Beetle banks	To provide nesting and foraging habitat for insects (including those that feed on crop pests).	This option can only be located on arable land or temporary grassland.	716	1	2	2	-	2

² 1 = primary outcome 2 = secondary benefit potential

		bumblebees, small mammals and some farmland birds.							
AB4	Skylark plots	To provide suitable nesting habitat for skylarks in winter cereal crops throughout their breeding season.	This commitment can only be located on arable land or temporary grassland Select fields more than [5 ha in area] with an open aspect to be drilled with winter cereals. Avoid fields bounded by tree lines or adjacent to woods, unless the field is greater than [10 ha].	23	1	-	-	-	-
AB5	Nesting plots for lapwing and stone curlew	To provide nesting sites for lapwing and stone curlew on arable land. The plots can also benefit other declining farmland birds, brown hare and some important arable plants.	This commitment must not be located on parcels at risk of soil erosion or run-off and can only be located on arable land or temporary grassland.	655	1	-	-	-	-
AB6	Enhanced overwinter stubble	To provide important winter food sources for seed-eating birds, spring and summer foraging and nesting habitat for other farmland birds and undisturbed habitat for other farmland wildlife including many pollinator species.	Only stubble that follows the harvest of the following combinable crops is eligible: cereals (not maize), oilseed rape, linseed or field beans. This commitment must not be located on parcels at risk of soil erosion or run-off.	545	1	2	2	-	-

Arable commitments Pt 2 of 6

AB7	Wholecrop cereals	To provide a valuable seed source in grass-dominated areas, from the unripe spilt grain after harvest and from the stubble in winter.	This commitment must not be located on parcels at risk of soil erosion or run-off and can only be located on arable land or temporary grassland.	619	1	-	-	-	-
AB8	Flower rich margins and plots	To create flower-rich margins or plots which provide important habitat and foraging sites for insects and wild birds.	This commitment can only be located on arable land or temporary grassland. It must not be used where evidence or records exist for important arable plants. These records can either be historic (within the last 40 years), or from recent arable plant survey results. It must not be used adjacent to SSSIs or other botanically valuable sites as identified.	674	1	2	2	2	2
AB9	Winter bird food	To provide important food resources for farmland birds, especially in winter and early spring.	Arable land, temporary grassland and bush orchards but not available on organic parcels nor land in conversion to organic status.	800	1	2	2	2	-
AB10	Unharvested cereal headland	To provide an important food resource for farmland birds throughout the year, including insects during the summer and both grain and seeding arable plants during the winter.	This option can only be located on arable land or temporary grassland.	800	1	2	2	-	-
AB11	Cultivated areas for	To create uncropped	This option can only be located on arable land where evidence or records exist for important arable plants. These can either be historic	665	1	2	2	-	-

Arable commitments Pt 3 of 6

	arable plants	cultivated areas for a wide range of scarce and declining annual arable plants, to provide areas of less densely vegetated ground which are ideal for insects and other invertebrates, and provide summer foraging habitat for declining farmland bird species.	(within the last 40 years), or from recent arable plant survey results.						
AB12	Supplementary winter feeding for farmland birds	To provide important food resources for farmland birds in late winter and early spring on arable land and mixed farms. The aim is to supplement grown winter bird food by spreading seed once these sown resources have been depleted and before natural food resources become	Arable land, temporary grassland and bush orchards Only available with a qualifying area of sown winter bird food option. This option is not available on land registered as organic or land in conversion to organic status.	395	1	-	-	-	-

Arable commitments Pt 4 of 6

		available again in late spring.							
AB13	Brassica fodder crop	To provide foraging sites for seed-eating birds in pastoral areas where broad leaved plants can persist in the crop and set seed.	This commitment can only be located on arable land or temporary grassland. It must not be located on historic or archaeological features or located on parcels identified as being at medium to high erosion risk or immediately adjacent to a watercourse.	125	1	-	-	-	-
AB14	Harvested low input cereal	To deliver an open-structured cereal crop and provide summer foraging sites for declining and localised farmland birds and mammals, and habitat for rare arable plants and important farmland pollinator species, such as bees and beneficial insects.	Arable land and temporary grassland and must not be used defined break crops.	333	1	2	2	-	-
AB15	Two year sown legume fallow	To deliver valuable year-round habitat and food for farmland wildlife such as pollinators and	This commitment can only be located on arable land or temporary grassland. It must not be used where evidence or records exist for important arable plants. These can either be historic (within the last 40 years), or from recent arable plant survey results. It is not available on organic parcels or land in conversion.	653	1	2	2	-	-

Arable commitments Pt 5 of 6

		farmland birds.							
AB16	Autumn sown Bumblebird	To provide important food resources for farmland birds and a range of nectar feeding insects, including butterflies and bumblebees on arable land and mixed farms.	Arable land, temporary grassland and bush orchards. This commitment must not be used where evidence or records exist for important arable plants. These can either be historic (within the last 40 years), or from recent arable plant survey results.	688	1	2	2	-	2

Arable commitments Pt 6 of 6

8.2.7.3.2.2. Type of support

See sub-measure 10.1.

8.2.7.3.2.3. Links to other legislation

See sub-measure 10.1.

8.2.7.3.2.4. Beneficiaries

See sub-measure 10.1.

8.2.7.3.2.5. Eligible costs

See sub-measure 10.1.

8.2.7.3.2.6. Eligibility conditions

See sub-measure 10.1.

8.2.7.3.2.7. Principles with regards to the setting of selection criteria

See sub-measure 10.1.

8.2.7.3.2.8. (Applicable) amounts and support rates

See sub-measure 10.1.

8.2.7.3.2.9. Verifiability and controllability of the measures and/or types of operations

8.2.7.3.2.9.1. *Risk(s) in the implementation of the measures*

The key risks to verifiability and controllability for operations on arable are those identified by the area-related root causes set out in the Commission's working document SWD(2013) 244 final and reiterated in the Error Rates technical guidance fiche. These are both administrative and beneficiary related. A control framework has been developed which sets out clearly how area-based activity will be controlled and verified under this measure.

In particular commitments which are difficult to implement and verify (Root Cause 6) are identified as the main risk for arable operations: these relate to no inputs. Mitigating actions to reduce the risk of implementation are set out in the next section.

The other main concerns relate to putting in place high quality internal controls and procedures and ensuring that appropriate IT, administrative and inspection checks are in place. This will help put in place corrective and preventative action (CPA7: Improving internal controls and procedures) Appropriate IT and Administrative checks are carried out [as per Reg 65/2011, Article 11].

The range of controls that will apply to arable operations to support this are:

Administrative checks (both manual and IT based):

- Automated cross checks with the Land Parcel Identification System and Basic Payment application data, and with current IT systems will ensure that the selection commitments with regard to the land-use eligibility and co-location are correct. The risk of greening double-funding will be via a check against the location of the relevant commitments against EFA. Dual funding checks will be performed by cross checking applications against self-declarations;
- Manual checks on data and supporting documents submitted by the claimant, and data held by the

paying agency and delivery bodies (including datasets obtained from other government bodies and other third parties);

- Manual checks that copies of farm records and photographs either submitted by the applicant and/or uploaded into the IT system;
- Eligibility checks at the time of setting up the agreement, and ongoing agreement monitoring visits and checks, particularly those requiring specialist input such as complex management plans, and control of stocking and reduced inputs prescriptions;
- Other third party visits and remote sensing may also supplement such checks to confirm commitments are being met.

On the spot inspection checks:

- Compliance inspections on 5% of beneficiaries to ensure scheme requirements have been met.
- Visual checks to confirm commitments have been undertaken;
- Farm record checks and soil sampling, where appropriate e.g. where follow up may be required
- Inspection at the appropriate time to check compliance with the option. Re-visits where necessary. Recording of relevant findings;
- Inspections will be timed where possible to take place during the period the commitment must be met;
- Inspections outside this period will confirm the condition of areas is consistent with the management records;
- The inspection rate will be 5% but if a high level of non-compliance is found, a higher % rate for agreements with these options will be implemented.

The root causes that apply to non-area-related activity generally also apply, particularly the need to ensure that a clear separation of duties and set of procedures are put in place to ensure claims are processed correctly (Root Cause 9) and that eligibility conditions are met (Root Cause 10). Exhaustive further checks on evidence of defrayal, progress reports, photographs and on-the-spot checks or final claim inspections will also be undertaken.

Clear guidance and support will be provided to beneficiaries to ensure they provide correct area declarations and understand the nature of commitments made (Root Causes 7 and 8). A high level of information and guidance will be provided to beneficiaries within scheme literature (web-based or in paper form) on scheme requirements or commitments to show beneficiaries how to meet them.

Proportionate checks over the lifetime of agreements will also be in place. Further information and guidance will also be to ensure beneficiaries are aware of changes caused by the update of the LPIS system or other legal changes (Root Cause 2).

8.2.7.3.2.9.2. Mitigating actions

In addition to those identified above, mitigating actions will include:

- Independent verification of standard costs;
- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;

- Training for administration staff including compliance, fraud and un-conscious bias training;
- Guidance for administrative staff to ensure appropriate appraisal of applications, and that variations to contract are appropriately controlled and implemented.

Commitments which are difficult to implement and verify (**Root Cause 6**) are identified as the main risk for arable operations: these relate to no inputs.

6 options include a **no input** commitment:

- 1 AB2 Basic Overwinter Stubble
- 2 AB3 Beetle Banks
- 3 AB6 Enhanced Overwinter Stubble
- 4 AB7 Wholecrop cereals
- 5 AB10 Unharvested cereal headland
- 6 AB11 Cultivated areas for arable plants

As per the AECM guidance fiche, options with these types of commitment are targeted at sites of high environmental value.

For **no input commitments** the principle verification method will be timed field inspections to detect any visible signs of fertiliser. Advice through Measure 2 may also be provided to agreement holders to give additional assurance to ensure that beneficiaries deliver the commitments they have signed up for.

8.2.7.3.2.9.3. Overall assessment of the measure

The overall assessment of risk following mitigating actions is **medium-high**.

Appropriate controls for arable operations under this measure in England are in place. Commitments that are difficult to verify and control have been the subject of audit criticism and we have put in place mitigating actions to ensure these can be appropriately verified and controlled.

Defra and the RPA are satisfied that arable options and prescriptions can be effectively controlled and verified. The combination of controls proposed throughout the life of the agreement provides assurance on compliance, not any individual control in isolation.

8.2.7.3.2.10. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law

See sub-measure 10.1.

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution; the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced by Directive 2009/128/EC of the European Parliament and of the Council, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites, as established by national legislation

See sub-measure 10.1.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

See sub-measure 10.1.

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 29(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation

See sub-measure 10.1.

8.2.7.3.3. Sub-measure 10.1.10 - Uplands

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.7.3.3.1. Description of the type of operation

These commitments will help to deliver the need identified to maintain, restore and enhance rough grazing and moorland habitats for biodiversity, carbon sequestration, resource protection, flood management benefits and to protect and enhance the quality and character of the landscape.

Rough grazing provides feeding, breeding and sheltering habitats for nationally rare and scarce invertebrates, birds, bats and amphibians which are of conservation concern. Where such grasslands occur next to moorland they provide particularly valuable feeding areas for birds which nest on the unenclosed land. They contribute to carbon sequestration and protection of soils through restricted mechanical operations and permanent grass cover. They can produce changes in vegetation structure that reverse changes that are linked to population declines in waders and maintain traditional upland vegetation and landscapes. Beneficiaries will be required to manage rough grazing with no cultivation, no or very limited inputs of fertiliser or supplementary feed. Operations will be confined to periods outside the bird nesting season. Areas of rush, bracken and scrub will be managed to benefit particular species. Wet areas will be maintained.

Beneficiaries will be required to maintain and enhance moorland habitats through introduction of appropriate grazing levels, which may include exclusion of livestock at certain times, through appropriate burning regimes and, in some cases, limited cutting. This management will also reduce soil compaction, poaching, surface run off and erosion and enhance peatlands so benefitting water quality, carbon and water storage and reducing flood risk. Bracken may need to be controlled and scrub development encouraged in specific locations to provide habitat mosaics required for many invertebrates and birds and to conserve the distinctive moorland landscape. There will be no cultivation, no inputs of fertilisers and controlled use of supplementary feeding. Grip-blocking and re-wetting to restore peatlands may also help to reduce diffuse pollution by reducing surface run-off from the re-wetted area and, in certain locations, help to reduce flooding downstream.

Many of the actions below could offer multiple benefits (depending on the specifics of their implementation) and contribute to a number of Focus Areas. These are detailed in the attached Uplands Commitments Table. They will also contribute to a variety of national and European policy commitments. In particular, actions supporting wetland habitats will contribute to:

- EU Birds and Habitats Directives: including delivery for those Annex 1 habitats and Annex 2 species prioritised for conservation action under the Prioritised Action Framework for Natura 2000

- EU Water Framework Directive (by restricting inputs and/or reducing soil erosion and flood risk through protecting underlying soils or increased surface roughness slowing run-off)
- Convention on Biological Diversity & EU Biodiversity Strategy (through supporting the aims of Biodiversity 2020)
- Supporting the ambitions to increase species diversity and the health of ecosystems.

	Name	Aim	Eligibility	Proposed payment rate €/ha	Focus Area ³				
					4a:	4b:	4c:	5d:	5e:
UP1	Enclosed rough grazing	To maintain and enhance areas of enclosed rough grazing land that contain extensive areas of moorland vegetation but do not meet moorland priority habitat status over the majority of the parcel.	Only available above the Moorland Line within the SDAs on enclosed parcels less than 15 ha in area. Where the option is targeted at ground-nesting birds, scrub cover must be less than 1% of the parcel area.	49/Ha	1	2	2	2	-
UP2	Management of rough grazing for birds	To restore and/or maintain populations of target birds by providing the grassland habitat and sward structure suitable for feeding and/or nesting.	Only available on permanent grassland parcels with a minimum area of 2 ha within the LFA. Only available on parcels which meet the definition of habitat for breeding waders.	110/Ha	1	2	2	2	-
UP3	Management of moorland	To protect and enhance priority moorland habitats, species and features found above the Moorland Line.	Only available on parcels above the Moorland Line, parcels which cross the Moorland Line and parcels that contribute to a single grazing unit with parcels above the Moorland Line. Only available on parcels that are above the stock-proof boundary of enclosed in by agricultural land. This can include large enclosures adjacent to moorland, such as allotments, intakes and newtakes.	54/Ha	1	1	1	1	1

³ 1 = primary outcome 2 = secondary benefit potential

			where they contain vegetation typical of semi-natural upland habitats. Only available on parcels that contain one or more upland priority habitats and/or species.						
UP4	Management of moorland vegetation supplement	To implement an appropriate programme of vegetation management where significant changes or reintroduction of burning or cutting on dry heath or in gorse habitats is necessary.	This supplement can only be used in combination with the Management of Moorland option where a significant change in burning and/or cutting management is identified. Only available on dry heath and grassland within the Moorland Line and SDA. Not available on deep peat, blanket bog, wet heath or montane habitats.	13/Ha	1	1	1	-	-
UP5	Moorland re-wetting supplement	To restore moorland habitats, vegetation mosaics and their associated wildlife, through the re-wetting of moorland peat soils to restore functioning peatlands.	This supplement can only be used in combination with the Management of Moorland option and only when the restoration programme has commenced.	23/Ha	1	1	1	-	-
UP6	Upland livestock exclusion supplement	To improve habitat and feature condition through complete removal of livestock for a given period.	This supplement can only be used in combination with the Management of Moorland and Management of Rough Grazing for birds options.	20/Ha	1	2	2		

Uplands Commitments Pt 2 of 2

8.2.7.3.3.2. Type of support

See sub-measure 10.1.

8.2.7.3.3.3. Links to other legislation

See sub-measure 10.1.

8.2.7.3.3.4. Beneficiaries

See sub-measure 10.1.

8.2.7.3.3.5. Eligible costs

See sub-measure 10.1.

8.2.7.3.3.6. Eligibility conditions

See sub-measure 10.1.

8.2.7.3.3.7. Principles with regards to the setting of selection criteria

See sub-measure 10.1.

8.2.7.3.3.8. (Applicable) amounts and support rates

See sub-measure 10.1.

8.2.7.3.3.9. Verifiability and controllability of the measures and/or types of operations

8.2.7.3.3.9.1. *Risk(s) in the implementation of the measures*

The key risks to verifiability and controllability for operations on upland areas are those identified by the area-related root causes set out in the Commission's working document SWD(2013) 244 final and reiterated in the Error Rates technical guidance fiche. These are both administrative and beneficiary related. A control framework has been developed which sets out clearly how area-based activity will be controlled and verified under this measure.

In particular commitments which are difficult to implement and verify (Root Cause 6) are identified as the main risk for upland operations: these relate to no and reduced inputs and maximum stocking densities. Mitigating actions to reduce the risk of implementation are set out in the next section.

The other main concerns relate to putting in place high quality internal controls and procedures and ensuring that appropriate IT, administrative and inspection checks are in place. This will help put in place corrective and preventative action (CPA7: Improving internal controls and procedures) Appropriate IT and Administrative checks are carried out [as per Reg 65/2011, Article 11].

The range of controls that will apply to upland operations to support this are:

Administrative checks (both manual and IT based):

- Automated cross checks with the Land Parcel Identification System and Basic Payment application data, and with current IT systems will ensure that the selection commitments with regard to the land-use eligibility and co-location are correct. The risk of greening double-funding will be via a check against the location of the relevant commitments against EFA. Dual funding checks will be performed by cross checking applications against self-declarations;
- Manual checks on data and supporting documents submitted by the claimant, and data held by the paying agency and delivery bodies (including datasets obtained from other government bodies and other third parties);
- Manual checks that copies of farm records and photographs either submitted by the applicant and/or uploaded into the IT system;
- Eligibility checks at the time of setting up the agreement, and ongoing agreement monitoring visits and checks, particularly those requiring specialist input such as complex management plans, and control of stocking and reduced inputs prescriptions;
- Other third party visits and remote sensing may also supplement such checks to confirm commitments are being met.

On the spot inspection checks:

- Compliance inspections on 5% of beneficiaries to ensure scheme requirements have been met.
- Visual checks to confirm commitments have been undertaken;
- Farm record checks and soil sampling, where appropriate e.g. where follow up may be required
- Inspection at the appropriate time to check compliance with the option. Re-visits where necessary. Recording of relevant findings;
- Inspections will be timed where possible to take place during the period the commitment must be met;
- Inspections outside this period will confirm the condition of areas is consistent with the management records;
- The inspection rate will be 5% but if a high level of non-compliance is found, a higher % rate for agreements with these options will be implemented.

The root causes that apply to non-area-related activity generally also apply, particularly the need to ensure that a clear separation of duties and set of procedures are put in place to ensure claims are processed correctly (Root Cause 9) and that eligibility conditions are met (Root Cause 10). Exhaustive further checks on evidence of defrayal, progress reports, photographs and on-the-spot checks or final claim inspections will also be undertaken.

Clear guidance and support will be provided to beneficiaries to ensure they provide correct area declarations and understand the nature of commitments made (Root Causes 7 and 8). A high level of information and guidance will be provided to beneficiaries within scheme literature (web-based or in paper form) on scheme requirements or commitments to show beneficiaries how to meet them.

Proportionate checks over the lifetime of agreements will also be in place. Further information and guidance will also be to ensure beneficiaries are aware of changes caused by the update of the LPIS system or other legal changes (Root Cause 2).

8.2.7.3.3.9.2. *Mitigating actions*

In addition to those identified above, mitigating actions will include:

- Independent verification of standard costs;
- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;
- Training for administration staff including compliance, fraud and un-conscious bias training;
- Guidance for administrative staff to ensure appropriate appraisal of applications, and that variations to contract are appropriately controlled and implemented.

Commitments which are difficult to implement and verify (**Root Cause 6**) are identified as the main risk for upland operations: these relate to no and reduced inputs and maximum stocking densities.

2 options include no reduced input commitment:

UP1 Enclosed rough grazing

UP3 Management of moorland

And one reduced commitment:

UP2 Management of rough grazing for birds

2 options also contain a maximum stocking density commitment:

UP2 Management of rough grazing for birds

UP3 Management of moorland

As per the AECM guidance fiche, options with these types of commitment are targeted at sites of high environmental value.

For **no and reduced input upland commitments** the principle verification method will be timed field inspections and soil nutrient testing. Advice through Measure 2 may also be provided to agreement holders to give additional assurance to ensure that beneficiaries deliver the commitments they have signed up for.

Reduced and no input prescriptions also generally include a timing restriction preventing the application of fertilisers and manures during critical times either to minimise any disturbance to ground nesting birds or to reduce the risk of nutrient losses to water. Adherence to timing restrictions will be verified via appropriately timed field inspections to detect any visible signs of fertiliser or manure inputs and via proportionate checking of field records.

Agreement holders will also be required to keep activity records of particular activities associated with this operation such as applications of fertilisers and plant protection products and make detailed records available on request. A percentage of claims will be selected for follow up checks of these records. This will be done on a risk-based assessment of an indicative 10% of agreements with options which contain reduced input commitments in the first year of the new Environmental scheme. We will review the level of checks each year of the subsequent programming period.

For **maximum stocking density commitments** the principle verification methods are:

- an administrative cross check of livestock databases to quantify potential breaches to stocking levels at a holding level;
- where there is an indication of a potential breach of maximum stocking density levels, asking beneficiaries to submit stocking records and verifying these through an administrative check of records;
- Rapid Field Visits, where appropriate that will record the animal numbers found and check whether or not the commitments have been undertaken.

8.2.7.3.3.9.3. Overall assessment of the measure

The overall assessment of risk following mitigating actions is **medium-high**.

Appropriate controls for upland operations under this measure in England are in place. Commitments that are difficult to verify and control have been the subject of audit criticism and we have put in place

mitigating actions to ensure these can be appropriately verified and controlled.

Defra and the RPA are satisfied that upland options and prescriptions can be effectively controlled and verified. The combination of controls proposed throughout the life of the agreement provides assurance on compliance, not any individual control in isolation.

8.2.7.3.3.10. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law

See sub-measure 10.1.

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution; the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced by Directive 2009/128/EC of the European Parliament and of the Council, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites, as established by national legislation

See sub-measure 10.1.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

See sub-measure 10.1.

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 29(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation

See sub-measure 10.1.

8.2.7.3.4. Sub-measure 10.1.11 - Wetlands

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.7.3.4.1. Description of the type of operation

These commitments introduce a range of measures to maintain, restore or create ponds, ditches, bogs, fens and reedbeds, for biodiversity, carbon sequestration, resource protection and flood management benefits.

Beneficiaries will, for example, be expected to create buffer strips of tussocky grass and low scrub of at least 10 metres around ponds and along ditches. Application of organic and inorganic manures is prohibited. After establishment it must be maintained through a cutting regime. Pesticides and herbicides only permitted to spot treat injurious weeds and invasive non-native species.

Other measures require implementing a water management regime, which includes maintaining water control structures in good working order, controlling scrub cover; maintaining open water, ditch and drain management, including disabling ditches and drains where appropriate, to maintain or restore the quality and extent of wildlife-rich wetland habitats where they are currently damaged or degraded. Land forming or earthworks may be required to re-create these habitats from previous wetland sites on, for example, arable land on deep peat. These measures will support a variety of rare and specialised species and can also help to protect archaeological and paleo-environmental features, particularly organic remains, by retaining or restoring high water levels. Re-creation of wetlands from drained and degraded peat particularly from arable cultivation, significantly reduces release of CO₂ to the atmosphere. Restoration of peat-forming conditions should in time also lead to further carbon sequestration and restoration of these habitats at a landscape scale can slow water flows to rivers and reduce flood peaks, and in some situations will provide areas for flood storage.

Other measures require implementing a water management regime, which includes maintaining water control structures in good working order; controlling scrub cover; maintaining areas of open water; and management of ditch systems.

Many of the actions below are likely to offer multiple benefits (depending on the specifics and location of their implementation) and contribute to a number of Focus Areas. These are detailed in the wetlands commitments table attached. They will also contribute to a variety of national and European policy commitments. In particular, actions supporting the creation and restoration of wetland habitats will contribute to:

- EU Birds and Habitats Directives
- EU Water Framework Directive (by restricting nutrient and pesticide inputs and/or reducing soil erosion and flood risk through protecting underlying soils and/or increased surface roughness slowing surface run-off)
- Convention on Biological Diversity & EU Biodiversity Strategy (through supporting the aims of Biodiversity 2020)
- EU Floods Directive
- Supporting the ambitions to encourage sustainable agricultural systems, increase species diversity and the health of ecosystems, particularly lakes, rivers and estuaries.

	Name	Aim	Eligibility	Proposed payment rate €/ha	Focus Area ⁵				
					4a:	4b:	4c:	5d:	5e:
WT1	Buffering in-field ponds and ditches in improved grassland	To protect ponds and high value ditches from nutrient leaching and run-off, to maintain and enhance water quality and biodiversity.	This commitment is only available on improved grassland adjacent to ponds or ditches in the Management of ditches of high environmental value commitment. It must not be used around artificially created ponds such as dew ponds, fishponds, decoy ponds, parkland ponds, and ponds associated with industrial features.	251	1	1	1	2	2
WT2	Buffering in-field ponds and ditches in arable land	To protect ponds and high value ditches from nutrient leaching and run-off, to maintain and enhance water quality and biodiversity.	This commitment is only available on arable land adjacent to ponds or ditches in the Management of ditches of high environmental value option. It must not be used around artificially created ponds such as dew ponds, fishponds, decoy ponds, parkland ponds, and ponds associated with industrial features.	626	1	1	1	-	2
WT3	Management of ditches of high environmental value	To ensure the sensitive management of ditches of high environmental value that support target species of plants, birds, mammals and insects, and/or are essential to	Only ditches of high environmental value as defined; and ditches essential for the management of defined commitments are eligible	44/100m	1	2	2	-	-

⁵ 1 = primary outcome 2 = secondary benefit potential

		support the delivery of the wet grassland and wetland options.							
WT4	Management of ponds of high wildlife value (100 sq m or less)	To protect and enhance high wildlife value ponds	Only available on Priority Ponds as defined on the Pond Conservation website; or • on ponds that have a characteristic flora and/or fauna, good quality water and natural water levels. This commitment can only be used in combination with listed land management options.	124/pond	1	2	2	-	2
WT5	Management of ponds of high wildlife value (more than 100 sq m)	To protect and enhance high wildlife value ponds	Ponds greater than 1 ha are not eligible. Only available on Priority Ponds as defined on the Pond Conservation website; or • on ponds that have a characteristic flora and/or fauna, good quality water and natural water levels. This commitment can only be used in combination with listed land management options.	220/pond	1	2	-	-	2
WT6	Management of reedbed	To manage, maintain and restore priority habitat reedbeds.	Priority habitat reedbed in good condition and >2 ha in extent and degraded reedbed >2 ha in extent with the potential for restoration.	98	1	2	2	-	-
WT7	Creation of reedbed	To create new areas of reedbed priority habitat on land of low wildlife value.	Only available on arable, temporary or improved permanent grassland or other wetland habitat in poor condition on a level or very shallow gradient with a reliable and adequate water supply that is able to maintain a consistent depth and flow in summer. Other wetland habitats are only eligible with a recommendation from a specialist. This commitment must not be located on existing semi-natural habitat, historic or archaeological features, where proposals have the potential to flood third party land, or where associated with poor water quality. Areas of open water 1 ha or more in area are not eligible.	404	1	2	2	-	2
WT8	Management of fen	To manage, maintain and restore priority habitat fens.	Areas of open water 1 ha or more in area are not eligible. Only the following are eligible for this option: A) Fen (Priority Habitat) and small areas of reed bed (Priority Habitat) <2 ha in size in good condition or a mosaic of the two habitats together; and B) Fen and areas of reed bed <2 ha in size in poor condition which have a reliable and adequate summer water supply (surface or	49	1	2	2	-	-

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			groundwater) for water level restoration.						
WT9	Creation of fen	To create new areas of fen priority habitat on land of low wildlife value.	Areas of open water 1 ha or more in area are not eligible. Only available on arable land, temporary grassland or improved permanent grassland or other wetland habitat in poor condition on a level or very shallow gradient with a reliable and adequate water supply. Other wetland habitats, are only eligible with a recommendation from a specialist.	558	1	2	2	-	2
WT10	Management of lowland raised bog	To manage, maintain and restore priority habitat lowland raised bogs.	Only available on Lowland Raised Bog (priority habitat) which can be kept sufficiently wet for peat formation to occur.	205	1	2	2	-	-
WT11	Wetland cutting supplement	To support appropriate cutting management of wetland habitats.	This supplementary commitment can only be used in combination with one of the following land management options: Management of reedbed; Creation of reedbed; Management of fen; Creation of fen; Management of lowland raised bog.	550	1	-	-	-	-
WT12	Wetland grazing supplement	To support appropriate grazing management of wetland habitats.	This supplementary commitment can only be used in combination with one of the following land management options: Management of reedbed; Creation of reedbed; Management of fen; Creation of fen; Management of lowland raised bog.	380	1	-	-	-	-

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8.2.7.3.4.2. Type of support

See sub-measure 10.1.

8.2.7.3.4.3. Links to other legislation

See sub-measure 10.1.

8.2.7.3.4.4. Beneficiaries

See sub-measure 10.1.

8.2.7.3.4.5. Eligible costs

See sub-measure 10.1.

8.2.7.3.4.6. Eligibility conditions

See sub-measure 10.1.

8.2.7.3.4.7. Principles with regards to the setting of selection criteria

See sub-measure 10.1.

8.2.7.3.4.8. (Applicable) amounts and support rates

See sub-measure 10.1.

8.2.7.3.4.9. Verifiability and controllability of the measures and/or types of operations

8.2.7.3.4.9.1. *Risk(s) in the implementation of the measures*

The key risks to verifiability and controllability for operations on wetland are those identified by the area-related root causes set out in the Commission's working document SWD(2013) 244 final and reiterated in the Error Rates technical guidance fiche. These are both administrative and beneficiary related. A control framework has been developed which sets out clearly how area-based activity will be controlled and verified under this measure.

In particular commitments which are difficult to implement and verify (Root Cause 6) are identified as the main risk for wetland operations: these relate to no inputs and maximum stocking densities. Mitigating actions to reduce the risk of implementation are set out in the next section.

The other main concerns relate to putting in place high quality internal controls and procedures and ensuring that appropriate IT, administrative and inspection checks are in place. This will help put in place corrective and preventative action (CPA7: Improving internal controls and procedures) Appropriate IT and Administrative checks are carried out [as per Reg 65/2011, Article 11].

The range of controls that will apply to wetland operations to support this are:

Administrative checks (both manual and IT based):

- Automated cross checks with the Land Parcel Identification System and Basic Payment application data, and with current IT systems will ensure that the selection commitments with regard to the land-use eligibility and co-location are correct. The risk of greening double-funding will be via a check against the location of the relevant commitments against EFA. Dual funding checks will be performed by cross checking applications against self-declarations;
- Manual checks on data and supporting documents submitted by the claimant, and data held by the paying agency and delivery bodies (including datasets obtained from other government bodies and other third parties);
- Manual checks that copies of farm records and photographs either submitted by the applicant and/or uploaded into the IT system;
- Eligibility checks at the time of setting up the agreement, and ongoing agreement monitoring visits and checks, particularly those requiring specialist input such as complex management plans, and control of stocking and reduced inputs prescriptions;
- Other third party visits and remote sensing may also supplement such checks to confirm commitments are being met.

On the spot inspection checks:

- Compliance inspections on 5% of beneficiaries to ensure scheme requirements have been met.
- Visual checks to confirm commitments have been undertaken;
- Farm record checks and soil sampling, where appropriate e.g. where follow up may be required
- Inspection at the appropriate time to check compliance with the option. Re-visits where necessary. Recording of relevant findings;
- Inspections will be timed where possible to take place during the period the commitment must be met;
- Inspections outside this period will confirm the condition of areas is consistent with the management records;
- The inspection rate will be 5% but if a high level of non-compliance is found, a higher % rate for agreements with these options will be implemented.

The root causes that apply to non-area-related activity generally also apply, particularly the need to ensure that a clear separation of duties and set of procedures are put in place to ensure claims are processed correctly (Root Cause 9) and that eligibility conditions are met (Root Cause 10). Exhaustive further checks on evidence of defrayal, progress reports, photographs and on-the-spot checks or final claim inspections will also be undertaken.

Clear guidance and support will be provided to beneficiaries to ensure they provide correct area declarations and understand the nature of commitments made (Root Causes 7 and 8). A high level of information and guidance will be provided to beneficiaries within scheme literature (web-based or in paper form) on scheme requirements or commitments to show beneficiaries how to meet them.

Proportionate checks over the lifetime of agreements will also be in place. Further information and guidance will also be to ensure beneficiaries are aware of changes caused by the update of the LPIS system or other legal changes (Root Cause 2).

8.2.7.3.4.9.2. Mitigating actions

In addition to those identified above, mitigating actions will include:

- Independent verification of standard costs;
- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;
- Training for administration staff including compliance, fraud and un-conscious bias training;
- Guidance for administrative staff to ensure appropriate appraisal of applications, and that variations to contract are appropriately controlled and implemented.

Commitments which are difficult to implement and verify (**Root Cause 6**) are identified as the main risk for wetland operations: these relate to no inputs and maximum stocking densities.

7 options include a no input commitment:

WT1 Buffering in-field ponds and ditches in improved grassland

WT2 Buffering in field ponds and ditches in arable land

WT6 Management of Reedbed

WT7 Creation of Reedbed

WT8 Management of Fen

WT9 Creation of Fen

WT10 Management of lowland raised bog

One option also contains a maximum stocking density commitment:

WT12 Wetland grazing supplement.

As per the AECM guidance fiche, options with these types of commitment are targeted at sites of high environmental value.

For **no input commitments** the principle verification method will be timed field inspections to detect any visible signs of fertiliser. Advice through Measure 2 may also be provided to agreement holders to give additional assurance to ensure that beneficiaries deliver the commitments they have signed up for.

Agreement holders will also be required to keep activity records of particular activities associated with this operation such as applications of fertilisers and plant protection products and make detailed records available on request. A percentage of claims will be selected for follow up checks of these records. This will be done on a risk-based assessment of an indicative 10% of agreements with options which contain reduced input commitments in the first year of the new Environmental scheme. We will review the level of checks each year of the subsequent programming period.

For **maximum stocking density commitments** the principle verification methods are:

- an administrative cross check of livestock databases to quantify potential breaches to stocking levels at a holding level;
- where there is an indication of a potential breach of maximum stocking density levels, asking beneficiaries to submit stocking records and verifying these through an administrative check of records;
- Rapid Field Visits, where appropriate that will record the animal numbers found and check whether or not the commitments have been undertaken.

8.2.7.3.4.9.3. Overall assessment of the measure

The overall assessment of risk following mitigating actions is **medium-high**.

Appropriate controls for wetland operations under this measure in England are in place. Commitments that are difficult to verify and control have been the subject of audit criticism and we have put in place mitigating actions to ensure these can be appropriately verified and controlled.

Defra and the RPA are satisfied that wetland options and prescriptions can be effectively controlled and verified. The combination of controls proposed throughout the life of the agreement provides assurance

on compliance, not any individual control in isolation.

8.2.7.3.4.10. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law

See sub-measure 10.1.

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution; the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced by Directive 2009/128/EC of the European Parliament and of the Council, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites, as established by national legislation

See sub-measure 10.1.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

See sub-measure 10.1.

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 29(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation

See sub-measure 10.1.

8.2.7.3.5. Sub-measure 10.1.12 - Woodland & Scrub

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.7.3.5.1. Description of the type of operation

The RDP SWOT analysis identifies declining biodiversity as a weakness in England, with additional future threats identified from competition for land use, climate change and other human-induced threats to functioning and resilient ecological networks. Market failure is one of the main reasons why the Rural Development Programme is needed to intervene in the way land is managed. Biodiversity is a prime example of a public good, which will be underprovided by the market without intervention. A strength of our current Programme has been the demonstrated ability to reverse biodiversity declines by using highly targeted species and habitat management.

To reverse declines in biodiversity there is a need to build on the favourable condition secured on many of our most important sites, and ensure appropriate management is in place on remaining areas of semi-natural habitat outside of statutory designation. In addition, better targeted habitat restoration and expansion is required to achieve more joined up habitats at a landscape scale. There are net gains to be made by improving biodiversity. For example, SSSI management costs are estimated at £110m annually but the public benefits supplied are estimated to be worth c.£956m annually.

Support for woodland creation and management will be provided under Measures 8 and 15.

These commitments will help deliver the need identified to maintain, restore and enhance woodland, wood pasture and scrub habitats for biodiversity, historic interest and to enhance the quality and character of the landscape. The distinct character of wood pasture and parkland sets them apart from the surrounding landscape, creating a recognisable sense of space and often providing public access.

Parkland often has multiple layers of historic interest and can be of international significance.

Protecting mature and veteran trees is a priority, including the associated deadwood that supports invertebrates. Veteran trees are important landscape features, provide habitats for a significant number of species, particularly invertebrates, and can be of considerable historic and cultural importance.

Successional areas and scrub provide habitats for specific target species and can enhance and maintain the woodland edge and other habitats such as heathland and grassland where they can be a significant component of the habitat mosaic.

Beneficiaries of the wood pasture and parkland options will be required to maintain or restore a short sward or heath, with grazing and scrub management as necessary; avoid damage to existing trees; plant additional trees; retain deadwood; and protect parkland features such as fencing, historic structures and ponds.

Ploughing, cultivation and re-seeding and the use of artificial chemicals are not allowed or are restricted.

Beneficiaries of the successional areas and scrub options will be required to manage the scrub by controlling grazing, and cutting to maintain or restore the scrub. Ploughing, cultivation and re-seeding and the use of artificial chemicals are not allowed or are restricted. Pesticides, including herbicides, can only be used to spot treat or weed-wipe.

Veteran tree management will help to reduce the loss of such trees by carrying out specialist tree surgery to extend their lifespan.

Many of the actions below could offer multiple benefits (depending on the specifics of their implementation) and contribute to a number of Focus Areas. These are detailed in the attached Woodland and Scrub Commitment Table. They will also contribute to a variety of national and European policy commitments. In particular, actions supporting wetland habitats will contribute to:

- EU Birds and Habitats Directives
- EU Water Framework Directive (by restricting inputs and/or reducing soil erosion and flood risk through protecting underlying soils or increased surface roughness slowing run-off)
- EU Floods Directive
- Convention on Biological Diversity & EU Biodiversity Strategy (through supporting the aims of Biodiversity 2020)
- Supporting the ambitions to increase species diversity and the health of ecosystems.

	Name	Aim	Eligibility	Proposed payment rate €/ha	Focus Area ⁷				
					4a:	4b:	4c:	5d:	5e:
WD3	Woodland edges on arable land	To allow a scrub and grass mosaic to develop on the strip of land adjacent to woodland.	Adjacent to predominantly native or ancient semi-natural woodlands. You must submit a standard soil analysis (TIN035) including organic matter (by Loss on Ignition) with the application.	404	1	2	2	2	2
WD4	Management of wood pasture & parkland	To maintain existing lowland wood pasture and parkland on sites that still support a number of ancient trees and/or parkland features.	This option can only be used: on existing wood pasture and parkland in good condition. In addition, recreational parkland is only eligible where it forms part of the farmed environment. You must submit a standard soil analysis (TIN035) including organic matter (by Loss on Ignition) with the application.	58	1	-	-	2	-
WD5	Restoration of wood pasture & parkland	To restore existing wood pasture and parkland on sites that still support a number of ancient trees and/or parkland features.	This option can only be used: On existing wood pasture and parkland in poor condition. In addition, on recreational parkland is only eligible where it forms part of the farmed environment. You must submit a standard soil analysis (TIN035) including organic matter (by Loss on Ignition) with the application.	305	1	-	-	2	2

⁷ 1 = primary outcome 2 = secondary benefit potential

WD6	Creation of wood pasture & parkland	To create wood pasture on sites that are known to have been wood pasture previously or on sites adjacent to or linking existing areas of wood pasture.	<p>This option can only be used: on sites with ancient, open grown trees; or sites with evidence (such as maps or photographs) that wood pasture was once present, including sites currently under arable cultivation; or sites where it extends, links or buffers existing areas of wood pasture or priority woodland habitat.</p> <p>You must submit a standard soil analysis (TIN035) including organic matter (by Loss on Ignition) with the application.</p>	511	1	2	2	2	2
WD7	Management of successional areas and scrub	To enhance habitats for specific target species and/or enhance or maintain the quality of the woodland edge environment.	<p>This option can only be used: on land parcels/areas with a minimum of 10% scrub cover. on land parcels adjacent to existing areas of scrub or woodland; or in areas where target species occur already.</p> <p>You must submit a standard soil analysis (TIN035) including organic matter (by Loss on Ignition) with the application.</p> <p>This option cannot be used: on historic or archaeological features; on existing wildlife sites; or where trees would be detrimental to the landscape</p>	93	1	-	-	-	-
WD8	Creation of successional areas and scrub	To provide or enhance habitats for specific target species, and to enhance or maintain woodland edge, by providing a succession of scrub habitat.	<p>This option can only be used: on land parcels adjacent to existing areas of scrub or woodland; or in areas where target species occur already.</p> <p>You must submit a standard soil analysis (TIN035) including organic matter (by Loss on Ignition) with the application.</p> <p>This option cannot be used: on historic or archaeological features; on existing wildlife sites, or where trees would be detrimental to the landscape.</p>	109	1	2	2	2	2
WD9	Livestock exclusion supplement – scrub & successional areas	The removal of livestock from overgrazed woodland or from areas of scrub, to	<p>This supplement can only be used: Below the Moorland Line. In combination with the following land management options W9 Management of Scrub and Successional Areas W11 Creation of Scrub and Successional Areas. It is not available for On parcels of predominantly native trees and shrubs.</p>	151	1	-	-	2	2

Woodland and Scrub Commitments Pt 2 of 3

		encourage the establishment of trees and shrubs by natural regeneration.	This supplement cannot be used: In woodlands with an existing scheme requirement to exclude stock.							
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Woodland and Scrub Commitments Pt 3 of 3

8.2.7.3.5.2. Type of support

See sub-measure 10.1.

8.2.7.3.5.3. Links to other legislation

See sub-measure 10.1.

8.2.7.3.5.4. Beneficiaries

See sub-measure 10.1.

8.2.7.3.5.5. Eligible costs

See sub-measure 10.1.

8.2.7.3.5.6. Eligibility conditions

See sub-measure 10.1.

8.2.7.3.5.7. Principles with regards to the setting of selection criteria

See sub-measure 10.1.

8.2.7.3.5.8. (Applicable) amounts and support rates

See sub-measure 10.1.

8.2.7.3.5.9. Verifiability and controllability of the measures and/or types of operations

8.2.7.3.5.9.1. *Risk(s) in the implementation of the measures*

The key risks to verifiability and controllability for operations on woodland & scrub are those identified by the area-related root causes set out in the Commission's working document SWD(2013) 244 final and reiterated in the Error Rates technical guidance fiche. These are both administrative and beneficiary related. A control framework has been developed which sets out clearly how area-based activity will be controlled and verified under this measure.

In particular commitments which are difficult to implement and verify (Root Cause 6) are identified as the main risk for woodland & scrub operations: these relate to no inputs and maximum stocking densities. Mitigating actions to reduce the risk of implementation are set out in the next section.

The other main concerns relate to putting in place high quality internal controls and procedures and ensuring that appropriate IT, administrative and inspection checks are in place. This will help put in place corrective and preventative action (CPA7: Improving internal controls and procedures) Appropriate IT and Administrative checks are carried out [as per Reg 65/2011, Article 11].

The range of controls that will apply to woodland and scrub operations to support this are:

Administrative checks (both manual and IT based):

- Automated cross checks with the Land Parcel Identification System and Basic Payment application data, and with current IT systems will ensure that the selection commitments with regard to the land-use eligibility and co-location are correct. The risk of greening double-funding will be via a check against the location of the relevant commitments against EFA. Dual funding checks will be performed by cross checking applications against self-declarations;
- Manual checks on data and supporting documents submitted by the claimant, and data held by the paying agency and delivery bodies (including datasets obtained from other government bodies and other third parties);
- Manual checks that copies of farm records and photographs either submitted by the applicant and/or uploaded into the IT system;
- Eligibility checks at the time of setting up the agreement, and ongoing agreement monitoring visits and checks, particularly those requiring specialist input such as complex management plans, and control of stocking and reduced inputs prescriptions;
- Other third party visits and remote sensing may also supplement such checks to confirm commitments are being met.

On the spot inspection checks:

- Compliance inspections on 5% of beneficiaries to ensure scheme requirements have been met.
- Visual checks to confirm commitments have been undertaken;
- Farm record checks and soil sampling, where appropriate e.g. where follow up may be required
- Inspection at the appropriate time to check compliance with the option. Re-visits where necessary. Recording of relevant findings;
- Inspections will be timed where possible to take place during the period the commitment must be met;
- Inspections outside this period will confirm the condition of areas is consistent with the management records;
- The inspection rate will be 5% but if a high level of non-compliance is found, a higher % rate for agreements with these options will be implemented.

The root causes that apply to non-area-related activity generally also apply, particularly the need to ensure that a clear separation of duties and set of procedures are put in place to ensure claims are processed correctly (Root Cause 9) and that eligibility conditions are met (Root Cause 10). Exhaustive further checks on evidence of defrayal, progress reports, photographs and on-the-spot checks or final claim inspections will also be undertaken.

Clear guidance and support will be provided to beneficiaries to ensure they provide correct area declarations and understand the nature of commitments made (Root Causes 7 and 8). A high level of information and guidance will be provided to beneficiaries within scheme literature (web-based or in paper form) on scheme requirements or commitments to show beneficiaries how to meet them.

Proportionate checks over the lifetime of agreements will also be in place. Further information and guidance will also be to ensure beneficiaries are aware of changes caused by the update of the LPIS system or other legal changes (Root Cause 2).

8.2.7.3.5.9.2. *Mitigating actions*

In addition to those identified above, mitigating actions will include:

- Independent verification of standard costs;
- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;
- Training for administration staff including compliance, fraud and un-conscious bias training;
- Guidance for administrative staff to ensure appropriate appraisal of applications, and that variations to contract are appropriately controlled and implemented.

Commitments which are difficult to implement and verify (**Root Cause 6**) are identified as the main risk for woodland & scrub operations: these relate to no inputs.

6 options include a no input commitment:

WD3 Woodland edges on arable land

WD4 Management of wood pasture & parkland

WD5 Restoration of wood pasture & parkland

WD6 Creation of wood pasture

WD7 Management of successional areas and scrub

WD8 Creation of successional areas and scrub

As per the AECM guidance fiche, options with these types of commitment are targeted at sites of high environmental value.

For **no input commitments** the principle verification method will be timed field inspections to detect any visible signs of fertiliser. Advice through Measure 2 may also be provided to agreement holders to give additional assurance to ensure that beneficiaries deliver the commitments they have signed up for.

8.2.7.3.5.9.3. Overall assessment of the measure

The overall assessment of risk following mitigating actions is **medium-high**.

Appropriate controls for woodland & scrub operations under this measure in England are in place. Commitments that are difficult to verify and control have been the subject of audit criticism and we have put in place mitigating actions to ensure these can be appropriately verified and controlled.

Defra and the RPA are satisfied that woodland & scrub options and prescriptions can be effectively controlled and verified. The combination of controls proposed throughout the life of the agreement provides assurance on compliance, not any individual control in isolation.

8.2.7.3.5.10. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law

See sub-measure 10.1.

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution; the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced by Directive 2009/128/EC of the European Parliament and of the Council, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites, as established by national legislation

See sub-measure 10.1.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

See sub-measure 10.1.

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 29(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation

See sub-measure 10.1.

8.2.7.3.6. Sub-measure 10.1.2 - Boundaries, trees and orchards

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.7.3.6.1. Description of the type of operation

These commitments will help to deliver the need identified to maintain, restore and enhance boundary (specifically hedgerows), trees (specifically in-field trees) and traditional orchard habitats for biodiversity; promote genetic diversity and protect and enhance the quality and character of the landscape.

Hedgerow management will provide increased blossom and nectar sources for insects, including many pollinators. Early flowering nectar sources such as hawthorn and blackthorn have been identified as being particularly important for pollinators, such as bumblebees, in spring. Management will also provide habitat for a range of birds and mammals, and a rich supply of food for some species throughout the year, in particular during the winter when other sources of food are scarce. Berry production will be increased by 2-4 times that compared with hedges cut annually. Beneficiaries will be expected to maintain a range of different heights and widths of hedgerow principally by trimming on a rotational basis. The requirement to trim outside of the period 1 March – 31 August will offer complete protection to the nests of 19 birds which make up the Farmland Bird Index and utilise hedgerows for breeding. Beneficiaries will also be required to plant up gaps to achieve a hedge which consists of no more than 10% gaps which will allow improved connectivity and species dispersal potential. This improvement in overall hedge condition will help maintain hedges as distinctive boundary features which provide and reinforce the pattern and scale of the local landscape.

Traditional orchards make a significant contribution to biodiversity, landscape character and distinctiveness in the countryside. The mosaic of habitat they encompass provides habitat for a wide range of rare and threatened species including BAP species, nationally rare, scarce or declining species. Beneficiaries will be required to maintain or establish orchards using English varieties to promote genetic resources, increase biodiversity and provide additional habitats; protect trees from livestock; not apply any fertilisers, manures or lime. Pesticides, including herbicides, can only be used to spot-treat or weed-wipe. Ploughing, cultivation or re-seed; harrowing or rolling and supplementary feeding are not allowed or restricted.

In-field tree management will provide protection to in-field trees from potentially damaging agricultural practices in arable and intensive grass farming systems and retain them as important features in the local landscape. These trees provide habitat for many invertebrates and birds. Tree roots will be protected from damage by establishing an uncultivated and fertiliser free grass buffer. Undisturbed standing and fallen deadwood will be retained to provide valuable habitat for invertebrates.

Many of the actions below could offer multiple benefits (depending on the specifics of their implementation) and contribute to a number of Focus Areas. These are detailed in the attached boundaries, trees and orchards commitments table. They will also contribute to a variety of national and European policy commitments. In particular, actions through these commitments may well contribute to:

- EU Birds and Habitats Directives
- Supporting the ambitions to increase species diversity and the health of ecosystems
- Convention on Biological Diversity & EU Biodiversity Strategy (through supporting the aims of Biodiversity 2020)

- European Landscape Convention.

	Name	Aim	Eligibility	Proposed payment rate €/ha	Focus Area ³				
					4a:	4b:	4c:	5d:	5e:
BE1	Protection of in-field trees on arable land	To protect in-field trees from agricultural operations within arable fields.	This commitment can only be located on arable land or temporary grassland. Trees that form a group or line of four or more trees whose canopies overlap are not eligible. Trees (dead or alive) must be at least 30 cm diameter at breast height.	525	1	-	-	-	2
BE2	Protection of in-field trees on intensive grassland	To protect in-field trees from agricultural operations within intensive grass fields.	Trees that form a group or line of four or more trees whose canopies overlap are not eligible. Trees (dead or alive) must be at least 30 cm diameter at breast height (dbh) and situated on grassland receiving more than 100 kg/ha of nitrogen per year in fertilisers or manures.	238	1	-	-	-	2
BE3	Management of hedgerows	To increase blossom availability for invertebrates and provide a vital source of food for over-wintering birds by allowing fruit and berries to ripen, or to support target species of	Hedgerows must be a planted boundary line of shrubs (a woody plant where the distance between the ground and the base of the leafy layer is less than 2 m) which is over 20 m long and less than 5 m wide (between major woody stems at the base). Features which are trees over most of their length are not eligible. Composed of at least 80% native shrubs.	19/100m 10/100m	1	2	2	-	-

³ 1 = primary outcome 2 = secondary benefit potential

		farmland bird, invertebrate or mammal through tailored hedgerow management.							
BE4	Management of traditional orchards	This option aims to maintain and restore existing traditional orchards.	Traditional orchard with at least one third of the original stations occupied by trees over 25 years old.	265	1	-	-	-	-
BE5	Creation of traditional orchards	To create target species traditional orchards	Traditional orchard with fewer than one third of the original stations occupied by trees over 25 years old and sites where there is evidence of previous use as an orchard.	351	1	-	-	2	2
BE6	Veteran tree surgery	To reduce the rate of loss of veteran trees by carrying out specialist tree surgery to extend their lifespan.	This option can only be used: for veteran open grown trees and or trees in open canopy woodlands. where specialist tree surgery is identified within an implementation plan agreed by Natural England This option is cannot be used: For Health and Safety tree felling or management	26/tree	1	-	-	-	-
BE7	Supplement for restorative pruning of fruit trees	To restore and rejuvenate neglected fruit trees so that a regular programme of maintenance pruning is established.	This supplementary commitment can only be used in combination with one of the following options; Management of traditional orchards, Creation of traditional orchards or Management of hedgerows. This supplement can only be paid for a maximum of three years on an individual tree.	74/tree	1	-	-	-	-

Boundaries, trees and orchards Commitments Pt 2 of 2

8.2.7.3.6.2. Type of support

See sub-measure 10.1.

8.2.7.3.6.3. Links to other legislation

See sub-measure 10.1.

8.2.7.3.6.4. Beneficiaries

See sub-measure 10.1.

8.2.7.3.6.5. Eligible costs

See sub-measure 10.1.

8.2.7.3.6.6. Eligibility conditions

See sub-measure 10.1.

8.2.7.3.6.7. Principles with regards to the setting of selection criteria

See sub-measure 10.1.

8.2.7.3.6.8. (Applicable) amounts and support rates

See sub-measure 10.1.

8.2.7.3.6.9. Verifiability and controllability of the measures and/or types of operations

8.2.7.3.6.9.1. *Risk(s) in the implementation of the measures*

The key risks to verifiability and controllability for operations on the boundaries, trees and orchards theme are those identified by the area-related root causes set out in the Commission's working document SWD(2013) 244 final and reiterated in the Error Rates technical guidance fiche. These are both administrative and beneficiary related. A control framework has been developed which sets out clearly how area-based activity will be controlled and verified under this measure.

In particular commitments which are difficult to implement and verify (Root Cause 6) are identified as the main risk for the boundaries, trees and orchards theme operations: these relate to no inputs. Mitigating actions to reduce the risk of implementation are set out in the next section.

The other main concerns relate to putting in place high quality internal controls and procedures and ensuring that appropriate IT, administrative and inspection checks are in place. This will help put in place corrective and preventative action (CPA7: Improving internal controls and procedures) Appropriate IT and Administrative checks are carried out [as per Reg 65/2011, Article 11].

The range of controls that will apply to the boundaries, trees and orchards theme operations to support this are:

Administrative checks (both manual and IT based):

- Automated cross checks with the Land Parcel Identification System and Basic Payment application data, and with current IT systems will ensure that the selection commitments with regard to the land-use eligibility and co-location are correct. The risk of greening double-funding will be via a check against the location of the relevant commitments against EFA. Dual funding checks will be performed by cross checking applications against self-declarations;
- Manual checks on data and supporting documents submitted by the claimant, and data held by the paying agency and delivery bodies (including datasets obtained from other government bodies and other third parties);
- Manual checks that copies of farm records and photographs either submitted by the applicant and/or uploaded into the IT system;
- Eligibility checks at the time of setting up the agreement, and ongoing agreement monitoring visits and checks, particularly those requiring specialist input such as complex management plans, and control of stocking and reduced inputs prescriptions;
- Other third party visits and remote sensing may also supplement such checks to confirm commitments are being met.

On the spot inspection checks:

- Compliance inspections on 5% of beneficiaries to ensure scheme requirements have been met.
- Visual checks to confirm commitments have been undertaken;
- Farm record checks and soil sampling, where appropriate e.g. where follow up may be required
- Inspection at the appropriate time to check compliance with the option. Re-visits where necessary. Recording of relevant findings;
- Inspections will be timed where possible to take place during the period the commitment must be met;
- Inspections outside this period will confirm the condition of areas is consistent with the management records;
- The inspection rate will be 5% but if a high level of non-compliance is found, a higher % rate for agreements with these options will be implemented.

The root causes that apply to non-area-related activity generally also apply, particularly the need to ensure that a clear separation of duties and set of procedures are put in place to ensure claims are processed correctly (Root Cause 9) and that eligibility conditions are met (Root Cause 10). Exhaustive further checks on evidence of defrayal, progress reports, photographs and on-the-spot checks or final claim inspections will also be undertaken.

Clear guidance and support will be provided to beneficiaries to ensure they provide correct area declarations and understand the nature of commitments made (Root Causes 7 and 8). A high level of information and guidance will be provided to beneficiaries within scheme literature (web-based or in

paper form) on scheme requirements or commitments to show beneficiaries how to meet them.

Proportionate checks over the lifetime of agreements will also be in place. Further information and guidance will also be to ensure beneficiaries are aware of changes caused by the update of the LPIS system or other legal changes (Root Cause 2).

8.2.7.3.6.9.2. *Mitigating actions*

In addition to those identified above, mitigating actions will include:

- Independent verification of standard costs;
- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;
- Training for administration staff including compliance, fraud and un-conscious bias training;
- Guidance for administrative staff to ensure appropriate appraisal of applications, and that variations to contract are appropriately controlled and implemented.

Commitments which are difficult to implement and verify (**Root Cause 6**) are identified as the main risk for the boundaries, trees and orchards theme operations: these relate to no inputs.

4 options include a no input commitment:

- 1 BE1 Protection of in-field trees on arable land
- 2 BE2 Protection of in-field trees on intensive grassland
- 3 BE4 Management of traditional orchards
- 4 BE5 Creation of traditional orchards

As per the AECM guidance fiche, options with these types of commitment are targeted at sites of high environmental value.

For **no input commitments** the principle verification method will be timed field inspections to detect any visible signs of fertiliser. Advice through Measure 2 may also be provided to agreement holders to give additional assurance to ensure that beneficiaries deliver the commitments they have signed up for.

Agreement holders will also be required to keep activity records of particular activities associated with this operation such as applications of fertilisers and plant protection products and make detailed records available on request. A percentage of claims will be selected for follow up checks of these records.

8.2.7.3.6.9.3. Overall assessment of the measure

The overall assessment of risk following mitigating actions is **medium-high**.

Appropriate controls for boundaries, trees & orchards operations under this measure in England are in place. Commitments that are difficult to verify and control have been the subject of audit criticism and we have put in place mitigating actions to ensure these can be appropriately verified and controlled.

Defra and the RPA are satisfied that boundaries, trees & orchard options and prescriptions can be effectively controlled and verified. The combination of controls proposed throughout the life of the agreement provides assurance on compliance, not any individual control in isolation.

8.2.7.3.6.10. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law

See sub-measure 10.1.

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution; the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced by Directive 2009/128/EC of the European Parliament and of the Council, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites, as established by national legislation

See sub-measure 10.1.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

See sub-measure 10.1.

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 29(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation

See sub-measure 10.1.

8.2.7.3.7. Sub-measure 10.1.3 - Coastal

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.7.3.7.1. Description of the type of operation

The assessment of needs shows that increased flood risk is one of the main threats associated with climate change in England. There is a need to improve flood risk management in rural areas, in particular where this also contributes to improvement in coastal habitats. As well as good management of existing coastal habitats, there is a need to create further coastal habitat that can provide flood management benefits and deliver significant environmental benefits in relation to biodiversity and carbon sequestration.

Inter-tidal and coastal commitments within agri-environment agreements will help to maintain, restore and create coastal habitats for biodiversity and to mitigate the effects of rising sea levels and coastal erosion. The aim is to manage fragile coastal habitats through sensitive management and to support new habitats resulting from dynamic coastal change. Such habitats in turn help provide natural coastal flood defences, e.g. new areas of saltmarsh or shingle. Beneficiaries will be expected to manage these locations by means which include extensive grazing (where appropriate) with no supplementary feeding or fertiliser inputs, retaining woody debris and accumulations of seaweed. Restorative management will be tailored to each site based on existing practices in the area and may involve introducing or removing grazing, as appropriate.

Commitments to create inter-tidal habitat include site preparation by spraying off vegetation; breaching the sea wall and excavating creeks; and allowing the site to flood regularly with the tide. Saline lagoon creation may involve the excavation of the lagoon; constructing a water inlet and outlet system and implementing a water flow regime. For these commitments a management/feasibility plan will be required, as well as technical modelling studies (e.g. by Environment Agency) of the impacts of the planned work on adjacent areas.

Many of the actions below could offer multiple benefits (depending on the specifics of their implementation) and contribute to a number of Focus Areas. These are detailed in the attached coastal commitments table. They will also contribute to a variety of national and European policy commitments. In particular, actions supporting these commitments will contribute to:

- EU Birds and Habitats Directives: including delivery for those Annex 1 habitats and Annex 2 species prioritised for conservation action under the Prioritised Action Framework for Natura 2000
- Convention on Biological Diversity & EU Biodiversity Strategy (through supporting the aims of Biodiversity 2020)
- EU Water Framework Directive
- The EU Floods Directive
- The EU Marine Sustainable Framework Directive
- Supporting the ambitions to increase species diversity and the health of ecosystems.

	Name	Aim	Eligibility	Proposed payment rate €/ha	Focus Area ⁴				
					4a:	4b:	4c:	5d:	5e:
CT1	Management of coastal sand dunes and vegetated shingle	To ensure the appropriate management of existing coastal sand dune and vegetated shingle sites, whether in good condition or needing restoration where former management has lapsed or scrub has invaded.	Coastal sand dune and vegetated shingle priority habitat.	271	1	2	2	-	-
CT2	Creation of coastal sand dunes and vegetated shingle on arable land and improved grassland	To create sand dunes and coastal vegetated shingle on arable land or improved grassland locations formerly part of sand dune or shingle systems.	Land is not eligible if the proposed creation is: <ul style="list-style-type: none"> • compensation required as a consequence of Regulation 53/66 of the Habitat Regulations. • a condition of planning permission. Arable land or improved grassland adjacent to existing sand dune or shingle features.	393	1	1	1	-	2
CT3	Management of coastal	To maintain coastal saltmarsh in	Saltmarsh and transitional areas lying above mean high water neap tide level and experiencing between 25 and 600 immersions a year (less for transitional areas).	96	1	2	2	-	-

⁴ 1 = primary outcome 2 = secondary benefit potential

	saltmarsh	good condition and restore saltmarsh in unfavourable condition.							
CT4	Creation of inter-tidal and saline habitat on arable land	To create inter-tidal and saline habitats, including transitional areas, on arable land.	Only land that lies behind a coastal defence where the elevation of the majority of the site lies below mean high water spring (MHWS) tide level; and where the site is adjacent to either saltmarsh or other inter-tidal habitat is eligible for this option. E9 – Land is not eligible if the proposed creation is: • compensation required as a consequence of Regulation 53/66 of the Habitat Regulations. • a condition of planning permission.	553	1	1	1	2	2
CT5	Creation of inter-tidal and saline habitat by non-intervention	To create inter-tidal and saline habitat following the unmanaged breach of sea walls or the overtopping of sea walls.	Land is not eligible if the proposed creation is: • compensation required as a consequence of Regulation 53/66 of the Habitat Regulations. • a condition of planning permission. Arable land or grassland that lies behind a coastal defence or shingle ridge that is no longer being maintained as part of a flood risk management strategy and is either overtopped by high tides or has recently breached and shows evidence of inundation or percolation of saline water through the defence structure.	339	1	1	1	2	-
CT6	Coastal vegetation management supplement	To support the management of vegetation on saltmarshes and other coastal habitats through a reduction in existing levels of grazing, the introduction of grazing or cutting.	This supplement can only be used in combination with the following annual management options: • Management of coastal saltmarsh; • Creation of inter-tidal and saline habitat on arable land and intensive grassland; • Creation of inter-tidal and saline habitat by non-intervention.	146	1	2	2	-	-
CT7	Creation of inter-tidal and saline	To create inter-tidal and saline habitats,	Only land that lies behind a coastal defence where the elevation of the majority of the site lies below mean high water spring (MHWS) tide level; and where the site is adjacent to either saltmarsh or other	345	1	1	1	2	2

	habitat on intensive grassland	including transitional areas, on intensive grassland.	inter-tidal habitat is eligible for this option. E9 – Land is not eligible if the proposed creation is: <ul style="list-style-type: none"> • compensation required as a consequence of Regulation 53/66 of the Habitat Regulations. • a condition of planning permission. 							
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Coastal Commitments Pt 3 of 3

8.2.7.3.7.2. Type of support

See sub-measure 10.1.

8.2.7.3.7.3. Links to other legislation

See sub-measure 10.1.

8.2.7.3.7.4. Beneficiaries

See sub-measure 10.1.

8.2.7.3.7.5. Eligible costs

See sub-measure 10.1.

8.2.7.3.7.6. Eligibility conditions

See sub-measure 10.1.

8.2.7.3.7.7. Principles with regards to the setting of selection criteria

See sub-measure 10.1.

8.2.7.3.7.8. (Applicable) amounts and support rates

See sub-measure 10.1.

8.2.7.3.7.9. Verifiability and controllability of the measures and/or types of operations

8.2.7.3.7.9.1. *Risk(s) in the implementation of the measures*

The key risks to verifiability and controllability for operations on coastal areas are those identified by the area-related root causes set out in the Commission's working document SWD(2013) 244 final and reiterated in the Error Rates technical guidance fiche. These are both administrative and beneficiary related. A control framework has been developed which sets out clearly how area-based activity will be controlled and verified under this measure.

In particular commitments which are difficult to implement and verify (Root Cause 6) are identified as the main risk for coastal operations: these relate to no inputs. Mitigating actions to reduce the risk of implementation are set out in the next section.

The other main concerns relate to putting in place high quality internal controls and procedures and ensuring that appropriate IT, administrative and inspection checks are in place. This will help put in place corrective and preventative action (CPA7: Improving internal controls and procedures) Appropriate IT and Administrative checks are carried out [as per Reg 65/2011, Article 11].

The range of controls that will apply to coastal operations to support this are:

Administrative checks (both manual and IT based):

- Automated cross checks with the Land Parcel Identification System and Basic Payment application data, and with current IT systems will ensure that the selection commitments with regard to the land-use eligibility and co-location are correct. The risk of greening double-funding will be via a check against the location of the relevant commitments against EFA. Dual funding checks will be performed by cross checking applications against self-declarations;
- Manual checks on data and supporting documents submitted by the claimant, and data held by the paying agency and delivery bodies (including datasets obtained from other government bodies and other third parties);
- Manual checks that copies of farm records and photographs either submitted by the applicant and/or uploaded into the IT system;
- Eligibility checks at the time of setting up the agreement, and ongoing agreement monitoring visits and checks, particularly those requiring specialist input such as complex management plans, and control of stocking and reduced inputs prescriptions;
- Other third party visits and remote sensing may also supplement such checks to confirm commitments are being met.

On the spot inspection checks:

- Compliance inspections on 5% of beneficiaries to ensure scheme requirements have been met.
- Visual checks to confirm commitments have been undertaken;
- Farm record checks and soil sampling, where appropriate e.g. where follow up may be required
- Inspection at the appropriate time to check compliance with the option. Re-visits where necessary. Recording of relevant findings;
- Inspections will be timed where possible to take place during the period the commitment must be met;
- Inspections outside this period will confirm the condition of areas is consistent with the management records;
- The inspection rate will be 5% but if a high level of non-compliance is found, a higher % rate for agreements with these options will be implemented.

The root causes that apply to non-area-related activity generally also apply, particularly the need to ensure that a clear separation of duties and set of procedures are put in place to ensure claims are processed correctly (Root Cause 9) and that eligibility conditions are met (Root Cause 10). Exhaustive further checks on evidence of defrayal, progress reports, photographs and on-the-spot checks or final claim inspections will also be undertaken.

Clear guidance and support will be provided to beneficiaries to ensure they provide correct area declarations and understand the nature of commitments made (Root Causes 7 and 8). A high level of information and guidance will be provided to beneficiaries within scheme literature (web-based or in paper form) on scheme requirements or commitments to show beneficiaries how to meet them.

Proportionate checks over the lifetime of agreements will also be in place. Further information and guidance will also be to ensure beneficiaries are aware of changes caused by the update of the LPIS system or other legal changes (Root Cause 2).

8.2.7.3.7.9.2. *Mitigating actions*

In addition to those identified above, mitigating actions will include:

- Independent verification of standard costs;
- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;
- Training for administration staff including compliance, fraud and un-conscious bias training;
- Guidance for administrative staff to ensure appropriate appraisal of applications, and that variations to contract are appropriately controlled and implemented.

Commitments which are difficult to implement and verify (**Root Cause 6**) are identified as the main risk for coastal operations: these relate to no inputs.

6 options include a no input commitment:

CT1 Management of coastal sand dunes and vegetated shingle

CT2 Creation of coastal sand dunes and vegetated shingle on arable land and improved grassland

CT3 Management of coastal saltmarsh

CT4 Creation of Inter-Tidal and Saline Habitat on arable land

CT5 Creation of inter-tidal and saline habitat by non-intervention.

CT7 Creation of inter tidal and saline habitat on intensive grassland

As per the AECM guidance fiche, options with these types of commitment are targeted at sites of high environmental value.

For **no input commitments** the principle verification method will be timed field inspections to detect any visible signs of fertiliser. Advice through Measure 2 may also be provided to agreement holders to give additional assurance to ensure that beneficiaries deliver the commitments they have signed up for.

8.2.7.3.7.9.3. Overall assessment of the measure

The overall assessment of risk following mitigating actions is **medium-high**.

Appropriate controls for coastal operations under this measure in England are in place. Commitments that are difficult to verify and control have been the subject of audit criticism and we have put in place mitigating actions to ensure these can be appropriately verified and controlled.

Defra and the RPA are satisfied that coastal options and prescriptions can be effectively controlled and verified. The combination of controls proposed throughout the life of the agreement provides assurance on compliance, not any individual control in isolation.

8.2.7.3.7.10. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law

See sub-measure 10.1.

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution; the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced by Directive 2009/128/EC of the European Parliament and of the Council, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites, as established by national legislation

See sub-measure 10.1.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

See sub-measure 10.1.

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 29(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation

See sub-measure 10.1.

8.2.7.3.8. Sub-measure 10.1.4- Grassland

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.7.3.8.1. Description of the type of operation

Grassland options within agri-environment commitments will help to deliver the need identified to maintain, restore and enhance grassland habitats for biodiversity. There have been significant declines in the area and quality of semi-natural grassland habitats in England. The activities proposed will support the drive to reverse declines in biodiversity and may also help reduce diffuse water pollution from agriculture by limiting nutrient and pest control inputs. Well targeted grassland creation and restoration management can also help reduce habitat fragmentation and so become more resilient to climate change.

Botanical diversity is best achieved by maintaining low soil fertility on existing species-rich grassland and targeting low fertility sites for restoration and creation of new habitat. Consequently the quantity of grass produced will be reduced and the potential grazing capacity or forage production limited. Supplementary feeding will also be prohibited or limited. In addition certain husbandry activities, such as stocking rate, grazing period, season, animal species, and animal breed, will need to be managed to achieve the environmental outcome required.

Beneficiaries taking up commitments under this sub-measure will be required to follow management prescriptions designed to achieve a variety of environmental outcomes. These include; optimise the botanical value of the sward with the aim of maximising biodiversity; raising water levels for wading birds and wildfowl; management of a permanent sward to protect underlying archaeological features. In addition a supplementary commitment promotes genetic diversity by providing an incentive for maintaining and increasing the population of native breed at risk stocks through appropriate grazing of habitats.

The groups of operations for low inputs of fertilisers and herbicides are designed to improve the biodiversity and protect swards. The permanent grassland options have to be maintained as grass with no ploughing or reseeded. Harrowing or rolling and cutting are prohibited during the nesting season. In addition certain options for unimproved grassland and hay meadows provide for closed periods for grazing; cutting of hay; stocking restrictions; and limited application of fertilisers. The wet grassland options require management of water levels; restoration and maintenance of ditches; restrictions on stocking density in the nesting season; and avoiding poaching.

Many of the actions below could offer multiple benefits (depending on the specifics of their implementation) and contribute to a number of Focus Areas. These are detailed in table grassland commitment's attached . They will also contribute to a variety of national and European policy commitments. In particular, actions supporting the retention and ecological enhancement of grassland may well contribute to:

- EU Birds and Habitats Directives: including delivery for those Annex 1 habitats and Annex 2 species prioritised for conservation action under the Prioritised Action Framework for Natura 2000
- EU Water Framework Directive (by restricting inputs and/or reducing soil erosion and flood risk through protecting underlying soils or increased surface roughness slowing run-off)
- Convention on Biological Diversity & EU Biodiversity Strategy (through supporting the aims of Biodiversity 2020)
- Domestic legislation:

-on climate change adaptation and mitigation (linking habitats, securing soil carbon and fostering sequestration)

-Implementing an action programme for nitrate vulnerable zones set out in the Nitrate Pollution Prevention Regulations 2008, as amended. This legislation is currently being reviewed.

-The sustainable use of Pesticides (UK National Action Plan for the Sustainable Use of Pesticides)

- Supporting the ambitions to increase species diversity and the health of ecosystems
- They may also help protect agricultural archaeology (restoration to grassland from cultivation) and support landscape quality and character (European Landscape Convention) through retention of more traditional low intensity grazing and field patterns (e.g. upland hay meadows). As such these actions should also help support High Nature Value Farming systems.

	Name	Aim	Eligibility	Proposed payment rate €/ha	Focus Area ¹				
					4a:	4b:	4c:	5d:	5e:
GS1	Take field corners out of management	To provide habitat and food for invertebrate, birds and other animals.	Must not be located on historic or archaeological features. Corners and other small areas within permanent grassland fields.	456	1	2	2	2	2
GS2	Permanent grassland with very low inputs (outside SDA)	To enable flowering and seed-set, providing habitat and food for invertebrate, birds and other animals.	Only available on permanent grassland outside SDAs and below the Moorland Line. The sward must qualify as, at least, semi-improved grassland unless it is used as part of a feature-specific option bundle or for facilitating the sustainable management and buffering of SSSIs or Priority Habitats; or for the maintenance of grassland to conserve species of national or regional importance or to protect historic or archaeological features.	119	1	2	2	2	-
GS3	Ryegrass seed-set as winter/spring food for birds	To provide a food resource throughout winter and into the 'hungry gap' in February, for buntings [target species (such as yellowhammer) to be specified] and other granivorous birds and to improve the habitat for invertebrates and small mammals,	Available only on swards containing at least 50 % ryegrass (perennial, Italian or hybrid). Temporary grassland and grassland that has been cultivated and re-sown within the last 5 years are eligible for this option.	414	1	2	2	-	-

¹ 1 = primary outcome 2 = secondary benefit potential

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		by allowing silage fields to go to seed in autumn.							
GS4	Legume and herb-rich swards	To provide habitat and food for invertebrates including crop pollinators, benefit soil structure, mitigate climate change by reducing nitrogen fertiliser use and provide productive high-quality forage for livestock.	<p>Only available on:</p> <ul style="list-style-type: none"> • Arable or temporary grassland. • Grassland that has been cultivated and re-sown within the last five years. <p>Must not be located on parcels at risk of soil erosion or run-off or on historic or archaeological features.</p>	386	1	2	2		
GS5	Permanent grassland with very low inputs in SDAs	To enable flowering and seed-set, providing habitat and food for invertebrates, birds and other animals.	<p>Only available on permanent grassland within the SDAs and below the Moorland Line.</p> <p>The sward must qualify as at least, semi-improved grassland as defined unless it is used: for facilitating the sustainable management and buffering of SSSIs or Priority Habitats, or for the maintenance of grassland to conserve species of national or regional importance, or protect historic or archaeological features; or where in-field scrub cover is less than 1% and the option will be used in target areas for ground-nesting wading birds</p>	20	1	2	2	2	-
GS6	Management of species-rich grassland	To protect and improve Priority Grasslands and contribute to protecting valued landscapes and archaeology, and the promotion of good soil conditions.	Only available on Grassland Priority Habitat, as defined	228	1	2	2	-	-

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GS7	Restoration towards species-rich grassland	To restore agriculturally improved or semi-improved grassland towards a Priority Grassland Habitat	Only available on parcels of grasslands that have high or medium potential, to be restored to Section 41 Grassland Priority Habitat.	181	1	2	2	2	2
GS8	Creation of species-rich grassland	To initiate the creation of Priority Grassland Habitat	Parcels of arable, set-aside or temporary grassland which is of high potential for priority habitat grassland re-creation.	334	1	2	2	2	2
GS9	Management of wet grassland for breeding waders	To maintain or restore wet grassland for breeding wading birds through provision of feeding habitat and a suitable sward structure for nesting.	Only available on parcels of permanent grassland, on coastal or floodplain grazing marsh Priority Habitat, which already support breeding waders or has high potential to be restored for breeding waders by providing suitable water level and sward management	330	1	2	2	-	-
GS10	Management of wet grassland for wintering waders & wildfowl	To maintain or restore wet grassland for wintering wading birds and wildfowl through provision of suitable feeding and roosting habitat via appropriate water management and creation or maintenance of wet features and grazing / cutting management to	Only available on parcels in permanent grassland on coastal or floodplain grazing marsh Priority Habitat and/or land identified as habitat for wintering waders and wildfowl as defined and on parcels that already support wintering wildfowl and waders, or must have high potential for enhancement to support these birds	196	1	2	2	-	-

		provide a suitable sward structure.							
GS11	Creation of wet grassland for breeding waders	To create wet grassland for breeding wading birds from arable or temporary grassland, via sward establishment, appropriate water management and creation of wet features.	Only available on parcels that have been in arable cropping, fallow or temporary grass in the last five years. The land must have high potential for restoration to 'habitat for lowland breeding waders'	508	1	2	2	-	2
GS12	Creation of wet grassland for wintering waders & wildfowl	To create wet grassland for wintering waders and wildfowl, from arable or temporary grassland, via sward establishment, appropriate water management and creation of wet features.	Only available on parcels that have been in arable, fallow or temporary grass in the last five years. The land must have high potential for restoration to "habitat for wintering waders and wildfowl"	388	1	2	2	-	2
GS13	Management of grassland for target features	To maintain permanent / semi-improved / rough grassland that will benefit target species and protect soils and reduce diffuse pollution.	Only available on grassland that is: <ul style="list-style-type: none"> not a Priority Grassland and has moderate or low potential to be restored to a Priority Grassland; Priority coastal and floodplain grazing marsh that is not eligible for the wet grassland commitments o clearly associated with a targeted species or feature which would benefit from focussed management under this option 	113	1	2	2	-	-

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GS14	Creation of grassland for target features	To create permanent grassland that will benefit target species and features, protect soils and reduce diffuse pollution.	Only available on parcels that are: <ul style="list-style-type: none"> • outside the Severely Disadvantaged Area; • arable or temporary grassland; • has only low or moderate potential for re-creating a grassland Biodiversity Action Plan priority habitat 	316	1	2	2	-	2
GS15	Haymaking Supplement	To retain and restore high botanical value meadow grassland, help reduce diffuse pollution and benefit landscape character.	Can only be used in combination with one of the following land management commitments: Management of species-rich grassland, Restoration towards species-rich grassland, Creation of species-rich grassland, Management of grassland for target features and Creation of grassland for target features.	106	1	-	-	-	-
GS16	Rush infestation control supplement	To enhance botanically-rich wet grasslands and benefit breeding wading birds by reducing rush cover to less than 30%.	Available on land in parcels where continuous rush cover occupies more than 50% of the parcel. Can only be used in combination with the following land management options: very low input grassland, management of species-rich grassland, restoration towards species-rich grassland, management of wet grassland for breeding waders, management of wet grassland for wintering waders, management of grassland for target features and management of rough grazing for birds. Cannot be used in areas with rush growth that also have standing or flowing water close to the surface throughout the year are ineligible for this supplement; or areas where Sphagnum moss is growing in association with rushes are ineligible for this supplement. Must only be applied for a maximum of 3 years.	91	1	-	-	-	-
GS17	Lenient grazing supplement	To provide an invertebrate-rich foraging habitat for declining farmland birds, especially	This supplement can only be used in combination with one of the very low input grassland commitments; as part of an option bundle for farmland birds in pastoral landscapes. Can only be applied to parcels where at least one boundary is a hedgerow and/or there is scrub cover within 200 metres of the parcel. As a 'rotational supplement' it may move between eligible parcels but the	55	1	-	2	-	-

Grassland Commitments Pt 5 of 6

		buntings, on grass-dominated farms as part of a package/bundle of bird-friendly measures for pastoral landscapes.	same total area [ha] must be maintained each year. Once applied to a parcel it must continue for at least 3 successive years.							
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Grassland Commitments Pt 6 of 6

8.2.7.3.8.2. Type of support

See sub-measure10.1.

8.2.7.3.8.3. Links to other legislation

See sub-measure10.1.

8.2.7.3.8.4. Beneficiaries

See sub-measure10.1.

8.2.7.3.8.5. Eligible costs

See sub-measure10.1.

8.2.7.3.8.6. Eligibility conditions

See sub-measure10.1.

8.2.7.3.8.7. Principles with regards to the setting of selection criteria

See sub-measure10.1.

8.2.7.3.8.8. (Applicable) amounts and support rates

See sub-measure10.1.

8.2.7.3.8.9. Verifiability and controllability of the measures and/or types of operations

8.2.7.3.8.9.1. *Risk(s) in the implementation of the measures*

The key risks to verifiability and controllability for operations on grassland are those identified by the area-related root causes set out in the Commission's working document SWD(2013) 244 final and reiterated in the Error Rates technical guidance fiche. These are both administrative and beneficiary related. A control framework has been developed which sets out clearly how area-based activity will be controlled and verified under this measure.

In particular commitments which are difficult to implement and verify (Root Cause 6) are identified as the main risk for Grassland operations: these relate to no and reduced inputs and maximum stocking densities. Mitigating actions to reduce the risk of implementation are set out in the next section.

The other main concerns relate to putting in place high quality internal controls and procedures and ensuring that appropriate IT, administrative and inspection checks are in place. This will help put in place corrective and preventative action (CPA7: Improving internal controls and procedures) Appropriate IT and Administrative checks are carried out [as per Reg 65/2011, Article 11].

The range of controls that will apply to Grassland operations to support this are:

Administrative checks (both manual and IT based):

- Automated cross checks with the Land Parcel Identification System and Basic Payment application data, and with current IT systems will ensure that the selection commitments with regard to the land-use eligibility and co-location are correct. The risk of greening double-funding will be via a check against the location of the relevant commitments against EFA. Dual funding checks will be performed by cross checking applications against self-declarations;
- Manual checks on data and supporting documents submitted by the claimant, and data held by the paying agency and delivery bodies (including datasets obtained from other government bodies and other third parties);
- Manual checks that copies of farm records and photographs either submitted by the applicant and/or uploaded into the IT system;
- Eligibility checks at the time of setting up the agreement, and ongoing agreement monitoring visits and checks, particularly those requiring specialist input such as complex management plans, and control of stocking and reduced inputs prescriptions;
- Other third party visits and remote sensing may also supplement such checks to confirm commitments are being met.

On the spot inspection checks:

- Compliance inspections on 5% of beneficiaries to ensure scheme requirements have been met.
- Visual checks to confirm commitments have been undertaken;
- Farm record checks and soil sampling, where appropriate e.g. where follow up may be required
- Inspection at the appropriate time to check compliance with the option. Re-visits where necessary. Recording of relevant findings;
- Inspections will be timed where possible to take place during the period the commitment must be met;
- Inspections outside this period will confirm the condition of areas is consistent with the management records;
- The inspection rate will be 5% but if a high level of non-compliance is found, a higher % rate for agreements with these options will be implemented.

The root causes that apply to non-area-related activity generally also apply, particularly the need to ensure that a clear separation of duties and set of procedures are put in place to ensure claims are processed correctly (Root Cause 9) and that eligibility conditions are met (Root Cause 10). Exhaustive further checks on evidence of defrayal, progress reports, photographs and on-the-spot checks or final claim inspections will also be undertaken.

Clear guidance and support will be provided to beneficiaries to ensure they provide correct area declarations and understand the nature of commitments made (Root Causes 7 and 8). A high level of information and guidance will be provided to beneficiaries within scheme literature (web-based or in paper form) on scheme requirements or commitments to show beneficiaries how to meet them.

Proportionate checks over the lifetime of agreements will also be in place. Further information and guidance will also be to ensure beneficiaries are aware of changes caused by the update of the LPIS system or other legal changes (Root Cause 2).

8.2.7.3.8.9.2. *Mitigating actions*

In addition to those identified above, mitigating actions will include:

- Independent verification of standard costs;
- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;
- Training for administration staff including compliance, fraud and un-conscious bias training;
- Guidance for administrative staff to ensure appropriate appraisal of applications, and that variations to contract are appropriately controlled and implemented.

Commitments which are difficult to implement and verify (**Root Cause 6**) are identified as the main risk for Grassland operations: these relate to no and reduced inputs and maximum stocking densities (see attached table).

As per the AECM guidance fiche, options with these types of commitment are targeted at sites of high environmental value.

For **no and reduced input Grassland commitments** the principle verification method will be soil nutrient testing and timed field inspections. Advice through Measure 2 may also be provided to agreement holders to give additional assurance to ensure that beneficiaries deliver the commitments they have signed up for.

Reduced and no input prescriptions also generally include a timing restriction preventing the application of fertilisers and manures during critical times either to minimise any disturbance to ground nesting birds or to reduce the risk of nutrient losses to water. Adherence to timing restrictions will be verified via appropriately timed field inspections to detect any visible signs of fertiliser or manure inputs and via proportionate checking of field records.

Additionally, GS4 will require the use of a fertiliser management system as timed field inspections will not be sufficient. The requirement for farmers applying for reduced input options to follow a Recommended Fertiliser Management System is not something that we pay anything for, it is a verification control only, which helps us to ensure that those applying to place some of their field parcels on their holding under agri-environment reduced input options are following best practice across their entire holding. It is a requirement under the Nitrates Directive Action programme in England for farmers within Nitrate Vulnerable Zones to manage their Nitrogen (NOT Phosphate or other nutrients) inputs in accordance with crop requirements based on a recommended fertiliser management system. Our reduced input options reduce nutrient input levels below crop requirements and we pay based on Income Forgone for the resulting loss of production, for our soil and water options this reduction reduces risk of pollutant losses in key targeted areas. The Recommended Fertiliser Management System only applies to nutrient

inputs and does not control the use of Pesticides.

Agreement holders will also be required to keep activity records of particular activities associated with this operation such as applications of fertilisers and plant protection products and make detailed records available on request. A percentage of claims will be selected for follow up checks of these records. This will be done on a risk-based assessment of an indicative 10% of agreements with options which contain **reduced input** commitments in the first year of the new Environmental scheme. We will review the level of checks each year of the subsequent programming period.

For **maximum stocking density commitments** the principle verification methods are:

- an administrative cross check of livestock databases to quantify potential breaches to stocking levels at a holding level;
- where there is an indication of a potential breach of maximum stocking density levels, asking beneficiaries to submit stocking records and verifying these through an administrative check of records;
- Rapid Field Visits, where appropriate that will record the animal numbers found and check whether or not the commitments have been undertaken.

Grassland reduced input and stocking rates commitments

11 options include a reduced input commitment:

1	GS2 Permanent grassland with very low inputs (outside SDA)
2	GS5 Permanent grassland with very low inputs in SDAs
3	GS6 Management of species-rich grassland
4	GS7 Restoration towards species-rich grassland
5	GS8 Creation of species-rich grassland
6	GS9 Management of wet grassland for breeding waders
7	GS10 Management of wet grassland for wintering waders & wildfowl
8	GS11 Creation of wet grassland for breeding waders
9	GS12 Creation of wet grassland for wintering waders & wildfowl
10	GS13 Management of grassland for target features
11	GS14 Creation of grassland for target features

And two no input options:

1	GS1 Take field corners out of management
2	GS4 Legume and herb rich swards

Two options also contain a maximum stocking density commitment:

1	GS9 Management of wet grassland for breeding waders
2	GS11 Creation of wet grassland for breeding waders

.Grassland reduced input and stocking rates commitments

8.2.7.3.8.9.3. Overall assessment of the measure

The overall assessment of risk following mitigating actions is **medium-high**.

Appropriate controls for Grassland operations under this measure in England are in place. Commitments that are difficult to verify and control have been the subject of audit criticism and we have put in place mitigating actions to ensure these can be appropriately verified and controlled.

Defra and the RPA are satisfied that Grassland options and prescriptions can be effectively controlled and verified. The combination of controls proposed throughout the life of the agreement provides assurance on compliance, not any individual control in isolation.

8.2.7.3.8.10. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law

See sub-measure10.1.

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution; the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced by Directive 2009/128/EC of the European Parliament and of the Council, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites, as established by national legislation

See sub-measure10.1.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

See sub-measure10.1.

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 29(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013,

including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation

See sub-measure10.1.

8.2.7.3.9. Sub-measure 10.1.5 - Historic Environment & Landscape

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.7.3.9.1. Description of the type of operation

These commitments will help to deliver the identified need to protect and enhance the character and quality of the historic landscape and contribute to maintaining habitats for biodiversity; promote genetic diversity and improving soil and water quality.

Agricultural farm buildings are a key landscape characteristic that varies across the English countryside with their size, design, and materials strongly reflecting their historic use. Maintaining them in a sound and weatherproof condition, using traditional materials and techniques of repair, helps protect their historic and landscape character, as well as providing valuable habitat for species including owls, kestrels and bats.

Well-managed permanent grassland provides the best agricultural management for historic landscape features such as ridge and furrow and protects and enhances pastoral landscape character. The retention and management of a grass sward, which is often ancient in origin, with very little bare soil, no developing scrub or bracken, poaching or soil erosion to protect historic or archaeological features also provides significant carbon sequestration, biodiversity and soil benefits.

Arable cultivation damages landscape character and historic features by levelling out earthworks, cutting through and churning up below ground remains and eroding protective layers of soil. The impact of cultivation can be reduced through measures including the development of a permanent grassland area, the reduction of cultivation depth or direct drilling and changes to cropping. These can also assist with the prevention of soil erosion and improve the resilience of soil structure to compaction, erosion and weed burdens, as well as benefiting biodiversity.

Trees and shrubs can damage historic and archaeological landscape features as a result of disturbance by root penetration, wind throw or attracting burrowing animals or sheltering stock. Scrub management on these features ensure that that remain in a stable and visible condition which conserves and maintains landscape character and develops a well- managed grass sward.

Managed water meadow systems and designed waterbodies are a traditional feature in some landscapes but need to have structurally sound water control features to operate effectively. Their careful maintenance provides a well-managed grass sward or buffer with no scrub developing and water bodies that contain clear water and are not over-shaded. This benefits historic landscape character and structures, biodiversity and the water management systems.

Many of the actions below could offer multiple benefits (depending on the specifics of their implementation) and contribute to a number of Focus Areas. These are detailed in the attached Historic Environment & Landscape Commitments table. They will also contribute to a variety of national and European policy commitments. In particular, actions supporting the protection and enhancement of the historic landscape will contribute to:

- EU Birds and Habitats Directives

- EU Water Framework Directive (by restricting inputs and/or reducing soil erosion and flood risk through protecting underlying soils or increased surface roughness slowing run-off)
- Convention on Biological Diversity & EU Biodiversity Strategy (through supporting the aims of Biodiversity 2020)
- Supporting the ambitions to increase species diversity and the health of ecosystems
- Supporting implementation of the European Landscape Convention
- Supporting the UK Government’s aims of reducing the English National Statistic for Heritage at Risk.

To note: the aim of HS 2 and HS8 is geared towards Focus Areas 4a (restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints, and high nature value farming, as well as the state of European landscapes). They therefore contribute to the maintenance of characteristic landscape features and provide (as do other options help preserve places and habitat for wildlife (like stone walls; hedgerows and small-scale traditional orchards). Therefore they are funded via Measure 10.

	Name	Aim	Eligibility	Proposed payment rate €/ha	Focus Area ³				
					4a:	4b:	4c:	5d	5e
HS1	Maintenance of Weatherproof Traditional Farm Buildings	To maintain traditional farm buildings with traditional methods and materials, and to preserve places for wildlife	This commitment can only be located on agricultural farm buildings that were built before 1940 from traditional materials. Buildings must be in a sound, weatherproof condition. Buildings that have been converted to a non-agricultural use are not eligible	4/m2	2	-	-	-	-
HS2*	Take historic and archaeological features currently on cultivated land out of cultivation	To protect historic and archaeological features from damaging cultivation practices by reverting arable land and temporary grass leys to permanent grass.	This commitment can only be located on arable land or temporary grassland with an historic or archaeological feature. Its extent can cover a full or part land parcel	531/ ha	2	2	2	-	2
HS3	Reduced-Depth, Non-Inversion Cultivation on Historic and	To reduce the damage to historic and archaeological	This commitment can be used on arable and temporary grassland which contain an historic or archaeological feature. Sites with historic or archaeological earthworks, or where	99/ ha	2	2	2	-	2

³ 1 = primary outcome 2 = secondary benefit potential

	Archaeological Features	features under cultivation by reducing cultivation depth and using non-inversion (minimum tillage) machinery.	soil movement / loss has been identified as a problem are not eligible.						
HS4	Scrub control on historic and archaeological features	To reduce the risk of root damage to historic and archaeological features by permanently removing the majority of scrub on these features	This commitment can only be located on historic or archaeological features with more than 5% scrub cover.	171/ha	2	-	-	2	-
HS5	Management of historic and archaeological features on grassland	To maintain permanent grassland on historic and archaeological features	This commitment can only be used on historic and archaeological features in permanent grassland parcels and on permanent grassland forming a mosaic with other vegetation types, such as within heathland and moorland. Land parcels larger than 15 ha above the moorland line are not eligible.	38 / ha	2	-	-	2	2
HS6	Maintenance of designed/engineered water bodies	To protect the banks and associated historic built	This commitment is only available for water bodies with an area of open standing water which is retained by artificial means. The option area must only cover the banks of the water body and a buffer around associated	550/ha	2	1	1	-	-

Historic Environment & Landscape Commitments Pt 2 of 4

		water-control features of designed or engineered historic water bodies. To maintain or strengthen the role of these features in water quality management.	features. Areas of water, field ponds dug to below the water table and water meadows are not eligible.						
HS7	Management of historic water meadows through traditional irrigation	To maintain traditional management required on 'bedwork' and 'catch' water meadows, and to maintain habitat and water quality.	This commitment is only available for water meadows managed using traditional practices, where irrigation is achieved through a system of inlet and outlet channels, and where management has written support from the Environment Agency. A standard soil analysis including organic matter (by Loss on Ignition) must be submitted with the application. Watermeadows that flood naturally and do not have control structures to regulate water levels, and meadows where water cannot be controlled so that water flows evenly across at up to 25 mm depth when being 'drowned', are not eligible.	550/ha	2	-	-	-	-
HS8*	Maintenance of Weatherproof Traditional Farm Buildings in remote	To maintain traditional farm buildings with traditional	This commitment can only be located on agricultural farm buildings in remote locations that were built before 1940 from traditional materials. Buildings must be in a sound, weatherproof condition	8.41/m ²	2	-	-	-	-

	areas	methods and materials, and to preserve places for wildlife	and. be at least 400 m from the main steading and 200 m from a metalled public road. Buildings that have been converted to a non-agricultural use are not eligible						
HS9	Restricted depth crop establishment to protect archaeology under an arable rotation	To reduce the risk of damage to historic and archaeological features on arable land and improve the resilience of soil structure to compaction, erosion and weed burdens.	This commitment is only available on arable land or temporary grassland with an historic or archaeological feature. Land at risk of soil erosion or run-off is ineligible.	218/ha	2	1	1	-	2

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8.2.7.3.9.2. Type of support

See sub-measure 10.1.

8.2.7.3.9.3. Links to other legislation

See sub-measure 10.1.

8.2.7.3.9.4. Beneficiaries

See sub-measure 10.1.

8.2.7.3.9.5. Eligible costs

See sub-measure 10.1.

8.2.7.3.9.6. Eligibility conditions

See sub-measure 10.1.

8.2.7.3.9.7. Principles with regards to the setting of selection criteria

See sub-measure 10.1.

8.2.7.3.9.8. (Applicable) amounts and support rates

See sub-measure 10.1.

8.2.7.3.9.9. Verifiability and controllability of the measures and/or types of operations

8.2.7.3.9.9.1. *Risk(s) in the implementation of the measures*

The key risks to verifiability and controllability for operations on historic environment & landscape are those identified by the area-related root causes set out in the Commission's working document SWD(2013) 244 final and reiterated in the Error Rates technical guidance fiche. These are both administrative and beneficiary related. A control framework has been developed which sets out clearly how area-based activity will be controlled and verified under this measure.

In particular commitments which are difficult to implement and verify (Root Cause 6) are identified as the main risk for historic environment & landscape operations: these relate to no inputs. Mitigating actions to reduce the risk of implementation are set out in the next section.

The other main concerns relate to putting in place high quality internal controls and procedures and ensuring that appropriate IT, administrative and inspection checks are in place. This will help put in place corrective and preventative action (CPA7: Improving internal controls and procedures) Appropriate IT and Administrative checks are carried out [as per Reg 65/2011, Article 11].

The range of controls that will apply to historic environment & landscape operations to support this are:

Administrative checks (both manual and IT based):

- Automated cross checks with the Land Parcel Identification System and Basic Payment application data, and with current IT systems will ensure that the selection commitments with regard to the land-use eligibility and co-location are correct. The risk of greening double-funding will be via a check against the location of the relevant commitments against EFA. Dual funding checks will be performed by cross checking applications against self-declarations;
- Manual checks on data and supporting documents submitted by the claimant, and data held by the paying agency and delivery bodies (including datasets obtained from other government bodies and other third parties);
- Manual checks that copies of farm records and photographs either submitted by the applicant and/or uploaded into the IT system;
- Eligibility checks at the time of setting up the agreement, and ongoing agreement monitoring visits and checks, particularly those requiring specialist input such as complex management plans, and control of stocking and reduced inputs prescriptions;
- Other third party visits and remote sensing may also supplement such checks to confirm commitments are being met.

On the spot inspection checks:

- Compliance inspections on 5% of beneficiaries to ensure scheme requirements have been met.
- Visual checks to confirm commitments have been undertaken;
- Farm record checks and soil sampling, where appropriate e.g. where follow up may be required
- Inspection at the appropriate time to check compliance with the option. Re-visits where necessary. Recording of relevant findings;
- Inspections will be timed where possible to take place during the period the commitment must be met;
- Inspections outside this period will confirm the condition of areas is consistent with the management records;
- The inspection rate will be 5% but if a high level of non-compliance is found, a higher % rate for agreements with these options will be implemented.

The root causes that apply to non-area-related activity generally also apply, particularly the need to ensure that a clear separation of duties and set of procedures are put in place to ensure claims are processed correctly (Root Cause 9) and that eligibility conditions are met (Root Cause 10). Exhaustive further checks on evidence of defrayal, progress reports, photographs and on-the-spot checks or final claim inspections will also be undertaken.

Clear guidance and support will be provided to beneficiaries to ensure they provide correct area declarations and understand the nature of commitments made (Root Causes 7 and 8). A high level of information and guidance will be provided to beneficiaries within scheme literature (web-based or in paper form) on scheme requirements or commitments to show beneficiaries how to meet them.

Proportionate checks over the lifetime of agreements will also be in place. Further information and guidance will also be to ensure beneficiaries are aware of changes caused by the update of the LPIS system or other legal changes (Root Cause 2).

8.2.7.3.9.9.2. *Mitigating actions*

In addition to those identified above, mitigating actions will include:

- Independent verification of standard costs;
- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;
- Training for administration staff including compliance, fraud and un-conscious bias training;
- Guidance for administrative staff to ensure appropriate appraisal of applications, and that variations to contract are appropriately controlled and implemented.

Commitments which are difficult to implement and verify (**Root Cause 6**) are identified as the main risk for historic environment & landscape operations: these relate to no inputs.

1 option includes a no input commitment:

1. HS7 Management of historic water meadows through traditional irrigation

As per the AECM guidance fiche, options with these types of commitment are targeted at sites of high environmental value.

For **no input commitments** the principle verification method will be timed field inspections to detect any visible signs of fertiliser. Advice through Measure 2 may also be provided to agreement holders to give additional assurance to ensure that beneficiaries deliver the commitments they have signed up for.

8.2.7.3.9.9.3. *Overall assessment of the measure*

The overall assessment of risk following mitigating actions is **medium-high**.

Appropriate controls for historic environment & landscape operations under this measure in England are in place. Commitments that are difficult to verify and control have been the subject of audit criticism and we have put in place mitigating actions to ensure these can be appropriately verified and controlled.

Defra and the RPA are satisfied that the historic environment & landscape options and prescriptions can be effectively controlled and verified. The combination of controls proposed throughout the life of the agreement provides assurance on compliance, not any individual control in isolation.

8.2.7.3.9.10. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law

See sub-measure 10.1.

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution; the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced by Directive 2009/128/EC of the European Parliament and of the Council, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites, as established by national legislation

See sub-measure 10.1.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

See sub-measure 10.1.

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 29(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation

See sub-measure 10.1.

8.2.7.3.10. Sub-measure 10.1.6 - Lowland Heathland

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.7.3.10.1. Description of the type of operation

The RDP SWOT analysis identifies declining biodiversity as a weakness in England, with additional future threats identified from competition for land use, climate change and other human-induced threats to functioning and resilient ecological networks. Market failure is one of the main reasons why the Rural Development Programme is needed to intervene in the way land is managed. Biodiversity is a prime example of a public good, which will be underprovided by the market without intervention. A strength of our current Programme has been the demonstrated ability to slow or reverse biodiversity declines by using highly targeted species and habitat management.

To reverse declines in biodiversity there is a need to build on the favourable condition secured on many of our most important sites, and ensure appropriate management is in place on remaining areas of semi-natural habitat outside of statutory designation. In addition, better targeted habitat restoration and expansion is required to achieve more joined up habitats at a landscape scale. There are net gains to be made by improving biodiversity. For example, SSSI management costs are estimated at £110m annually but the public benefits supplied are estimated to be worth c.£956m annually.

Lowland heathland is a habitat almost entirely restricted to NW Europe, with the UK having some 15% of the total area. The amount of heathland in England has decreased by 86% since 1750 and much of what remains is in poor condition or very fragmented (average patch size 17.7ha according to an RSPB analysis). England therefore has an important responsibility to protect and manage its heathland, and agri-environment schemes play a significant role in this. Over 42,000ha of existing heathland is being managed through HLS agreements, with a total spend of £62.5M.

Lowland heathlands make a significant contribution to biodiversity, landscape character and distinctiveness in the countryside. The mosaic of habitat they encompass provides habitat for a very wide range of rare and threatened species including BAP species, nationally rare, scarce or declining species. Beneficiaries will be required to maintain or recreate heathland, increase biodiversity and provide a habitat mosaic by appropriate grazing, cutting and / or burning; not apply any fertilisers, manures or lime. Pesticides, including herbicides, can only be used where agreed, e.g. for bracken control. Ploughing, cultivation or re-seeding, harrowing or rolling and supplementary feeding are not allowed or restricted.

In view of the significant fragmentation of lowland heathland, agri-environment options to recreate heath from arable, improved grassland or forestry can achieve very significant biodiversity gains. Although there are inevitably relatively few opportunities for such significant land use change, in HLS 1700ha of heathland has been recreated from forestry areas and 235ha from arable & improved grassland. It is hoped that Countryside Stewardship scheme will maintain, if not increase, this rate of heathland creation. A significant issue where heathland is recreated is the management of nutrients, with the need to significantly reduce soil nutrient levels, especially if the land has previously been arable.

The exact management of heathland needs to be tailored to each site, but grazing / cutting / burning are key techniques, as well as the appropriate control of scrub and bracken. Heathland in favourable condition has a

wide range of vegetation structure and ages and significant areas of bare ground, which can be very important for specialist invertebrates. It has increasingly been recognised that the aim of management should be to produce a diverse mosaic of heathland vegetation, and not simply a uniform heather sward.

Many of the actions below could offer multiple benefits (depending on the specifics of their implementation) and contribute to a number of Focus Areas. These are detailed in the attached Lowland heathland commitment table. They will also contribute to a variety of national and European policy commitments. In particular, actions supporting wetland habitats will contribute to:

- EU Birds and Habitats Directives
- EU Water Framework Directive (by restricting inputs and/or reducing soil erosion and flood risk through protecting underlying soils or increased surface roughness slowing run-off)
- Convention on Biological Diversity & EU Biodiversity Strategy (through supporting the aims of Biodiversity 2020)
- Supporting the ambitions to increase species diversity and the health of ecosystems.

	Name	Aim	Eligibility	Proposed payment rate €/ha	Focus Area ^b				
					4a:	4b:	4c:	5d:	5e:
LH1	Management of lowland heathland	To provide a mosaic of vegetation which allows all heathland types to flourish, including pioneer heath and bare ground which benefits rarer invertebrates and plants	Lowland heath priority habitat	343	1	2	2	-	-
LH2	Restoration of forestry and woodland to lowland heathland	To re-establish lowland heathland on forested land or land recently colonised by woodland (since 1900).	Lowland heathland with established tree cover	230	1	2	2	-	-
LH3	Creation of heathland from arable or improved grassland	To encourage the creation of lowland heathland, including mosaics with lowland acid grassland, on arable or improved grassland sites that have lost their heathland seed bank	Suitable arable, temporary grassland or improved permanent grassland	646	1	1	1	1	1

⁶ 1 = primary outcome 2 = secondary benefit potential

8.2.7.3.10.2. Type of support

See sub-measure 10.1.

8.2.7.3.10.3. Links to other legislation

See sub-measure 10.1.

8.2.7.3.10.4. Beneficiaries

See sub-measure 10.1.

8.2.7.3.10.5. Eligible costs

See sub-measure 10.1.

8.2.7.3.10.6. Eligibility conditions

See sub-measure 10.1.

8.2.7.3.10.7. Principles with regards to the setting of selection criteria

See sub-measure 10.1.

8.2.7.3.10.8. (Applicable) amounts and support rates

See sub-measure 10.1.

8.2.7.3.10.9. Verifiability and controllability of the measures and/or types of operations

8.2.7.3.10.9.1. Risk(s) in the implementation of the measures

The key risks to verifiability and controllability for operations on lowland heathland are those identified by the area-related root causes set out in the Commission's working document SWD(2013) 244 final and reiterated in the Error Rates technical guidance fiche. These are both administrative and beneficiary related. A control framework has been developed which sets out clearly how area-based activity will be controlled and verified under this measure.

In particular commitments which are difficult to implement and verify (Root Cause 6) are identified as the main risk for lowland heathland operations: these relate to no inputs. Mitigating actions to reduce the risk of implementation are set out in the next section.

The other main concerns relate to putting in place high quality internal controls and procedures and ensuring that appropriate IT, administrative and inspection checks are in place. This will help put in place corrective and preventative action (CPA7: Improving internal controls and procedures) Appropriate IT and Administrative checks are carried out [as per Reg 65/2011, Article 11].

The range of controls that will apply to lowland heathland operations to support this are:

Administrative checks (both manual and IT based):

- Automated cross checks with the Land Parcel Identification System and Basic Payment application data, and with current IT systems will ensure that the selection commitments with regard to the land-use eligibility and co-location are correct. The risk of greening double-funding will be via a check against the location of the relevant commitments against EFA. Dual funding checks will be performed by cross checking applications against self-declarations;
- Manual checks on data and supporting documents submitted by the claimant, and data held by the paying agency and delivery bodies (including datasets obtained from other government bodies and other third parties);
- Manual checks that copies of farm records and photographs either submitted by the applicant and/or uploaded into the IT system;
- Eligibility checks at the time of setting up the agreement, and ongoing agreement monitoring visits and checks, particularly those requiring specialist input such as complex management plans, and control of stocking and reduced inputs prescriptions;
- Other third party visits and remote sensing may also supplement such checks to confirm commitments are being met.

On the spot inspection checks:

- Compliance inspections on 5% of beneficiaries to ensure scheme requirements have been met.
- Visual checks to confirm commitments have been undertaken;
- Farm record checks and soil sampling, where appropriate e.g. where follow up may be required
- Inspection at the appropriate time to check compliance with the option. Re-visits where necessary. Recording of relevant findings;
- Inspections will be timed where possible to take place during the period the commitment must be met;
- Inspections outside this period will confirm the condition of areas is consistent with the management records;
- The inspection rate will be 5% but if a high level of non-compliance is found, a higher % rate for

agreements with these options will be implemented.

The root causes that apply to non-area-related activity generally also apply, particularly the need to ensure that a clear separation of duties and set of procedures are put in place to ensure claims are processed correctly (Root Cause 9) and that eligibility conditions are met (Root Cause 10). Exhaustive further checks on evidence of defrayal, progress reports, photographs and on-the-spot checks or final claim inspections will also be undertaken.

Clear guidance and support will be provided to beneficiaries to ensure they provide correct area declarations and understand the nature of commitments made (Root Causes 7 and 8). A high level of information and guidance will be provided to beneficiaries within scheme literature (web-based or in paper form) on scheme requirements or commitments to show beneficiaries how to meet them.

Proportionate checks over the lifetime of agreements will also be in place. Further information and guidance will also be to ensure beneficiaries are aware of changes caused by the update of the LPIS system or other legal changes (Root Cause 2).

8.2.7.3.10.9.2. Mitigating actions

In addition to those identified above, mitigating actions will include:

- Independent verification of standard costs;
- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;
- Training for administration staff including compliance, fraud and un-conscious bias training;
- Guidance for administrative staff to ensure appropriate appraisal of applications, and that variations to contract are appropriately controlled and implemented.

Commitments which are difficult to implement and verify (**Root Cause 6**) are identified as the main risk for lowland heathland operations: these relate to no inputs.

3 options include a no input commitment:

1. LH1 Management of lowland heathland
2. LH2 Restoration of forestry and woodland to lowland heathland
3. LH3 Creation of heathland from arable or improved grassland

As per the AECM guidance fiche, options with these types of commitment are targeted at sites of high environmental value.

For **no input commitments** the principle verification method will be timed field inspections to detect any visible signs of fertiliser. Advice through Measure 2 may also be provided to agreement holders to give additional assurance to ensure that beneficiaries deliver the commitments they have signed up for.

8.2.7.3.10.9.3. Overall assessment of the measure

The overall assessment of risk following mitigating actions is **medium-high**.

Appropriate controls for lowland heathland operations under this measure in England are in place. Commitments that are difficult to verify and control have been the subject of audit criticism and we have put in place mitigating actions to ensure these can be appropriately verified and controlled.

Defra and the RPA are satisfied that lowland heathland options and prescriptions can be effectively controlled and verified. The combination of controls proposed throughout the life of the agreement provides assurance on compliance, not any individual control in isolation.

8.2.7.3.10.10. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution; the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced by Directive 2009/128/EC of the European Parliament and of the Council, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites, as established by national legislation

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 29(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional

costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation

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8.2.7.3.11. Sub-measure 10.1.7 - Options exclusive to organic land

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.7.3.11.1. Description of the type of operation

The assessment of needs shows declining biodiversity as a weakness in English farmland, with additional future threats identified from competition for land use for crop production, impacts of climate change and other human-induced threats to functioning and resilient ecological networks. To reverse declines in farmland biodiversity, there is a need to maintain and increase the extent of existing and new habitats at a landscape scale, which together link the remaining areas of semi-natural habitat outside of statutory designation. In addition, effective targeting of habitat restoration and expansion is required to achieve better connected habitats at a landscape scale.

This group of commitments seek to improve the biodiversity of the farmed landscape for birds, wild pollinators, rare plants and small mammals by providing and managing a range of field scale environmental improvements that provide the key resources absent from the landscape under conventional farm management. They target support for species by providing year round food sources; foraging sites; the creation of habitat for nesting and protection. This is supported by the absence of herbicides and artificial N as well as chemically derived pesticides, thereby promoting natural species to thrive and complete life-cycles.

Beneficiaries will be expected to manage land during their crop rotations, often before and following the harvesting of a range of rotational crops which provides food for overwintering birds without any herbicide or use of artificial fertilisers. They will be expected to establish appropriate seed mixes and manage them to a high standard to deliver the necessary output of seed. Overwinter stubbles that deliver undisturbed natural regeneration providing winter food resources and spring and summer foraging and nesting habitat for farmland birds and wild pollinators.

Managing farm land to Organic standards creates benefits that include improved soil organic matter and carbon, which delivers a large number of important benefits to ecosystem services such as water storage (e.g. improved structure, nutrients, source of food for soil organisms). The loss of soil organic matter impacts on soil structure and the supply of nutrients affecting plant growth. It also represents a loss of soil carbon and soils with less organic matter hold less water. The National Soil Inventory sites for arable cultivation and rotational and permanent grassland were sampled in 1980 and resampled between 1995 and 1997. This revealed a slight (but not significant) decline in the number of soils below threshold. Soil degradation in the UK (erosion, compaction and loss of soil organic matter) is estimated to cost £206 - £315m per year.

Organically managed soils also provide a range of benefits to water quality due to the cropping type and absence of mineral N, herbicides and chemically derived pesticides

There are also recorded benefits to a wide range of species including invertebrates, mammals and birds, on both, farm and at a landscape scale.

Many of the actions below could offer multiple benefits (depending on the specifics of their implementation) and contribute to a number of Focus Areas. These are detailed in the attached options exclusive to organic land commitments table.. They will also contribute to a variety of national and European policy

commitments. In particular, actions supporting the retention and ecological enhancement of arable land will contribute to:

- EU Birds and Habitats Directives: including delivery for those Annex 1 habitats and Annex 2 species prioritised for conservation action under the Prioritised Action Framework for Natura 2000
- EU Water Framework Directive (by restricting inputs and/or reducing soil erosion and flood risk through protecting underlying soils or increased surface roughness slowing run-off)
- Convention on Biological Diversity & EU Biodiversity Strategy (through supporting the aims of Biodiversity 2020)
- Supporting the ambitions to increase species diversity and the health of ecosystems.

	Name	Aim	Eligibility	Proposed payment rate €/ha	Focus Area ¹¹				
					4a:	4b:	4c:	5d:	5e:
OP1	Overwintered stubbles	To provide a winter food source for seed-eating birds which feed on spilt grain and the seeds of broad-leaved weeds and a foraging habitat for brown hare.	This commitment must not be located on parcels at risk of soil erosion or run-off. Only stubble that follows the harvest of the following combinable crops is eligible: cereals (not maize), oilseed rape, linseed or field beans. This option must not be located on parcels at risk of soil erosion or run-off (as identified in the guidance / FER). You must submit a standard soil analysis (TIN035) including organic matter (by Loss on Ignition) with the application. It can be used on a part parcel basis. This option is only available on organic and/or in-conversion land.	145	1	-	-	-	-
OP2	Wild bird seed mixture	To provide important food resources for farmland birds, especially in winter and early spring.	Can only be located on organic and/or in-conversion rotational land that has been sown to grass for less than 7 years.	800	1	2	2	-	2
OP3	Supplementary feeding for farmland birds	To provide important food resources for farmland birds in late winter and early spring on arable land and mixed farms. The aim	Can only be located on organic and/or in-conversion land parcels	309	1	2	2	-	-

¹¹ 1 = primary outcome 2 = secondary benefit potential

		is to supplement grown winter bird food by spreading seed once these sown resources have been depleted and before natural food resources become available again in late spring.							
OP4	Multi species ley	To deliver valuable year-round habitat and food for farmland wildlife such as pollinators and farmland birds.	on organic and/or in-conversion rotational land that has been sown to grass for less than 7 years	144	1	2	2	-	-
OP5	Undersown cereal	To provide habitat that benefit animals including invertebrates and birds that forage within the undersown cereal crop.	Only available on land that is registered as fully organic or in conversion and as part of an arable rotation	108	1	2	2	-	-

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8.2.7.3.11.2. Type of support

See sub-measure 10.1.

8.2.7.3.11.3. Links to other legislation

See sub-measure 10.1.

8.2.7.3.11.4. Beneficiaries

See sub-measure 10.1.

8.2.7.3.11.5. Eligible costs

See sub-measure 10.1.

8.2.7.3.11.6. Eligibility conditions

See sub-measure 10.1.

8.2.7.3.11.7. Principles with regards to the setting of selection criteria

See sub-measure 10.1.

8.2.7.3.11.8. (Applicable) amounts and support rates

See sub-measure 10.1.

8.2.7.3.11.9. Verifiability and controllability of the measures and/or types of operations

8.2.7.3.11.9.1. *Risk(s) in the implementation of the measures*

The key risks to verifiability and controllability for operations on organic land are those identified by the area-related root causes set out in the Commission's working document SWD(2013) 244 final and reiterated in the Error Rates technical guidance fiche. These are both administrative and beneficiary related. A control framework has been developed which sets out clearly how area-based activity will be controlled and verified under this measure.

In particular commitments which are difficult to implement and verify (Root Cause 6) are identified as the main risk for organic land operations: these relate to no inputs. Mitigating actions to reduce the risk of implementation are set out in the next section.

The other main concerns relate to putting in place high quality internal controls and procedures and ensuring that appropriate IT, administrative and inspection checks are in place. This will help put in place corrective and preventative action (CPA7: Improving internal controls and procedures) Appropriate IT and Administrative checks are carried out [as per Reg 65/2011, Article 11].

The range of controls that will apply to organic land operations to support this are:

Administrative checks (both manual and IT based):

- Automated cross checks with the Land Parcel Identification System and Basic Payment application data, and with current IT systems will ensure that the selection commitments with regard to the land-use eligibility and co-location are correct. The risk of greening double-funding will be via a check against the location of the relevant commitments against EFA. Dual funding checks will be performed by cross checking applications against self-declarations;
- Manual checks on data and supporting documents submitted by the claimant, and data held by the paying agency and delivery bodies (including datasets obtained from other government bodies and other third parties);
- Manual checks that copies of farm records and photographs either submitted by the applicant and/or uploaded into the IT system;
- Eligibility checks at the time of setting up the agreement, and ongoing agreement monitoring visits and checks, particularly those requiring specialist input such as complex management plans, and control of stocking and reduced inputs prescriptions;
- Other third party visits and remote sensing may also supplement such checks to confirm commitments are being met.

On the spot inspection checks:

- Compliance inspections on 5% of beneficiaries to ensure scheme requirements have been met.
- Visual checks to confirm commitments have been undertaken;
- Farm record checks and soil sampling, where appropriate e.g. where follow up may be required
- Inspection at the appropriate time to check compliance with the option. Re-visits where necessary. Recording of relevant findings;
- Inspections will be timed where possible to take place during the period the commitment must be met;
- Inspections outside this period will confirm the condition of areas is consistent with the management records;
- The inspection rate will be 5% but if a high level of non-compliance is found, a higher % rate for agreements with these options will be implemented.

The root causes that apply to non-area-related activity generally also apply, particularly the need to ensure that a clear separation of duties and set of procedures are put in place to ensure claims are processed correctly (Root Cause 9) and that eligibility conditions are met (Root Cause 10). Exhaustive further checks on evidence of defrayal, progress reports, photographs and on-the-spot checks or final claim inspections will also be undertaken.

Clear guidance and support will be provided to beneficiaries to ensure they provide correct area declarations and understand the nature of commitments made (Root Causes 7 and 8). A high level of information and guidance will be provided to beneficiaries within scheme literature (web-based or in paper form) on scheme requirements or commitments to show beneficiaries how to meet them.

Proportionate checks over the lifetime of agreements will also be in place. Further information and guidance will also be to ensure beneficiaries are aware of changes caused by the update of the LPIS system or other legal changes (Root Cause 2).

8.2.7.3.11.9.2. *Mitigating actions*

In addition to those identified above, mitigating actions will include:

- Independent verification of standard costs;
- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;
- Training for administration staff including compliance, fraud and un-conscious bias training;
- Guidance for administrative staff to ensure appropriate appraisal of applications, and that variations to contract are appropriately controlled and implemented.

Commitments which are difficult to implement and verify (**Root Cause 6**) are identified as the main risk for organic land operations: these relate to no inputs.

1 option includes a **no input** commitment:

1. OP1 Overwintered stubble

As per the AECM guidance fiche, options with these types of commitment are targeted at sites of high environmental value.

For **no input commitments** the principle verification method will be timed field inspections to detect any visible signs of fertiliser. Advice through Measure 2 may also be provided to agreement holders to give additional assurance to ensure that beneficiaries deliver the commitments they have signed up for.

8.2.7.3.11.9.3. *Overall assessment of the measure*

The overall assessment of risk following mitigating actions is **medium-high**.

Appropriate controls for organic land operations under this measure in England are in place. Commitments that are difficult to verify and control have been the subject of audit criticism and we have put in place mitigating actions to ensure these can be appropriately verified and controlled.

Defra and the RPA are satisfied that organic land options and prescriptions can be effectively controlled and verified. The combination of controls proposed throughout the life of the agreement provides assurance on compliance, not any individual control in isolation.

8.2.7.3.11.10. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law

See sub-measure 10.1.

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution; the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced by Directive 2009/128/EC of the European Parliament and of the Council, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites, as established by national legislation

See sub-measure 10.1.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

See sub-measure 10.1.

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 29(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation

See sub-measure 10.1.

8.2.7.3.12. Sub-measure 10.1.8 - Soil and water

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.7.3.12.1. Description of the type of operation

The assessment of needs highlights the need to address diffuse water pollution from agriculture as an important part of England meeting its commitments under the Water Framework Directive. This pollution damages ecosystem function and drinking water supplies, other human uses of water such as bathing and shellfish waters, and adds significant quantities of silt to river systems, with consequential costs to business and wider society. Reducing inputs can help reduce the risk of groundwater pollution, enable low input land to act as a buffer between intensively managed land and surface water or nutrient-sensitive water dependent habitats (e.g. wetlands), and/or promote increased biodiversity on the low input land.

The farming sector is also threatened by unsustainable use of soils and its continued degradation. Measures are necessary to reduce the risk of soil erosion at source and intercept surface water runoff pathways carrying sediments and organic materials; reduce soil compaction and thereby the risk of flooding and the need to dredge rivers; and mitigate the impacts on receptors, notably protected and priority river and wetland sites.

This group of commitments seeks to introduce a range of measures. These include establishing well managed buffer and riparian strips protecting habitats from fertiliser and sprays, buffering watercourses and protecting hedgerow trees. Beneficiaries will be required to extend the field margins beyond what is required by GAEC; and enhance the biodiversity value and buffering capacity of field margins. Action will also be necessary to establish or maintain grassy strips to break run-off pathways, avoiding soil compaction and using no fertilisers or manures. Use of herbicides is limited to spot treatment of injurious weeds.

The arable reversion commitment will require the establishment and maintenance of a grass mix. Intensively managed grassland commitments require management to reduce soil compaction' and limiting the total nitrogen from organic and inorganic fertilisers to < 100KgN per ha per year. Both require the introduction of grazing and mowing regimes.

Beneficiaries will also be required to protect watercourses by reducing soil compaction, erosion and run-off, and diffuse pollution through actions to exclude the use of root crops (e.g. potatoes and sugar beet, but also maize and brassicas) and outdoor pigs on high erosion risk land.

Maize has to be managed by establishing an autumn sown crop after harvest or being under sown with grass or clover, with harvesting by 1st October. Winter cover crops will be targeted to reduce nitrate leaching and soil erosion. These should be established by mid-September and incorporated by February to reduce the risk of nitrate leaching; they may also provide beneficial overwinter soil cover. Very low inputs to grassland will be targeted to livestock farms to reduce nitrate leaching to priority groundwaters.

Additionally beneficiaries can maintain watercourse fencing and buffers to help reduce contamination of water by restricting livestock access, preventing bank damage, protecting and encouraging bankside vegetation. This will help reduce water temperatures and faecal pollution.

The low inputs for intensive grassland in groundwater areas reduces nutrient inputs across the whole farm to

reduce pressure on negatively affected groundwater and groundwater dependent habitats.

The making space for water commitment will maximise the biodiversity value of WFD measures and protected site river restoration projects by enhancing land management and restoring natural river corridor processes and floodplain function.

Many of the actions below could offer multiple benefits (depending on the specifics of their implementation) and contribute to a number of Focus Areas. These are detailed in the attached water and soils commitments table. They will also contribute to a variety of national and European policy commitments. In particular, actions supporting soil and water management will contribute to:

- EU Birds and Habitats Directives
- EU Water Framework Directive (by restricting inputs and/or reducing soil erosion and flood risk through protecting underlying soils or increased surface roughness slowing run-off)
- EU Bathing Waters Directive – reducing faecal pollution by reducing runoff and connectivity through the options. Capital items will also help control and reduce sources.
- Shellfish Waters Implementation Regulations and Shellfish Hygiene Regulations
- Drinking Waters Directive – links to provision of clean drinking water supplies
- Floods Directive – the requirement to develop integrated plans for flood risk and water framework in tandem
- Convention on Biological Diversity & EU Biodiversity Strategy (through supporting the aims of Biodiversity 2020, England's Biodiversity Strategy)
- Supporting the ambitions to increase species diversity, pollinating insects and improve the health of ecosystems.

	Name	Aim	Eligibility	Proposed payment rate €/ha	Focus Area ¹⁰				
					4a:	4b:	4c:	5d:	5e:
SW1	4- 6 m buffer strip on cultivated land	To provide new habitat, protect existing landscape features and, when placed adjacent to a watercourse, contribute to improving water quality within the catchment	The edges of cultivated fields, adjacent to an existing feature as identified. Adjacent to a track which channels run-off water directly to a watercourse. Adjacent to fence lines where link areas of wildlife habitat as identified.	441		2	2	-	2
SW2	4 - 6 m buffer strip on intensive grassland	To provide new habitat, protect existing landscape features, and when placed adjacent to a watercourse, contribute to improving water quality within the catchment.	This commitment can only be used on improved grassland receiving more than 100 kg/ha of nitrogen per year in fertilisers or manures. Adjacent to a track which channels run-off water directly to a watercourse. Adjacent to fence lines where link areas of wildlife habitat as identified. The edges of fields, adjacent to an existing feature such as an ancient woodland or a high value pond? as identified.	213		2	2	-	2
SW3	In-field grass strips	To grass out specific areas within a cultivated field in order to reduce the movement of	This commitment is only available on cultivated land that has been identified and recorded as at risk of soil erosion or run-off and must only be used on part parcels up to a maximum of 30 per cent of the parcel area.	696	-	1	1	-	2

¹⁰ 1 = primary outcome 2 = secondary benefit potential

		sediment, nutrients and pesticides by surface runoff.							
SW4	12-24m watercourse buffer strip on cultivated land	To reduce the risk of transport of potential pollutants, such as sediment, nutrients (principally phosphate) and pesticides, to watercourses	This commitment is only available on cultivated land that has been identified and recorded as at risk of soil erosion or run-off and on land adjacent to ditches, rivers or streams.	640	-	1	1	1	-
SW5	Enhanced management of maize crops to reduce soil erosion and run-off	To reduce the risk of soil erosion and run-off on fields where maize is grown before a spring-sown crop	This commitment is only available on land where maize is already grown and must not be located on parcels at high risk of soil erosion or run-off .	166	-	1	1	1	-
SW6	Winter cover crops	To reduce nitrate leaching on land where soil would normally be left bare during winter before the next crop and to provide protection against soil erosion and loss of other pollutants on land parcels that drain directly into a	Located on parcels that are vulnerable to nitrate leaching on cultivated land that has been identified and recorded as at risk of soil erosion or run-off where the parcel drains directly to a watercourse.	143	-	1	1	2	-

Soil and Water Commitments Pt 2 of 5

		watercourse							
SW7	Arable reversion to grassland with low fertiliser input	To stabilise the soil, reduce nutrient losses and buffer sensitive habitats or features by establishing and maintaining grass cover in arable fields at high risk of soil erosion and flooding.	This commitment is available on cultivated land that has been identified by targeting as important for buffering sensitive habitats that are recorded on your Farm Environment Record.	389	2	1	1	-	1
SW8	Management of intensive grassland adjacent to a watercourse	To reduce soil compaction and risk of surface run-off on improved grassland by reducing the stocking density and fertiliser inputs.	Grassland receiving more than 200 kg/ha nitrogen per year on sloping fields draining directly to a watercourse and where the parcel is identified as at risk of soil erosion or run-off, or where a soil risk assessment indicates that a target feature is under significant threat from Diffuse Water Pollution from Agriculture.	253	2	1	1	-	1
SW9	Seasonal livestock removal on intensive grassland	The removal of livestock at specific times of the year from fields that are prone to waterlogging, compaction or poaching, and that drain directly into a watercourse, to	Grassland receiving more than 100 kg/ha of nitrogen per year that drains directly into a watercourse and not on parcels within the SDA.	110	-	1	1	1	-

		reduce risk of surface run-off.							
SW10	Seasonal livestock removal on grassland (SDAs) next to streams, rivers and lakes.	To enhance water quality by reducing the input of nutrients and sediment to streams, rivers and lakes caused by surface water run-off and the leaching of nutrients from adjacent farmland.	Only available on permanent grassland within the SDAs and below the Moorland Line. Only available on parcels that drain directly into a watercourse which are prone to waterlogging, compaction or poaching, where it is important to remove livestock during the winter.	45	-	1	1	-	2
SW11	Riparian management strip	To reduce compaction and erosion of banks and land directly adjacent to the watercourse. To prevent unrestricted livestock access to the watercourse.	Grazed land adjacent to ditches, rivers or streams but must not be used adjacent to any other grassland option or woodland.	550	-	1	1	2	2
SW12	Making space for water	To support Water Framework Directive and SSSI river restoration programme by creating areas for seasonal flooding and rivers to	Arable, temporary grassland or improved permanent grassland. The site, either alone or as part of a group application, must form a natural hydrological unit. Written support from the Environment Agency is required and when identified in the relevant SSSI strategic river restoration plan, or River Basin Management Plan.	800	-	1	1	1	1

		meander							
SW13	Very low nitrogen inputs to groundwaters	To reduce nutrient input to grassland to help to slow and ultimately reverse the trend of rising nutrient levels in ground waters to help protect designated sites and Protected Areas under the Water Framework Directive.	Only available on improved grassland within specifically targeted areas. It must be applied to all parcels of improved grassland within the target area.	314	-	1	1	2	-
SW14	Nil fertiliser supplement	To reduce nitrate leaching into ground and surface water by reducing nutrient inputs to zero.	This supplementary can only be used in combination with commitments for management of intensive grassland adjacent to a watercourse or arable reversion to grassland with low commitment fertiliser input. It is only available on parcels or part parcels greater than 1 ha.	164	-	1	1	-	2

Soil and Water Commitments Pt 5 of 5

8.2.7.3.12.2. Type of support

See sub-measure 10.1.

8.2.7.3.12.3. Links to other legislation

See sub-measure 10.1.

8.2.7.3.12.4. Beneficiaries

See sub-measure 10.1.

8.2.7.3.12.5. Eligible costs

See sub-measure 10.1.

8.2.7.3.12.6. Eligibility conditions

See sub-measure 10.1.

8.2.7.3.12.7. Principles with regards to the setting of selection criteria

See sub-measure 10.1.

8.2.7.3.12.8. (Applicable) amounts and support rates

See sub-measure 10.1.

8.2.7.3.12.9. Verifiability and controllability of the measures and/or types of operations

8.2.7.3.12.9.1. *Risk(s) in the implementation of the measures*

The key risks to verifiability and controllability for operations on grassland are those identified by the area-related root causes set out in the Commission's working document SWD(2013) 244 final and reiterated in the Error Rates technical guidance fiche. These are both administrative and beneficiary related. A control framework has been developed which sets out clearly how area-based activity will be controlled and verified under this measure.

In particular commitments which are difficult to implement and verify (Root Cause 6) are identified as the main risk for soil & water operations: these relate to no and reduced inputs . Mitigating actions to reduce the risk of implementation are set out in the next section.

The other main concerns relate to putting in place high quality internal controls and procedures and ensuring that appropriate IT, administrative and inspection checks are in place. This will help put in place corrective and preventative action (CPA7: Improving internal controls and procedures) Appropriate IT and Administrative checks are carried out [as per Reg 65/2011, Article 11].

The range of controls that will apply to soil & water operations to support this are:

Administrative checks (both manual and IT based):

- Automated cross checks with the Land Parcel Identification System and Basic Payment application data, and with current IT systems will ensure that the selection commitments with regard to the land-use eligibility and co-location are correct. The risk of greening double-funding will be via a check against the location of the relevant commitments against EFA. Dual funding checks will be performed by cross checking applications against self-declarations;
- Manual checks on data and supporting documents submitted by the claimant, and data held by the paying agency and delivery bodies (including datasets obtained from other government bodies and other third parties);
- Manual checks that copies of farm records and photographs either submitted by the applicant and/or uploaded into the IT system;
- Eligibility checks at the time of setting up the agreement, and ongoing agreement monitoring visits and checks, particularly those requiring specialist input such as complex management plans, and control of stocking and reduced inputs prescriptions;
- Other third party visits and remote sensing may also supplement such checks to confirm commitments are being met.

On the spot inspection checks:

- Compliance inspections on 5% of beneficiaries to ensure scheme requirements have been met.
- Visual checks to confirm commitments have been undertaken;
- Farm record checks and soil sampling, where appropriate e.g. where follow up may be required
- Inspection at the appropriate time to check compliance with the option. Re-visits where necessary. Recording of relevant findings;
- Inspections will be timed where possible to take place during the period the commitment must be met;
- Inspections outside this period will confirm the condition of areas is consistent with the management records;
- The inspection rate will be 5% but if a high level of non-compliance is found, a higher % rate for agreements with these options will be implemented.

The root causes that apply to non-area-related activity generally also apply, particularly the need to ensure that a clear separation of duties and set of procedures are put in place to ensure claims are processed correctly (Root Cause 9) and that eligibility conditions are met (Root Cause 10). Exhaustive further checks on evidence of defrayal, progress reports, photographs and on-the-spot checks or final claim inspections will also be undertaken.

Clear guidance and support will be provided to beneficiaries to ensure they provide correct area declarations and understand the nature of commitments made (Root Causes 7 and 8). A high level of information and guidance will be provided to beneficiaries within scheme literature (web-based or in paper form) on scheme requirements or commitments to show beneficiaries how to meet them.

Proportionate checks over the lifetime of agreements will also be in place. Further information and guidance will also be to ensure beneficiaries are aware of changes caused by the update of the LPIS system or other legal changes (Root Cause 2).

8.2.7.3.12.9.2. *Mitigating actions*

In addition to those identified above, mitigating actions will include:

- Independent verification of standard costs;
- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;
- Training for administration staff including compliance, fraud and un-conscious bias training;
- Guidance for administrative staff to ensure appropriate appraisal of applications, and that variations to contract are appropriately controlled and implemented.

Commitments which are difficult to implement and verify (**Root Cause 6**) are identified as the main risk for soil & water operations: these relate to no and reduced inputs.

There are 8 options that have a **no input** commitment:

1. SW1 4- 6 m buffer strip on cultivated land
2. SW2 4 - 6 m buffer strip on intensive grassland
3. SW3 In-field grass strips
4. SW4 12-24m watercourse buffer strip on cultivated land
5. SW6 Winter cover crops
6. SW9 Seasonal livestock removal on intensive grassland
7. SW10 Seasonal livestock removal on grassland (SDAs)
8. SW11 Riparian management strip

And five options with a **reduced input** commitment:

1. SW12 Making space for water
2. SW13 Very low nitrogen inputs to ground waters
3. SW8 Management of intensive grassland adjacent to a watercourse
4. SW7 Arable reversion to grassland with low fertiliser input
5. SW14 Nil fertiliser supplement

As per the AECM guidance fiche, options with these types of commitment are targeted at sites of high environmental value.

For **no and reduced input commitments** the principle verification method will be timed field inspections and soil nutrient testing. Advice through Measure 2 may also be provided to agreement holders to give additional assurance to ensure that beneficiaries deliver the commitments they have

signed up for.

Reduced and no input prescriptions also generally include a timing restriction preventing the application of fertilisers and manures during critical times either to minimise any disturbance to ground nesting birds or to reduce the risk of nutrient losses to water. Adherence to timing restrictions will be verified via appropriately timed field inspections to detect any visible signs of fertiliser or manure inputs and via proportionate checking of field records.

In addition for the reduced input commitment (SW12) we propose to quantify the level of input use at the start of the contract, primarily through soil nutrient testing.

For SW7, SW8, SW13 and SW14, where nutrient testing is not considered to be an appropriate tool, a recommended fertiliser management system, which includes periodic soil testing, will be used instead to ascertain the level of fertiliser and manure inputs across the farm. The requirement for farmers applying for reduced input options to follow a Recommended Fertiliser Management System is not paid for, it is a verification control only, to help ensure that those applying reduced input options are following best practice across the entire holding. It is a requirement under the Nitrates Directive Action programme for farmers within NVZs manage their Nitrogen inputs in accordance with crop requirements based on a recommended fertiliser management system. Reduced input options reduce nutrient input levels below crop requirements and Income Forgone is paid for the resulting loss of production, for soil and water options this reduction reduces risk of pollutant losses in key targeted areas. The Recommended Fertiliser Management System only applies to nutrient inputs and does not control the use of Pesticides.

Agreement holders will also be required to keep activity records of particular activities associated with this operation such as applications of fertilisers and plant protection products and make detailed records available on request. A percentage of claims will be selected for follow up checks of these records. This will be done on a risk-based assessment of an indicative 10% of agreements with options which contain **reduced input** commitments in the first year of the new Environmental scheme. We will review the level of checks each year of the subsequent programming period.

8.2.7.3.12.9.3. Overall assessment of the measure

The overall assessment of risk following mitigating actions is **medium-high**.

Appropriate controls for soil and water operations under this measure in England are in place. Commitments that are difficult to verify and control have been the subject of audit criticism and we have put in place mitigating actions to ensure these can be appropriately verified and controlled.

Defra and the RPA are satisfied that soil and water options and prescriptions can be effectively controlled and verified. The combination of controls proposed throughout the life of the agreement provides assurance on compliance, not any individual control in isolation.

8.2.7.3.12.10. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law

See sub-measure 10.1.

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution; the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced by Directive 2009/128/EC of the European Parliament and of the Council, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites, as established by national legislation

See sub-measure 10.1.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

See sub-measure 10.1.

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 29(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation

See sub-measure 10.1.

8.2.7.3.13. Sub-measure 10.1.9 - Supplements and Educational Access

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.7.3.13.1. Description of the type of operation

The supplements are available within the Higher Tier only for actions that support and supplement the various other themed options. A Natural England adviser will be required to ensure that a supplementary option is needed for a given objective. The supplements provide for additional, more specific management, that will increase the environmental benefits delivered by the underlying option. For example, the Cattle Grazing Supplement would be required to create certain structurally diverse swards and the appropriateness of this would need an assessment by a trained adviser and not by the agreement holder. This action would support the Grassland theme.

The Educational Access option offers an incentive to land managers to host educational visits by school groups or other groups to learn about the relationship between farming, conservation, and food production. This is Exchequer funded only and is included under measure 10.1 simply to demonstrate that we will be offering this option through England's agri-environment scheme, but it is not funded under measure 10.1.

Many of the actions below could offer multiple benefits (depending on the specifics of their implementation) and contribute to a number of Focus Areas. These are detailed in the attached Supplements and Educational Access Commitment table. They will also contribute to a variety of national and European policy commitments. In particular, actions supporting soil and water management will contribute to:

- EU Birds and Habitats Directives
- EU Water Framework Directive (by restricting inputs and/or reducing soil erosion and flood risk through protecting underlying soils or increased surface roughness slowing run-off)
- EU Bathing Waters Directive – reducing faecal pollution by reducing runoff and connectivity through the options. Capital items will also help control and reduce sources
- Shellfish Waters Implementation Regulations and Shellfish Hygiene Regulations
- Drinking Waters Directive – links to provision of clean drinking water supplies
- Floods Directive – the requirement to develop integrated plans for flood risk and water framework in tandem
- Convention on Biological Diversity & EU Biodiversity Strategy (through supporting the aims of Biodiversity 2020, England's Biodiversity Strategy)
- Supporting the ambitions to increase species diversity, pollinating insects and improve the health of ecosystems.

	Name	Aim	Eligibility	Proposed payment rate €/ha	Focus Area ¹²				
					4a:	4b:	4c:	5d:	5e:
SP1	Difficult sites supplement	To support the management of particularly difficult sites and to retain small fields and their locally characteristic boundary pattern.	Only available on parcels: where grazing management has been abandoned or is in danger of abandonment; or on parcels less than 1 ha in area with traditional boundaries, including banks, hedges, walls or wet ditches. Gateways must be less than 3.6 metres wide; or on arable land on the Isles of Scilly up to and including 0.4 ha in extent and/or arable fields up to and including 5 ha where sub-divided into small bulb fields, not bigger than 0.4 ha, which are bounded by granite walls or salt tolerant shrub hedges 'fences'; or pastoral fields on the Isles of Scilly up to and including 2 ha in area.	78	1	-	-	-	-
SP2	Raised water level supplement	To raise and maintain water levels in ditches and adjacent land, where exceptional and time-consuming management is needed at key times of the year.	Can only be used in combination with specific land management options or in combination with another option with the written agreement of Natural England.	159	1	2	-	-	2
SP3	Bracken control supplement	To control the spread of, or remove,	This supplement can only be used in combination with an	191	1	-	-	-	-

¹² 1 = primary outcome 2 = secondary benefit potential

		existing stands of bracken to maintain or restore biodiversity value and protect archaeological sites	annual management option. It must not be used on the same area in the same year as the bracken control capital items						
SP4	Control of invasive plant species supplement	To introduce a programme of active management aimed towards the eradication of the named invasive plant species.	This supplement can only be used in combination with an annual management option. Must not be used for rush control.	405	1	1	-	-	-
SP5	Shepherding supplement	To facilitate proactive stock movements across sites so that grazing is directed at, or away from, particular features at particular times of the year to improve the quality of the site.	This supplement can only be used in combination with an annual management option. Only available where shepherding needs to be newly introduced, reintroduced or where significant changes to current shepherding practice are required.	9	1	-	2	-	-
SP6	Cattle grazing supplement	To deliver environmental outcomes including a more varied sward structure thus increasing the diversity of plants, invertebrates and birds. Cattle are also often more suitable for trampling bracken, controlling scrub and grazing wet habitats	This supplement can only be used in combination with an annual management option.	56	1	-	-	-	-

SP7	Introduction of cattle grazing on the Scilly Isles	To support the introduction of conservation grazing on the Isles of Scilly.	This supplement can only be used in combination with an annual management option on the Isles of Scilly.	349	1	-	-	-	-
SP8	Native breeds at risk supplement	To support the conservation of genetic diversity in 'native breeds at risk' to meet Biodiversity 2020 objectives.	Only available to support breeding grazing livestock which are registered-pedigree animals, of a Defra Native Breed At Risk (NBAR) listed breed. It can only be used in combination with a land management option where the species and breed used to deliver grazing is confirmed in writing by Natural England as appropriate for delivering the aims of the option. The supplement is not available; • on common land and shared grazing; • above the Moorland Line; • in combination with the cattle grazing supplement.	118	1	-	-	-	-
SP9	Threatened species supplement	To deliver targeted, bespoke habitat management for priority s41 species.	This supplement can only be used in combination with a land management option where a priority s41 species, or assemblage of priority s41 species, is present on the site or where the site can be managed to provide the right conditions needed to allow for the possible translocation, re-colonisation or range extension of a named priority s41 species. The management work	150	1	-	-	-	-

			must have written support from a specialist.						
SP10	Administration of group managed agreement supplements	To support group working where this will be beneficial in delivering environmental outcomes.	<p>This supplement can be only be used in agreements covering:</p> <ul style="list-style-type: none"> • Common land and areas of shared occupancy that have two or more active managers or interests. <p>OR</p> <p>Areas under multiple party management where joint action is required to meet the needs of the managed feature.</p> <p>The group must submit a copy of a written internal agreement including the governance, responsibilities for delivering the agri-environment agreement requirements and payment allocation methodology with the application.</p>	8	1	2	-	-	2
ED1	Educational Access	To enable educational visits for school pupils and care farming visits.	Available to any farm.	363/visit	1	-	-	-	-

8.2.7.3.13.2. Type of support

See sub-measure 10.1.

8.2.7.3.13.3. Links to other legislation

See sub-measure 10.1.

8.2.7.3.13.4. Beneficiaries

See sub-measure 10.1.

8.2.7.3.13.5. Eligible costs

See sub-measure 10.1.

8.2.7.3.13.6. Eligibility conditions

See sub-measure 10.1.

8.2.7.3.13.7. Principles with regards to the setting of selection criteria

See sub-measure 10.1.

8.2.7.3.13.8. (Applicable) amounts and support rates

See sub-measure 10.1.

8.2.7.3.13.9. Verifiability and controllability of the measures and/or types of operations

8.2.7.3.13.9.1. *Risk(s) in the implementation of the measures*

The key risks to verifiability and controllability for operations on additional supplement operations are those identified by the area-related root causes set out in the Commission's working document **SWD(2013) 244 final** and reiterated in the Error Rates technical guidance fiche. These are both administrative and beneficiary related. A control framework has been developed which sets out clearly how area-based activity will be controlled and verified under this measure.

In particular commitments which are difficult to implement and verify (**Root Cause 6**) are identified as the main risk for additional supplement operations: these relate to maximum stocking densities. Mitigating actions to reduce the risk of implementation are set out in the next section.

The other main concerns relate to putting in place high quality internal controls and procedures and ensuring that appropriate IT, administrative and inspection checks are in place. This will help put in place corrective and preventative action (**CPA7: Improving internal controls and procedures**)
Appropriate IT and Administrative checks are carried out [as per Reg 65/2011, Article 11].

The range of controls that will apply to additional supplement operations to support this are:

Administrative checks (both manual and IT based):

- Automated cross checks with the Land Parcel Identification System and Basic Payment application data, and with current IT systems will ensure that the selection commitments with regard to the land-use eligibility and co-location are correct. The risk of greening double-funding will be via a check against the location of the relevant commitments against EFA. Dual funding checks will be performed by cross checking applications against self-declarations;
- Manual checks on data and supporting documents submitted by the claimant, and data held by the paying agency and delivery bodies (including datasets obtained from other government bodies and other third parties);
- Manual checks that copies of farm records and photographs either submitted by the applicant and/or uploaded into the IT system;
- Eligibility checks at the time of setting up the agreement, and ongoing agreement monitoring visits and checks, particularly those requiring specialist input such as complex management plans, and control of stocking and reduced inputs prescriptions;
- Other third party visits and remote sensing may also supplement such checks to confirm commitments are being met.

On the spot inspection checks:

- Compliance inspections on 5% of beneficiaries to ensure scheme requirements have been met.
- Visual checks to confirm commitments have been undertaken;
- Farm record checks and soil sampling, where appropriate e.g. where follow up may be required
- Inspection at the appropriate time to check compliance with the option. Re-visits where necessary. Recording of relevant findings;
- Inspections will be timed where possible to take place during the period the commitment must be met;
- Inspections outside this period will confirm the condition of areas is consistent with the management records;
- The inspection rate will be 5% but if a high level of non-compliance is found, a higher % rate for

agreements with these options will be implemented.

The root causes that apply to non-area-related activity generally also apply, particularly the need to ensure that a clear separation of duties and set of procedures are put in place to ensure claims are processed correctly (**Root Cause 9**) and that eligibility conditions are met (**Root Cause 10**). Exhaustive further checks on evidence of defrayal, progress reports, photographs and on-the-spot checks or final claim inspections will also be undertaken.

Clear guidance and support will be provided to beneficiaries to ensure they provide correct area declarations and understand the nature of commitments made (**Root Causes 7 and 8**). A high level of information and guidance will be provided to beneficiaries within scheme literature (web-based or in paper form) on scheme requirements or commitments to show beneficiaries how to meet them.

Proportionate checks over the lifetime of agreements will also be in place. Further information and guidance will also be to ensure beneficiaries are aware of changes caused by the update of the LPIS system or other legal changes (**Root Cause 2**).

8.2.7.3.13.9.2. *Mitigating actions*

In addition to those identified above, mitigating actions will include:

- Independent verification of standard costs;
- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;
- Training for administration staff including compliance, fraud and un-conscious bias training;
- Guidance for administrative staff to ensure appropriate appraisal of applications, and that variations to contract are appropriately controlled and implemented.

Commitments which are difficult to implement and verify (**Root Cause 6**) are identified as the main risk for additional supplements: these relate to maximum stocking densities.

One option contains a maximum stocking density commitment:

- SP6 cattle grazing supplement

As per the AECM guidance fiche, options with these types of commitment are targeted at sites of high environmental value.

For **maximum stocking density commitments** the principle verification methods are:

- an administrative cross check of livestock databases to quantify potential breaches to stocking levels at a holding level;
- where there is an indication of a potential breach of maximum stocking density levels, asking beneficiaries to submit stocking records and verifying these through an administrative check of records;
- Rapid Field Visits, where appropriate that will record the animal numbers found and check whether or not the commitments have been undertaken.

8.2.7.3.13.9.3. Overall assessment of the measure

The overall assessment of risk following mitigating actions is **medium-high**.

Appropriate controls for additional supplement operations under this measure in England are in place. Commitments that are difficult to verify and control have been the subject of audit criticism and we have put in place mitigating actions to ensure these can be appropriately verified and controlled.

Defra and the RPA are satisfied that additional supplement options and prescriptions can be effectively controlled and verified. The combination of controls proposed throughout the life of the agreement provides assurance on compliance, not any individual control in isolation.

8.2.7.3.13.10. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law

See sub-measure 10.1.

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution; the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced by Directive 2009/128/EC of the European Parliament and of the Council, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites, as established by national legislation

See sub-measure 10.1.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

See sub-measure 10.1.

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 29(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation

See sub-measure 10.1.

8.2.7.4. Verifiability and controllability of the measures and/or types of operations

8.2.7.4.1. Risk(s) in the implementation of the measures

The key risks to verifiability and controllability for the agri-environment climate measure are those identified by the area-related root causes set out in the Commission's working document **SWD(2013) 244 final** and reiterated in the Error Rates technical guidance fiche. These are both administrative and beneficiary related.

Commitments that are difficult to verify and control is identified as the main risk (**Root Cause 6**) based on implementation of the 2007-2013 RDP and on audit findings. In particular, options which include maximum stocking densities and reduced inputs are seen as particularly difficult to verify, as are options which include time-limited actions such as cutting or mowing by a certain date. Options which include a 100% exclusion or reduction (including livestock) are also seen as presenting a medium risk of error as they are more likely to require a visual-only check.

For more specific detail for each type of operations see sub measures:

- Arable
- Boundaries, tress and orchards
- Coastal
- Grassland
- Historic Environment and Landscape
- Lowland Heathland
- Soil and water
- Supplements and Educational Access
- Uplands
- Wetlands
- Woodland and Scrub

8.2.7.4.2. Mitigating actions

Defra's approach to verification and control of these options is set out in the overall assessment provided under Chapter 18.

Defra's approach to these options will in all cases be predicated on the provision of sufficient advisory services to beneficiaries. "Priority Site" agreements will also be supported by the provision of detailed pre-application advice, and appropriate support within the agreement period. Any suspected breaches found will be flagged up to the Paying Agency for further inspection. This provides a good control mechanism which allows for a combination for administrative and visual checks, alongside detailed advice and guidance to beneficiaries.

Additionally, agreement holders in both "Priority Sites" and "Priority Areas" will be required to retain appropriate on-farm records that detail livestock movements across the holding and application of inputs and produce them on request. The principle of not increasing livestock and inputs across the holding will remain to ensure that reductions or exclusions within parcels or areas of specific importance are not displaced elsewhere. A cross-check against livestock databases at holding level will help to control this aspect. Any suspected breaches or non-responses will be selected for further risk-based inspection.

In response to Commission concerns raised in audit findings, actions to improve the quality of the inspection function have already been taken within the Paying Agency and will continue to be further strengthened by regular training and guidance for staff to ensure appropriate verification of requirements. Detailed guidance will also be available to beneficiaries to ensure that requirements are followed and that environmental outcomes can be achieved. On-going training for administration staff will remain in place, and will particularly focus on the provision of high quality advice and guidance to applicants and staff to ensure adherence to compliance requirements. A new IT system is also being put in place which is designed to improve the quality of the land parcel identification system and IACS controls and reduce administrative and beneficiary error.

For more specific detail for each type of operations see sub measures:

- Arable
- Boundaries, tress and orchards
- Coastal
- Grassland
- Historic Environment and Landscape
- Lowland Heathland
- Soil and water
- Supplements and Educational Access
- Uplands
- Wetlands
- Woodland and Scrub

For **reduced input commitments** the principle verification methods are: soil nutrient testing or use of a fertiliser management system and / or advice provided through Measure 2 to agreement holders to give additional assurance to ensure that beneficiaries deliver the commitments they have signed up for. Agreement holders will also be required to keep activity records of particular activities associated with

this operation such as applications of fertilisers and plant protection products and make detailed records available on request. A percentage of claims will be selected for follow up checks of these records. This will be done on a risk-based assessment of an indicative 10% of agreements with options which contain **reduced input** commitments in the first year of the new Environmental scheme. We will review the level of checks each year of the subsequent programming period.

For **maximum stocking density commitments** the principle verification methods are:

- an administrative cross check of livestock databases to quantify potential breaches to stocking levels at a holding level;
- where there is an indication of a potential breach of maximum stocking density levels, asking beneficiaries to submit stocking records and verifying these through an administrative check of records;
- Rapid Field Visits, where appropriate that will record the animal numbers found and check whether or not the commitments have been undertaken.

8.2.7.4.3. Overall assessment of the measure

The overall assessment of risk following mitigating actions is **medium-high**. Appropriate controls for agri-environment climate measure activity in England are in place. Commitments that are difficult to verify and control have been the subject of audit criticism.

Defra and the RPA are in general satisfied that the options and prescriptions can be effectively controlled and verified. The combination of controls proposed throughout the life of the agreement provides assurance on compliance, not any individual control in isolation.

For more specific detail for each type of operations see sub measures:

- Arable
- Boundaries, tress and orchards
- Coastal
- Grassland
- Historic Environment and Landscape
- Lowland Heathland
- Soil and water
- Supplements and Educational Access
- Uplands
- Wetlands
- Woodland and Scrub

8.2.7.5. Information specific to the measure

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article

Minimum Requirement for Pesticides

- The Plant Protection Products Regulations 2011 (SI 2011 No 2131) and the Plant Protection Products (Sustainable Use) Regulations 2012 (SI 2012 No 1657).
- Under UK legislation the Integrated Pest Management general principles are considered as voluntary. Record keeping of pesticide use (general principle 8) is a regulatory requirement. The Code of Practice for professional users of pesticides encourages users in England to follow the general principles of IPM including on monitoring of pests (general principle 2). Therefore we do not fund either record keeping or monitoring of pests in relation to IPM or pesticides use generally under Measure 10. Prevention and/or suppression of harmful organisms is to be achieved or supported and pest species managed in accordance with the principles of Integrated Pest Management and the pesticide regulation and directive.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

The Farm Animal Genetic Resources Expert Committee provides UK government with technical advice on policy areas affecting farm animal genetic resources, and advise on mechanisms to identify breeds at risk. List of UK local breeds in danger of being lost to farming can be found at <https://www.gov.uk/government/publications/uk-native-animal-breeds-at-risk-list>

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 29(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation

Since the inception of agri-environment schemes in England the following approach to calculating income foregone and additional costs has been applied and refined. The process is:

1. Determine very specific management prescriptions to contribute to and deliver the environmental objectives of the Programme. (There are about 500 of these prescriptions in Measure 10). Then:
2. Cost each one of these management prescriptions on the basis of the associated management and economic implications (MEIs) of following the activities required by each prescription. This is the economic baseline for each prescription. These figures include and must respect the baseline requirements that must be met by farmers. These include minimum requirements; regulatory baselines and cross-compliance requirements.
3. These costs are derived from a database of production costs and other data commissioned as part of this payment rate exercise. The provenance of this data is evidenced and independently verified.
4. The figures used in the income foregone calculations - termed partial budgets – are drawn from

these costs to arrive at a payment rate.

Accounting for variation

These partial budgets are designed for application in the English region of the UK and most of the supporting evidence is from England. This gives rise to issues about how the range and variation of farming practices and costs can be accommodated. These are addressed by a proportional allocation of the income, costs and other data associated with the main farming practices such as arable and livestock. For example the representative balance of cropping for England is arrived at by comparing types of crops (winter wheat; winter barley; oil seed rape etc.) with cropping statistics from the agricultural census data. These proportions are then multiplied by their associated costs or income to provide a pro-rated cost per crop type. These costs are then totalled to give a typical value on a per hectare basis. An example of how this is calculated for the gross margin and interest on working capital on an arable rotation is at table 1.8 below. For livestock a similar approach, drawing on government and other data, is used to determine the proportion of the types of animals and their use of forage area. This is used to determine the baseline of typical stocking densities.

Worked example: SW1 4- 6 m buffer strip on cultivated land

The following worked example illustrates how the payment for each option is calculated on the basis of the above methodology and is above normal farming practice and the baselines and that they properly reflect income foregone and additional costs. This worked example serves to explain the process which has been followed for each of the options in the RDPE. It effectively shows how the cost of normal farming practice is established. It also demonstrates what actions are paid for and what account is taken of the management and economic implications of following the prescriptions. The partial budgets for each of these options, similar to the one for this worked example, can be found in the annexed report New Environmental Land Management Scheme Calculation of Income Foregone by Participants 2013 (Natural England 2013).

Greening is not a regulatory baseline but Article 28 (6) of Regulation (EU) 1305/2013 requires Member States to deduct the amount necessary in order to exclude double funding of the greening practices referred to in Article 43 of Regulation (EU) No 1306/2013 when calculating the payments for measure 10. The Table 1.2 attached shows how double funding is accounted for and removed in this worked example. A fuller explanation of how double funding is accounted for is at Section 8.2.7.5.

The aim of this option is to provide new habitat, protect existing landscape features and, when placed adjacent to a watercourse, contribute to improving water quality within the catchment.

Buffer strips, managed as low-intensity grassland, can be used for a wide variety of purposes such as creating new habitats and protecting existing ones or capturing surface water run-off. Although normally sited around the edges of fields, they can also be used within fields, for example to protect a group of in-field trees.

Beneficiaries can use whichever width of buffer strip best suits their field shape, farm machinery and purpose. However, the strip must always be at least the minimum width specified for the particular option. They may exceed the width but any additional area will not be included in the payment area. Generally speaking, wider buffer strips will provide greater protection and improved wildlife habitat.

This option can be used adjacent to features such as hedges, watercourses, woodlands. This option can also be placed adjacent to farm trackways or roads that channel run-off water and sediment directly into a

watercourse.

The strip must not overlap with: the cross-compliance requirement to maintain a green cover on land within 2m of the centre of a watercourse or field ditch, or to land from the edge of the watercourse or field ditch to 1m on the landward side of the top of the bank; any other buffer strips or uncultivated strips required under AECM; public rights of way (e.g. footpaths or bridleways) along field edges.

Prescriptions

For this option, the beneficiary must:

- Establish or maintain a 4- 6 m wide grass buffer strip during the first 12 months of the agreement.
- Not apply any fertilisers or manures.
- Only use pesticides, including herbicides, to spot-treat or weed-wipe for the control of injurious weeds, invasive non-natives, nettles or bracken.
- Not remove tree limbs, including lower limbs where hedgerow trees over 30 cm diameter at breast height are present. Leave fallen timber beneath the canopy. Stack if necessary to allow management of the buffer strip.
- After establishment of the buffer strip, cut between 1 and 3 m next to the crop edge annually after 15 July. Only cut the remaining width to control woody growth. Do not cut areas with fallen timber.
- Do not use the buffer or grassed area for vehicle or stock access routes

Management and Economic Implications of following the prescriptions above are:

- Loss of headland gross margin @ 85% of field yield.
- Establishment and management of grass margin amortised @ 4% over 5 years. The buffer is cut twice in the 1st year.
- Half of the buffer is cut along the crop edge annually, and the other half of the buffer is cut twice. Some savings in combinable crop fixed costs.
- Additional weed control costs on 5% of the buffer.

The table 1.1 attached (the partial budget) sets out the losses and gains arising from following these management and economic implications and the resulting payment rate. The right hand column cross refers to the tables which set out the economic baseline i.e. the cost of the normal farming practice from which the figures in that partial budget are derived. These tables are set out in the report New Environmental Land Management Scheme Calculation of Income Foregone by Participants 2013; Natural England February 2014 which is in the annex.

See also Section 8.2.7.3.11 above.

Table 1.1 Calculation of Income Foregone¹

	Losses £/ha	Gains £/ha	For details see appendix
Extra Income			
		nil	
Sub-total		nil	
Costs Saved			
Interest on working capital on arable		14	1.8
Savings in fixed costs		261	2.1
Sub-total		275	
Income Lost			
Loss of arable gross margin @ 85% yield reduction	549		1.8
Sub-total	549		
			R1
Extra Costs			
Grass establishment	59		3.11
Topping	17		2.13
Weed control on 5%	3		6.1
Sub- total	79		
Total	628	275	
Income Change	353		

¹ The green figures = the costs associated with normal farming practice which are saved from non-production
The blue figures = the income from normal farming practice which is lost from non-production
The red figures = the additional costs from undertaking the commitments associated with this option.

The Income change line represents the compensatory payment for income foregone and additional costs as per Article 28 (6) of Reg 1305/2013

Table 1.1 Calculation of Income Foregone

Table 1.2 Calculation of Income Foregone adjusted for greening double funding¹

	Losses £/ha	Gains £/ha	For details see appendix
Extra Income			
		nil	
Sub-total		nil	
Costs Saved			
Interest on working capital on arable		0	1.8
Savings in fixed costs		0	2.1
Sub-total		0	
Income Lost			
Loss of arable gross margin @ 85% yield reduction	0		1.8
Sub-total	0		
			R1
Extra Costs			
Grass establishment	59		3.11
Topping	17		2.13
Weed control on 5%	3		6.1
Sub- total	79		
Total	79	0	
Income Change	79		

¹ The green figures (costs associated with normal farming practice which are saved from non-production) and the blue figures (the income which is lost from non-production) are accounted for by greening and not payable under Measure 10

The red figures = the additional costs from undertaking the commitments associated with this option and payable under Measure 10.

The income change line represents the compensatory payment for income foregone and additional costs as per Article 28 (6) of Reg 1305/2013 after taking account of greening double funding.

Table 1.2 Calculation of Income Foregone adjusted for greening double funding

8.2.7.6. Other important remarks relevant to understand and implement the measure

Adjustments

In accordance with Article 14.2 of Commission Delegated Regulation 807/2014, operations and commitments may be adjusted during the period for which they apply, provided that the adjustment is duly justified having regard to the achievement of the objectives of the original commitment.

Advice

- There is a requirement to explain how the obligation to provide knowledge and information set out in Article 28.4 of Regulation 1305/2013 will be met. Evaluation and evidence from the current Rural Development Programme stress the value of advice and training, in particular where this can be locally tailored to specific circumstances. Where coordination and partnership approach is required the provision of facilitation has also been shown to be important. The Programme recognises this in the provision we plan to make under measure 16 (see 8.2.10.3.5. Sub measure 16.5 – Support for joint approaches to environmental projects and ongoing environmental practices). In addition expertise and consistency in advisory service provision are also noted as important factors in creating trust with regards to advisors.
- The current High Level Stewardship - part of the Environmental Stewardship scheme -already provides for direct advice and on-going support to beneficiaries in sites of high environmental value from Natural England. This advice supports beneficiaries in designing and undertaking operations to deliver outcomes which meet a range of objectives such as delivery for habitats and species prioritised for conservation action under the Prioritised Action Framework for Natura 2000 and supporting the ambitions to increase species diversity and the health of ecosystems. (These are listed more fully in Section 8.2.1.1).
- This advice and support is primarily funded nationally but with appropriate match-funding from the Programme in the form of technical assistance. The higher tier strand of this measure in England will offer a similar level of advisory support. The technical assistance budget allocation to fund this support is €20.88m. Securing an agreement in this higher tier is conditional on developing and agreeing the operations to be undertaken with a Natural England or an adviser from other nature protection bodies such as the Environment Agency or the Forestry Commission.
- In operations outside this higher tier of the scheme the introduction of a targeting framework which will prioritise environmental objectives across geographic areas of England will direct the choice of the appropriate commitments necessary to deliver these objectives mitigating the requirements for advisory support.
- However, we recognise that some types of commitments present particular risks with regard to their control and verification. The provision of advisory support will provide additional assurance to ensure that beneficiaries deliver the commitments they have signed up for. These commitments relate in particular to those which require control of livestock densities or input reductions.

Additionally we may look to introduce further advisory support in this mid-tier part of the measure. This may include expanding or fostering greater provision by the market while retaining and enhancing the relationship of trust between beneficiaries and advisors which research and evaluation show is critical to success. There is budgetary provision of € 7.2m in the programme to develop these broader advisory services.

In addition England has issued an invitation to tender for a Farm Advice Framework which will seek to offer integrated CAP advice provision (in line with the Review of Advice, Incentives and Partnership

Approaches (the AIPA Review – published March 2013) across a range of advice themes including both mandatory and discretionary elements specified in the new RDP. These will include among other things Cross Compliance Greening; Sustainable Use Directive (Pesticides), Support for Environmental Management schemes; Water Quality and Protection as part of Water Framework Directive (WFD). Where practicable, advice will be offered that integrates across themes, and delivered through various platforms including (e.g. on-farm and one-to-many events, phonedlines and website) and be locally tailored, where appropriate.

8.2.8. M11 - Organic farming (art 29)

8.2.8.1. Legal basis

Article 29 of Regulation (EC) No 1305/2013

8.2.8.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

This measure will deliver organic conversion and maintenance to active farmers. The measure will build on existing conversion and maintenance support available in England over the period 2007-2013 under the relevant organic variants of Environmental Stewardship (Organic Higher Level and Entry Level Stewardship). Support for new agreements under OELS has also been extended into the 2014 transitional year.

The activities funded under this measure will support those farmers wishing to convert to and maintain organic farming systems for the environmental benefits that these offer and which are identified in the SWOT. Investments will contribute to meeting England's Biodiversity 2020 goals and legal obligations under the Habitats and Species and Water Framework Directives. A core ambition will be to target the support to deliver the main objectives on biodiversity as well as on the water environment including flood management with benefits obtained in combination where possible. At this stage, we do not plan to apply any specific scoring or targeting criteria and applicants will receive entitlement to support subject to meeting the eligibility requirements set out under section 8.2.8.3.2.6.

By its nature organic farming delivers a range of high value environmental benefits. More robust monitoring of outcomes, and the application of effective counter-factuals, will enable lessons learned to be assessed and made available to conventional farming systems. Organic farming is an integral part of England's wider approach to ensuring sustainability in its farming and food production systems.

It is recognised that there may be synergies with other measures that can, where practicable, be exploited. We will address this potential, and take steps to ensure linkages, as part of the development of the delivery of the Programme. In particular, in respect of co-operation (measure 16) and knowledge transfer (measure 1). This is very much in line with the approach adopted under agri-environment and climate measure to support landscape scale agreements to encourage more active land manager engagement and ownership to deliver improvements in the wider countryside.

We are also supportive of the group certification provisions in the EU Commission's proposed revised organic Regulation as a means of encouraging more conversions by smaller producers by minimising certification costs. In addition, current research is looking at alternative protein sources in advance of the ending of the current non-organic feed derogation in 2017 and this will form part of our wider policy on knowledge transfer.

In terms of promotion (Article 16), we will consider whether there is scope to use this measure. Anecdotal evidence from the organic sector in England is that the market is now showing signs of recovery. As well as delivering environmental outcomes, our rebalancing of conversion and maintenance payment rates (see below) will have a positive effect in this respect.

Following discussions with the industry, we carried out a review of conversion and maintenance payment rates. We concurred with the industry that previous rates (in both OELS and our initial submission to the Commission in this Programme Document) were unbalanced and frontloaded payment onto the conversion element. This had the potential to encourage short-term conversion only. The review looked at these matters and has re-aligned conversion and maintenance payment rates.

Prior to the review, €15 million of the programme budget had been identified for this measure. We propose to retain this figure and to closely monitor the level of new applications.

Further modelling, as a result of the review and using historic data on conversion agreements, suggests that the proposed payment rates could result in demands for new conversions of between 28,000 and 180,000 ha (with an extra 50,000 - 125,000 ha receiving maintenance) over the period of the programme. This is based on the following assumptions that: (i) between 35%–80% of expiring agreements may renew; and (ii) annual conversion rates will vary between approximately 4,500 and 30,000 ha per annum.

Required funding for renewal of existing agreements, and these additional new conversions, could amount to €20m-€100m, although would most likely be at the bottom end of the range given recent conversion and renewal rates in England.

Funding at these levels could still be available dependent upon demands across the programme as a whole. However, it might be necessary to either limit the level of funding that can be supported if high volumes of applications are received or to apply scoring or targeting criteria to measure 11. We will keep the position under review over the life of the programme.

Investment under this measure will contribute directly to focus areas 4(a)(b)(c) and indirectly to 5(e).

8.2.8.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regard to the setting of selection criteria

8.2.8.3.1. Sub measure 11.1 - Payment to convert to organic farming practices and methods

Sub-measure:

- 11.1 - payment to convert to organic farming practices and methods

8.2.8.3.1.1. Description of the type of operation

This measure will support conversion to organic farming systems over a 2-3 year period. In this context organic farming systems are those defined in Council Regulation (EC) No 834/2007.

Investment under this sub-measure will contribute directly to focus areas 4(a)(b)(c) and indirectly to 5(e).

8.2.8.3.1.2. Type of support

Support will be based on income foregone and, where relevant, additional costs resulting from converting

to an organic farming system. There will be 5 different conversion payments available for different farming systems as follows: Rotational Land; Improved Permanent Pasture; Unimproved Permanent Pasture; Horticulture; and Top Fruit.

8.2.8.3.1.3. Links to other legislation

- Chapter 3 of Regulation 1307/2013 relating to the Greening requirements.
- Article 94 of Regulation 1306/2013 – Good Agricultural and Environmental Condition and Statutory Management Requirements.
- Council Regulation (EC) No 834/2007 and Commission Regulation (EC) No. 889/2008 on organic production and labelling.

8.2.8.3.1.4. Beneficiaries

Beneficiaries will be those active farmers or groups of farmers who undertake to convert to and maintain organic farming systems on their land.

8.2.8.3.1.5. Eligible costs

Payments for conversion will be available over a 2-3 year period according to a conversion rate based on income foregone and relevant additional costs of converting to and gaining organic certification under Council Regulation (EC) No 834/2007.

8.2.8.3.1.6. Eligibility conditions

- Land eligible for conversion payments must be within an agriculture area as defined by Article 2.1(f) of Regulation 1305/2014.
- Applicants will need to be active farmers and demonstrate their ability to control management of the land for the full length of the conversion period.
- Only available to those who have not claimed conversion aid or converted relevant land parcels to organic farming standards in the past.
- Full agricultural tenants on land owned by Exchequer funded bodies (e.g. government departments) may be eligible to apply for activities that are over and above the requirements of their tenancy agreement. Land that is owned and managed by another Government department or agency will usually not be eligible for funding.
- Tenants on a full agricultural tenancy are eligible to join providing their tenancy agreement lasts at least five years from the start of their agreement. Where this is not the case the tenant may make a countersigned application with their landlord, who must agree to take on the management responsibilities for the land and, where appropriate, continue with the organic registration of the land, in the event of the tenant ceasing to control the land.
- Any land which is already subject to management conditions either through an existing legal requirement or under grant scheme e.g. ELS or HLS, which cannot be combined with an Article

29 measure is ineligible for funding.

8.2.8.3.1.7. Principles with regards to the setting of selection criteria

The selection process will be: proportionate; open; transparent and fair throughout the programming period. Applicants will need to be certified by an approved Control Body in accordance with Council Regulation 834/2007. Applications will be assessed to ensure delivery of defined high quality outcomes.

8.2.8.3.1.8. (Applicable) amounts and support rates

A full list of the payment rates is attached.

		£/ha	€/ha
Organic conversion			
OR1	Organic conversion – improved permanent grassland	75	93.75
OR2	Organic conversion – unimproved permanent grassland	50	62.5
OR3	Organic conversion – rotational land	175	218.75
OR4	Organic conversion – horticulture	400	500
OR5	Organic conversion – top fruit	450	562.5

Organic conversion rate

8.2.8.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.1.9.1. Risk(s) in the implementation of the measures

The key risks to verifiability and controllability for organic farming are those identified by the area-related root causes set out in the Commission's working document **SWD(2013) 244 final** and reiterated in the Error Rates technical guidance fiche. These are both administrative and beneficiary related. A control framework has been developed which sets out clearly how area-based activity will be controlled and verified under our environmental land management priorities.

In particular, a lack of exchange of information between authorities involved in the implementation (**Root Cause 3**) and commitments which are difficult to implement and verify (**Root Cause 6**) are identified as the main risks. In the past, a lack of information exchange between the main organic certification body and delivery body has been identified by the Commission as a risk. This check now forms part of the Single Administrative Check. Additionally checks are also made against the list of producers who have ceased to hold organic status. These arrangements will prevent over payments and facilitate the recovery of any potential undue payments.

The root causes that apply to non-area-related activity generally also apply, particularly the need to ensure that a clear separation of duties and set of procedures are put in place to ensure claims are processed correctly (**Root Cause 9**) and that eligibility conditions are met (**Root Cause 10**). Exhaustive further checks on evidence of defrayal, progress reports, photographs and on-the-spot checks or final claim inspections will also be undertaken.

Clear guidance and support will be provided to beneficiaries to ensure they provide correct area declarations and understand the nature of commitments made (**Root Causes 7 and 8**). A high level of information and guidance will be provided to beneficiaries within Programme literature (web-based or in paper form) on requirements or commitments to show beneficiaries how to meet them. Proportionate checks over the lifetime of agreements will also be in place. Further information and guidance will also be to ensure beneficiaries are aware of changes caused by the update of the LPIS system or other legal changes (**Root Cause 2**).

8.2.8.3.1.9.2. Mitigating actions

In addition to those identified above, mitigating actions will include:

- Independent verification of standard costs (see Annex 2);
- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;
- Training for administration staff including compliance, fraud and un-conscious bias training;
- Guidance for administrative staff to ensure appropriate appraisal of applications, and that variations to contract are appropriately controlled and implemented.

8.2.8.3.1.9.3. Overall assessment of the measure

The overall assessment of risk following mitigating actions is **medium**. Appropriate controls for organic farming activity in England are in place and have historically not led to high error rates, despite audit

criticism. Defra recognises the importance of reinforcing preventative measures to reduce the risk of errors pertaining to implementation of the RDP. This will include **Corrective and Preventative Actions** in part highlighted above to ensure the provision of: training for administration staff (**CPA1**); information, training and advice for beneficiaries (**CPA2**); information campaigns and guidance documents (**CPA3**); improvement of IT tools (**CPA 5**); modification of contracts (**CPA6**) and improving internal control and coordination procedures (**CPA7**).

8.2.8.3.1.10. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law

The methodology for the calculations for the support that underpins the payment rates for organic conversion and maintenance is set out in the Verifiers Report. This is fully supported by detailed information, data and calculations. The proposed payments either compensate farmers for reduced returns or are based on additional transaction costs which do not duplicate any of the greening requirements. Therefore, no element of double funding arises.

It is recognised that to qualify as organic English farmers must comply with a range of detailed requirements, including certification and inspection requirements, set down in Council Regulation (EC) No 834/2007. These requirements establish a baseline which, in the majority of cases, is significantly above basic cross-compliance measures contained in other measures such as the Water Framework Directive and Habitats Directive. Indeed, all commitments have to comply with the relevant EU and international requirements, English standards and other scheme requirements in place at that time. This includes a broad set of Good Agricultural and Environmental Conditions (GAEC) designed to contribute to protection of the agricultural environment.

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 29(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation

The methodology for the calculations for the support that underpins the payment rates for organic conversion and maintenance is set out in the Verifiers Report. This is fully supported by detailed information, data and calculations.

In the same way as in Measure 10 the income foregone calculations are “partial budgets” which summarise the effect of applying each environmental prescription within each option.1 Management and Economic Implications (MEI) are produced for each prescription which set out the likely impact of

applying the prescription in terms of impact on the farming system and land use, management requirements; additional costs etc.

The approach taken is built on a methodology which identifies the enterprise mix, cropping and stocking under conventional and organic farming conditions and then accounts for the cost of moving to full organic in relation to conventional farming.

Consideration has been given to income foregone derived from greater costs of production, where these cannot be fully recouped from price premia and cost savings. Additional costs associated specifically with organic status have also been taken into account- such as those related to certification and from following organic protocols e.g. more record keeping and the process of seeking derogations.

In addition, as discussed with the organic sector in England, the ratio between the rate for conversion payments and maintenance payments has been rebalanced from the current one of approximately 5 to 1 to around 2:1. Keeping rates within this factor will help to avoid distorting the market and support a more sustainable growth in the sector within England as opposed to frontloading support onto the conversion element, which may have previously encouraged some farmers converting to organic to opt-out and return to conventional farming post the conversion period.

[1] The requirements under each prescription are set out in Natural England 2014 and 2014b.

8.2.8.3.2. Sub measure 11.2 - Payment to maintain organic farming practices and methods

Sub-measure:

8.2.8.3.2.1. Description of the type of operation

This measure will support organic maintenance, following an initial conversion period, for up to 5 years. Annual extensions may be granted after expiry of the initial period of maintenance. In this context organic farming is defined in Council Regulation (EC) No 834/2007.

8.2.8.3.2.2. Type of support

Support will be based on income foregone and, where relevant, additional costs resulting from maintaining an organic farming system. There will be 6 different maintenance payments available for the relevant production type as follows: Rotational Land; Improved Permanent Pasture; Unimproved Permanent Pasture; Rough Pasture; Horticulture; and Top Fruit.

Investment under this sub-measure will contribute directly to focus areas 4(a)(b)(c) and indirectly to 5(e).

8.2.8.3.2.3. Links to other legislation

- Chapter 3 of Regulation 1307/2013 relating to the Greening requirements.
- Article 94 of Regulation 1306/2013 – Good Agricultural and Environmental Condition and Statutory Management Requirements.

8.2.8.3.2.4. Beneficiaries

Beneficiaries will be those active farmers or groups of farmers who undertake to maintain an organic farming system on their land following conversion.

8.2.8.3.2.5. Eligible costs

Agreements will be paid over a period up to 5 years, depending on entitlement to conversion aid, and will be based on a maintenance rate, calculated taking account of income foregone and additional costs, for those which apply the approach set out in Council Regulation (EC) No 834/2007.

8.2.8.3.2.6. Eligibility conditions

- Land eligible for maintenance payments must be within an agriculture area as defined by Article 2.1(f) of Regulation 1305/2014.
- Applicants will need to be active farmers and demonstrate their management control of the land for the full length of the maintenance period.

- Full agricultural tenants on land owned by Exchequer funded bodies (e.g. government departments) may be eligible to apply for activities that are over and above the requirements of their tenancy agreement. Land that is owned and managed by another Government department or agency will usually not be eligible for funding.
- Tenants on a full agricultural tenancy are eligible to join providing their tenancy agreement lasts at least five years from the start of their agreement. Where this is not the case the tenant may make a countersigned application with their landlord, who must agree to take on the management responsibilities for the land and, where appropriate, continue with the organic registration of the land, in the event of the tenant ceasing to maintain control over the land under agreement.
- Any land which is already subject to management conditions either through an existing legal requirement or under grant scheme e.g. ELS or HLS, which cannot be combined with an Article 29 measure, is ineligible for funding.

8.2.8.3.2.7. Principles with regards to the setting of selection criteria

The selection process will be: proportionate; open; transparent and fair throughout the programming period. Applicants will need to be certified by an approved Control Body in accordance with Council Regulation 834/2007. Applications will be assessed to ensure delivery of defined high quality outcomes.

8.2.8.3.2.8. (Applicable) amounts and support rates

A full list of the payment rates is attached.

		£/ha	€/ha
Organic maintenance			
OT1	Organic land management -improved permanent grassland	40	50
OT2	Organic land management - unimproved permanent grassland	20	25
OT3	Organic land management - rotational land	70	87.5
OT4	Organic land management - horticulture	200	250
OT5	Organic land management - top fruit	300	375
OT6	Organic land management -enclosed rough grazing	8	10

Organic maintenance rate

8.2.8.3.2.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.2.9.1. Risk(s) in the implementation of the measures

The key risks to verifiability and controllability for organic farming are those identified by the area-related root causes set out in the Commission's working document **SWD(2013) 244 final** and reiterated in the Error Rates technical guidance fiche. These are both administrative and beneficiary related. A control framework has been developed which sets out clearly how area-based activity will be controlled and verified as part of our broader agri-environment-climate approach. In particular, a lack of exchange of information between authorities involved in the implementation (**Root Cause 3**) and commitments which are difficult to implement and verify (**Root Cause 6**) are identified as the main risks. In the past, a lack of information exchange between the main organic certification body and delivery body has been identified by the Commission as a risk. This check now forms part of the Single Administrative Check. Additionally checks are also made against the list of producers who have ceased to hold organic status. These arrangements will prevent over payments and facilitate the recovery of any potential undue payments.

The root causes that apply to non-area-related activity generally also apply, particularly the need to ensure that a clear separation of duties and set of procedures are put in place to ensure claims are processed correctly (**Root Cause 9**) and that eligibility conditions are met (**Root Cause 10**). Exhaustive further checks on evidence of defrayal, progress reports, photographs and on-the-spot checks or final claim inspections will also be undertaken.

Clear guidance and support will be provided to beneficiaries to ensure they provide correct area declarations and understand the nature of commitments made (**Root Causes 7 and 8**). A high level of information and guidance will be provided to beneficiaries within Programme literature (web-based or in paper form) on requirements or commitments to show beneficiaries how to meet them. Proportionate checks over the lifetime of agreements will also be in place. Further information and guidance will also be to ensure beneficiaries are aware of changes caused by the update of the LPIS system or other legal changes (**Root Cause 2**).

8.2.8.3.2.9.2. Mitigating actions

In addition to those identified above, mitigating actions will include:

- Independent verification of standard costs (see Annex 2);
- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;
- Training for administration staff including compliance, fraud and un-conscious bias training;
- Guidance for administrative staff to ensure appropriate appraisal of applications, and that variations to contract are appropriately controlled and implemented.

8.2.8.3.2.9.3. Overall assessment of the measure

The overall assessment of risk following mitigating actions is **medium**. Appropriate controls for organic farming activity in England are in place and have historically not led to high error rates, despite audit criticism. Defra recognises the importance of reinforcing preventative measures to reduce the risk of

errors pertaining to implementation of the RDP. This will include **Corrective and Preventative Actions** in part highlighted above to ensure the provision of: training for administration staff (**CPA1**); information, training and advice for beneficiaries (**CPA2**); information campaigns and guidance documents (**CPA3**); improvement of IT tools (**CPA 5**); modification of contracts (**CPA6**) and improving internal control and coordination procedures (**CPA7**).

8.2.8.3.2.10. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law

The methodology for the calculations for the support that underpins the payment rates for organic conversion and maintenance is set out in the Verifiers Report. This is fully supported by detailed information, data and calculations. In respect of arable land use categories, double funding could apply in respect of maintenance payments. In these cases the full rate would only be payable where the farmer could demonstrate that they would otherwise meet their EFA requirement. If the farmer was unable to do so an abated rate would apply. There is no double funding arising from organic maintenance on other land use categories (permanent grassland and permanent crops).

It is recognised that to be licensed as an organic producer, English farmers must comply with a range of detailed requirements, including certification and inspection requirements, set down in Council Regulation (EC) No 834/2007. These requirements establish a baseline which, in the majority of cases, is significantly above basic cross-compliance measures contained in other measures such as the Water Framework Directive and Habitats Directive. Indeed, all commitments have to comply with the relevant EU and international requirements, English standards and other scheme requirements in place at that time. This includes a broad set of Good Agricultural and Environmental Conditions (GAEC) designed to contribute to protection of the agricultural environment.

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 29(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation

The methodology for the calculations for the support that underpins the payment rates for organic conversion and maintenance is set out in the Verifiers Report. This is fully supported by detailed information, data and calculations.

In the same way as in Measure 10 the income foregone calculations are “partial budgets” which summarise the effect of applying each environmental prescription within each option.1 Management and

Economic Implications (MEI) are produced for each prescription which set out the likely impact of applying the prescription in terms of impact on the farming system and land use, management requirements; additional costs etc.

The approach taken is built on a methodology which identifies the enterprise mix, cropping and stocking under conventional and organic farming conditions and then accounts for the cost of moving to full organic in relation to conventional farming.

Consideration has been given to income foregone derived from greater costs of production, where these cannot be fully recouped from price premia and cost savings. Additional costs associated specifically with organic status have also been taken into account- such as those related to certification and from following organic protocols e.g. more record keeping and the process of seeking derogations.

In addition, as discussed with the organic sector in England, the ratio between the rate for conversion payments and maintenance payments has been rebalanced from the current one of approximately 5 to 1 to around 2:1. Keeping rates within this factor will help to avoid distorting the market and support a more sustainable growth in the sector within England as opposed to frontloading support onto the conversion element, which may have previously encouraged some farmers converting to organic to opt-out and return to conventional farming post the conversion period.

[1] The requirements under each prescription are set out in Natural England 2014 and 2014b.

8.2.8.4. Verifiability and controllability of the measures and/or types of operations

8.2.8.4.1. Risk(s) in the implementation of the measures

The key risks to verifiability and controllability for organic farming are those identified by the area-related root causes set out in the Commission's working document **SWD(2013) 244 final** and reiterated in the Error Rates technical guidance fiche. These are both administrative and beneficiary related. A control framework has been developed which sets out clearly how area-based activity will be controlled and verified under our environmental land management priorities.

In particular, a lack of exchange of information between authorities involved in the implementation (**Root Cause 3**) and commitments which are difficult to implement and verify (**Root Cause 6**) are identified as the main risks. In the past, a lack of information exchange between the main organic certification body and delivery body has been identified by the Commission as a risk. This check now forms part of the Single Administrative Check. Additionally checks are also made against the list of producers who have ceased to hold organic status. These arrangements will prevent over payments and facilitate the recovery of any potential undue payments.

The root causes that apply to non-area-related activity generally also apply, particularly the need to ensure that a clear separation of duties and set of procedures are put in place to ensure claims are processed correctly (**Root Cause 9**) and that eligibility conditions are met (**Root Cause 10**). Exhaustive further checks on evidence of defrayal, progress reports, photographs and on-the-spot checks or final claim inspections will also be undertaken.

Clear guidance and support will be provided to beneficiaries to ensure they provide correct area declarations and understand the nature of commitments made (**Root Causes 7 and 8**). A high level of

information and guidance will be provided to beneficiaries within Programme literature (web-based or in paper form) on requirements or commitments to show beneficiaries how to meet them. Proportionate checks over the lifetime of agreements will also be in place. Further information and guidance will also be to ensure beneficiaries are aware of changes caused by the update of the LPIS system or other legal changes (**Root Cause 2**).

8.2.8.4.2. Mitigating actions

In addition to those identified above, mitigating actions will include:

- Independent verification of standard costs (see Annex 2);
- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;
- Training for administration staff including compliance, fraud and un-conscious bias training;
- Guidance for administrative staff to ensure appropriate appraisal of applications, and that variations to contract are appropriately controlled and implemented.

8.2.8.4.3. Overall assessment of the measure

The overall assessment of risk following mitigating actions is **medium**. Appropriate controls for organic farming activity in England are in place and have historically not led to high error rates, despite audit criticism. Defra recognises the importance of reinforcing preventative measures to reduce the risk of errors pertaining to implementation of the RDP. This will include **Corrective and Preventative Actions** in part highlighted above to ensure the provision of: training for administration staff (**CPA1**); information, training and advice for beneficiaries (**CPA2**); information campaigns and guidance documents (**CPA3**); improvement of IT tools (**CPA 5**); modification of contracts (**CPA6**) and improving internal control and coordination procedures (**CPA7**).

8.2.8.5. Information specific to the measure

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law

The methodology for the calculations for the support that underpins the payment rates for organic conversion and maintenance is set out in the Verifiers Report. This is fully supported by detailed information, data and calculations.

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 29(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation

The methodology for the calculations for the support that underpins the payment rates for organic conversion and maintenance is set out in the Verifiers Report. This is fully supported by detailed information, data and calculations.

In the same way as in Measure 10 the income foregone calculations are “partial budgets” which summarise the effect of applying each environmental prescription within each option.¹ Management and Economic Implications (MEI) are produced for each prescription which set out the likely impact of applying the prescription in terms of impact on the farming system and land use, management requirements; additional costs etc.

The approach taken is built on a methodology which identifies the enterprise mix, cropping and stocking under conventional and organic farming conditions and then accounts for the cost of moving to full organic in relation to conventional farming.

Consideration has been given to income foregone derived from greater costs of production, where these cannot be fully recouped from price premia and cost savings. Additional costs associated specifically with organic status have also been taken into account- such as those related to certification and from following organic protocols e.g. more record keeping and the process of seeking derogations.

In addition, as discussed with the organic sector in England, the ratio between the rate for conversion payments and maintenance payments has been rebalanced from the current one of approximately 5 to 1 to around 2:1. Keeping rates within this factor will help to avoid distorting the market and support a more sustainable growth in the sector within England as opposed to frontloading support onto the conversion element, which may have previously encouraged some farmers converting to organic to opt-out and return to conventional farming post the conversion period.

[1] The requirements under each prescription are set out in Natural England 2014 and 2014b.

8.2.8.6. *Other important remarks relevant to understand and implement the measure*

None

8.2.9. M15 - Forest environmental and climate services and forest conservation (art 34)

8.2.9.1. Legal basis

Article 34 of Regulation (EU) No 1305/13

8.2.9.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

Any forest areas supported under this Measure must be managed in accordance with the UKFS (which transposes all the Pan-European operational guidelines on Sustainable Forest Management into the UK setting) and, for all holdings in excess of 10 ha, will need to have an approved woodland management plan in place. As recommended in the EU Forestry Strategy, this measure will support improving the resilience, environmental value and mitigation potential of forest ecosystems; achieving nature, biodiversity and wider ecosystem services objectives; adapting to climate change and forest protection.

As detailed under Measure 8, and in the SWOT in Chapter 4, restoration of plantations on ancient woodland sites to native species could greatly enhance biodiversity values of those woodlands. Support under this measure will be provided when such conversion is achieved through the gradual removal of non-native species through selective felling and subsequent regeneration with native species.

As explained under Measure 8 in lowland Britain deer densities above 14 per km² are likely to be too high to allow effective regeneration, yet over much of England this figure is vastly exceeded and in one recent study a maximum density of 45 per km² was found. Intensified deer browsing is causing reductions in woodland understory structures in many parts of the lowland England which is having very significant adverse effects on general biodiversity. At the landscape scale the only effective means by which browsing damage can be reduced to a level which will allow successful regeneration is through management of deer populations by culling. There is no legal obligation on land-owners to manage deer populations. Support may therefore be provided to facilitate such management where this threat has been identified; the reduction in deer population densities, particularly of does/hinds and muntjac, required to protect woodland biodiversity interests is considerably greater than would be achieved through hunting.

Grey squirrel, an alien invasive species, is a particular threat to relict populations of the native red squirrel but also cause extensive damage to trees elsewhere. Support may therefore be provided to control populations where identified as a threat in a forest management plan.

Where pest species are managed this will be in accordance with the principles of Integrated Pest Management and the various pesticide regulations.

Many of the broadleaved woodland areas of England are not providing ecosystem services to their potential; they could be enhanced through improved silvicultural practices. This measure will therefore be used to support the introduction of management systems that will lead to an improvement in the environmental value of such woodlands.

As climate change is the most significant threat to the ability of woodlands to continue to deliver ecosystem services there is a need to encourage the introduction of lower impact silvicultural systems that will lead to increased climate resilience through adaptive management. This measure will therefore be

used to encourage the conversion to alternative systems. The national climate adaptation plan does not set any requirements for forestry but does commit Defra, the Forestry Commission and Natural England to ensure that adaptation and resilience are supported by the design and implementation of forestry measures in the Rural Development Programme for England.

€27 million of the programme budget has been identified for this measure.

The use of this measure contributes directly to the all the focus areas of Priority 4 and indirectly to 5(e).

8.2.9.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regard to the setting of selection criteria

8.2.9.3.1. Sub measure 15.1 - Payment for forest environment commitments

Sub-measure:

- 15.1 - payment for forest -environmental and climate commitments

8.2.9.3.1.1. Description of the type of operation

Activities to achieve change in the structure or management practices of woodland areas to enhance their delivery of ecosystem services and/or increase their resilience to climate change. As recommended in the EU Forestry Strategy, this measure will support improving the resilience, environmental value and mitigation potential of forest ecosystems; achieving nature, biodiversity and wider ecosystem services objectives; adapting to climate change and forest protection. Any forest areas supported under this Measure must be managed in accordance with the UKFS (which transposes all the Pan-European operational guidelines on Sustainable Forest Management into the UK setting).

The use of this sub-measure contributes directly to the all the focus areas of Priority 4 and indirectly to 5(e).

The additional work required for payment under this measure is outlined below:

For the restoration of plantations on Ancient Woodland Sites (PAWS) to native species

1. By year 5 reduce the percentage of coniferous species from x% to y%.
2. Undertake regeneration felling where appropriate to encourage crown development and/or natural regeneration
3. If, in spaces exceeding 0.25ha, two years after the removal of conifers natural regeneration of native species has not commenced replant with (species) at 1100 trees per hectare (n.b. there is a regulatory requirement that felled areas are restocked therefore the costs of this are not included in the support payment).
4. In red squirrel strongholds monitor red and grey presence through hair tubes, provide a report in years 3 and 5.
5. Release (number) veteran trees from competing tree growth
6. Where deer control has been identified as required in the woodland management plan: have in place a deer management plan, manage deer populations to allow the establishment of appropriate

ground flora and understory, preferably by means of lethal control but if this is not deemed effective through fencing deer out of the woodland. Monitor such management and provide reports including, for example, deer cull numbers and geo-located photographic evidence from deer exclusion plots in years 3 and 5.

7. Where grey squirrels are identified as a threat in the woodland management plan they will be controlled: live or lethal trapping: using any legal trap set 1 per ha moving around the wood, check at least daily and despatch humanely any greys caught, release reds and other species. Warfarin control: between 15th March and 15th August deploy 0.02% warfarin bait in hoppers in accordance with MAPP 13020 Grey Squirrel Bait at a rate of 1 hopper per 1-4ha. Hoppers to be present and kept topped up throughout the legal period. In areas with red squirrels only live trapping is permitted. Shooting may be undertaken as an addition outside main control period.
8. Vegetation management – remove (x) ha of competing and/or non-native or invasive vegetation of (y) species by either mechanical or chemical control
9. Create and/or manage permanent open space and access rides
10. Manage ride edges through cyclical cutting
11. Create or maintain appropriate levels of deadwood habitat in line with UKFS
12. Management time – evidence of activities undertaken, i.e. monitoring, photography, marking.
13. UKFS compliant operational activities evidenced by completion of an Operational Site Assessment or similar
14. Monitor changes to be achieved through this support and provide reports in years 3 and 5 – methodology could include fixed point before/after photography.

Management to enhance priority habitats or priority species

1. Manage successional scrub through cyclical cutting
2. Re-coppice (x) ha of (y) species
3. Thin/selective fell (x) ha.
4. In red squirrel strongholds monitor red and grey presence through hair tubes, provide a report in years 3 and 5.
5. Release (number) veteran trees from competing tree growth
6. Where deer control has been identified as required in the woodland management plan: have in place a deer management plan, manage deer populations to allow the establishment of appropriate ground flora and understory, preferably by means of lethal control but if this is not deemed effective through fencing deer out of the woodland. Monitor such management and provide reports including, for example, deer cull numbers and geo-located photographic evidence from deer exclusion plots in years 3 and 5.
7. Where grey squirrels are identified as a threat in the woodland management plan they will be controlled: live or lethal trapping: using any legal trap set 1 per ha moving around the wood, check at least daily and despatch humanely any greys caught, release reds and other species. Warfarin control: between 15th March and 15th August deploy 0.02% warfarin bait in hoppers in accordance with MAPP 13020 Grey Squirrel Bait at a rate of 1 hopper per 1-4ha. Hoppers to be present and kept topped up throughout the legal period. In areas with red squirrels only live trapping is permitted. Shooting may be undertaken as an addition outside main control period.
8. Vegetation management – remove (x) ha of competing and/or non-native or invasive vegetation of (y) species by either mechanical or chemical control
9. Create and manage (x) ha of permanent open space
10. Manage ride edges through cyclical cutting
11. Create or maintain appropriate levels of deadwood habitat in line with UKFS

12. Management time – evidence of activities undertaken, i.e. monitoring, photography, marking
13. UKFS compliant operational activities evidenced by completion of an Operational Site Assessment or similar.
14. Monitor changes to be achieved through this support and provide reports in years 3 and 5.

Improved resilience to climate change

1. Implement identified silvicultural transformation option (management plan will identify the appropriate transformation approach).
2. Undertake regeneration felling where appropriate to encourage crown development and/or natural regeneration
3. If, in spaces exceeding 0.25ha, two years after the removal of conifers natural regeneration of native species has not commenced replant with (species) at 1100 trees per hectare (n.b. there is a regulatory requirement that felled areas are restocked therefore the costs of this are not included in the support payment)
4. In red squirrel strongholds monitor red and grey presence through hair tubes, provide a report in years 3 and 5.
5. Release (number) veteran trees from competing tree growth
6. Where deer control has been identified as required in the woodland management plan: have in place a deer management plan, manage deer populations to allow the establishment of appropriate ground flora and understory, preferably by means of lethal control but if this is not deemed effective through fencing deer out of the woodland. Monitor such management and provide reports including, for example, deer cull numbers and geo-located photographic evidence from deer exclusion plots in years 3 and 5.
7. Where grey squirrels are identified as a threat in the woodland management plan they will be controlled: live or lethal trapping: using any legal trap set 1 per ha moving around the wood, check at least daily and despatch humanely any greys caught, release reds and other species. Warfarin control: between 15th March and 15th August deploy 0.02% warfarin bait in hoppers in accordance with MAPP 13020 Grey Squirrel Bait at a rate of 1 hopper per 1-4ha. Hoppers to be present and kept topped up throughout the legal period. In areas with red squirrels only live trapping is permitted. Shooting may be undertaken as an addition outside main control period
8. Vegetation management – remove (x) ha of competing and/or non-native or invasive vegetation of (y) species by either mechanical or chemical control
9. Create and manage (x) ha of permanent open space
10. Manage ride edges through cyclical cutting
11. Create or maintain appropriate levels of deadwood habitat in line with UKFS.
12. Management time – evidence of activities undertaken, i.e. monitoring, photography, marking
13. UKFS compliant operational activities evidenced by completion of an Operational Site Assessment or similar
14. Monitor changes to be achieved through this support and provide reports in years 3 and 5.

8.2.9.3.1.2. Type of support

Five-year multi-annual payments to compensate for all or part of the additional costs resulting from

commitments made.

8.2.9.3.1.3. Links to other legislation

Article 67 of Regulation (EU) 1303/13; Plant Protection Products Regulation 2011 (which implements EU Regulation (EC) 1107/2009); and Plant Protection Products (sustainable use) Regulations 2012 (which implements the European Sustainable Use Directive 2009/128/EC).

8.2.9.3.1.4. Beneficiaries

Private and public land holders. State forest will only be eligible if managed by a private body.

8.2.9.3.1.5. Eligible costs

The operations that could be used to achieve commitments include:

- Restructuring of plantations on ancient woodland sites to restore native species;
- Restructuring to allow regeneration and broader species and structural diversity in order to improve biodiversity and climate resilience;
- The conversion of plantations to lower impact silvicultural systems;
- Habitat improvements and maintenance of micro-habitats, including small open areas, retention of dead wood;
- The management of deer populations to reduce their impact on biodiversity and enable regeneration;
- The management of grey squirrel populations in red squirrel protection areas;
- The creation of mosaic-character forest structure from single age plantations.

Costs related to recording keeping in relation to the use of pesticides or the monitoring of pests will not be included in the support payment.

8.2.9.3.1.6. Eligibility conditions

- All woodland holdings over 10 hectares in extent seeking support shall have an extant approved woodland management plan that provides justification for the support being applied for.
- All activity supported will go beyond the legal requirements included in the UK Forestry Standard.
- Where pest species are managed this will be in accordance with the principles of Integrated Pest Management and the various pesticide regulations. Integrated Pest Management is an obligatory requirement for professional users. Under UK legislation the general principles are considered as voluntary, except record keeping. Record keeping is mandatory and we will not fund record keeping in relation to IPM. Prevention and/or suppression of harmful organisms is to be achieved or supported and pest species managed in accordance with the principles of Integrated Pest Management and the pesticide regulation and directive.

- Costs related to recording keeping in relation to the use of pesticides or the monitoring of pests will not be included in the support payment.

8.2.9.3.1.7. Principles with regards to the setting of selection criteria

The selection process will be: proportionate; open; transparent and fair throughout the programming period. Areas which present the best opportunities to deliver the Programme's objectives for environmental land management will be identified and applications scored to secure the best quality "offers". Coordination would not be obligatory, rather high quality individual applications addressing local priorities will characterise these agreements.

8.2.9.3.1.8. (Applicable) amounts and support rates

For each commitment a series of interventions will be specified and required that would go beyond what may be considered 'normal' management practice. These interventions will be determined ultimately by the content of the required Forest Management Plan but in most cases a common series of activities to introduce species and structural diversity and the management of deer populations will apply.

These interventions, which include additional professional management input, are detailed within the 'cost models' for woodland improvement in the annex. The additional costs associated with these interventions have been estimated.

A support rate of £100/ha/annum (€125/ha/annum) is deemed to cover between 40% and 80% (and in no cases will it exceed 100%) of these additional costs. As these types of interventions can be expected to improve the overall quality and resilience of the woodlands in question it is likely that the economic potential will also be enhanced in the medium to long term; it is therefore considered inappropriate to provide support to cover 100% of the additional costs.

Income foregone payments are not included as in the majority of cases the woodlands in receipt of support will not previously have been managed so there is no loss of income arising from the commitment made.

Standard operation for additional costs	Cost/Unit	Unit
Ride management	£ 325.00	per km/yr
Open Ground Mnt <7cm, flail	£ 325.00	net hectare
Forestry Agent	£ 60.00	per hour
Deer management	£ 25.00	Hectare / year
Nat regen respacing / cleaning	£ 1,000.00	Hectare
Deer exclosure plot	£ 170.00	each
Squirrel cage trap	£ 15.00	each
Trap maintenance	£ 150.00	each
Squirrel blood tests	£ 15.00	per pack of 10 tests
Forest Craftsman	£ 160.00	per day

Standard operation for additional costs

8.2.9.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.9.3.1.9.1. Risk(s) in the implementation of the measures

The key risks to verifiability and controllability for investments in forest area development and improvement in the viability of forests are those identified by the area-related root causes set out in the Commission's working document **SWD(2013) 244 final** and reiterated in the Error Rates technical guidance fiche. These are both administrative and beneficiary related. A control framework has been developed which sets out clearly how area-based activity will be controlled and verified.

In particular, a lack of exchange of information between authorities involved in the implementation (**Root Cause 3**) and commitments which are difficult to implement and verify (**Root Cause 6**) are identified as the main risks. For forestry measures these are, however, generally easier to verify. The root causes that apply to non-area-related activity generally also apply, particularly the need to ensure that a clear separation of duties and set of procedures are put in place to ensure claims are processed correctly (**Root Cause 9**) and that eligibility conditions are met (**Root Cause 10**). Pre-application support, alongside exhaustive further checks on evidence of defrayal, progress reports, photographs and on-the-spot checks or final claim inspections is also seen as important.

Submission and appraisal of Forest Management Plans and relevant checks that regulatory requirements (e.g. EIA or felling licence) and approvals are in place for work carried out will be undertaken. Checks that work will be in accordance with the UK Forestry Standard via a template provided by the Forestry Commission will also ensure appropriate control and verification.

Clear guidance and support will be provided to beneficiaries to ensure they provide correct area declarations and understand the nature of commitments made (**Root Causes 7 and 8**). A high level of information and guidance will be provided to beneficiaries within Programme literature (web-based or in paper form) on requirements or commitments to show beneficiaries how to meet them. Proportionate checks over the lifetime of agreements will also be in place. Further information and guidance will also be to ensure beneficiaries are aware of changes caused by the update of the LPIS system or other legal changes (**Root Cause 2**).

8.2.9.3.1.9.2. Mitigating actions

In addition to those identified above, mitigating actions will include:

- Independent verification of standard costs (see Annex 2);
- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;
- Training for administration staff including compliance, fraud and un-conscious bias training;
- Guidance for administrative staff to ensure appropriate appraisal of applications, and that variations to contract are appropriately controlled and implemented.

8.2.9.3.1.9.3. Overall assessment of the measure

The overall assessment of risk following mitigating actions is **low**. Appropriate controls for forest management related activity in England are in place and have historically not led to high error rates, audit

criticisms or concerns. Despite this, Defra recognises the importance of reinforcing preventative measures to reduce the risk of errors pertaining to implementation of the RDP. This will include **Corrective and Preventative Actions** in part highlighted above to ensure the provision of: training for administration staff (**CPA1**); information, training and advice for beneficiaries (**CPA2**); information campaigns and guidance documents (**CPA3**); improvement of IT tools (**CPA 5**); modification of contracts (**CPA6**) and improving internal control and coordination procedures (**CPA7**).

8.2.9.3.1.10. Information specific to the operation

Definition and justification of the holding size above which support will be conditional on the submission of a forest management plan or equivalent instrument

All woodland holdings over 10 hectares in extent seeking support shall have an extant approved woodland management plan that provides justification for the support being applied for. As the average size of a woodland holding is 14 ha this will ensure the majority of applications will be required to prepare management plans. Management plans may be prepared specifically to support applications for grant aid or may be pre-existing. All plans must be in accordance with the principles of Sustainable Forest Management as defined by the UK Forestry Standard and shall be valid for a period of five years.

Definition of an "equivalent instrument"

There are no 'equivalent instruments' to forest management plans for this Measure.

Identification of relevant mandatory requirements established by the national forestry act or other relevant national legislation

Mandatory requirements established by the Forestry Act 1967 and other relevant national law.

- Where required, proposals for felling or thinning must be submitted to the Forestry Commission for approval. Before felling and pruning trees, a check must be made to ensure there are no Tree Preservation orders or Conservation area designations. Permission must be obtained from the relevant authority to fell or prune trees subject to Tree Preservation orders or notification made where Conservation areas have been applied.
- Statutory orders made under the Plant Health Acts to prevent the introduction and spread of forest pests and diseases must be complied with; suspected pests and diseases must be reported to the forestry authority if they are notifiable, and access must be given to Plant Health Inspectors and their instructions followed.
- For species covered by Forest Reproductive Material Regulations, only certified material can be used for forestry purposes.
- Appropriate protection and conservation must be afforded where sites, habitats and species are subject to the legal provisions of EU directives and national legislation.

Description of the methodology and of the assumptions and parameters, including the description of the baseline requirements as referred to in Article 34(2) of Regulation (EU) No 1305/2013 which are relevant

for each particular type of commitment, used as reference for the calculations justifying additional costs and income foregone resulting from the commitment made

The payment rate for forest-environmental and climate services have been based on an assessment of the additional costs incurred to carry out operations to meet commitments. It does not include any consideration for income forgone. These costs have been subject to independent external verification and a copy of the verifiers report is appended.

8.2.9.4. Verifiability and controllability of the measures and/or types of operations

8.2.9.4.1. Risk(s) in the implementation of the measures

The key risks to verifiability and controllability for investments in forest area development and improvement in the viability of forests are those identified by the area-related root causes set out in the Commission's working document **SWD(2013) 244 final** and reiterated in the Error Rates technical guidance fiche. These are both administrative and beneficiary related. A control framework has been developed which sets out clearly how area-based activity will be controlled and verified.

In particular, a lack of exchange of information between authorities involved in the implementation (**Root Cause 3**) and commitments which are difficult to implement and verify (**Root Cause 6**) are identified as the main risks. For forestry measures these are, however, generally easier to verify. The root causes that apply to non-area-related activity generally also apply, particularly the need to ensure that a clear separation of duties and set of procedures are put in place to ensure claims are processed correctly (**Root Cause 9**) and that eligibility conditions are met (**Root Cause 10**). Pre-application support, alongside exhaustive further checks on evidence of defrayal, progress reports, photographs and on-the-spot checks or final claim inspections is also seen as important.

Submission and appraisal of Forest Management Plans and relevant checks that regulatory requirements (e.g. EIA or felling licence) and approvals are in place for work carried out will be undertaken. Checks that work will be in accordance with the UK Forestry Standard via a template provided by the Forestry Commission will also ensure appropriate control and verification.

Clear guidance and support will be provided to beneficiaries to ensure they provide correct area declarations and understand the nature of commitments made (**Root Causes 7 and 8**). A high level of information and guidance will be provided to beneficiaries within Programme literature (web-based or in paper form) on requirements or commitments to show beneficiaries how to meet them. Proportionate checks over the lifetime of agreements will also be in place. Further information and guidance will also be to ensure beneficiaries are aware of changes caused by the update of the LPIS system or other legal changes (**Root Cause 2**).

8.2.9.4.2. Mitigating actions

In addition to those identified above, mitigating actions will include:

- Independent verification of standard costs (see Annex 2);
- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the

contract;

- Inspection, internal audits and reviews, where necessary;
- Training for administration staff including compliance, fraud and un-conscious bias training;
- Guidance for administrative staff to ensure appropriate appraisal of applications, and that variations to contract are appropriately controlled and implemented.

8.2.9.4.3. Overall assessment of the measure

The overall assessment of risk following mitigating actions is **low**. Appropriate controls for forest management related activity in England are in place and have historically not led to high error rates, audit criticisms or concerns. Despite this, Defra recognises the importance of reinforcing preventative measures to reduce the risk of errors pertaining to implementation of the RDP. This will include **Corrective and Preventative Actions** in part highlighted above to ensure the provision of: training for administration staff (**CPA1**); information, training and advice for beneficiaries (**CPA2**); information campaigns and guidance documents (**CPA3**); improvement of IT tools (**CPA 5**); modification of contracts (**CPA6**) and improving internal control and coordination procedures (**CPA7**).

8.2.9.5. Information specific to the measure

Definition and justification of the holding size above which support will be conditional on the submission of a forest management plan or equivalent instrument

All woodland holdings over 10 hectares in extent seeking support shall have an extant approved woodland management plan that provides justification for the support being applied for. As the average size of a woodland holding is 14 ha this will ensure the majority of applications will be required to prepare management plans. Management plans may be prepared specifically to support applications for grant aid or may be pre-existing. All plans must be in accordance with the principles of Sustainable Forest Management as defined by the UK Forestry Standard and shall be valid for a period of five years.

Definition of an "equivalent instrument"

There are no 'equivalent instruments' to forest management plans for this Measure.

Identification of relevant mandatory requirements established by the national forestry act or other relevant national legislation

Mandatory requirements established by the Forestry Act 1967 and other relevant national law.

- Where required, proposals for felling or thinning must be submitted to the Forestry Commission for approval. Before felling and pruning trees, a check must be made to ensure there are no Tree Preservation orders or Conservation area designations. Permission must be obtained from the relevant authority to fell or prune trees subject to Tree Preservation orders or notification made where Conservation areas have been applied.

- Statutory orders made under the Plant Health acts to prevent the introduction and spread of forest pests and diseases must be complied with; suspected pests and diseases must be reported to the forestry authority if they are notifiable, and access must be given to Plant Health Inspectors and their instructions followed.
- For species covered by Forest Reproductive Material Regulations, only certified material can be used for forestry purposes.
- Appropriate protection and conservation must be afforded where sites, habitats and species are subject to the legal provisions of EU directives and national legislation.

Type of Commitment	Mandatory Requirements	Commitments going beyond mandatory requirements
To restore Plantations on Ancient Woodland Sites (PAWS) to native species	<ul style="list-style-type: none"> • Where required, proposals for felling or thinning must be submitted to the Forestry Commission for approval. Before felling and pruning trees, a check must be made to ensure there are no Tree Preservation orders or Conservation area designations. Permission must be obtained from the relevant authority to fell or prune trees subject to Tree Preservation orders or notification made where Conservation areas have been applied. • Statutory orders made under the Plant Health Acts to prevent the introduction and spread of forest pests and diseases must be complied with; suspected pests and diseases must be reported to the forestry authority if they are notifiable, and access must be given to Plant Health Inspectors and their instructions followed. • For species covered by Forest Reproductive Material Regulations, only certified material can be used for forestry purposes. • Appropriate protection and conservation must be afforded where sites, habitats and species are subject to the legal provisions of EU directives and national legislation. • Where pesticides are used they must be applied in accordance with the Plant Protection Products Regulation 2011 (which implements EU Regulation (EC) 1107/2009) and Plant Protection Products (sustainable use) Regulations 2012 (which implements the European Sustainable Use Directive 2009/128/EC) 	<ul style="list-style-type: none"> • Gradually remove coniferous species through thinning/selective felling. • Undertake regeneration felling to encourage crown development and/or regeneration of native species. • Release veteran trees from competing growth. • Create and/or manage permanent open space and access rides • Manage ride edges through cyclical cutting • Create or maintain appropriate levels of deadwood habitat in line with UKFS • Where deer control has been identified as required in the woodland management plan: manage deer populations to allow the establishment of appropriate ground flora and understory. • Monitor changes to be achieved through this support and provide reports in years 3 and 5.
Management to enhance priority habitats or priority species	<ul style="list-style-type: none"> • Where required, proposals for felling or thinning must be submitted to the Forestry Commission for approval. Before felling and pruning trees, a check must be made to ensure there are no Tree Preservation orders or Conservation area designations. Permission must be obtained from the relevant authority to fell or prune trees subject to Tree Preservation orders or notification made where 	<ul style="list-style-type: none"> • Manage successional scrub through cyclical cutting • Recoppice appropriate areas. • Thin or selective fell appropriate areas to diversify stand structure • Release veteran trees from competing growth. • Create and/or manage permanent open space and access rides

	<p>Conservation areas have been applied.</p> <ul style="list-style-type: none"> • Statutory orders made under the Plant Health Acts to prevent the introduction and spread of forest pests and diseases must be complied with; suspected pests and diseases must be reported to the forestry authority if they are notifiable, and access must be given to Plant Health Inspectors and their instructions followed. • For species covered by Forest Reproductive Material Regulations, only certified material can be used for forestry purposes. • Appropriate protection and conservation must be afforded where sites, habitats and species are subject to the legal provisions of EU directives and national legislation. • Where pesticides are used they must be applied in accordance with the Plant Protection Products Regulation 2011 (which implements EU Regulation (EC) 1107/2009) and Plant Protection Products (sustainable use) Regulations 2012 (which implements the European Sustainable Use Directive 2009/128/EC). 	<ul style="list-style-type: none"> • Manage ride edges through cyclical cutting • Create or maintain appropriate levels of deadwood habitat in line with UKFS • In red squirrel strongholds control grey squirrel numbers through the use of live trapping. • Where deer control has been identified as required in the woodland management plan: manage deer populations to allow the establishment of appropriate ground flora and understory. • Monitor changes to be achieved through this support and provide reports in years 3 and 5.
<p>To improve resilience to climate change through the introduction of Low Impact Silvicultural Systems</p>	<ul style="list-style-type: none"> • Where required, proposals for felling or thinning must be submitted to the Forestry Commission for approval. Before felling and pruning trees, a check must be made to ensure there are no Tree Preservation orders or Conservation area designations. Permission must be obtained from the relevant authority to fell or prune trees subject to Tree Preservation orders or notification made where Conservation areas have been applied. • Statutory orders made under the Plant Health Acts to prevent the introduction and spread of forest pests and diseases must be complied with; suspected pests and diseases must be reported to the forestry authority if they are notifiable, and access must be given to Plant Health Inspectors and their instructions followed. 	<ul style="list-style-type: none"> • Implement silvicultural transformation option identified in management plan. • Undertake regeneration felling where appropriate to encourage crown development and/or natural regeneration. • Create and/or manage permanent open space and access rides • Manage ride edges through cyclical cutting • Create or maintain appropriate levels of deadwood habitat in line with UKFS • Vegetation management – remove competing and/or non-native or invasive vegetation by either mechanical or chemical control as appropriate • Where deer control has been identified as required in the woodland management plan: manage deer populations to allow the establishment of

- For species covered by Forest Reproductive Material Regulations, only certified material can be used for forestry purposes.
- Appropriate protection and conservation must be afforded where sites, habitats and species are subject to the legal provisions of EU directives and national legislation.
- Where pesticides are used they must be applied in accordance with the Plant Protection Products Regulation 2011 (which implements EU Regulation (EC) 1107/2009) and Plant Protection Products (sustainable use) Regulations 2012 (which implements the European Sustainable Use Directive 2009/128/EC)

- appropriate ground flora and understory.
- Monitor changes to be achieved through this support and provide reports in years 3 and 5.

Forestry baselines Pt 3 of 3

Description of the methodology and of the assumptions and parameters, including the description of the baseline requirements as referred to in Article 34(2) of Regulation (EU) No 1305/2013 which are relevant for each particular type of commitment, used as reference for the calculations justifying additional costs and income foregone resulting from the commitment made

The payment rate for forest-environmental and climate services have been based on an assessment of the additional costs incurred to carry out operations to meet commitments, it does not include any consideration for income forgone. These costs have been subject to independent external verification and a copy of the verifiers report is appended.

8.2.9.6. *Other important remarks relevant to understand and implement the measure*

Definition of forest

“Forest” means land with a minimum area of 0.5 hectares and minimum width of 20 metres under stands of trees with, or with the potential to achieve, a height of 5 metres and crown cover of more than 20% of the ground.

Integral open space shall be limited to 20% of the total forest area (in **exceptional and fully justified**

cases this may be increased to 30%) and individual open spaces shall not exceed 0.5 ha or 20 metres in width. Any larger open areas shall not be considered as ‘forest’. Open space shall include forest tracks, rides, wayleaves and other permanent open areas.

Rural area definition

Any woodland meeting the above definition of ‘forest’ will be eligible under this measure even if outside the area defined as ‘rural’ in Section 8.1.

8.2.10. M16 - Co-operation (art 35)

8.2.10.1. Legal basis

Article 35 of Council Regulation (EU) No 1305/2013

8.2.10.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

This measure will be made available to encourage and promote a range of cooperative activity where this will encourage, e.g. farmers, forest holders, private businesses and public bodies, or participants in supply chains to work together to take forward priorities for investment and overcome disadvantages of fragmentation and addresses the weaknesses and opportunities set out in the SWOT. The measure will be used to develop priorities in environment, climate change and biodiversity; support farmers and foresters to improve supply chains or develop short supply chains; develop initiatives to tackle animal health and welfare issues; as well as cooperation between public bodies and private businesses to develop the rural economy. Local co-operation in tourism activities will be supported that improve the attractiveness of the overall destination and help develop the supply chain in the visitor economy, for example food and drink. We may encourage collaborative activity or pilot projects to develop agri-food hubs or clusters in particular geographic areas.

This measure will be used to implement the European Innovation Partnership for agricultural productivity and sustainability.

- **Establishing Operational Groups – bringing potential partners together:** Information will be provided via several means and forums will be offered to assist interested actors to meet, to develop ideas and form Groups. This will be primarily through resources and communications under the National Rural Network, but will also make use of existing networks and stakeholder groups. This will use various media, including innovation workshops, website content and leaflets, and will aim to capture grassroots ideas for development. We do not expect to invite applications from emerging Groups to access funding to form and develop plans, preferring just one, full application round. However, we may invite ‘Registrations of Ideas’ to see what ideas already exist, and to enable better focusing of further communications based on the response. The farmer or producer is expected to be the main driver in determining the topic of a Group’s project, ‘bottom up’;
- **Establishing Operational Group – applying for funding and, if successful, conducting the project:** Groups will need to apply just once for funding to conduct the project, by setting out a plan of their project. Projects should focus on testing new ideas or using existing knowledge in new ways. Funding will cover the eligible costs of conducting the project. The Group may separately seek funding through other parts of the Programme (for instance for capital costs) or outside of the programme (for instance for any new research required) that is not eligible under EIP. We will not fund stand-alone research;
- **Dissemination of results of the Operational Group’s project:** sharing the results of projects is an important part of the EIP, and Group project plans will describe their approach to sharing results. The EIP network offers a ready-made route for sharing results throughout Europe. In addition, we expect that results from Operational Groups will be shared nationally, through the

NRN, other existing networks, and via agents such as farm advisors.

The NRN will promote and facilitate cooperative activities in accordance with Article 54 of (EU) Regulation 1305/2013. €65.3 million of the programme budget has been identified for this measure.

Investment under this measure will contribute directly to focus areas 2(a), 3(a)(b), 4(a)(b)(c) and 6(a)(b) and indirectly to 1(a)(b) and 5(c)(d)(e). Many of the negative impacts of climate change such as increased surface water runoff can be more effectively addressed at a larger scale. Co-operation helps achieve this. Realising the positive benefits of changing climate and weather patterns is also aided by co-operation, for example opportunities to grow new crops requiring collaboration along the supply chain.

8.2.10.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regard to the setting of selection criteria

8.2.10.3.1. Sub measure 16.1 - Support for the establishment and operation of operational groups of the EIP

Sub-measure:

- 16.1 - support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability

8.2.10.3.1.1. Description of the type of operation

Support for operational groups under the European Innovation Partnership (EIP) for Agricultural productivity and sustainability.

Investment under this sub-measure will contribute directly to focus areas 2(a) and indirectly to 1(a)(b).

8.2.10.3.1.2. Type of support

Grant

8.2.10.3.1.3. Links to other legislation

None

8.2.10.3.1.4. Beneficiaries

EIP Operational Groups comprising at least two actors, e.g. farmers, foresters, researchers, advisers, businesses. Groups may include a facilitator/administrator if they wish. The National Rural Network (funded through Technical Assistance, and not this measure), in conjunction with stakeholders and

industry networks will help Groups to form using various media, but we do not expect to fund salaried 'innovation brokers'.

8.2.10.3.1.5. Eligible costs

- Costs for running cooperative activities and undertaking activities on behalf of those cooperation groups (e.g. joint physical assets, joint training/advice provision).
- Feasibility studies, running or operating costs, personnel costs, direct costs of specific projects, promotion activities.

These may be applied for and provided separately.

We will not fund standalone research.

8.2.10.3.1.6. Eligibility conditions

- Investments will be considered on the basis of submission of project plans, including details of project to be undertaken, expected results and dissemination of the results (as required under Article 57(3) of Regulation (EU) 1305/2013, and contractual agreements.
- Two or more entities establishing a new cooperative group or undertaking a new project through an existing group. Actors should agree internal arrangements between themselves and formalise through some means.

Activity must contribute to at least one of the priorities of the RDR and the aims of the EIP.

8.2.10.3.1.7. Principles with regards to the setting of selection criteria

The selection process will be: proportionate; open; transparent and fair throughout the programming period and will set out clearly whether either exclusion or inclusion criteria will apply. There will be a separation between those directly involved with supporting pipeline development of bids for investment and those taking decisions on applications. The requirements of the Rural Development Regulation and other relevant EU regulations will be met and, as necessary, it will be comply with public procurement rules.

Selection criteria may include composition of the Group; content of the project plan; frequency and reach of knowledge transfer and dissemination of results; technical basis and industry need for the project; value for money.

All applications will be subject to a formal appraisal that will consider:

- Deadweight;
- Displacement;
- Need for public support;
- Value for money;

- Energy efficiency;
- Deliverability/measurability;

Applications will be assessed against sustainability principles, which will include specific consideration of their impact on the environment and contribution to climate change mitigation and achievement of improved adaptation to climate change.

Appraisal of applications will be undertaken using a scoring system, which will involve a minimum threshold, above which applications will be prioritised.

8.2.10.3.1.8. (Applicable) amounts and support rates

Innovation, and swift translation and diffusion of research through the industry, has been identified as one of the key drivers of growth in agriculture and forestry. However we recognise that adopting innovative new technologies and practices can often carry higher risk with them for businesses. In addition, some actors may not be used to collaborating in this way. In order to help overcome this risk and get real progress in this area we propose to fund 100% of the cost of activity under this sub-measure. Where costs are funded under M16 (as part of an integrated collaborative project) that would be eligible under another Measure, the limitations on rates of support applicable to that Measure will be applied under M16 for that part of the activity.

8.2.10.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.10.3.1.9.1. Risk(s) in the implementation of the measures

The key risks to verifiability and controllability for investments in cooperation are those identified by the non-area-related root causes identified in the Commission's working document **SWD(2013) 244 final** and reiterated in the Error Rates technical guidance fiche. These are both administrative and beneficiary related. A control framework has been developed which sets out clearly how cooperation activity will be controlled and verified. Cooperation activity will follow standard selection procedures and be controlled via checks against appropriate local organisational and governance arrangements to ensure partnerships are robust and transparent.

A clear separation of duties and set of procedures are put in place to ensure claims are processed correctly (**Root Cause 9**) and that the reasonableness of costs and eligibility conditions are met (**Root Cause 10**) based on a transparent and justifiable rationale. The application of clear and appropriate tender procedures (**Root Cause 12**) by private beneficiaries for actual costs will include exhaustive checking of invoices and bank statements pre-payment, so the error rate tends to remain low, alongside further checks on evidence of defrayal, progress reports, photographs and on-the-spot checks or final claim inspections.

Clear guidance and support is provided to beneficiaries to ensure that only eligible expenditure is claimed and where ineligible expenditure is identified that the system of reduction applied is proportionate and fair (**Root Cause 14**). Beneficiaries cannot start a project before submitting an application and must receive approval first prior to doing so. Any modifications or variations must also be explicitly approved and justified. Application forms, offer letters and claim forms ensure that what is deemed eligible expenditure is set out as clearly as possible, and set out specifically documentation requirements and

deadlines for completion (**Root Cause 15**).

8.2.10.3.1.9.2. Mitigating actions

In addition to those identified above, mitigating actions will include:

- Reasonableness of actual costs as noted in other Measures;
- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;
- Training for administration staff including compliance, fraud and un-conscious bias training;
- Guidance for administrative staff to ensure appropriate appraisal of applications, and that variations to contract are appropriately controlled and implemented.

8.2.10.3.1.9.3. Overall assessment of the measure

The overall assessment of risk following mitigating actions is **low**. Appropriate controls for grant-funded activity in England are in place and have historically not led to high error rates, audit criticisms or concerns. Despite this, Defra recognises the importance of reinforcing preventative measures to reduce the risk of errors pertaining to implementation of the RDP. This will include **Corrective and Preventative Actions** in part highlighted above to ensure the provision of: training for administration staff (**CPA1**); information, training and advice for beneficiaries (**CPA2**); information campaigns and guidance documents (**CPA3**); improvement of IT tools (**CPA 5**); modification of contracts (**CPA6**) and improving internal control and coordination procedures (**CPA7**).

8.2.10.3.1.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable

8.2.10.3.1.11. Information specific to the operation

Specification of the characteristics of pilot projects, clusters, networks, short supply chains and local markets

8.2.10.3.2. Sub measure 16.2 - Support for pilot projects / the development of new products, practices, processes and technologies

Sub-measure:

- 16.2 - support for pilot projects, and for the development of new products, practices, processes and technologies

8.2.10.3.2.1. Description of the type of operation

- Greater trialling of pilot projects amongst cooperative groups of farmers and foresters, or other local actors, strengthening links between technology firms, research institutes and farmers and/or local coordinated approaches to development of farming, food and forestry enterprises and/or wider local economic development issues, such as tourism. Additionally, potential pilot projects could include coordinated approaches to the development of farming, food and forestry enterprises and / or to wider local economic development issues, such as tourism.
- Providing the circumstances in which cooperative groups of farmers and foresters are able to bring forward new products, practices, processes and technologies with stronger links to the organisations who can help them to realise their ideas.
- Enabling farmers to work together and with other experts with a view to improving the health and welfare of their animals using new products, practices, processes and technologies.

Investment under this sub-measure will contribute directly to focus area 2(a), 3(a)(b) and 6(a)(b) and indirectly to 1(a)(b).

8.2.10.3.2.2. Type of support

Grant

8.2.10.3.2.3. Links to other legislation

None

8.2.10.3.2.4. Beneficiaries

Micro and small enterprises, farmers and foresters engaged in cooperative activities.

8.2.10.3.2.5. Eligible costs

- Costs for forming and running cooperative activities, as well as funding for activities undertaken on behalf of those cooperation groups (e.g. joint physical assets, feasibility studies, joint training provision, joint advice provision).
- Studies/plans, running costs direct costs of specific projects, promotion activities.

- Financial support for cooperatives to undertake feasibility studies for new processes or technologies; support for purchase of new physical assets or necessary training.

8.2.10.3.2.6. Eligibility conditions

- Two or more entities looking to establish a new cooperative group or undertaking a new project through an existing group.
- Activity must contribute to at least one of the priorities of the RDR.

8.2.10.3.2.7. Principles with regards to the setting of selection criteria

The selection process will be: proportionate; open; transparent and fair throughout the programming period and will set out clearly whether either exclusion or inclusion criteria will apply. There will be a separation between those directly involved with supporting pipeline development of bids for investment and those taking decisions on applications. The requirements of the Rural Development Regulation and other relevant EU regulations will be met and, as necessary, it will be comply with public procurement rules.

Applications will be assessed against their strategic fit with the Programme Document in the context of the call for applications. All applications will be subject to a formal appraisal that will consider:

- Deadweight;
- Displacement;
- Need for public support;
- Value for money;
- Energy efficiency;
- Deliverability/measurability;
- Clear exit strategy from programme funding.

Applications will be assessed against sustainability principles, which will include specific consideration of their impact on the environment and contribution to climate change mitigation and achievement of improved adaptation to climate change.

Appraisal of applications will be undertaken using a scoring system, which will involve a minimum threshold, above which applications will be prioritised.

Calls may include additional criteria or support may be weighted in order to pilot co-operation between agri-food businesses in geographic hubs or clusters focused on growth in rural areas.

8.2.10.3.2.8. (Applicable) amounts and support rates

In a limited number of cases we believe that we should be encouraging individual or small numbers of businesses to work collaboratively to trial new innovative approaches in real life situations. Where these types of activities are particularly risky or where the benefits accrue to the wider business community, rather than to individual businesses, we will fund 100% of the cost of the project. Where costs are funded

under M16 (as part of an integrated collaborative project) that would be eligible under another Measure, the limitations on rates of support applicable to that Measure will be applied under M16 for that part of the activity.

8.2.10.3.2.9. Verifiability and controllability of the measures and/or types of operations

8.2.10.3.2.9.1. Risk(s) in the implementation of the measures

The key risks to verifiability and controllability for investments in cooperation are those identified by the non-area-related root causes identified in the Commission's working document **SWD(2013) 244 final** and reiterated in the Error Rates technical guidance fiche. These are both administrative and beneficiary related. A control framework has been developed which sets out clearly how cooperation activity will be controlled and verified. Cooperation activity will follow standard selection procedures and be controlled via checks against appropriate local organisational and governance arrangements to ensure partnerships are robust and transparent.

A clear separation of duties and set of procedures are put in place to ensure claims are processed correctly (**Root Cause 9**) and that the reasonableness of costs and eligibility conditions are met (**Root Cause 10**) based on a transparent and justifiable rationale. The application of clear and appropriate tender procedures (**Root Cause 12**) by private beneficiaries for actual costs will include exhaustive checking of invoices and bank statements pre-payment, so the error rate tends to remain low, alongside further checks on evidence of defrayal, progress reports, photographs and on-the-spot checks or final claim inspections.

Clear guidance and support is provided to beneficiaries to ensure that only eligible expenditure is claimed and where ineligible expenditure is identified that the system of reduction applied is proportionate and fair (**Root Cause 14**). Beneficiaries cannot start a project before submitting an application and must receive approval first prior to doing so. Any modifications or variations must also be explicitly approved and justified. Application forms, offer letters and claim forms ensure that what is deemed eligible expenditure is set out as clearly as possible, and set out specifically documentation requirements and deadlines for completion (**Root Cause 15**).

8.2.10.3.2.9.2. Mitigating actions

In addition to those identified above, mitigating actions will include:

- Reasonableness of actual costs as noted in other Measures;
- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;
- Training for administration staff including compliance, fraud and un-conscious bias training;
- Guidance for administrative staff to ensure appropriate appraisal of applications, and that variations to contract are appropriately controlled and implemented.

8.2.10.3.2.9.3. Overall assessment of the measure

The overall assessment of risk following mitigating actions is **low**. Appropriate controls for grant-funded activity in England are in place and have historically not led to high error rates, audit criticisms or concerns. Despite this, Defra recognises the importance of reinforcing preventative measures to reduce the risk of errors pertaining to implementation of the RDP. This will include **Corrective and Preventative Actions** in part highlighted above to ensure the provision of: training for administration staff (**CPA1**); information, training and advice for beneficiaries (**CPA2**); information campaigns and guidance documents (**CPA3**); improvement of IT tools (**CPA 5**); modification of contracts (**CPA6**) and improving internal control and coordination procedures (**CPA7**).

8.2.10.3.2.10. Methodology for calculation of the amount or support rate, where relevant

8.2.10.3.2.11. Information specific to the operation

Specification of the characteristics of pilot projects, clusters, networks, short supply chains and local markets

8.2.10.3.3. Sub measure 16.3 – (Other) co-operation among small operators, including for developing/marketing tourism

Sub-measure:

- 16.3 - (other) co-operation among small operators in organising joint work processes and sharing facilities and resources, and for developing/marketing tourism

8.2.10.3.3.1. Description of the type of operation

Promote cooperation in the tourism sector to bring forward integrated projects to develop a better coordinated local visitor economy.

Investment under this sub-measure will contribute directly to focus areas 6(a)(b).

8.2.10.3.3.2. Type of support

Grant

8.2.10.3.3.3. Links to other legislation

None

8.2.10.3.3.4. Beneficiaries

We will use this sub measure to offer support to eligible applicants in the farming and forestry sectors, rural businesses, social enterprises, charities, trusts, public bodies and LEADER local action groups.

8.2.10.3.3.5. Eligible costs

Costs covering the co-ordination and organisation of the co-operation activity.

8.2.10.3.3.6. Eligibility conditions

Investments will be considered on the basis of sustainable business plans and contractual agreements.

8.2.10.3.3.7. Principles with regards to the setting of selection criteria

The selection process will be: proportionate; open; transparent and fair throughout the programming period and will set out clearly whether either exclusion or inclusion criteria will apply. There will be a

separation between those directly involved with supporting pipeline development of bids for investment and those taking decisions on applications. The requirements of the Rural Development Regulation and other relevant EU regulations will be met and, as necessary, it will be comply with public procurement rules.

Applications will be assessed against their strategic fit with the Programme Document in the context of the call for applications.

All applications will be subject to a formal appraisal that will consider:

- Deadweight;
- Displacement;
- Need for public support;
- Value for money;
- Energy efficiency;
- Deliverability/measurability;
- Clear exit strategy from programme funding.

Applications will be assessed against sustainability principles, which will include specific consideration of their impact on the environment and contribution to climate change mitigation and achievement of improved adaptation to climate change.

Appraisal of applications will be undertaken using a scoring system, which will involve a minimum threshold, above which applications will be prioritised.

8.2.10.3.3.8. (Applicable) amounts and support rates

In order to promote cooperation in the tourism sector to bring forward integrated projects to develop a better coordinated local visitor economy we will support 100% of the costs covering the co-ordination and organisation of the co-operation activity activity for non-profit making organisations and 50% for commercial operations. This rate of support is intended to overcome particular barriers to co-operation in the tourism sector and will encourage the creation and development of destination management organisations and destination management plans.

To promote increased co-operation between small operators in other sectors of the rural economy, we will fund collaborative projects to organise joint working processes as well as sharing of facilities and resources at a rate of 50% of the eligible costs of the co-operative activity. Where costs are funded under M16 (as part of an integrated collaborative project) that would be eligible under another Measure, the limitations on rates of support applicable to that Measure will be applied under M16 for that part of the activity.

8.2.10.3.3.9. Verifiability and controllability of the measures and/or types of operations

8.2.10.3.3.9.1. Risk(s) in the implementation of the measures

The key risks to verifiability and controllability for investments in cooperation are those identified by the non-area-related root causes identified in the Commission's working document **SWD(2013) 244 final**

and reiterated in the Error Rates technical guidance fiche. These are both administrative and beneficiary related. A control framework has been developed which sets out clearly how cooperation activity will be controlled and verified. Cooperation activity will follow standard selection procedures and be controlled via checks against appropriate local organisational and governance arrangements to ensure partnerships are robust and transparent.

A clear separation of duties and set of procedures are put in place to ensure claims are processed correctly (**Root Cause 9**) and that the reasonableness of costs and eligibility conditions are met (**Root Cause 10**) based on a transparent and justifiable rationale. The application of clear and appropriate tender procedures (**Root Cause 12**) by private beneficiaries for actual costs will include exhaustive checking of invoices and bank statements pre-payment, so the error rate tends to remain low, alongside further checks on evidence of defrayal, progress reports, photographs and on-the-spot checks or final claim inspections.

Clear guidance and support is provided to beneficiaries to ensure that only eligible expenditure is claimed and where ineligible expenditure is identified that the system of reduction applied is proportionate and fair (**Root Cause 14**). Beneficiaries cannot start a project before submitting an application and must receive approval first prior to doing so. Any modifications or variations must also be explicitly approved and justified. Application forms, offer letters and claim forms ensure that what is deemed eligible expenditure is set out as clearly as possible, and set out specifically documentation requirements and deadlines for completion (**Root Cause 15**).

8.2.10.3.3.9.2. Mitigating actions

In addition to those identified above, mitigating actions will include:

- Reasonableness of actual costs as noted in other Measures;
- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;
- Training for administration staff including compliance, fraud and un-conscious bias training;
- Guidance for administrative staff to ensure appropriate appraisal of applications, and that variations to contract are appropriately controlled and implemented.

8.2.10.3.3.9.3. Overall assessment of the measure

The overall assessment of risk following mitigating actions is **low**. Appropriate controls for grant-funded activity in England are in place and have historically not led to high error rates, audit criticisms or concerns. Despite this, Defra recognises the importance of reinforcing preventative measures to reduce the risk of errors pertaining to implementation of the RDP. This will include **Corrective and Preventative Actions** in part highlighted above to ensure the provision of: training for administration staff (**CPA1**); information, training and advice for beneficiaries (**CPA2**); information campaigns and guidance documents (**CPA3**); improvement of IT tools (**CPA 5**); modification of contracts (**CPA6**) and improving internal control and coordination procedures (**CPA7**).

8.2.10.3.3.10. Methodology for calculation of the amount or support rate, where relevant

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8.2.10.3.3.11. Information specific to the operation

Specification of the characteristics of pilot projects, clusters, networks, short supply chains and local markets

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8.2.10.3.4. Sub measure 16.4 – Support for horizontal and vertical co-operation among supply chain actors

Sub-measure:

- 16.4 - support for horizontal and vertical co-operation among supply chain actors for the establishment and development of short supply chains and local markets, and for promotion activities in a local context relating to the development of short supply chains and local markets

8.2.10.3.4.1. Description of the type of operation

Investments will include bringing farmers and foresters, processors and retailers together to improve the effectiveness of supply chains and to enable businesses throughout the supply chain to produce value-added products.

Investment under this sub-measure will contribute directly to focus areas 2(a), 3(a) and 6(a)(b).

8.2.10.3.4.2. Type of support

Grant

8.2.10.3.4.3. Links to other legislation

None

8.2.10.3.4.4. Beneficiaries

Farmers and land managers, foresters, public bodies, small and micro rural businesses including processors.

8.2.10.3.4.5. Eligible costs

Eligible costs include costs covering the co-ordination and organisation of the co-operation activity.

8.2.10.3.4.6. Eligibility conditions

Investments will be considered on the basis of sustainable business plans and contractual agreements.

All woodland management which will lead to the production of wood will be in accordance with the UK Forestry Standard which sets the UK governments' requirements for sustainable forest management.

Short Supply chains are supply chains involving no more than one intermediary between the farmer and

consumer.

8.2.10.3.4.7. Principles with regards to the setting of selection criteria

The selection process will be: proportionate; open; transparent and fair throughout the programming period and will set out clearly whether either exclusion or inclusion criteria will apply. There will be a separation between those directly involved with supporting pipeline development of bids for investment and those taking decisions on applications. The requirements of the Rural Development Regulation and other relevant EU regulations will be met and, as necessary, it will be comply with public procurement rules.

Applications will be assessed against their strategic fit with the Programme Document in the context of the call for applications.

All applications will be subject to a formal appraisal that will consider:

- Deadweight;
- Displacement;
- Need for public support;
- Value for money;
- Energy efficiency;
- Deliverability/measurability;
- Clear exit strategy from programme funding.

All applications will be assessed for their strategic fit with the detail given in the call for funding inviting applications. Where applications are received as part of a procurement exercise for ‘integrated projects’ that will use this measure combined with others to support advice, training and investment in physical assets, applicants will need to demonstrate how they will combine these measures and activities effectively to deliver the objectives referred to in the call for funding.

Applications will be assessed against sustainability principles, which will include specific consideration of their impact on the environment and contribution to climate change mitigation and achievement of improved adaptation to climate change.

Appraisal of applications will be undertaken using a scoring system, which will involve a minimum threshold, above which applications will be prioritised.

8.2.10.3.4.8. (Applicable) amounts and support rates

Where there is a need to work with members of the supply chain to achieve better integration we would fund 100% with agriculture and 50% with forestry activity designed to secure co-operative working on the grounds that evidence to date has shown that this is necessary to get all relevant actors working together. Support for wider activities such as training, advice or investment would be subject to the thresholds set out in those articles. Where costs are funded under M16 (as part of an integrated collaborative project) that would be eligible under another Measure, the limitations on rates of support applicable to that Measure will be applied under M16 for that part of the activity.

8.2.10.3.4.9. Verifiability and controllability of the measures and/or types of operations

8.2.10.3.4.9.1. Risk(s) in the implementation of the measures

The key risks to verifiability and controllability for investments in cooperation are those identified by the non-area-related root causes identified in the Commission's working document **SWD(2013) 244 final** and reiterated in the Error Rates technical guidance fiche. These are both administrative and beneficiary related. A control framework has been developed which sets out clearly how cooperation activity will be controlled and verified. Cooperation activity will follow standard selection procedures and be controlled via checks against appropriate local organisational and governance arrangements to ensure partnerships are robust and transparent.

A clear separation of duties and set of procedures are put in place to ensure claims are processed correctly (**Root Cause 9**) and that the reasonableness of costs and eligibility conditions are met (**Root Cause 10**) based on a transparent and justifiable rationale. The application of clear and appropriate tender procedures (**Root Cause 12**) by private beneficiaries for actual costs will include exhaustive checking of invoices and bank statements pre-payment, so the error rate tends to remain low, alongside further checks on evidence of defrayal, progress reports, photographs and on-the-spot checks or final claim inspections.

Clear guidance and support is provided to beneficiaries to ensure that only eligible expenditure is claimed and where ineligible expenditure is identified that the system of reduction applied is proportionate and fair (**Root Cause 14**). Beneficiaries cannot start a project before submitting an application and must receive approval first prior to doing so. Any modifications or variations must also be explicitly approved and justified. Application forms, offer letters and claim forms ensure that what is deemed eligible expenditure is set out as clearly as possible, and set out specifically documentation requirements and deadlines for completion (**Root Cause 15**).

8.2.10.3.4.9.2. Mitigating actions

In addition to those identified above, mitigating actions will include:

- Reasonableness of actual costs as noted in other Measures;
- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;
- Training for administration staff including compliance, fraud and un-conscious bias training;
- Guidance for administrative staff to ensure appropriate appraisal of applications, and that variations to contract are appropriately controlled and implemented.

8.2.10.3.4.9.3. Overall assessment of the measure

The overall assessment of risk following mitigating actions is **low**. Appropriate controls for grant-funded activity in England are in place and have historically not led to high error rates, audit criticisms or concerns. Despite this, Defra recognises the importance of reinforcing preventative measures to reduce the risk of errors pertaining to implementation of the RDP. This will include **Corrective and**

Preventative Actions in part highlighted above to ensure the provision of: training for administration staff (**CPA1**); information, training and advice for beneficiaries (**CPA2**); information campaigns and guidance documents (**CPA3**); improvement of IT tools (**CPA 5**); modification of contracts (**CPA6**) and improving internal control and coordination procedures (**CPA7**).

8.2.10.3.4.10. Methodology for calculation of the amount or support rate, where relevant

8.2.10.3.4.11. Information specific to the operation

Specification of the characteristics of pilot projects, clusters, networks, short supply chains and local markets

8.2.10.3.5. Sub measure 16.5 – Support for joint approaches to environmental projects and ongoing environmental practices

Sub-measure:

- 16.5 - support for joint action undertaken with a view to mitigating or adapting to climate change, and for joint approaches to environmental projects and ongoing environmental practices

8.2.10.3.5.1. Description of the type of operation

Investments will include bringing land owners together to deliver environmental benefits at a landscape scale.

Investment under this sub-measure will contribute directly to focus areas 4(a)c) and 6(a)(b) and indirectly to 5(c)(d)(e).

8.2.10.3.5.2. Type of support

Grant

8.2.10.3.5.3. Links to other legislation

- Article 94 of Regulation 1306/2013 – Good Agricultural and Environmental Condition and Statutory Management Requirements;
- Chapter 3 of Regulation 1307/2013 relating to the greening requirements;
- Directive 2009/147/EC on the conservation of wild birds;
- Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora Directive 2000/60/EC establishing a framework for Community action in the field of water policy.

8.2.10.3.5.4. Beneficiaries

Farmers and land managers, foresters, trusted advisers associated with the farming and forestry sectors; conservation bodies.

8.2.10.3.5.5. Eligible costs

Costs covering the co-ordination and organisation of the co-operation activity and costs arising from project activities linked to a detailed plan.

8.2.10.3.5.6. Eligibility conditions

Investments will be considered on the basis of sustainable business plans and contractual agreements.

8.2.10.3.5.7. Principles with regards to the setting of selection criteria

The selection process will be: proportionate; open; transparent and fair throughout the programming period and will set out clearly the criteria that will apply. There will be a separation between those directly involved with supporting the development of bids for investment and those taking decisions on applications. The requirements of the Regulation (EU) No 1305/2013 and other relevant EU regulations will be met and, as necessary, it will comply with public procurement rules. Applications will be assessed against their strategic fit with the Programme Document in the context of the call for applications.

All applications will be subject to a formal appraisal that will consider:

- Value for money;
- Deliverability/measurability;
- Contribution to local environmental priorities;
- Coherence with other local activities.

Applications will be assessed against their impact on and contribution to the environment.

Appraisal of applications will be undertaken using a scoring system, which will involve a minimum threshold, above which applications will be prioritised.

8.2.10.3.5.8. (Applicable) amounts and support rates

100% of the cost including the direct costs arising from project activities subject to the maximum rates of aid and state aid rules.

Where costs are funded under M16 (as part of an integrated collaborative project) that would be eligible under another Measure, the limitations on rates of support applicable to that Measure will be applied under M16 for that part of the activity.

8.2.10.3.5.9. Verifiability and controllability of the measures and/or types of operations

8.2.10.3.5.9.1. *Risk(s) in the implementation of the measures*

The key risks to verifiability and controllability for investments in cooperation are those identified by the non-area-related root causes identified in the Commission's working document **SWD(2013) 244 final** and reiterated in the Error Rates technical guidance fiche. These are both administrative and beneficiary related. A control framework has been developed which sets out clearly how cooperation activity will be controlled and verified. Cooperation activity will follow standard selection procedures and be controlled via checks against appropriate local organisational and governance arrangements to ensure partnerships are robust and transparent.

A clear separation of duties and set of procedures are put in place to ensure claims are processed correctly (**Root Cause 9**) and that the reasonableness of costs and eligibility conditions are met (**Root Cause 10**) based on a transparent and justifiable rationale. The application of clear and appropriate tender procedures (**Root Cause 12**) by private beneficiaries for actual costs will include exhaustive checking of invoices and bank statements pre-payment, so the error rate tends to remain low, alongside further checks on evidence of defrayal, progress reports, photographs and on-the-spot checks or final claim inspections.

Clear guidance and support is provided to beneficiaries to ensure that only eligible expenditure is claimed and where ineligible expenditure is identified that the system of reduction applied is proportionate and fair (**Root Cause 14**). Beneficiaries cannot start a project before submitting an application and must receive approval first prior to doing so. Any modifications or variations must also be explicitly approved and justified. Application forms, offer letters and claim forms ensure that what is deemed eligible expenditure is set out as clearly as possible, and set out specifically documentation requirements and deadlines for completion (**Root Cause 15**).

8.2.10.3.5.9.2. *Mitigating actions*

In addition to those identified above, mitigating actions will include:

- Reasonableness of actual costs as noted in other Measures;
- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;
- Training for administration staff including compliance, fraud and un-conscious bias training;
- Guidance for administrative staff to ensure appropriate appraisal of applications, and that variations to contract are appropriately controlled and implemented.

8.2.10.3.5.9.3. *Overall assessment of the measure*

The overall assessment of risk following mitigating actions is **low**. Appropriate controls for grant-funded activity in England are in place and have historically not led to high error rates, audit criticisms or concerns. Despite this, Defra recognises the importance of reinforcing preventative measures to reduce the risk of errors pertaining to implementation of the RDP. This will include **Corrective and Preventative Actions** in part highlighted above to ensure the provision of: training for administration staff (**CPA1**); information, training and advice for beneficiaries (**CPA2**); information campaigns and guidance documents (**CPA3**); improvement of IT tools (**CPA 5**); modification of contracts (**CPA6**) and improving internal control and coordination procedures (**CPA7**).

8.2.10.3.5.10. Methodology for calculation of the amount or support rate, where relevant

8.2.10.3.5.11. Information specific to the operation

Specification of the characteristics of pilot projects, clusters, networks, short supply chains and local markets

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8.2.10.3.6. Sub measure 16.6 – Support for cooperation among supply chain actors for sustainable provision of biomass

Sub-measure:

- 16.6 - support for cooperation among supply chain actors for sustainable provision of biomass for use in food and energy production and industrial processes

8.2.10.3.6.1. Description of the type of operation

Investments will include bringing farmers and foresters, processors and retailers together to develop supply chains for the sustainable provision of biomass for energy production, particularly woodfuel. Support will also be available to help supply chains to function more effectively.

Investment under this sub-measure will contribute directly to focus areas 2(a), 3(a), 4(c) and 6(a)(b).

8.2.10.3.6.2. Type of support

Grant

8.2.10.3.6.3. Links to other legislation

None

8.2.10.3.6.4. Beneficiaries

Members of cooperative groups, such as farmers, woodland owners, contractors or woodfuel processors.

8.2.10.3.6.5. Eligible costs

Costs for running cooperative activities, as well as funding for activities undertaken on behalf of those cooperation groups (e.g. joint physical assets, feasibility studies, joint training provision, joint advice provision).

8.2.10.3.6.6. Eligibility conditions

- Two or more entities looking to establish a new cooperative group or undertaking a new project through an existing group.
- Activity must contribute to at least one of the priorities of the RDR.

8.2.10.3.6.7. Principles with regards to the setting of selection criteria

The selection process will be: proportionate; open; transparent and fair throughout the programming period and will set out clearly whether either exclusion or inclusion criteria will apply. There will be a separation between those directly involved with supporting pipeline development of bids for investment and those taking decisions on applications. The requirements of the Rural Development Regulation and other relevant EU regulations will be met and, as necessary, it will comply with public procurement rules. Applications will be assessed against their strategic fit with the Programme Document in the context of the call for applications.

All applications will be subject to a formal appraisal that will consider:

- Deadweight;
- Displacement;
- Need for public support;
- Value for money;
- Energy efficiency;
- Deliverability/measurability;
- Clear exit strategy from programme funding.

Applications will be assessed against sustainability principles, which will include specific consideration of their impact on the environment and contribution to climate change mitigation and achievement of improved adaptation to climate change.

Appraisal of applications will be undertaken using a scoring system, which will involve a minimum threshold, above which applications will be prioritised.

8.2.10.3.6.8. (Applicable) amounts and support rates

Where there is a need to work with members of the supply chain to achieve better integration we would fund 100% with agriculture and 50% with forestry activity designed to secure co-operative working on the grounds that evidence to date has shown that this is necessary to get all relevant actors working together. Support for wider activities such as training, advice or investment would be subject to the thresholds set out in those articles. Where costs are funded under M16 (as part of an integrated collaborative project) that would be eligible under another Measure, the limitations on rates of support applicable to that Measure will be applied under M16 for that part of the activity. For aid for cooperation in the forestry sector relating to horizontal and vertical cooperation among supply chain actors in the sustainable production of biomass for energy production and industrial processes we propose to fund 50% of the costs in line with the European Union Guidelines for State aid in the agricultural and forestry sectors and in rural areas 2014 to 2020.

8.2.10.3.6.9. Verifiability and controllability of the measures and/or types of operations

8.2.10.3.6.9.1. *Risk(s) in the implementation of the measures*

The key risks to verifiability and controllability for investments in cooperation are those identified by the non-area-related root causes identified in the Commission's working document **SWD(2013) 244 final** and reiterated in the Error Rates technical guidance fiche. These are both administrative and beneficiary

related. A control framework has been developed which sets out clearly how cooperation activity will be controlled and verified. Cooperation activity will follow standard selection procedures and be controlled via checks against appropriate local organisational and governance arrangements to ensure partnerships are robust and transparent.

A clear separation of duties and set of procedures are put in place to ensure claims are processed correctly (**Root Cause 9**) and that the reasonableness of costs and eligibility conditions are met (**Root Cause 10**) based on a transparent and justifiable rationale. The application of clear and appropriate tender procedures (**Root Cause 12**) by private beneficiaries for actual costs will include exhaustive checking of invoices and bank statements pre-payment, so the error rate tends to remain low, alongside further checks on evidence of defrayal, progress reports, photographs and on-the-spot checks or final claim inspections.

Clear guidance and support is provided to beneficiaries to ensure that only eligible expenditure is claimed and where ineligible expenditure is identified that the system of reduction applied is proportionate and fair (**Root Cause 14**). Beneficiaries cannot start a project before submitting an application and must receive approval first prior to doing so. Any modifications or variations must also be explicitly approved and justified. Application forms, offer letters and claim forms ensure that what is deemed eligible expenditure is set out as clearly as possible, and set out specifically documentation requirements and deadlines for completion (**Root Cause 15**).

8.2.10.3.6.9.2. Mitigating actions

In addition to those identified above, mitigating actions will include:

- Reasonableness of actual costs as noted in other Measures;
- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;
- Training for administration staff including compliance, fraud and un-conscious bias training;
- Guidance for administrative staff to ensure appropriate appraisal of applications, and that variations to contract are appropriately controlled and implemented.

8.2.10.3.6.9.3. Overall assessment of the measure

The overall assessment of risk following mitigating actions is **low**. Appropriate controls for grant-funded activity in England are in place and have historically not led to high error rates, audit criticisms or concerns. Despite this, Defra recognises the importance of reinforcing preventative measures to reduce the risk of errors pertaining to implementation of the RDP. This will include **Corrective and Preventative Actions** in part highlighted above to ensure the provision of: training for administration staff (**CPA1**); information, training and advice for beneficiaries (**CPA2**); information campaigns and guidance documents (**CPA3**); improvement of IT tools (**CPA 5**); modification of contracts (**CPA6**) and improving internal control and coordination procedures (**CPA7**).

8.2.10.3.6.10. Methodology for calculation of the amount or support rate, where relevant

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8.2.10.3.6.11. Information specific to the operation

Specification of the characteristics of pilot projects, clusters, networks, short supply chains and local markets

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8.2.10.3.7. Sub measure 16.8 – Support for drawing up of forest management plans or equivalent instruments

Sub-measure:

- 16.8 - support for drawing up of forest management plans or equivalent instruments

8.2.10.3.7.1. Description of the type of operation

The preparation of forest management plans in accordance with the UK Forestry Standard.

Investment under this sub-measure will contribute directly to focus areas 2(a), 3(a), 4(a)(c) and 5(d)(e).

8.2.10.3.7.2. Type of support

Grant support

8.2.10.3.7.3. Links to other legislation

None

8.2.10.3.7.4. Beneficiaries

Owners of woodland.

8.2.10.3.7.5. Eligible costs

The direct costs associated with the production of a forest management plan, including survey, cartography, mensuration and drafting.

8.2.10.3.7.6. Eligibility conditions

Two or more woodland owners working together to produce a single management plan for contiguous woodland areas.

Relevant contiguous woodland areas must have a combined total of 10ha or more to be eligible for support under this measure.

8.2.10.3.7.7. Principles with regards to the setting of selection criteria

The selection process will be: proportionate; open; transparent and fair throughout the programming period and will set out clearly whether either exclusion or inclusion criteria will apply. There will be a separation between those directly involved with supporting pipeline development of bids for investment and those taking decisions on applications. The requirements of the Rural Development Regulation and other relevant EU regulations will be met and, as necessary, it will be comply with public procurement rules. Applications will be assessed against their strategic fit with the Programme Document in the context of the call for applications.

All applications will be subject to a formal appraisal that will consider:

- Deadweight;
- Displacement;
- Need for public support;
- Value for money;
- Energy efficiency
- Deliverability/measurability;
- Clear exit strategy from programme funding.

Applications will be assessed against sustainability principles, which will include specific consideration of their impact on the environment and contribution to climate change mitigation and achievement of improved adaptation to climate change.

8.2.10.3.7.8. (Applicable) amounts and support rates

100% of the cost, subject to state aid rules.

8.2.10.3.7.9. Verifiability and controllability of the measures and/or types of operations

8.2.10.3.7.9.1. Risk(s) in the implementation of the measures

The key risks to verifiability and controllability for investments in cooperation are those identified by the non-area-related root causes identified in the Commission's working document **SWD(2013) 244 final** and reiterated in the Error Rates technical guidance fiche. These are both administrative and beneficiary related. A control framework has been developed which sets out clearly how cooperation activity will be controlled and verified. Cooperation activity will follow standard selection procedures and be controlled via checks against appropriate local organisational and governance arrangements to ensure partnerships are robust and transparent.

A clear separation of duties and set of procedures are put in place to ensure claims are processed correctly (**Root Cause 9**) and that the reasonableness of costs and eligibility conditions are met (**Root Cause 10**) based on a transparent and justifiable rationale. The application of clear and appropriate tender procedures (**Root Cause 12**) by private beneficiaries for actual costs will include exhaustive checking of invoices and bank statements pre-payment, so the error rate tends to remain low, alongside further checks on evidence of defrayal, progress reports, photographs and on-the-spot checks or final claim inspections.

Clear guidance and support is provided to beneficiaries to ensure that only eligible expenditure is claimed

and where ineligible expenditure is identified that the system of reduction applied is proportionate and fair (**Root Cause 14**). Beneficiaries cannot start a project before submitting an application and must receive approval first prior to doing so. Any modifications or variations must also be explicitly approved and justified. Application forms, offer letters and claim forms ensure that what is deemed eligible expenditure is set out as clearly as possible, and set out specifically documentation requirements and deadlines for completion (**Root Cause 15**).

8.2.10.3.7.9.2. *Mitigating actions*

In addition to those identified above, mitigating actions will include:

- Reasonableness of actual costs as noted in other Measures;
- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;
- Training for administration staff including compliance, fraud and un-conscious bias training;
- Guidance for administrative staff to ensure appropriate appraisal of applications, and that variations to contract are appropriately controlled and implemented.

8.2.10.3.7.9.3. *Overall assessment of the measure*

The overall assessment of risk following mitigating actions is **low**. Appropriate controls for grant-funded activity in England are in place and have historically not led to high error rates, audit criticisms or concerns. Despite this, Defra recognises the importance of reinforcing preventative measures to reduce the risk of errors pertaining to implementation of the RDP. This will include **Corrective and Preventative Actions** in part highlighted above to ensure the provision of: training for administration staff (**CPA1**); information, training and advice for beneficiaries (**CPA2**); information campaigns and guidance documents (**CPA3**); improvement of IT tools (**CPA 5**); modification of contracts (**CPA6**) and improving internal control and coordination procedures (**CPA7**).

8.2.10.3.7.10. Methodology for calculation of the amount or support rate, where relevant

Standard costs have been calculated by the Forestry Commission based on invoiced costs for the same operations on the state forest and confirmed by a 'Standard Costs Working Group'. These costs have been independently externally verified

8.2.10.3.7.11. Information specific to the operation

Specification of the characteristics of pilot projects, clusters, networks, short supply chains and local markets

Pilot projects are projects where a particular technique or approach is being tested for its suitability. E.g. whether a farming technique applied in one geographical area can be applied in other areas.

A cluster is a grouping of independent undertakings designed to stimulate economic activity by promoting intensive interactions, sharing of facilities and exchange of knowledge and expertise and by contributing effectively to knowledge transfer, networking and information dissemination among the undertakings in the cluster.

A network is a grouping of people or organisations designed to exchange information for professional reasons.

Short Supply chains are supply chains involving no more than one intermediary between the farmer and consumer.

8.2.10.4. Verifiability and controllability of the measures and/or types of operations

8.2.10.4.1. Risk(s) in the implementation of the measures

The key risks to verifiability and controllability for investments in cooperation are those identified by the non-area-related root causes identified in the Commission's working document **SWD(2013) 244 final** and reiterated in the Error Rates technical guidance fiche. These are both administrative and beneficiary related. A control framework has been developed which sets out clearly how cooperation activity will be controlled and verified. Cooperation activity will follow standard selection procedures and be controlled via checks against appropriate local organisational and governance arrangements to ensure partnerships are robust and transparent.

A clear separation of duties and set of procedures are put in place to ensure claims are processed correctly (**Root Cause 9**) and that the reasonableness of costs and eligibility conditions are met (**Root Cause 10**) based on a transparent and justifiable rationale. The application of clear and appropriate tender procedures (**Root Cause 12**) by private beneficiaries for actual costs will include exhaustive checking of invoices and bank statements pre-payment, so the error rate tends to remain low, alongside further checks on evidence of defrayal, progress reports, photographs and on-the-spot checks or final claim inspections.

Clear guidance and support is provided to beneficiaries to ensure that only eligible expenditure is claimed and where ineligible expenditure is identified that the system of reduction applied is proportionate and fair (**Root Cause 14**). Beneficiaries cannot start a project before submitting an application and must receive approval first prior to doing so. Any modifications or variations must also be explicitly approved and justified. Application forms, offer letters and claim forms ensure that what is deemed eligible expenditure is set out as clearly as possible, and set out specifically documentation requirements and deadlines for completion (**Root Cause 15**).

8.2.10.4.2. Mitigating actions

In addition to those identified above, mitigating actions will include:

- Reasonableness of actual costs as noted in other Measures;
- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;

- Training for administration staff including compliance, fraud and un-conscious bias training;
- Guidance for administrative staff to ensure appropriate appraisal of applications, and that variations to contract are appropriately controlled and implemented.

8.2.10.4.3. Overall assessment of the measure

The overall assessment of risk following mitigating actions is **low**. Appropriate controls for grant-funded activity in England are in place and have historically not led to high error rates, audit criticisms or concerns. Despite this, Defra recognises the importance of reinforcing preventative measures to reduce the risk of errors pertaining to implementation of the RDP. This will include **Corrective and Preventative Actions** in part highlighted above to ensure the provision of: training for administration staff (**CPA1**); information, training and advice for beneficiaries (**CPA2**); information campaigns and guidance documents (**CPA3**); improvement of IT tools (**CPA 5**); modification of contracts (**CPA6**) and improving internal control and coordination procedures (**CPA7**).

8.2.10.5. Methodology for calculation of the amount or support rate, where relevant

Not applicable

8.2.10.6. Information specific to the measure

Specification of the characteristics of pilot projects, clusters, networks, short supply chains and local markets

Pilot projects are projects where a particular technique or approach is being tested for its suitability. E.g. whether a farming technique applied in one geographical area can be applied in other areas.

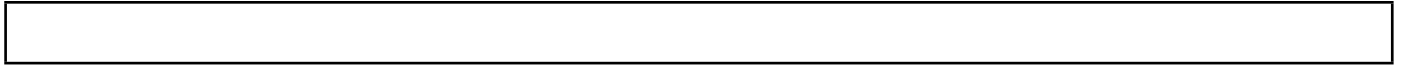
A cluster is a grouping of independent undertakings designed to stimulate economic activity by promoting intensive interactions, sharing of facilities and exchange of knowledge and expertise and by contributing effectively to knowledge transfer, networking and information dissemination among the undertakings in the cluster.

A network is a grouping of people or organisations designed to exchange information for professional reasons.

Short Supply chains are supply chains involving no more than one intermediary between the farmer and consumer.

8.2.10.7. Other important remarks relevant to understand and implement the measure

None



8.2.11. M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)

8.2.11.1. *Legal basis*

Articles 42-44 of Council Regulation (EU) No 1305/2013

8.2.11.2. *General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives*

The LEADER Programme in RDPE 2007-2013 resulted in over 2,600 new rural jobs created, over 700 existing micro-enterprises supported, over 200 new micro-enterprises created and over 300 farm modernisation projects delivered. It also provided over 21,000 training days and an increase in rural tourism through an extra 115,000 overnights stays and an additional 800,000 day visits. Analysis of investments also points to a favourable benefit cost ratio (BCR) rate for LEADER of 5.07:1 for ‘business’ type interventions and 3.71:1 for ‘community’ type interventions.

The LEADER approach for 2014-2020 will be implemented using 5% of the EAFRD funding from the overall RDP budget. This will equate to €173.5 million over the duration of the programme but may be subject to variation in response to changes to the overall RDP budget, inter pillar transfer rates, performance reviews and exchange rate fluctuations. The LEADER approach will retain its founding principles of community led, bottom up development - delegating powers of strategy and decision making to the local level. However, a successful LEADER approach also requires a clear strategic direction to be set by the Managing Authority (Defra) along with on-going support from the local Accountable Body and also Paying Agency staff responsible for supporting implementation.

A “National Delivery Framework for LEADER” has been published which sets out the broad priority objectives and criteria on which Local Development Strategies (LDS) are to be based upon. The identification of the needs in Section 4.2 highlights several socio-economic priority objectives for LEADER. These comprise farm productivity, micro and small enterprises, farm diversification, rural tourism, rural services, culture and heritage and forestry productivity. Skills and advice in rural areas will be supported by other ESIF programmes. Whilst we are programming LEADER activity under measure 19, we expect the priority objectives identified for LEADER will *contribute* to implementation of (but not be bound by) related measures and sub-measures described elsewhere in the RD programme, including;

Measure 4 - Investments in physical assets (sub measures 4.1, 4.2, 4.3)

Measure 6 - Farm and business development (sub measures 6.2, 6.4)

Measure 7 - Basic services and village renewal in rural areas (sub measures 7.2, 7.4, 7.5, 7.6)

Measure 8 - Investments in forest area development and improvement of the viability of forests (sub measures 8.6)

The National Delivery Framework also includes key requirements of developing local priorities through analysis of evidence and stakeholder engagement, as well as a clear description of how the LEADER group intended to deliver a verifiable and compliant programme, in accordance with regulatory

requirements. At the local level, LEADER groups and Local Enterprise Partnerships are being asked to work together to ensure RDPE activity is complimentary either by theme, grant size and / or location.

Further information on eligibility, support rates, selection criteria is presented in text under sub measure 19.2.

LEADER is programmed under Focus Area 6(A), linked to CLLD programmed under Thematic Objective 8 in the UK Partnership Agreement.

8.2.11.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regard to the setting of selection criteria

8.2.11.3.1. Sub measure 19.1 – Preparatory support

Sub-measure:

- 19.1 - Preparatory support

8.2.11.3.1.1. Description of the type of operation

We are not offering support under this measure as preparatory support activity has already been funded through the use of RDPE 2007-13 technical assistance. The information presented in this sub-measure refers to activity that has already taken place and explains how we have already implemented our preparatory support activity.

Preparatory support funding, totalling €3.375m was offered to prospective LEADER groups. This was to support the capacity building, training, evaluation of an area, evidence and analysis and stakeholder engagement required to create a Local Development Strategy for the LEADER area which was submitted for assessment by the MA.

8.2.11.3.1.2. Type of support

€3.375m of preparatory support was provided using technical assistance funding from the RDPE 2007-13. Encouragingly this process also generated approximately €2.125m in additional, voluntary local contributions.

8.2.11.3.1.3. Links to other legislation

Articles 65-71 of Regulation 1303/2013 (Eligibility of expenditure and durability).

For existing groups all project activity from the previous RDPE 2007-13 was completed by the 31st December 2013, with final claims submitted by 31st March 2014. As part of the offer of preparatory support we were then able to clearly differentiate between ‘old’ and ‘new’ activity in order to mitigate

the risk of any double funding.

8.2.11.3.1.4. Beneficiaries

In total 91 prospective LEADER groups were awarded preparatory support funding. This included a mixture of 64 LEADER groups from the previous RD programme and 27 groups who had not previously been involved with LEADER. Each group was required to nominate an accountable body responsible for the financial management of the preparatory support funding.

8.2.11.3.1.5. Eligible costs

Eligible costs included:

- Costs related to the production of the Local Development Strategy, including consultancy costs and costs for actions related to consultations of stakeholders in view of preparation of the strategy;
- Administrative costs (operating and personnel costs) of an Accountable Body in support of developing the LAG and its LDS;
- Room hire for stakeholder meetings and training for prospective LAG members;
- Research/evaluation activity;
- Studies of the area concerned;
- Training activity for prospective LAG members.

8.2.11.3.1.6. Eligibility conditions

All 91 prospective groups' "Expressions of Interest" were subject to a formal assessment and approval by a Managing Authority and Paying Agency panel. Eligibility conditions included;

- Confirmation of eligibility – including appointment of a suitable Accountable Body (in relation to dealing with preparatory support only at this stage).
- Is the proposal a credible plan?
- Is there sufficient and appropriate capacity to deliver the stated outcomes?
- Does it deliver value for money?
- Geographical coverage - based on the outline data provided, will the prospective LAG be a sufficiently appropriate size?
- If there are any overlapping issues – is the potential group and other local parties taking appropriate steps to resolve them?

8.2.11.3.1.7. Principles with regards to the setting of selection criteria

A standard EOI application form and guidance note (which set out the selection criteria used for bids) were provided to applicants. Our aim was to identify proposals that were able to define a coherent area, had secured the services of a suitable accountable body, did not share significant areas with other proposals and could demonstrate a breakdown of what activity they intended to use their preparatory

support for.

8.2.11.3.1.8. (Applicable) amounts and support rates

Prospective groups received on average €37.5k of preparatory support funding, to be used during the transition period between programmes. This was funded at a 100% support rate.

8.2.11.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.11.3.1.9.1. *Risk(s) in the implementation of the measures*

Not applicable

8.2.11.3.1.9.2. *Mitigating actions*

Not applicable

8.2.11.3.1.9.3. *Overall assessment of the measure*

Not applicable

8.2.11.3.1.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable

8.2.11.3.1.11. Information specific to the operation

Description of the obligatory community-led local development (hereafter "CLLD") elements of which the LEADER measure is composed: preparatory support, implementation of operations under the CLLD strategy, preparation and implementation of co-operation activities of the local action group (hereafter "LAG"), running costs and animation, referred to in Article 35(1) of Regulation (EU) No 1303/2013

Preparatory support activity has already been funded through the use of RDPE 2007-13 technical assistance and activity has already taken place. Funding, totalling €3.375m was offered to prospective LEADER groups. This was to support the capacity building, training, evaluation of an area, evidence and analysis and stakeholder engagement required to create a Local Development Strategy for the LEADER area which was submitted for assessment by the MA.

Implementation of operations under the CLLD strategy – LEADER activity will be supported by a

budget of €173.5 million. A “National Delivery Framework for LEADER” has been published which sets out the broad priority objectives and criteria on which Local Development Strategies (LDS) are to be based upon. Priority objectives are all about creating new opportunities, as well as supporting existing initiatives looking to add value to their operations, these include;

- Support for increasing farm productivity;
- Support for micro and small enterprises and farm diversification;
- Support for rural tourism;
- Provision of rural services;
- Support for cultural and heritage activity;
- Support for increasing forestry productivity.

Preparation and implementation of co-operation activities - The operation will involve supporting the costs of technical preparation for inter-territorial or transnational co-operation projects. All types of cooperation activity will be required to fit with the Local Development Strategy. Our approach to increasing activity on cooperation is to introduce a national facilitation / brokerage approach co-ordinated by the MA. Up to €2.5 million will be set aside to support cooperation activity over the duration of the programme.

Running costs and animation activity will collectively fall under the 18% budget allocation ceiling for management and administration costs we have asked all LEADER groups to operate within. Our aim is to maximise the amount of LEADER funds allocated to projects, without compromising compliance. The types of activity include;

- The development and implementation of the operation or project;
- Support for personnel / staff;
- Training for LAG staff and members;
- Communication, promotion and facilitation of exchange between stakeholders;
- Monitoring and evaluation of the LDS (at LAG level).

Description of the use of the LEADER start-up-kit referred to in Article 43 of Regulation (EU) No 1305/2013 as specific type of preparatory support if relevant

Not applicable

Description of the system for ongoing application for LEADER co-operation projects referred to in Article 44(3) of Regulation (EU) No 1305/2013

The operation will involve supporting the costs of technical preparation for inter-territorial or transnational co-operation projects. It will also involve supporting the costs of co-operation projects within a Member State (inter-territorial co-operation) or co-operation projects between territories in one or more Member States or with territories in third countries (transnational co-operation). All types of cooperation activity will be required to fit with the Local Development Strategy and the types of eligible operations identified in sub measure 19.2. The Managing Authority will also look to identify, promote and support common themes of cooperation amongst LEADER Local Action Groups e.g. uplands.

Our approach to increasing activity on cooperation is to introduce a national facilitation / brokerage

approach co-ordinated by the MA. We also plan to involve our new LEADER groups in co-designing the precise details of process and the MA will launch the first calls for proposals later in 2015. The MA led approach will also work together with other MA and NRNs in the UK to maximise the potential for inter-territorial cooperation activities. The MA will also work closely with the ENRD contact point to identify opportunities for trans-national cooperation.

The procedure and timetable to select the local development strategies

Local Development Strategies have been developed in 2014 by all prospective LEADER groups. LDS applications have been assessed during Autumn 2014, and decisions announced in time for approved LEADER groups to begin new programme activity from January 2015.

A Managing Authority led approval panel, involving representation from the Paying Agency and relevant policy teams will be responsible for assessing and approving all LEADER applications for the next programme. The panel activity will have independent scrutiny from the RDP external audit and risk committee. The selection criteria and assessment process have been provided to LEADER groups in advance of deadline for submitting their final LDS applications. The LDS selection criteria are based on the following headings:

- Compliance – Accountable Body roles, LAG working process and financial resources
- Fit with national RD programme priorities
- Development of local priorities and evidence base
- Engagement with local stakeholders, including the Local Enterprise Partnership
- Experience, capacity and capability of the Local Action Group
- Value for money, including financial profiles, proposed outputs and M&A costs
- Action planning to begin implementation

EAFRD funding can only be applied to rural areas as defined in the RDP. In the case of LEADER groups, this will depend on having a clearly defined eligible rural area. During the preparatory phase, all prospective LEADER groups were given an indicative budget allocation to help them scope their LDS. This allocation is made up of two components:

- A minimum budget allocation for every prospective group; and
- An additional ‘top up’ from an allocation methodology using local data for the area.

Approved LEADER groups will then receive an adjusted programme allocation when the final numbers are known. We are shortly to finalise the number of LEADER groups selected, however provisionally we are anticipating 70 Local Action Groups, covering 75% of rural England.

Justification for selection of geographical areas for local development strategy implementation whose population falls outside the limits laid down in Article 33(6) of Regulation (EU) No 1303/2013

The UK Partnership Agreement includes a derogation to increase the upper population limit to 200,000 inhabitants. Offering this increase population limit will allow some LEADER groups to better define their area, whilst still retaining a local community approach. Using this additional population limit would be the exception rather than the rule and LEADER groups wishing to use it will provide the appropriate justification. In addition, we are also requesting a derogation to reduce the lower population limit below

10,000. This will allow us to invite calls for LEADER proposals where sparsely populated or geographically isolated areas are not disadvantaged in being able to demonstrate economic and social coherence. We are anticipating interest in LEADER from territories defined by a population figure as low as 2000. Again, this would only be for a single case and be based around an Island territory with appropriate justification provided. The population derogations allow us to judge all proposals equally across the full range of selection criteria set out below.

Co-ordination with the other European Structural and Investment (hereafter "ESI") Funds as regards CLLD, including possible solution applied with regard to the use of the lead fund option, and any global complementarities between the ESI Funds in financing the preparatory support

As well as EAFRD funded LEADER activity; we are also actively pursuing broader **Community led Local Development (CLLD)** proposals using ERDF and ESF funds as part of the ESIF Growth Programme. Our approach in England is described in the UK Partnership Agreement. Whilst the precise detail of the implementation process is still being finalised, all Managing Authority departments are working together on implementing CLLD. Once the operational programmes are approved, we will be implementing a 2 stage selection process for CLLD in 2015/16. Stage 1 will involve calling for, assessing and approving expressions of interest for an award of preparatory support. Stage 2 will involve a joint MA approval process for assessing full Local Development Strategy applications.

For LEADER we began our preparatory and selection process well in advance of the other ESI funds in order to retain our capacity through the transition period. Approved LEADER groups will be able to propose expanding their area, LDS and LAG to incorporate other ESI funds, subject to meeting the conditions set out in the UK PA. This involves a much more targeted approach using indices of multiple deprivation statistics and limiting the number of groups that will be selected.

Possibility or not of paying advances

We do not intend to pay advances. The accountable body will continue to have a role in supporting LEADER groups - none of whom are constituted bodies. A new IT system will expedite payments in order to reduce any impact on cash flow. In addition, contracting with LEADER groups will also involve detailed discussions on how they intend to deliver a viable and sustainable operation. Local PA staff will also have an ongoing supporting role to play. Previous experience suggests that paying advances can be a complex and relatively costly process. Also there hasn't any demand. The use of technical assistance, via the services provided by the NRN will also help to support implementation through training and networking events.

Definition of the tasks of the Managing Authority, the paying agency and the LAGs under LEADER, in particular with regard to a non-discriminatory and transparent selection procedure and objective criteria for the selection of operations referred to in Article 34(3)(b) of Regulation (EU) No 1303/2013

Roles and responsibilities of the respective bodies are described in section 15 "programme implementing arrangements". LEADER group roles will be expected to include;

- Build the capacity of LAG members and local actors to develop and implement operations

- Draw up and implement a non-discriminatory and transparent selection procedure, in accordance with National Delivery Framework and regulatory requirements, including objective criteria for the selection of operations, managing conflicts of interest and ensuring appropriate representation and involvement of public and private sector interests.
- Ensure coherence with the Local Development Strategy and ensure operations contribute to meeting that strategy's objectives and targets;
- Prepare and publish calls for proposals or an ongoing project submission procedure, including defining selection criteria in addition to the core selection criteria provided by the MA
- Receive and appraise applications for support and fixing the amount of support and, present the proposals to the MA for final verification of eligibility before approval;
- Monitor the implementation of the Local Development Strategy

When approving LEADER Local Development Strategies, the MA and PA have assessed capacity to deliver a compliant programme of activity, including the LEADER group providing clear evidence of being able to perform the necessary tasks and have sufficient resource to ensure separation of duties. Ongoing performance reviews of LEADER groups by the PA will ensure these arrangements remain robust, with project level approval seeking clear evidence of a non-discriminatory and transparent selection process, where conflicts of interest are managed. Project selection will involve an initial LAG led appraisal and recommendation, with PA approving contract offers and claims in order to ensure conditions of compliance are met. More information on selection criteria is provided in sub measure 19.2.

Description of co-ordination mechanisms foreseen and complementarities ensured with operations supported under other rural development measures especially as regards: investments in non-agricultural activities and business start-up aid under Article 19 of Regulation (EU) No 1305/2013; investments under Article 20 of Regulation (EU) No 1305/2013; and co-operation under Article 35 of Regulation (EU) No 1305/2013, in particular implementation of local development strategies by public-private partnerships

There are common objectives across the RD programme including supporting rural economic growth and farm productivity. LEADER groups will be required to have an appreciation of the scope of all other RDP schemes and the ability to signpost applicants to the most appropriate form of support. Working with Local Enterprise Partnerships (LEP), we expect investments under LEADER and the growth programme to be complementary and demonstrate an integrated approach based on specific local circumstances and priorities. To support this we will be providing an online mapping tool to help applicants identify their local LEADER and LEP contacts, in addition to the LAGs own promotional activity and that of the other RDP schemes.

8.2.11.3.2. Sub measure 19.2 – Support for implementation of operations under the community-led local development strategy

Sub-measure:

- 19.2 - Support for implementation of operations under the community-led local development strategy

8.2.11.3.2.1. Description of the type of operation

The added value of a local, bottom up approach to implementation is central to our approach to LEADER. A “National Delivery Framework for LEADER” has been published which sets out the broad priority objectives and criteria on which Local Development Strategies (LDS) are to be based upon. The NDF also includes key requirements of developing local priorities through analysis of evidence and stakeholder engagement, as well as a clear description of how the LEADER group intended to deliver a verifiable and compliant programme, in accordance with regulatory requirements. Priority objectives are all about *creating new opportunities*, as well as *supporting existing initiatives* looking to add value to their operations, these include;

- Support for increasing farm productivity;
- Support for micro and small enterprises and farm diversification;
- Support for rural tourism;
- Provision of rural services;
- Support for cultural and heritage activity;
- Support for increasing forestry productivity.

We consider this approach encouraging of small scale, integrated actions at the local level. Our approach has been to propose "broad themes" means that LEADER groups will have the ability to support innovative projects that best address their local priorities. There is also the added value of a verifiable and controllable approach that operates as simply and efficiently as possible and maximises the funding available for projects. For programming purposes we have included some example project types; however this is not an exhaustive list. Some examples of eligible activity include:

- Investments to support animal health and welfare improvements;
- Processing, marketing and/or development of agricultural products;
- Above standard practice modernisation or adaptation of agriculture and forestry, including access to farm and forest land and the supply and saving of energy and water;
- Business start-up aid for entrepreneurs;
- Construction or establishment of workshops, factories, premises and facilities
- Purchase of Equipment (not consumables);
- Processing and marketing of products;
- High quality accommodation upgrades;
- Development of IT and e-booking systems;
- Shops, Catering services, Restaurants & Cafes;
- Investments in green infrastructure – cycle ways, paths;
- Signage and interpretation – linked with local food and drink and the natural / built environment;
- Visitor attractions, destination marketing and promotion;
- Support for events and festivals linked to a destination;

- Plans for the development of municipalities, and villages in rural areas and their rural services;
- Setting-up, improvement or expansion of essential rural services for the local community;
- Enhancement, restoration and upgrading of the cultural and natural heritage of villages, and rural landscapes and high nature value sites;
- Conservation of small scale built heritage;
- Enhancement of cultural and community activities and investments to enhance venues providing cultural and heritage activity;
- Support for events linked to cultural activity;
- New forestry technologies, processing, mobilising & marketing of products;
- Enhancing forestry potential or relating to processing, mobilising & marketing adding value to forest products;
- Supporting the development of wood fuel supply chains.

8.2.11.3.2.2. Type of support

Grants mainly, with some procured activity where appropriate to the LDS. We are also looking at the possibility of simplified cost options and will look to pilot this approach with LEADER groups once approved and operational.

8.2.11.3.2.3. Links to other legislation

Articles 65-71 of Regulation 1303/2013 (Eligibility of expenditure and durability). For existing groups all LEADER project activity from the previous RDPE 2007-13 was completed by the 31st December 2013, with final claims submitted by 31st March 2014. All transition / preparatory support activity will be completed by 31st December 2014, with final claims submitted and paid by 31st March 2015. There won't therefore be any overlap or risk of double funding with new programme LEADER activity.

8.2.11.3.2.4. Beneficiaries

Farmers, foresters, rural micro and small businesses, tourism businesses, rural communities and natural persons.

8.2.11.3.2.5. Eligible costs

In order to maximise the amount of flexibility for LEADER we will be looking to accommodate as broad a range of projects as possible for LDS implementation, where all projects contribute directly or indirectly to jobs and growth. Operational guidance will be issued to approved LEADER groups explaining what activities are and are *not* eligible, in accordance with A69(3) CPR. Whilst not an exhaustive list, some examples of eligible costs for priority objectives include;

- The costs of construction, acquisition (including leasing) or improvement to immovable property;
- The purchase or lease purchase of new machinery and equipment;
- General costs such as architect, engineer and consultation fees. These costs will normally be

restricted to a maximum of 15% of total project costs;

- Intangible investments including, acquisition or development of computer software and acquisition of patents, licences, copyrights, trademarks;
- Investment to modernise or mechanise production and increase productivity;
- Support for non-agricultural activities;
- Investments in development and rationalization of the marketing and processing of wood; including felling, dismembering, stripping, cutting up, chipping, storing, protective treatments and drying of woods and other working operations prior to the industrial processing, including production of material for energy generation;
- Costs related to the mobilizing of wood.

8.2.11.3.2.6. Eligibility conditions

Operations need to contribute to the objectives in the Local Development Strategy, as well as the priorities in the UK Partnership agreement, the RD operational programme, National Delivery Framework and complementarity with other schemes. All approved Local Development Strategies will already have the required “strategic fit” with national programmes, so local eligibility and scheme alignment will be the key criteria, along with the nationally consistent requirements on compliance.

8.2.11.3.2.7. Principles with regards to the setting of selection criteria

As part of our nationally consistent approach to implementing LEADER we will be providing all groups with a 'core' list of selection criteria, to which they can add in their own specific to the locality and Local Development Strategy. The selection process will be: proportionate; open; transparent and fair throughout the programming period and will set out clearly the criteria that will apply. There will be a separation between those involved with supporting pipeline development of bids for investment and those taking the decisions on applications. The requirements of the Rural Development Regulation and other relevant EU regulations will be met and, as necessary, it will be comply with public procurement rules. All applications will be subject to a formal appraisal that will consider:

- Eligibility for LEADER support and fit with the LDS;
- Deadweight and displacement;
- Demonstrable need for public support and assessment of value for money;
- Sustainability appraisal, including climate proofing, climate footprint and long term funding viability;
- Deliverability and measurability;
- Consideration for funding alongside other RDPE schemes.

8.2.11.3.2.8. (Applicable) amounts and support rates

For LEADER, amounts and support rates can be variable and specific to the measure and activity that will be funded. Whilst we will aim to have intervention rates as consistent as possible with other RDP funds available in an area (so as not to incentivise one scheme over another) the likelihood is that LEADER groups will be able to determine what level of support they give to a project, up to a pre-

determined maximum support rate which will be set nationally by the Managing Authority. Individual (maximum) support rates will be published in the Operational Manual issued to the approved LEADER groups; however it is unlikely that any of these support rates related to projects will be up at the maximum of 100% of costs permitted in the regulation. Also, based on our evaluation of LEADER in the previous programme and also on evidence of Local Development Strategies assessed – we will be introducing a minimum grant size of €3125 for LEADER implementation.

8.2.11.3.2.9. Verifiability and controllability of the measures and/or types of operations

8.2.11.3.2.9.1. Risk(s) in the implementation of the measures

The key risks to verifiability and controllability for LEADER are those identified by the non-area-related root causes identified in the Commission's working document **SWD(2013) 244 final** and reiterated in the Error Rates technical guidance fiche. These are both administrative and beneficiary related. A control framework has been developed which sets out clearly how LEADER funded activity will be controlled and verified. LEADER Cooperation activity will follow standard selection procedures and be controlled via checks against appropriate local organisational and governance arrangements to ensure partnerships are robust and transparent.

LEADER groups will perform relevant appraisal, and project and claim checks as per standard grant funded activity with appropriate oversight provided by the RPA, including re-performance inspections and checks and checks against LEADER Management and Administration costs.

A clear separation of duties and set of procedures are put in place to ensure claims are processed correctly (**Root Cause 9**) and that the reasonableness of costs and eligibility conditions are met (**Root Cause 10**) based on a transparent and justifiable rationale. The application of clear and appropriate tender procedures (**Root Cause 12**) by private beneficiaries for actual costs will include exhaustive checking of invoices and bank statements pre-payment, so the error rate tends to remain low, alongside further checks on evidence of defrayal, progress reports, photographs and on-the-spot checks or final claim inspections. This will include performance checks of LEADER activity. This will include submission and appraisal of business plans or feasibility studies where appropriate; and relevant checks that regulatory requirements and approvals are in place for work carried out.

Clear guidance and support is provided to LEADER groups and beneficiaries to ensure that only eligible expenditure is claimed and where ineligible expenditure is identified that the system of reduction applied is proportionate and fair (**Root Cause 14**). Beneficiaries cannot start a project before submitting an application and must receive approval first prior to doing so. Any modifications or variations must also be explicitly approved and justified. Application forms, offer letters and claim forms ensure that what is deemed eligible expenditure is set out as clearly as possible, and set out specifically documentation requirements and deadlines for completion (**Root Cause 15**).

8.2.11.3.2.9.2. Mitigating actions

In addition to those identified above, mitigating actions will include:

- Reasonableness of actual costs as per other Measures;
- A framework guidance for LEADER groups to ensure appropriate systems are in place, including

compliance requirements;

- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;
- Training for administration and LEADER staff including compliance, fraud and un-conscious bias training;
- Guidance for administrative staff to ensure appropriate appraisal of applications, and that variations to contract are appropriately controlled and implemented.

8.2.11.3.2.9.3. Overall assessment of the measure

The overall assessment of risk following mitigating actions is **low**. Appropriate controls for LEADER activity in England are in place and have historically not led to high error rates, audit criticisms or concerns. Despite this, Defra recognises the importance of reinforcing preventative measures to reduce the risk of errors pertaining to implementation of the RDP. This will include **Corrective and Preventative Actions** in part highlighted above to ensure the provision of: training for administration staff (**CPA1**); information, training and advice for beneficiaries (**CPA2**); information campaigns and guidance documents (**CPA3**); improvement of IT tools (**CPA 5**); modification of contracts (**CPA6**) and improving internal control and coordination procedures (**CPA7**).

8.2.11.3.2.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable

8.2.11.3.2.11. Information specific to the operation

Description of the obligatory community-led local development (hereafter "CLLD") elements of which the LEADER measure is composed: preparatory support, implementation of operations under the CLLD strategy, preparation and implementation of co-operation activities of the local action group (hereafter "LAG"), running costs and animation, referred to in Article 35(1) of Regulation (EU) No 1303/2013

Preparatory support activity has already been funded through the use of RDPE 2007-13 technical assistance and activity has already taken place. Funding, totalling €3.375m was offered to prospective LEADER groups. This was to support the capacity building, training, evaluation of an area, evidence and analysis and stakeholder engagement required to create a Local Development Strategy for the LEADER area which was submitted for assessment by the MA.

Implementation of operations under the CLLD strategy – LEADER activity will be supported by a budget of €173.5 million. A “National Delivery Framework for LEADER” has been published which sets out the broad priority objectives and criteria on which Local Development Strategies (LDS) are to be based upon. Priority objectives are all about creating new opportunities, as well as supporting existing initiatives looking to add value to their operations, these include;

- Support for increasing farm productivity;
- Support for micro and small enterprises and farm diversification;

- Support for rural tourism;
- Provision of rural services;
- Support for cultural and heritage activity;
- Support for increasing forestry productivity.

Preparation and implementation of co-operation activities - The operation will involve supporting the costs of technical preparation for inter-territorial or transnational co-operation projects. All types of cooperation activity will be required to fit with the Local Development Strategy. Our approach to increasing activity on cooperation is to introduce a national facilitation / brokerage approach co-ordinated by the MA. Up to €2.5 million will be set aside to support cooperation activity over the duration of the programme.

Running costs and animation activity will collectively fall under the 18% budget allocation ceiling for management and administration costs we have asked all LEADER groups to operate within. Our aim is to maximise the amount of LEADER funds allocated to projects, without compromising compliance. The types of activity include;

- The development and implementation of the operation or project;
- Support for personnel / staff;
- Training for LAG staff and members;
- Communication, promotion and facilitation of exchange between stakeholders;
- Monitoring and evaluation of the LDS (at LAG level).

Description of the use of the LEADER start-up-kit referred to in Article 43 of Regulation (EU) No 1305/2013 as specific type of preparatory support if relevant

Not applicable

Description of the system for ongoing application for LEADER co-operation projects referred to in Article 44(3) of Regulation (EU) No 1305/2013

The operation will involve supporting the costs of technical preparation for inter-territorial or transnational co-operation projects. It will also involve supporting the costs of co-operation projects within a Member State (inter-territorial co-operation) or co-operation projects between territories in one or more Member States or with territories in third countries (transnational co-operation). All types of cooperation activity will be required to fit with the Local Development Strategy and the types of eligible operations identified in sub measure 19.2. The Managing Authority will also look to identify, promote and support common themes of cooperation amongst LEADER Local Action Groups e.g. uplands.

Our approach to increasing activity on cooperation is to introduce a national facilitation / brokerage approach co-ordinated by the MA. We also plan to involve our new LEADER groups in co-designing the precise details of process and the MA will launch the first calls for proposals later in 2015. The MA led approach will also work together with other MA and NRNs in the UK to maximise the potential for inter-territorial cooperation activities. The MA will also work closely with the ENRD contact point to identify opportunities for trans-national cooperation.

The procedure and timetable to select the local development strategies

Local Development Strategies have been developed in 2014 by all prospective LEADER groups. LDS applications have been assessed during Autumn 2014, and decisions announced in time for approved LEADER groups to begin new programme activity from January 2015.

A Managing Authority led approval panel, involving representation from the Paying Agency and relevant policy teams will be responsible for assessing and approving all LEADER applications for the next programme. The panel activity will have independent scrutiny from the RDP external audit and risk committee. The selection criteria and assessment process have been provided to LEADER groups in advance of deadline for submitting their final LDS applications. The LDS selection criteria are based on the following headings:

- Compliance – Accountable Body roles, LAG working process and financial resources
- Fit with national RD programme priorities
- Development of local priorities and evidence base
- Engagement with local stakeholders, including the Local Enterprise Partnership
- Experience, capacity and capability of the Local Action Group
- Value for money, including financial profiles, proposed outputs and M&A costs
- Action planning to begin implementation

EAFRD funding can only be applied to rural areas as defined in the RDP. In the case of LEADER groups, this will depend on having a clearly defined eligible rural area. During the preparatory phase, all prospective LEADER groups were given an indicative budget allocation to help them scope their LDS. This allocation is made up of two components:

- A minimum budget allocation for every prospective group; and
- An additional ‘top up’ from an allocation methodology using local data for the area.

Approved LEADER groups will then receive an adjusted programme allocation when the final numbers are known. We are shortly to finalise the number of LEADER groups selected, however provisionally we are anticipating 70 Local Action Groups, covering 75% of rural England.

Justification for selection of geographical areas for local development strategy implementation whose population falls outside the limits laid down in Article 33(6) of Regulation (EU) No 1303/2013

The UK Partnership Agreement includes a derogation to increase the upper population limit to 200,000 inhabitants. Offering this increase population limit will allow some LEADER groups to better define their area, whilst still retaining a local community approach. Using this additional population limit would be the exception rather than the rule and LEADER groups wishing to use it will provide the appropriate justification. In addition, we are also requesting a derogation to reduce the lower population limit below 10,000. This will allow us to invite calls for LEADER proposals where sparsely populated or geographically isolated areas are not disadvantaged in being able to demonstrate economic and social coherence. We are anticipating interest in LEADER from territories defined by a population figure as low as 2000. Again, this would only be for a single case and be based around an Island territory with appropriate justification provided. The population derogations allow us to judge all proposals equally

across the full range of selection criteria.

Co-ordination with the other European Structural and Investment (hereafter "ESI") Funds as regards CLLD, including possible solution applied with regard to the use of the lead fund option, and any global complementarities between the ESI Funds in financing the preparatory support

As well as EAFRD funded LEADER activity; we are also actively pursuing broader **Community led Local Development (CLLD)** proposals using ERDF and ESF funds from the growth programme. Our approach in England is described in the UK Partnership Agreement. Whilst the precise detail of the implementation process is still being finalised, all Managing Authority departments are working together on implementing CLLD. Once the operational programmes are approved, we will be implementing a 2 stage selection process for CLLD in 2015/16. Stage 1 will involve calling for, assessing and approving expressions of interest for an award of preparatory support, Stage 2 will involve a joint MA approval process for assessing full Local Development Strategy applications.

For LEADER we began our preparatory and selection process well in advance of the other ESI fund in order to retain our capacity through the transition period. Approved LEADER groups will be able to propose expanding their area, LDS and LAG to incorporate other ESI funds; subject to meeting the conditions set out in the UK PA. This involves a much more targeted approach using indices of multiple deprivation statistics and limiting the number of groups that will be selected.

Possibility or not of paying advances

We do not intend to pay advances. The accountable body will continue to have a role in supporting LEADER groups - none of whom are constituted bodies. A new IT system will expedite payments in order to reduce any impact on cash flow. In addition, contracting with LEADER groups will also involve detailed discussions on how they intend to deliver a viable and sustainable operation. Local PA staff will also have an ongoing supporting role to play. Previous experience suggests that paying advances can be a complex and relatively costly process. Also there hasn't any demand. The use of technical assistance, via the services provided by the NRN will also help to support implementation through training and networking events.

Definition of the tasks of the Managing Authority, the paying agency and the LAGs under LEADER, in particular with regard to a non-discriminatory and transparent selection procedure and objective criteria for the selection of operations referred to in Article 34(3)(b) of Regulation (EU) No 1303/2013

Roles and responsibilities of the respective bodies are described in section 15 "programme implementing arrangements". LEADER group roles will be expected to include;

- Build the capacity of LAG members and local actors to develop and implement operations
- Draw up and implement a non-discriminatory and transparent selection procedure, in accordance with National Delivery Framework and regulatory requirements, including objective criteria for the selection of operations, managing conflicts of interest and ensuring appropriate representation and involvement of public and private sector interests.
- Ensure coherence with the Local Development Strategy and ensure operations contribute to

meeting that strategy's objectives and targets;

- Prepare and publish calls for proposals or an ongoing project submission procedure, including defining selection criteria in addition to the core selection criteria provided by the MA
- Receive and appraise applications for support and fixing the amount of support and, present the proposals to the MA for final verification of eligibility before approval;
- Monitor the implementation of the Local Development Strategy

When approving LEADER Local Development Strategies, the MA and PA have assessed capacity to deliver a compliant programme of activity, including the LEADER group providing clear evidence of being able to perform the necessary tasks and have sufficient resource to ensure separation of duties. Ongoing performance reviews of LEADER groups by the PA will ensure these arrangements remain robust, with project level approval seeking clear evidence of a non-discriminatory and transparent selection process, where conflicts of interest are managed. Project selection will involve an initial LAG led appraisal and recommendation, with PA approving contract offers and claims in order to ensure conditions of compliance are met. More information on selection criteria is provided in sub measure 19.2.

Description of co-ordination mechanisms foreseen and complementarities ensured with operations supported under other rural development measures especially as regards: investments in non-agricultural activities and business start-up aid under Article 19 of Regulation (EU) No 1305/2013; investments under Article 20 of Regulation (EU) No 1305/2013; and co-operation under Article 35 of Regulation (EU) No 1305/2013, in particular implementation of local development strategies by public-private partnerships

There are common objectives across the RD programme including supporting rural economic growth and farm productivity. LEADER groups will be required to have an appreciation of the scope of all other RDP schemes and the ability to signpost applicants to the most appropriate form of support. Working with Local Enterprise Partnerships (LEP), we expect investments under LEADER and the growth programme to be complementary and demonstrate an integrated approach based on specific local circumstances and priorities. To support this we will be providing an online mapping tool to help applicants identify their local LEADER and LEP contacts, in addition to the LAGs own promotional activity and that of the other RDP schemes.

8.2.11.3.3. Sub measure 19.3 – Preparation and implementation of cooperation activity of the local action group

Sub-measure:

- 19.3 - Preparation and implementation of cooperation activities of the local action

8.2.11.3.3.1. Description of the type of operation

The operation will involve supporting the costs of technical preparation for inter-territorial or transnational co-operation projects. It will also involve supporting the costs of co-operation projects within a Member State (inter-territorial co-operation) or co-operation projects between territories in one or more Member States or with territories in third countries (transnational co-operation). All types of cooperation activity will be required to fit with the Local Development Strategy and the types of eligible operations identified in sub measure 19.2. The Managing Authority will also look to identify, promote and support common themes of cooperation amongst LEADER Local Action Groups e.g. uplands.

Our approach to increasing activity on cooperation is to introduce a national facilitation / brokerage approach co-ordinated by the MA. We also plan to involve our new LEADER groups in co-designing the precise details of process and the MA will launch the first calls for proposals later in 2015. The MA led approach will also work together with other MA and NRNs in the UK to maximise the potential for inter-territorial cooperation activities. The MA will also work closely with the ENRD contact point to identify opportunities for trans-national cooperation.

8.2.11.3.3.2. Type of support

Grant

8.2.11.3.3.3. Links to other legislation

Articles 65-71 of Regulation 1303/2013 (Eligibility of expenditure and durability).

8.2.11.3.3.4. Beneficiaries

LEADER Local Action Groups and local actors. All LEADER groups will be asked to participate in at least one co-operation activity during the Programme period.

8.2.11.3.3.5. Eligible costs

Eligible costs will include *both* the costs of technical preparatory actions for a co-operation project and also the implementation costs of a fully worked up co-operation project either within the UK or with other MS. This is not an exhaustive list and eligible and non-eligible costs will be published as part of the

Operational Guidance to LEADER groups. Examples of eligible costs include;

- Feasibility and desk studies to determine viability of potential projects.
- Pilot projects.
- Costs covering co-ordination and organisation of cooperation activity.
- Project measure(s) costs.

8.2.11.3.3.6. Eligibility conditions

Eligible costs will include *both* the costs of technical preparatory actions for a co-operation project and also the implementation costs of a fully worked up co-operation project either within the UK or with other MS. This is not an exhaustive list and eligible and non-eligible costs will be published as part of the Operational Guidance to LEADER groups. Examples of eligible costs include;

- Feasibility and desk studies to determine viability of potential projects.
- Pilot projects.
- Costs covering co-ordination and organisation of cooperation activity.
- Project measure(s) costs.

8.2.11.3.3.7. Principles with regards to the setting of selection criteria

The selection process will be: proportionate; open; transparent and fair throughout the programming period and will set out clearly whether either exclusion or inclusion criteria will apply. There will be a separation between those involved with supporting pipeline development of bids for investment and those taking decisions on applications. The requirements of the Rural Development Regulation and other relevant EU regulations will be met and, as necessary, it will be comply with public procurement rules.

8.2.11.3.3.8. (Applicable) amounts and support rates

About €1.5 million will be set aside to support cooperation activity over the duration of the programme. The support rate will be 100%.

8.2.11.3.3.9. Verifiability and controllability of the measures and/or types of operations

8.2.11.3.3.9.1. Risk(s) in the implementation of the measures

The key risks to verifiability and controllability for LEADER are those identified by the non-area-related root causes identified in the Commission's working document **SWD(2013) 244 final** and reiterated in the Error Rates technical guidance fiche. These are both administrative and beneficiary related. A control framework has been developed which sets out clearly how LEADER funded activity will be controlled and verified. LEADER Cooperation activity will follow standard selection procedures and be controlled via checks against appropriate local organisational and governance arrangements to ensure partnerships

are robust and transparent.

The precise details of the business process for supporting cooperation are still in development and will be done so with new LEADER groups once in place. Responsibilities for performing the relevant appraisal, and project and claim checks as per standard grant funded activity will be established. A clear separation of duties and set of procedures will be put in place to ensure claims are processed correctly (**Root Cause 9**) and that the reasonableness of costs and eligibility conditions are met (**Root Cause 10**) based on a transparent and justifiable rationale. The application of clear and appropriate tender procedures (**Root Cause 12**) by private beneficiaries for actual costs will include exhaustive checking of invoices and bank statements pre-payment, so the error rate tends to remain low, alongside further checks on evidence of defrayal, progress reports, photographs and on-the-spot checks or final claim inspections. This will include performance checks of LEADER activity. This will include submission and appraisal of business plans or feasibility studies where appropriate; and relevant checks that regulatory requirements and approvals are in place for work carried out.

Clear guidance and support will be provided to LEADER groups and beneficiaries to ensure that only eligible expenditure is claimed and where ineligible expenditure is identified that the system of reduction applied is proportionate and fair (**Root Cause 14**). Beneficiaries cannot start a project before submitting an application and must receive approval first prior to doing so. Any modifications or variations must also be explicitly approved and justified. Application forms, offer letters and claim forms ensure that what is deemed eligible expenditure is set out as clearly as possible, and set out specifically documentation requirements and deadlines for completion (**Root Cause 15**).

8.2.11.3.3.9.2. Mitigating actions

In addition to those identified above, mitigating actions will include:

- Reasonableness of actual costs as per other Measures;
- A framework guidance for LEADER groups to ensure appropriate systems are in place, including compliance requirements;
- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;
- Training for administration and LEADER staff including compliance, fraud and un-conscious bias training;
- Guidance for administrative staff to ensure appropriate appraisal of applications, and that variations to contract are appropriately controlled and implemented.

8.2.11.3.3.9.3. Overall assessment of the measure

The overall assessment of risk following mitigating actions is **low**. Appropriate controls for LEADER activity in England are in place and have historically not led to high error rates, audit criticisms or concerns. Despite this, Defra recognises the importance of reinforcing preventative measures to reduce the risk of errors pertaining to implementation of the RDP. This will include **Corrective and Preventative Actions** in part highlighted above to ensure the provision of: training for administration staff (**CPA1**); information, training and advice for beneficiaries (**CPA2**); information campaigns and

guidance documents (CPA3); improvement of IT tools (CPA 5); modification of contracts (CPA6) and improving internal control and coordination procedures (CPA7).

8.2.11.3.3.10. Methodology for calculation of the amount or support rate, where relevant

Maximum support rates will be calculated with reference to previous LEADER implementation and the assessment of the effectiveness of measures in our LEADER evaluation report. Individual, local LEADER rates will need to be agreed with the MA local delivery staff.

8.2.11.3.3.11. Information specific to the operation

Description of the obligatory community-led local development (hereafter "CLLD") elements of which the LEADER measure is composed: preparatory support, implementation of operations under the CLLD strategy, preparation and implementation of co-operation activities of the local action group (hereafter "LAG"), running costs and animation, referred to in Article 35(1) of Regulation (EU) No 1303/2013

Preparatory support activity has already been funded through the use of RDPE 2007-13 technical assistance and activity has already taken place. Funding, totalling €3.375m was offered to prospective LEADER groups. This was to support the capacity building, training, evaluation of an area, evidence and analysis and stakeholder engagement required to create a Local Development Strategy for the LEADER area which was submitted for assessment by the MA.

Implementation of operations under the CLLD strategy – LEADER activity will be supported by a budget of €173.5 million. A “National Delivery Framework for LEADER” has been published which sets out the broad priority objectives and criteria on which Local Development Strategies (LDS) are to be based upon. Priority objectives are all about creating new opportunities, as well as supporting existing initiatives looking to add value to their operations, these include;

- Support for increasing farm productivity;
- Support for micro and small enterprises and farm diversification;
- Support for rural tourism;
- Provision of rural services;
- Support for cultural and heritage activity;
- Support for increasing forestry productivity.

Preparation and implementation of co-operation activities - The operation will involve supporting the costs of technical preparation for inter-territorial or transnational co-operation projects. All types of cooperation activity will be required to fit with the Local Development Strategy. Our approach to increasing activity on cooperation is to introduce a national facilitation / brokerage approach co-ordinated by the MA. Up to €2.5 million will be set aside to support cooperation activity over the duration of the programme.

Running costs and animation activity will collectively fall under the 18% budget allocation ceiling for management and administration costs we have asked all LEADER groups to operate within. Our aim is to maximise the amount of LEADER funds allocated to projects, without compromising compliance. The types of activity include;

- The development and implementation of the operation or project;
- Support for personnel / staff;
- Training for LAG staff and members;
- Communication, promotion and facilitation of exchange between stakeholders;
- Monitoring and evaluation of the LDS (at LAG level).

Description of the use of the LEADER start-up-kit referred to in Article 43 of Regulation (EU) No 1305/2013 as specific type of preparatory support if relevant

Not applicable

Description of the system for ongoing application for LEADER co-operation projects referred to in Article 44(3) of Regulation (EU) No 1305/2013

The operation will involve supporting the costs of technical preparation for inter-territorial or transnational co-operation projects. It will also involve supporting the costs of co-operation projects within a Member State (inter-territorial co-operation) or co-operation projects between territories in one or more Member States or with territories in third countries (transnational co-operation). All types of cooperation activity will be required to fit with the Local Development Strategy and the types of eligible operations identified in sub measure 19.2. The Managing Authority will also look to identify, promote and support common themes of cooperation amongst LEADER Local Action Groups e.g. uplands.

Our approach to increasing activity on cooperation is to introduce a national facilitation / brokerage approach co-ordinated by the MA. We also plan to involve our new LEADER groups in co-designing the precise details of process and the MA will launch the first calls for proposals later in 2015. The MA led approach will also work together with other MA and NRNs in the UK to maximise the potential for inter-territorial cooperation activities. The MA will also work closely with the ENRD contact point to identify opportunities for trans-national cooperation.

The procedure and timetable to select the local development strategies

Local Development Strategies have been developed in 2014 by all prospective LEADER groups. LDS applications have been assessed during Autumn 2014, and decisions announced in time for approved LEADER groups to begin new programme activity from January 2015.

A Managing Authority led approval panel, involving representation from the Paying Agency and relevant policy teams will be responsible for assessing and approving all LEADER applications for the next programme. The panel activity will have independent scrutiny from the RDP external audit and risk committee. The selection criteria and assessment process have been provided to LEADER groups in advance of deadline for submitting their final LDS applications. The LDS selection criteria are based on the following headings:

- Compliance – Accountable Body roles, LAG working process and financial resources
- Fit with national RD programme priorities
- Development of local priorities and evidence base

- Engagement with local stakeholders, including the Local Enterprise Partnership
- Experience, capacity and capability of the Local Action Group
- Value for money, including financial profiles, proposed outputs and M&A costs
- Action planning to begin implementation

EAFRD funding can only be applied to rural areas as defined in the RDP. In the case of LEADER groups, this will depend on having a clearly defined eligible rural area. During the preparatory phase, all prospective LEADER groups were given an indicative budget allocation to help them scope their LDS. This allocation is made up of two components:

- A minimum budget allocation for every prospective group; and
- An additional ‘top up’ from an allocation methodology using local data for the area.

Approved LEADER groups will then receive an adjusted programme allocation when the final numbers are known. We are shortly to finalise the number of LEADER groups selected, however provisionally we are anticipating 70 Local Action Groups, covering 75% of rural England.

Justification for selection of geographical areas for local development strategy implementation whose population falls outside the limits laid down in Article 33(6) of Regulation (EU) No 1303/2013

The UK Partnership Agreement includes a derogation to increase the upper population limit to 200,000 inhabitants. Offering this increase population limit will allow some LEADER groups to better define their area, whilst still retaining a local community approach. Using this additional population limit would be the exception rather than the rule and LEADER groups wishing to use it will provide the appropriate justification. In addition, we are also requesting a derogation to reduce the lower population limit below 10,000. This will allow us to invite calls for LEADER proposals where sparsely populated or geographically isolated areas are not disadvantaged in being able to demonstrate economic and social coherence. We are anticipating interest in LEADER from territories defined by a population figure as low as 2000. Again, this would only be for a single case and be based around an Island territory with appropriate justification provided. The population derogations allow us to judge all proposals equally across the full range of selection criteria.

Co-ordination with the other European Structural and Investment (hereafter "ESI") Funds as regards CLLD, including possible solution applied with regard to the use of the lead fund option, and any global complementarities between the ESI Funds in financing the preparatory support

As well as EAFRD funded LEADER activity; we are also actively pursuing broader **Community led Local Development (CLLD)** proposals using ERDF and ESF funds from the growth programme. Our approach in England is described in the UK Partnership Agreement. Whilst the precise detail of the implementation process is still being finalised, all Managing Authority departments are working together on implementing CLLD. Once the operational programmes are approved, we will be implementing a 2 stage selection process for CLLD in 2015/16. Stage 1 will involve calling for, assessing and approving expressions of interest for an award of preparatory support, Stage 2 will involve a joint MA approval process for assessing full Local Development Strategy applications.

For LEADER we began our preparatory and selection process well in advance of the other ESI fund in order to retain our capacity through the transition period. Approved LEADER groups will be able to

propose expanding their area, LDS and LAG to incorporate other ESI funds; subject to meeting the conditions set out in the UK PA. This involves a much more targeted approach using indices of multiple deprivation statistics and limiting the number of groups that will be selected.

Possibility or not of paying advances

We do not intend to pay advances. The accountable body will continue to have a role in supporting LEADER groups - none of whom are constituted bodies. A new IT system will expedite payments in order to reduce any impact on cash flow. In addition, contracting with LEADER groups will also involve detailed discussions on how they intend to deliver a viable and sustainable operation. Local PA staff will also have an ongoing supporting role to play. Previous experience suggests that paying advances can be a complex and relatively costly process. Also there hasn't any demand. The use of technical assistance, via the services provided by the NRN will also help to support implementation through training and networking events.

Definition of the tasks of the Managing Authority, the paying agency and the LAGs under LEADER, in particular with regard to a non-discriminatory and transparent selection procedure and objective criteria for the selection of operations referred to in Article 34(3)(b) of Regulation (EU) No 1303/2013

Roles and responsibilities of the respective bodies are described in section 15 "programme implementing arrangements". LEADER group roles will be expected to include;

- Build the capacity of LAG members and local actors to develop and implement operations
- Draw up and implement a non-discriminatory and transparent selection procedure, in accordance with National Delivery Framework and regulatory requirements, including objective criteria for the selection of operations, managing conflicts of interest and ensuring appropriate representation and involvement of public and private sector interests.
- Ensure coherence with the Local Development Strategy and ensure operations contribute to meeting that strategy's objectives and targets;
- Prepare and publish calls for proposals or an ongoing project submission procedure, including defining selection criteria in addition to the core selection criteria provided by the MA
- Receive and appraise applications for support and fixing the amount of support and, present the proposals to the MA for final verification of eligibility before approval;
- Monitor the implementation of the Local Development Strategy

When approving LEADER Local Development Strategies, the MA and PA have assessed capacity to deliver a compliant programme of activity, including the LEADER group providing clear evidence of being able to perform the necessary tasks and have sufficient resource to ensure separation of duties. Ongoing performance reviews of LEADER groups by the PA will ensure these arrangements remain robust, with project level approval seeking clear evidence of a non-discriminatory and transparent selection process, where conflicts of interest are managed. Project selection will involve an initial LAG led appraisal and recommendation, with PA approving contract offers and claims in order to ensure conditions of compliance are met. More information on selection criteria is provided in sub measure 19.2.

Description of co-ordination mechanisms foreseen and complementarities ensured with operations supported under other rural development measures especially as regards: investments in non-agricultural activities and business start-up aid under Article 19 of Regulation (EU) No 1305/2013; investments under Article 20 of Regulation (EU) No 1305/2013; and co-operation under Article 35 of Regulation (EU) No 1305/2013, in particular implementation of local development strategies by public-private partnerships

There are common objectives across the RD programme including supporting rural economic growth and farm productivity. LEADER groups will be required to have an appreciation of the scope of all other RDP schemes and the ability to signpost applicants to the most appropriate form of support. Working with Local Enterprise Partnerships (LEP), we expect investments under LEADER and the growth programme to be complementary and demonstrate an integrated approach based on specific local circumstances and priorities. To support this we will be providing an online mapping tool to help applicants identify their local LEADER and LEP contacts, in addition to the LAGs own promotional activity and that of the other RDP schemes.

8.2.11.3.4. Sub measure 19.4 – Support for running costs and animation

Sub-measure:

- 19.4 - Support for running costs and animation

8.2.11.3.4.1. Description of the type of operation

Running costs and animation will collectively fall under the 18% budget allocation ceiling for management and administration costs we have asked all LEADER groups to operate within. In the 2007-13 programme management and administration costs averaged out at approximately 17%. Further efficiency savings are anticipated, for example LEADER groups sharing back office functions, further training and development and operating more efficiently to nationally consistent procedures. Our aim is to maximise the amount of LEADER funds allocated to projects, without compromising compliance.

8.2.11.3.4.2. Type of support

Grant of procurement

8.2.11.3.4.3. Links to other legislation

Articles 65-71 of Regulation 1303/2013 (Eligibility of expenditure and durability).

Running costs and animation support for the new programme will not overlap with any activity from the previous programme or activity funded through transition support.

8.2.11.3.4.4. Beneficiaries

LEADER Local Action Groups

8.2.11.3.4.5. Eligible costs

A full list of eligible and ineligible expenditure will be included in Operating Guidance issued to LEADER groups. Example eligible expenditure that will be supported for running costs and animation includes:

- Costs which relate to the development and implementation of the operation and which are allocated pro rata to the operation;
- Personnel / staff costs;
- Training costs for LAG staff and members (training for project promoters is not to be financed through the running costs);
- Costs linked to communication, promotion and facilitation of exchange between stakeholders (including networking costs, such as participation of LAG staff and members in networking

meetings with other LAGs, not including formal cooperation activity which will be supported through a national MA led process);

- Costs incurred for monitoring and evaluation of the LDS (at LAG level) and for updating the LDS if necessary

8.2.11.3.4.6. Eligibility conditions

All approved LEADER groups will be able to be reimbursed for running costs and animation as part of their management and administration allocation component.

8.2.11.3.4.7. Principles with regards to the setting of selection criteria

Not applicable

8.2.11.3.4.8. (Applicable) amounts and support rates

100% of eligible running costs and animation will be supported, within the overall ceiling of 18% of the total LEADER allocation available for management and administration.

8.2.11.3.4.9. Verifiability and controllability of the measures and/or types of operations

8.2.11.3.4.9.1. Risk(s) in the implementation of the measures

The key risks to verifiability and controllability for LEADER are those identified by the non-area-related root causes identified in the Commission's working document **SWD(2013) 244 final** and reiterated in the Error Rates technical guidance fiche. These are both administrative and beneficiary related. A control framework has been developed which sets out clearly how LEADER funded activity will be controlled and verified. LEADER Cooperation activity will follow standard selection procedures and be controlled via checks against appropriate local organisational and governance arrangements to ensure partnerships are robust and transparent.

LEADER groups will perform relevant appraisal, and project and claim checks as per standard grant funded activity with appropriate oversight provided by the RPA, including re-performance inspections and checks and checks against LEADER Management and Administration costs.

A clear separation of duties and set of procedures are put in place to ensure claims are processed correctly (**Root Cause 9**) and that the reasonableness of costs and eligibility conditions are met (**Root Cause 10**) based on a transparent and justifiable rationale. The application of clear and appropriate tender procedures (**Root Cause 12**) by private beneficiaries for actual costs will include exhaustive checking of invoices and bank statements pre-payment, so the error rate tends to remain low, alongside further checks on evidence of defrayal, progress reports, photographs and on-the-spot checks or final claim inspections. This will include performance checks of LEADER activity. This will include submission and appraisal of business plans or feasibility studies where appropriate; and relevant checks that regulatory requirements

and approvals are in place for work carried out.

Clear guidance and support is provided to LEADER groups and beneficiaries to ensure that only eligible expenditure is claimed and where ineligible expenditure is identified that the system of reduction applied is proportionate and fair (**Root Cause 14**). Beneficiaries cannot start a project before submitting an application and must receive approval first prior to doing so. Any modifications or variations must also be explicitly approved and justified. Application forms, offer letters and claim forms ensure that what is deemed eligible expenditure is set out as clearly as possible, and set out specifically documentation requirements and deadlines for completion (**Root Cause 15**).

8.2.11.3.4.9.2. *Mitigating actions*

In addition to those identified above, mitigating actions will include:

- Reasonableness of actual costs as per other Measures;
- A framework guidance for LEADER groups to ensure appropriate systems are in place, including compliance requirements;
- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;
- Training for administration and LEADER staff including compliance, fraud and un-conscious bias training;
- Guidance for administrative staff to ensure appropriate appraisal of applications, and that variations to contract are appropriately controlled and implemented.

8.2.11.3.4.9.3. *Overall assessment of the measure*

The overall assessment of risk following mitigating actions is **low**. Appropriate controls for LEADER activity in England are in place and have historically not led to high error rates, audit criticisms or concerns. Despite this, Defra recognises the importance of reinforcing preventative measures to reduce the risk of errors pertaining to implementation of the RDP. This will include **Corrective and Preventative Actions** in part highlighted above to ensure the provision of: training for administration staff (**CPA1**); information, training and advice for beneficiaries (**CPA2**); information campaigns and guidance documents (**CPA3**); improvement of IT tools (**CPA 5**); modification of contracts (**CPA6**) and improving internal control and coordination procedures (**CPA7**).

8.2.11.3.4.10. Methodology for calculation of the amount or support rate, where relevant

Not applicable

8.2.11.3.4.11. Information specific to the operation

Description of the obligatory community-led local development (hereafter "CLLD") elements of which the LEADER measure is composed: preparatory support, implementation of operations under the CLLD strategy, preparation and implementation of co-operation activities of the local action group (hereafter "LAG"), running costs and animation, referred to in Article 35(1) of Regulation (EU) No 1303/2013

Preparatory support activity has already been funded through the use of RDPE 2007-13 technical assistance and activity has already taken place. Funding, totalling €3.375m was offered to prospective LEADER groups. This was to support the capacity building, training, evaluation of an area, evidence and analysis and stakeholder engagement required to create a Local Development Strategy for the LEADER area which was submitted for assessment by the MA.

Implementation of operations under the CLLD strategy – LEADER activity will be supported by a budget of €173.5 million. A “National Delivery Framework for LEADER” has been published which sets out the broad priority objectives and criteria on which Local Development Strategies (LDS) are to be based upon. Priority objectives are all about creating new opportunities, as well as supporting existing initiatives looking to add value to their operations, these include;

- Support for increasing farm productivity;
- Support for micro and small enterprises and farm diversification;
- Support for rural tourism;
- Provision of rural services;
- Support for cultural and heritage activity;
- Support for increasing forestry productivity.

Preparation and implementation of co-operation activities - The operation will involve supporting the costs of technical preparation for inter-territorial or transnational co-operation projects. All types of cooperation activity will be required to fit with the Local Development Strategy. Our approach to increasing activity on cooperation is to introduce a national facilitation / brokerage approach co-ordinated by the MA. Up to €2.5 million will be set aside to support cooperation activity over the duration of the programme.

Running costs and animation activity will collectively fall under the 18% budget allocation ceiling for management and administration costs we have asked all LEADER groups to operate within. Our aim is to maximise the amount of LEADER funds allocated to projects, without compromising compliance. The types of activity include;

- The development and implementation of the operation or project;
- Support for personnel / staff;
- Training for LAG staff and members;
- Communication, promotion and facilitation of exchange between stakeholders;
- Monitoring and evaluation of the LDS (at LAG level).

Description of the use of the LEADER start-up-kit referred to in Article 43 of Regulation (EU) No 1305/2013 as specific type of preparatory support if relevant

Not applicable

Description of the system for ongoing application for LEADER co-operation projects referred to in Article 44(3) of Regulation (EU) No 1305/2013

The operation will involve supporting the costs of technical preparation for inter-territorial or transnational co-operation projects. It will also involve supporting the costs of co-operation projects within a Member State (inter-territorial co-operation) or co-operation projects between territories in one or more Member States or with territories in third countries (transnational co-operation). All types of cooperation activity will be required to fit with the Local Development Strategy and the types of eligible operations identified in sub measure 19.2. The Managing Authority will also look to identify, promote and support common themes of cooperation amongst LEADER Local Action Groups e.g. uplands.

Our approach to increasing activity on cooperation is to introduce a national facilitation / brokerage approach co-ordinated by the MA. We also plan to involve our new LEADER groups in co-designing the precise details of process and the MA will launch the first calls for proposals later in 2015. The MA led approach will also work together with other MA and NRNs in the UK to maximise the potential for inter-territorial cooperation activities. The MA will also work closely with the ENRD contact point to identify opportunities for trans-national cooperation.

The procedure and timetable to select the local development strategies

Local Development Strategies have been developed in 2014 by all prospective LEADER groups. LDS applications have been assessed during Autumn 2014, and decisions announced in time for approved LEADER groups to begin new programme activity from January 2015.

A Managing Authority led approval panel, involving representation from the Paying Agency and relevant policy teams will be responsible for assessing and approving all LEADER applications for the next programme. The panel activity will have independent scrutiny from the RDP external audit and risk committee. The selection criteria and assessment process have been provided to LEADER groups in advance of deadline for submitting their final LDS applications. The LDS selection criteria are based on the following headings:

- Compliance – Accountable Body roles, LAG working process and financial resources
- Fit with national RD programme priorities
- Development of local priorities and evidence base
- Engagement with local stakeholders, including the Local Enterprise Partnership
- Experience, capacity and capability of the Local Action Group
- Value for money, including financial profiles, proposed outputs and M&A costs
- Action planning to begin implementation

EAFRD funding can only be applied to rural areas as defined in the RDP. In the case of LEADER groups, this will depend on having a clearly defined eligible rural area. During the preparatory phase, all prospective LEADER groups were given an indicative budget allocation to help them scope their LDS. This allocation is made up of two components:

- A minimum budget allocation for every prospective group; and
- An additional ‘top up’ from an allocation methodology using local data for the area.

Approved LEADER groups will then receive an adjusted programme allocation when the final numbers are known. We are shortly to finalise the number of LEADER groups selected, however provisionally we are anticipating 70 Local Action Groups, covering 75% of rural England.

Justification for selection of geographical areas for local development strategy implementation whose population falls outside the limits laid down in Article 33(6) of Regulation (EU) No 1303/2013

The UK Partnership Agreement includes a derogation to increase the upper population limit to 200,000 inhabitants. Offering this increase population limit will allow some LEADER groups to better define their area, whilst still retaining a local community approach. Using this additional population limit would be the exception rather than the rule and LEADER groups wishing to use it will provide the appropriate justification. In addition, we are also requesting a derogation to reduce the lower population limit below 10,000. This will allow us to invite calls for LEADER proposals where sparsely populated or geographically isolated areas are not disadvantaged in being able to demonstrate economic and social coherence. We are anticipating interest in LEADER from territories defined by a population figure as low as 2000. Again, this would only be for a single case and be based around an Island territory with appropriate justification provided. The population derogations allow us to judge all proposals equally across the full range of selection criteria set out below.

Co-ordination with the other European Structural and Investment (hereafter "ESI") Funds as regards CLLD, including possible solution applied with regard to the use of the lead fund option, and any global complementarities between the ESI Funds in financing the preparatory support

As well as EAFRD funded LEADER activity; we are also actively pursuing broader **Community led Local Development (CLLD)** proposals using ERDF and ESF funds from the growth programme. Our approach in England is described in the UK Partnership Agreement. Whilst the precise detail of the implementation process is still being finalised, all Managing Authority departments are working together on implementing CLLD. Once the operational programmes are approved, we will be implementing a 2 stage selection process for CLLD in 2015/16. Stage 1 will involve calling for, assessing and approving expressions of interest for an award of preparatory support, Stage 2 will involve a joint MA approval process for assessing full Local Development Strategy applications.

For LEADER we began our preparatory and selection process well in advance of the other ESI fund in order to retain our capacity through the transition period. Approved LEADER groups will be able to propose expanding their area, LDS and LAG to incorporate other ESI funds; subject to meeting the conditions set out in the UK PA. This involves a much more targeted approach using indices of multiple deprivation statistics and limiting the number of groups that will be selected.

Possibility or not of paying advances

We do not intend to pay advances. The accountable body will continue to have a role in supporting LEADER groups - none of whom are constituted bodies. A new IT system will expedite payments in order to reduce any impact on cash flow. In addition, contracting with LEADER groups will also involve detailed discussions on how they intend to deliver a viable and sustainable operation. Local PA staff will also have an ongoing supporting role to play. Previous experience suggests that paying advances can be a

complex and relatively costly process. Also there hasn't any demand. The use of technical assistance, via the services provided by the NRN will also help to support implementation through training and networking events.

Definition of the tasks of the Managing Authority, the paying agency and the LAGs under LEADER, in particular with regard to a non-discriminatory and transparent selection procedure and objective criteria for the selection of operations referred to in Article 34(3)(b) of Regulation (EU) No 1303/2013

Roles and responsibilities of the respective bodies are described in section 15 "programme implementing arrangements". LEADER group roles will be expected to include;

- Build the capacity of LAG members and local actors to develop and implement operations
- Draw up and implement a non-discriminatory and transparent selection procedure, in accordance with National Delivery Framework and regulatory requirements, including objective criteria for the selection of operations, managing conflicts of interest and ensuring appropriate representation and involvement of public and private sector interests.
- Ensure coherence with the Local Development Strategy and ensure operations contribute to meeting that strategy's objectives and targets;
- Prepare and publish calls for proposals or an ongoing project submission procedure, including defining selection criteria in addition to the core selection criteria provided by the MA
- Receive and appraise applications for support and fixing the amount of support and, present the proposals to the MA for final verification of eligibility before approval;
- Monitor the implementation of the Local Development Strategy

When approving LEADER Local Development Strategies, the MA and PA have assessed capacity to deliver a compliant programme of activity, including the LEADER group providing clear evidence of being able to perform the necessary tasks and have sufficient resource to ensure separation of duties. Ongoing performance reviews of LEADER groups by the PA will ensure these arrangements remain robust, with project level approval seeking clear evidence of a non-discriminatory and transparent selection process, where conflicts of interest are managed. Project selection will involve an initial LAG led appraisal and recommendation, with PA approving contract offers and claims in order to ensure conditions of compliance are met. More information on selection criteria is provided in sub measure 19.2.

Description of co-ordination mechanisms foreseen and complementarities ensured with operations supported under other rural development measures especially as regards: investments in non-agricultural activities and business start-up aid under Article 19 of Regulation (EU) No 1305/2013; investments under Article 20 of Regulation (EU) No 1305/2013; and co-operation under Article 35 of Regulation (EU) No 1305/2013, in particular implementation of local development strategies by public-private partnerships

There are common objectives across the RD programme including supporting rural economic growth and farm productivity. LEADER groups will be required to have an appreciation of the scope of all other RDP schemes and the ability to signpost applicants to the most appropriate form of support. Working with Local Enterprise Partnerships (LEP), we expect investments under LEADER and the growth programme to be complementary and demonstrate an integrated approach based on specific local circumstances and priorities. To support this we will be providing an online mapping tool to help applicants identify their local LEADER and LEP contacts, in addition to the LAGs own promotional

activity and that of the other RDP schemes.

8.2.11.4. Verifiability and controllability of the measures and/or types of operations

8.2.11.4.1. Risk(s) in the implementation of the measures

The key risks to verifiability and controllability for LEADER are those identified by the non-area-related root causes identified in the Commission's working document **SWD(2013) 244 final** and reiterated in the Error Rates technical guidance fiche. These are both administrative and beneficiary related. A control framework has been developed which sets out clearly how LEADER funded activity will be controlled and verified. LEADER Cooperation activity will follow standard selection procedures and be controlled via checks against appropriate local organisational and governance arrangements to ensure partnerships are robust and transparent.

LEADER groups will perform relevant appraisal, and project and claim checks as per standard grant funded activity with appropriate oversight provided by the RPA, including re-performance inspections and checks and checks against LEADER Management and Administration costs.

A clear separation of duties and set of procedures are put in place to ensure claims are processed correctly (**Root Cause 9**) and that the reasonableness of costs and eligibility conditions are met (**Root Cause 10**) based on a transparent and justifiable rationale. The application of clear and appropriate tender procedures (**Root Cause 12**) by private beneficiaries for actual costs will include exhaustive checking of invoices and bank statements pre-payment, so the error rate tends to remain low, alongside further checks on evidence of defrayal, progress reports, photographs and on-the-spot checks or final claim inspections. This will include performance checks of LEADER activity. This will include submission and appraisal of business plans or feasibility studies where appropriate; and relevant checks that regulatory requirements and approvals are in place for work carried out.

Clear guidance and support is provided to LEADER groups and beneficiaries to ensure that only eligible expenditure is claimed and where ineligible expenditure is identified that the system of reduction applied is proportionate and fair (**Root Cause 14**). Beneficiaries cannot start a project before submitting an application and must receive approval first prior to doing so. Any modifications or variations must also be explicitly approved and justified. Application forms, offer letters and claim forms ensure that what is deemed eligible expenditure is set out as clearly as possible, and set out specifically documentation requirements and deadlines for completion (**Root Cause 15**).

8.2.11.4.2. Mitigating actions

In addition to those identified above, mitigating actions will include:

- Reasonableness of actual costs as per other Measures;
- A framework guidance for LEADER groups to ensure appropriate systems are in place, including compliance requirements;
- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract;
- Inspection, internal audits and reviews, where necessary;

- Training for administration and LEADER staff including compliance, fraud and un-conscious bias training;
- Guidance for administrative staff to ensure appropriate appraisal of applications, and that variations to contract are appropriately controlled and implemented.

8.2.11.4.3. Overall assessment of the measure

The overall assessment of risk following mitigating actions is **low**. Appropriate controls for LEADER activity in England are in place and have historically not led to high error rates, audit criticisms or concerns. Despite this, Defra recognises the importance of reinforcing preventative measures to reduce the risk of errors pertaining to implementation of the RDP. This will include **Corrective and Preventative Actions** in part highlighted above to ensure the provision of: training for administration staff (**CPA1**); information, training and advice for beneficiaries (**CPA2**); information campaigns and guidance documents (**CPA3**); improvement of IT tools (**CPA 5**); modification of contracts (**CPA6**) and improving internal control and coordination procedures (**CPA7**).

8.2.11.5. Methodology for calculation of the amount or support rate, where relevant

Not applicable

8.2.11.6. Information specific to the measure

Description of the obligatory community-led local development (hereafter "CLLD") elements of which the LEADER measure is composed: preparatory support, implementation of operations under the CLLD strategy, preparation and implementation of co-operation activities of the local action group (hereafter "LAG"), running costs and animation, referred to in Article 35(1) of Regulation (EU) No 1303/2013

Preparatory support activity has already been funded through the use of RDPE 2007-13 technical assistance and activity has already taken place. Funding, totalling €3.375m was offered to prospective LEADER groups. This was to support the capacity building, training, evaluation of an area, evidence and analysis and stakeholder engagement required to create a Local Development Strategy for the LEADER area which was submitted for assessment by the MA.

Implementation of operations under the CLLD strategy – LEADER activity will be supported by a budget of €173.5 million. A “National Delivery Framework for LEADER” has been published which sets out the broad priority objectives and criteria on which Local Development Strategies (LDS) are to be based upon. Priority objectives are all about creating new opportunities, as well as supporting existing initiatives looking to add value to their operations, these include;

- Support for increasing farm productivity;
- Support for micro and small enterprises and farm diversification;
- Support for rural tourism;
- Provision of rural services;

- Support for cultural and heritage activity;
- Support for increasing forestry productivity.

Preparation and implementation of co-operation activities - The operation will involve supporting the costs of technical preparation for inter-territorial or transnational co-operation projects. All types of cooperation activity will be required to fit with the Local Development Strategy. Our approach to increasing activity on cooperation is to introduce a national facilitation / brokerage approach co-ordinated by the MA. Up to €2.5 million will be set aside to support cooperation activity over the duration of the programme.

Running costs and animation activity will collectively fall under the 18% budget allocation ceiling for management and administration costs we have asked all LEADER groups to operate within. Our aim is to maximise the amount of LEADER funds allocated to projects, without compromising compliance. The types of activity include;

- The development and implementation of the operation or project;
- Support for personnel / staff;
- Training for LAG staff and members;
- Communication, promotion and facilitation of exchange between stakeholders;
- Monitoring and evaluation of the LDS (at LAG level).

Description of the use of the LEADER start-up-kit referred to in Article 43 of Regulation (EU) No 1305/2013 as specific type of preparatory support if relevant

Not applicable

Description of the system for ongoing application for LEADER co-operation projects referred to in Article 44(3) of Regulation (EU) No 1305/2013

The operation will involve supporting the costs of technical preparation for inter-territorial or transnational co-operation projects. It will also involve supporting the costs of co-operation projects within a Member State (inter-territorial co-operation) or co-operation projects between territories in one or more Member States or with territories in third countries (transnational co-operation). All types of cooperation activity will be required to fit with the Local Development Strategy and the types of eligible operations identified in sub measure 19.2. The Managing Authority will also look to identify, promote and support common themes of cooperation amongst LEADER Local Action Groups e.g. uplands.

Our approach to increasing activity on cooperation is to introduce a national facilitation / brokerage approach co-ordinated by the MA. We also plan to involve our new LEADER groups in co-designing the precise details of process and the MA will launch the first calls for proposals later in 2015. The MA led approach will also work together with other MA and NRNs in the UK to maximise the potential for inter-territorial cooperation activities. The MA will also work closely with the ENRD contact point to identify opportunities for trans-national cooperation.

The procedure and timetable to select the local development strategies

Local Development Strategies have been developed in 2014 by all prospective LEADER groups. LDS applications have been assessed during Autumn 2014, and decisions announced in time for approved LEADER groups to begin new programme activity from January 2015.

A Managing Authority led approval panel, involving representation from the Paying Agency and relevant policy teams will be responsible for assessing and approving all LEADER applications for the next programme. The panel activity will have independent scrutiny from the RDP external audit and risk committee. The selection criteria and assessment process have been provided to LEADER groups in advance of deadline for submitting their final LDS applications. The LDS selection criteria are based on the following headings:

- Compliance – Accountable Body roles, LAG working process and financial resources
- Fit with national RD programme priorities
- Development of local priorities and evidence base
- Engagement with local stakeholders, including the Local Enterprise Partnership
- Experience, capacity and capability of the Local Action Group
- Value for money, including financial profiles, proposed outputs and M&A costs
- Action planning to begin implementation

EAFRD funding can only be applied to rural areas as defined in the RDP. In the case of LEADER groups, this will depend on having a clearly defined eligible rural area. During the preparatory phase, all prospective LEADER groups were given an indicative budget allocation to help them scope their LDS. This allocation is made up of two components:

- A minimum budget allocation for every prospective group; and
- An additional ‘top up’ from an allocation methodology using local data for the area.

Approved LEADER groups will then receive an adjusted programme allocation when the final numbers are known. We are shortly to finalise the number of LEADER groups selected, however provisionally we are anticipating 70 Local Action Groups, covering 75% of rural England.

Justification for selection of geographical areas for local development strategy implementation whose population falls outside the limits laid down in Article 33(6) of Regulation (EU) No 1303/2013

The UK Partnership Agreement includes a derogation to increase the upper population limit to 200,000 inhabitants. Offering this increase population limit will allow some LEADER groups to better define their area, whilst still retaining a local community approach. Using this additional population limit would be the exception rather than the rule and LEADER groups wishing to use it will provide the appropriate justification. In addition, we are also requesting a derogation to reduce the lower population limit below 10,000. This will allow us to invite calls for LEADER proposals where sparsely populated or geographically isolated areas are not disadvantaged in being able to demonstrate economic and social coherence. We are anticipating interest in LEADER from territories defined by a population figure as low as 2000. Again, this would only be for a single case and be based around an Island territory with appropriate justification provided. The population derogations allow us to judge all proposals equally across the full range of selection criteria set out below.

Co-ordination with the other European Structural and Investment (hereafter "ESI") Funds as regards CLLD, including possible solution applied with regard to the use of the lead fund option, and any global complementarities between the ESI Funds in financing the preparatory support

As well as EAFRD funded LEADER activity; we are also actively pursuing broader **Community led Local Development (CLLD)** proposals using ERDF and ESF funds from the growth programme. Our approach in England is described in the UK Partnership Agreement. Whilst the precise detail of the implementation process is still being finalised, all Managing Authority departments are working together on implementing CLLD. Once the operational programmes are approved, we will be implementing a 2 stage selection process for CLLD in 2015/16. Stage 1 will involve calling for, assessing and approving expressions of interest for an award of preparatory support, Stage 2 will involve a joint MA approval process for assessing full Local Development Strategy applications.

For LEADER we began our preparatory and selection process well in advance of the other ESI fund in order to retain our capacity through the transition period. Approved LEADER groups will be able to propose expanding their area, LDS and LAG to incorporate other ESI funds; subject to meeting the conditions set out in the UK PA. This involves a much more targeted approach using indices of multiple deprivation statistics and limiting the number of groups that will be selected.

Possibility or not of paying advances

We do not intend to pay advances. The accountable body will continue to have a role in supporting LEADER groups - none of whom are constituted bodies. A new IT system will expedite payments in order to reduce any impact on cash flow. In addition, contracting with LEADER groups will also involve detailed discussions on how they intend to deliver a viable and sustainable operation. Local PA staff will also have an ongoing supporting role to play. Previous experience suggests that paying advances can be a complex and relatively costly process. Also there hasn't any demand. The use of technical assistance, via the services provided by the NRN will also help to support implementation through training and networking events.

Definition of the tasks of the Managing Authority, the paying agency and the LAGs under LEADER, in particular with regard to a non-discriminatory and transparent selection procedure and objective criteria for the selection of operations referred to in Article 34(3)(b) of Regulation (EU) No 1303/2013

Roles and responsibilities of the respective bodies are described in section 15 "programme implementing arrangements". LEADER group roles will be expected to include;

- Build the capacity of LAG members and local actors to develop and implement operations
- Draw up and implement a non-discriminatory and transparent selection procedure, in accordance with National Delivery Framework and regulatory requirements, including objective criteria for the selection of operations, managing conflicts of interest and ensuring appropriate representation and involvement of public and private sector interests.
- Ensure coherence with the Local Development Strategy and ensure operations contribute to meeting that strategy's objectives and targets;
- Prepare and publish calls for proposals or an ongoing project submission procedure, including defining selection criteria in addition to the core selection criteria provided by the MA
- Receive and appraise applications for support and fixing the amount of support and, present the proposals to the MA for final verification of eligibility before approval;

- Monitor the implementation of the Local Development Strategy

When approving LEADER Local Development Strategies, the MA and PA have assessed capacity to deliver a compliant programme of activity, including the LEADER group providing clear evidence of being able to perform the necessary tasks and have sufficient resource to ensure separation of duties. Ongoing performance reviews of LEADER groups by the PA will ensure these arrangements remain robust, with project level approval seeking clear evidence of a non-discriminatory and transparent selection process, where conflicts of interest are managed. Project selection will involve an initial LAG led appraisal and recommendation, with PA approving contract offers and claims in order to ensure conditions of compliance are met. More information on selection criteria is provided in sub measure 19.2.

Description of co-ordination mechanisms foreseen and complementarities ensured with operations supported under other rural development measures especially as regards: investments in non-agricultural activities and business start-up aid under Article 19 of Regulation (EU) No 1305/2013; investments under Article 20 of Regulation (EU) No 1305/2013; and co-operation under Article 35 of Regulation (EU) No 1305/2013, in particular implementation of local development strategies by public-private partnerships

There are common objectives across the RD programme including supporting rural economic growth and farm productivity. LEADER groups will be required to have an appreciation of the scope of all other RDP schemes and the ability to signpost applicants to the most appropriate form of support. Working with Local Enterprise Partnerships (LEP), we expect investments under LEADER and the growth programme to be complementary and demonstrate an integrated approach based on specific local circumstances and priorities. To support this we will be providing an online mapping tool to help applicants identify their local LEADER and LEP contacts, in addition to the LAGs own promotional activity and that of the other RDP schemes.

8.2.11.7. Other important remarks relevant to understand and implement the measure

None

9. EVALUATION PLAN

9.1. Objectives and purpose

A statement of the objectives and purpose of the evaluation plan, based on ensuring that sufficient and appropriate evaluation activities are undertaken, in particular to provide information needed for programme steering, for the annual implementation reports in 2017 and 2019 and the ex-post evaluation, and to ensure that data needed for RDP evaluation are available.

The evaluation plan describes the strategy for conducting evaluation of the Rural Development Programme for England (RDP) 2014 – 2020.

The primary purpose of the evaluation plan is to ensure that monitoring and evaluation activities undertaken during the programming period provide a basis for demonstrating the impact of the RDP and enable the programme to be reviewed and, where appropriate, modified or changed to reflect lessons learned from delivery.

Evaluation activity needs to be both sufficient and appropriate. In particular, it is important that:

- Monitoring and reporting data is available to support interim and final assessments of the progress of the programme, in particular supporting the Annual Implementation Reports (AIRs), enhanced AIRs in 2017 and 2019 and the ex-post evaluation;
- Data required for evaluation is provided at relevant intervals and in the most appropriate format;
- Sufficient evidence is collated to determine whether interventions funded through the programme are achieving their intended purpose;
- The evidence resulting from evaluation activities is used to both steer the 2014-2020 programme and inform development of future programmes.

Four main types of monitoring and evaluation activity will be undertaken to enable this:

1. Monitoring of spend and achievement of outputs for each measure.
2. Monitoring of changes in context, result and impact indicators.
3. Evaluation of the **impact** of RDP interventions to ensure they meet their intended socio-economic and environmental objectives.
4. Evaluation of delivery **processes** to ensure resources are being used as efficiently as possible.

The RDP evaluation plan considers all elements of the system within which evaluation activities take place. These include:

- Describing the framework of governance necessary for oversight and ownership of programme evaluation;
- The roles and responsibilities of those involved;
- The mechanisms for capturing data within the operational databases and IT systems to enable reporting on key evaluation metrics;
- A high level summary of evaluation activities planned under each priority and focus area during the programme period;
- The mechanisms through which the results and conclusions of these activities will be communicated to relevant audiences.

The plan constitutes the activities the Managing Authority considers to be practically deliverable within

the timeframe of programme delivery and the resources available.

9.2. Governance and coordination

Brief description of the monitoring and evaluation arrangements for the RDP, identifying the main bodies involved and their responsibilities. Explanation of how evaluation activities are linked with RDP implementation in terms of content and timing.

Managing Authority: The Department for Environment, Food and Rural Affairs (DEFRA) has overall responsibility for drawing up an effective and deliverable plan for monitoring and evaluation of the 2014-2020 programme. This includes:

- Ensuring that effective systems are in place for programme management and reporting;
- Ensuring that monitoring and evaluation activities are coordinated with other European Structural Funds through membership of cross-governmental monitoring and evaluation committee;
- Ensuring that IT systems capture requisite indicator data as required by the Commission in the AIRs, enhanced AIRs and ex-post evaluation;
- Ensuring the quality of programme implementation through the monitoring of indicators;
- Commissioning evaluations, including the ex-post evaluation of the programme and other regular evaluations aimed at understanding the impact of the programme as required by the Commission;
- Ensuring that the products of evaluation are disseminated in a timely manner to the appropriate stakeholders;
- Establishing a Programme Monitoring Committee (PMC) and providing a secretariat to it;
- Establishing an Evaluation Expert/Steering committee and providing a secretariat to it;
- Ensuring appropriate guidance, resources and support are available to support evaluation of the programme.

Programme Monitoring Committee: This will comprise representatives of DEFRA, delivery bodies, representatives of equality organisations, partner organisations and stakeholders and will:

- Provide high level oversight of programme delivery as determined by assessment of evaluation findings;
- Ensure programme evaluation activities are managed efficiently and effectively to provide the best value-for-money;
- Approve and provide feedback on the AIRs before they are sent to the Commission;
- Monitor all evaluation activities and outputs and provide recommendations to the Managing Authority on programme implementation and evaluation.

Evaluation Expert/Steering Committee: This will comprise monitoring and evaluation experts from the Managing Authority, delivery bodies, partner organisations and external experts and will:

- Provide advice on evaluation strategy and methodology;
- Provide quality assurance of evidence, data used and evaluation activities;
- Review progress and advise on any necessary changes to the evaluation plan;
- Review and provide guidance on AIRs;
- Review progress on key output, result, impact and context indicators;

- Recommend potential evaluation activities to be undertaken during the programme period.

Delivery Bodies: Delivery bodies will be responsible for collating data for their areas of responsibility. They will also have responsibility for ensuring the data are quality assured and consistent with the needs of the Managing Authority and the Commission. They will have a role at both the PMC and Evaluation Expert Committee, providing both committees with regular updates on delivery and advice and support on monitoring and evaluation activity.

Paying Agency: The Rural Payments Agency (RPA) will provide advice and support on delivery and monitoring and evaluation activity at both the PMC and Evaluation Expert Committee.

Local delivery and partnership bodies: These include Local Action Groups (LAGs) and Local Enterprise Partnerships (LEPs). For certain measures these bodies will have direct responsibility for collecting monitoring and evaluation data from beneficiaries. These data must be reported to delivery bodies in accordance with Commission guidelines.

The Managing Authority will work with LAGs to disseminate guidelines on self-evaluation and promote a consistent approach for evaluating the impacts of LEADER. DEFRA will consider how it evaluates the LEADER approach as part of the Enhanced AIRs submitted to the Commission in 2017 and 2019.

The National Rural Network and the Network Support Unit have a key role in sharing and disseminating the results of monitoring and evaluation (and potentially in promoting engagement with M&E) as set out in the Rural Development Regulation. This function will therefore be reflected in the Communications Plan for the Programme and in the Action Plan(s) of the NRN. The NSU will also oversee specific M&E activities for the NRN, which will enable self-monitoring and contribution to M&E of the NRNs planned at EU level.

Other data providers (including Non-departmental Public Bodies, arms-length bodies, academic research groups, other governmental committees, governmental research groups, think tanks, special interest groups, etc.): These bodies will have no direct responsibility for monitoring and evaluating the 2014-2020 RDP. However they may be represented on the PMC, and their research and data may be relevant to the overall evaluation aims and objectives of the programme. They may also potentially contribute to monitoring as contractors. Information collected and published by these bodies will need to be integrated by Delivery Bodies or the Managing Authority either through existing contractual agreements or through new arrangements.

Lessons learned from the 2007-2013 Rural Development Programme.

One of the major challenges for evaluating the impacts of the previous programming period was a large-scale change in the management structures during the course of the programme. The systems in the new RDP will, therefore, need to be set up to ensure that they remain resilient to significant structural change.

The operational databases used in the previous programme have expanded during the programme period and become somewhat fragmented. The Managing Authority and Payments Agency is overseeing the development of a new IT system (the CAP-Delivery Programme) for administering and monitoring pillars 1 and 2 of the CAP. Policy teams have been engaging with the design of the system which will ensure that key metrics required by the Commission and the Managing Authority are captured in the operational database.

As well as monitoring spend on outputs and changes in output indicators, better evidence is needed on the wider socio-economic and environmental impacts of the programme and the extent to which changes in

indicators can be attributed to RDPE interventions. This will require the establishing of baseline data to which changes can be compared, which was lacking in the previous programme.

For the HNVF indicator, further developmental work is required to clarify the nature of management contributing to the indicator and establish an updated baseline and enable improved evaluation of the contribution of agri-environmental interventions against this Impact indicator for the enhanced AIR in 2019.

9.3. Evaluation topics and activities

Indicative description of evaluation topics and activities anticipated, including, but not limited to, fulfilment of evaluation requirements provided for in Regulation (EU) No 1303/2013 and Regulation (EU) No 1305/2013. It shall cover: (a) activities needed to evaluate the contribution of each RDP Union priority as referred to in Article 5 of Regulation (EU) No 1305/2013 to the rural development objectives laid down in Article 4 of that Regulation, assessment of result and impact indicator values, analysis of net effects, thematic issues, including sub-programmes, cross-cutting issues, national rural network, contribution of CLLD strategies; (b) planned support for evaluation at LAG level; (c) programme specific elements such as work needed to develop methodologies or to address specific policy areas.

9.3.1 The Programme Priorities

The three main priorities for support within this programming period, as identified by the SWOT and needs assessment are:

- Environment: Restoring, preserving and enhancing our natural environment (Priorities 4 and 5)
- Productivity: Increasing the competitiveness and efficiency of our farming, forestry and land-based sectors (Priorities 1, 2 and 3)
- Growth: Delivering rural economic growth (Priority 6)

Three key cross-cutting themes have also been identified: 1) Climate change adaptation and mitigation, 2) innovation and 3) environmental performance.

9.3.2 Evaluation strategy

The evaluation strategy has several aims.

- To put in place evaluation methodologies which are suitable, efficient and robust.
- To assess the impacts of the programme.
- To evaluate cross-cutting impacts and synergies between activities.
- To evaluate the efficiency of programme administration, delivery and management.
- To evaluate any changes in the context within which the programme operates.
- To provide data on indicators required by the Commission and Managing Authority.
- To provide conclusions and recommendations which will effectively feed in to programme steering.
- To disseminate evaluation findings efficiently and effectively.

9.3.3 Major evaluation topics

In addition to the Common Evaluation Questions set by the Commission, the following additional topics specific to England have been identified:

- Assessment of coverage of agri-environment/forestry management options on priority and associated Natura 2000 habitats
- Assessment of whether targeting is creating bigger and less fragmented areas for wildlife.
- The impacts of agri-environment/forestry management options on the condition of priority habitats (and associated Annex 1 habitats), and on populations of key species in farmland and forests, including farmland birds
- The impact of agri-environment/forestry measures on delivery of specific ecosystem services, e.g. pollination, water quality.
- The extent to which interventions contribute to climate change mitigation (taking account of displacement/leakage effects) and the way in which interventions support climate change adaptation for both farming systems and the natural environment.
- The impact of interventions on achieving other national scheme objectives for protection and enhancement of the landscape and historic environment.
- The extent to which the interventions affect the number of farmers adopting new practices or technologies.
- The extent to which the interventions reduce the current skills gaps in the farming industry.
- The extent to which the interventions increase farmers' incomes.
- The impact the approach targeting has had on specific outcomes.
- The efficiency and effectiveness of using a digital by default approach to programme delivery.
- Assessment of any burden on beneficiaries.
- Assessment of economic or social return on investment for different measures, as appropriate.
- Determining the extent to which Pillar 1 greening measures have delivered environmental public goods under Pillar 2 aims.
- The effect of the new programme on areas which are supported by a number of funds (e.g. skills and tourism).
- The efficiency and effectiveness of LEPs and LAGs.
- The effectiveness of collaborations between local groups (e.g. between 2 LAGs).
- The effectiveness of collaborations between different types of local groups (e.g. between a LEP and a LAG).

9.3.4 Major evaluation activities

- Ongoing analysis of uptake and management data.
- Use of surveillance data (e.g. Breeding Birds Survey), supported by sample surveys, to determine trends in condition of priority habitats and in populations of key species, including Natura 2000 features.
- Modelling (e.g. ecosystem approaches, loading and deposition of contaminants in air and water, etc).
- Targeted data collection to enable exploration of complex outcomes at different scales, in order to explore impacts on and behavioural changes (e.g. intentions/attitudes) of beneficiaries and non-beneficiaries (to provide a counterfactual data set). Activities may include representative surveys of beneficiaries.
- Additional ad hoc evaluations may also be required at various stages of the programme. The Managing Authority and delivery bodies will, therefore, need to ensure there is flexibility to support such projects.
- Developing an updated approach to the assessment of HNMF in England, involving new or

updated characterisation of Type 1, 2 and 3 HNMF to ensure effective assessment of the impact of the agri-environmental interventions on the indicator.

9.4. Data and information

Brief description of the system to record, maintain, manage and report statistical information on RDP implementation and provision of monitoring data for evaluation. Identification of data sources to be used, data gaps, potential institutional issues related to data provision, and proposed solutions. This section should demonstrate that appropriate data management systems will be operational in due time.

9.4.1 Lessons learned from the previous programme

The previous programme's system of internal data management included a series of databases containing management information covering both socio-economic and agri-environment projects. These were commissioned and maintained by the delivery bodies, who were also responsible for collecting data from local volunteer groups, data holding organisations and other beneficiaries. The Managing Authority obtained management information by submitting requests to the delivery bodies. However there were some quality assurance issues and at times data was not received in a timely manner.

The new CAP-Delivery Programme will be designed to address the problems of delays in the data collection and quality assurance process.

9.4.2 Quality assurance

The agri-environment component of the RDP has already set a number of Quality Management Standards, which set standards for the approach to quality assurance, quality control and audit. It requires senior Defra officials to ensure that the standards are implemented appropriately within their work area. The standard includes processes of high level peer review and contractors awarded contracts must be able to demonstrate that they have formal and adequate quality assurance systems.

Quality assurance procedures for other areas of the RDP will be based on these Quality Management Standards.

9.4.3 Data sources

For the purpose of reporting for the AIRs, enhanced AIRs and ex-post evaluation, the fiches released by the Commission for the EU Common set of indicators sets out which European level databases contain the data required. The key databases identified in the fiches include:

- Eurostat
- Farm Accountancy Data Network (FADN)
- European Environment Agency

Complementary databases used to provide additional information related to the indicators include:

- Statistics from the Food and Agriculture Organisation of the United Nations (FAOSTAT)
- Land Use Statistics
- Commodity prices from World Bank statistics

- European Union Statistics on Income and Living Conditions (EU-SILC)

Where information is available from more up-to-date national sources, however, the Managing Authority will use these instead.

Examples of key national datasets which will be used in evaluation and reporting of the programme include:

Agricultural

- Farm Business Survey: An annual survey of a cohort of approximately 2000 farms, providing information on the financial, physical and environmental performance of farm businesses in England (forms part of the U.K. contribution to FADN).
- Farm Practices Survey: A survey carried out twice a year. At present the January survey focuses on greenhouse gas mitigation measures, while the October survey either meets the EU Farm Structure Survey requirements (in 2010, 2013, 2016) or focuses on specific DEFRA environmental policy requirements.
- June Survey of Agriculture: An annual survey of between 30,000 and 70,000 holdings in England, with a full census carried out once every 10 years; 2010 being the latest. This survey collects detailed information on agricultural land use and ownership, arable and horticultural cropping activities, livestock populations and the agricultural workforce, the details of which depend on EU requirements. This data set forms part of the UK contribution for the EU Farm Structure Survey data set provided 3 times per decade to Eurostat.

Environmental

- DEFRA agri-environment indicators include 20 indicators specifically on environmental impacts covering water quality, water quantity, air quality, greenhouse gas emissions, biodiversity and landscape, which are updated on a rolling programme. This set includes the annually updated England Farmland Bird Index, a programme specific context/impact indicator and proxy for the Farmland Bird Index Indicator. For details see <https://www.gov.uk/government/statistical-data-sets/agri-environment-indicators>
- Article 17 reporting on the conservation status of Annex 1 Habitats and Species recognised under the European Habitats and Birds Directive.
- Integrated Site Assessment Monitoring Programme: An annual survey of Higher Level Stewardship (HLS) agreements and the condition of habitat and species features (including Natura 2000 features) on Sites of Special Scientific Interest (SSSI) units.
- Natural England's Environmental Monitoring Database.
- National Biodiversity Network (NBN).
- Biodiversity Action Reporting System.
- Natural England's Habitat Inventories.
- Water Framework Directive data on water quality.
- Centre for Ecology and Hydrology data on air quality and atmospheric deposition.
- Forestry statistics (<http://www.forestry.gov.uk/statistics>)

Social

- Monitoring Engagement with Natural Environment (MENE): An annual survey of the ways in which people engage with the natural environment in England.
- Census: Taken every 10 years giving data on population characteristics.

- Labour Force Survey on employment rates.

9.5. Timeline

Major milestones of the programming period, and indicative outline of the timing needed to ensure that results are available at the appropriate time.

9.5.1 Lessons learned from the previous programme

In the previous programming periods the late start of funding meant insufficient progress on delivery had taken place by the time of the mid-term evaluation to produce meaningful evaluation results. This has, in turn, presented challenges to the design of the programme.

The timeline for evaluation of the programme's impacts must track the actual delivery of the programme itself, recognising the impact of any transitional years due to the delay in agreeing Multi Financial Framework and Common Agricultural Policy budgets. For example, new multi-annual agreements under the Agri-Environment priorities will not start until 1 January 2016. As a consequence the timeline for the new programme must be sufficiently flexible to allow the timing of evaluations to reflect progress in delivery.

The following specific aspects of evaluation will have to be accounted for in all cases:

- The schedule of delivering annual reports, in particular noting that the timing of the enhanced AIRs and ex-post evaluation report is fixed;
- Accounting for lag effects in evaluating the impacts of funding on outcomes (e.g. in certain biotic responses);
- The balance of evaluation activities on existing programme commitments versus new programme commitments;
- Determining from previous evaluation activities the likely contribution of this programme's intervention, relative to previous programme interventions, e.g. some outcomes (e.g. habitat restoration) are delivered cumulatively over long periods and a need to continue to track their delivery through multiple delivery frameworks.

9.5.2 Timeline

An indicative draft of the timeline for key evaluation activities and governance events in the programme is given below:

- Start 2014: Programme period begins.
- 2014: Ex-post evaluation of 2007-2013 programme contract to be let to external evaluator.
- Start 2015: New programme rolled out.
- End 2015: Methodology for annual socio-economic beneficiaries survey finalised. Ex-post evaluation of 2007-2013 programme published.
- 2014-2016: Guidance and training required to support evaluation in the programme complete.
- 2016: Regular programme specific evaluations (e.g. socio-economic surveys) begin.
- Summer 2016: Evaluation of the EU common set of indicators begins.
- End 2016: Evaluation of the EU common set of indicators complete.
- 2017: Submit first enhanced AIR.

- Summer 2018: Evaluation of the EU common set of indicators begins.
- End 2018: Evaluation of the EU common set of indicators complete.
- 2019: Submit second enhanced AIRs.
- 2020: Programme period ends.
- Summer 2020: Ex-post evaluation of 2014-2020 programming period begins.
- End 2023: Ex-post evaluation complete.

9.6. Communication

Description of how evaluation findings will be disseminated to target recipients, including a description of the mechanisms established to follow-up on the use of evaluation results.

9.6.1 Strategy and governance

The communication strategy will be written by the National Rural Network Support Unit in conjunction with the RDP Policy team in DEFRA. They will be supported by the Evaluation Expert Group, analysts embedded within each policy team, evaluation specialists in DEFRA and communication specialists in the DEFRA Communications Directorate.

The information needs of the target audience will be assessed through meetings with relevant parties to elicit their particular information needs and by putting the evaluation communications strategy out to consultation and incorporating feedback received into the strategy.

9.6.2 Customers

The key customers and their expected evaluation needs/interests are discussed below:

European Commission: The AIRs, enhanced AIRs and the ex-post evaluation of the programme will be submitted to the Commission by the Managing Authority via well-established standard channels.

Where the Managing Authority needs advice and guidance from the Commission this will be sought from the European Evaluation Helpdesk and various technical committees.

Policy teams within DEFRA: It has been noted that in the previous programme there was insufficient communication of evaluation results to policy teams. In order to improve communication with policy teams regular meetings and seminars with presentations of findings will be arranged.

Increasing the level of engagement of policymakers with evaluation will ensure that important evaluation results can influence the steering of the current programme and feed into future programmes.

Within Managing Authority: The communication of results to senior management in the Managing Authority (e.g. Chief Accounting Officer, Chief Scientific Officer, Chief Economist, ministers and directors) will be managed using traditional routes (e.g. ministerial submissions, presentation of papers to boards, etc.).

Delivery body staff: Where evaluation studies are commissioned externally by the Managing Authority, the results will be communicated using traditional channels (e.g. making reports available to delivery bodies, meetings, National Rural Network, etc.).

Programme beneficiaries/stakeholders/general public: There are a range of approaches to communicating relevant evaluation results to beneficiaries, stakeholders and the wider public. Governmental websites and social media will be used, and the Managing Authority regularly participates in seminars and other engagement events. Additionally, key evaluation reports will be published following successful review and quality assurance.

The National Rural Network (NRN) and the Network Support Unit (NSU) have a key role in sharing and disseminating (and potentially in promoting engagement with) the results of monitoring and evaluation as set out in the rural development regulation. This function will therefore be reflected in the communications plan for the programme and in the action plan of the NRN.

9.7. Resources

Description of the resources needed and foreseen to implement the plan, including an indication of administrative capacity, data, financial resources, IT needs. Description of capacity building activities foreseen to ensure that the evaluation plan can be fully implemented.

The total planned evaluation budget for the next programme is approximately £8.4 million. In the Managing Authority there will be approximately 5 FTE staff engaged in monitoring and evaluation activities. In delivery bodies approximately 7 FTE staff will be engaged on monitoring and evaluation activities. Additionally, there will be a working group for all staff involved in monitoring and evaluation of the RDP, which will meet monthly in order to coordinate activities. Members of staff will receive training where required.

Lessons learned from previous programme: In the previous programme it was found that evaluation activities sometimes focused on particular axes in isolation and therefore some crosscutting themes were neglected. This approach also meant that an overall view of the whole RDP programme was more difficult. To remedy this problem the new programme will have an Expert Evaluation/Steering group which will comprise internal and external evaluation experts. It will advise on overall strategy, methodology, data collection and quality assurance.

In the previous programme internal and external evaluators were not given sufficient instructions on monitoring and evaluation at the start of the programme. For the current programme a detailed monitoring and evaluation plan is being written which will be distributed to all parties involved in monitoring and evaluation. It will include information on data collection, the intervention logic, strategy, methodology, quality assurance and communication.

10. FINANCING PLAN

10.1. Annual EAFRD contributions in (€)

Types of regions and additional allocations	2014	2015	2016	2017	2018	2019	2020	Total
Article 59(3)(a) of Regulation (EU) No 1305/2013 - Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	10,625,000.00	10,625,000.00	10,625,000.00	10,625,000.00	10,625,000.00	10,625,000.00	10,625,000.00	74,375,000.00
Article 59(3)(d) of Regulation (EU) No 1305/2013 - Other regions	208,206,544.00	207,644,786.00	207,071,896.00	206,488,872.00	205,891,706.00	205,321,934.00	204,944,298.00	1,445,570,036.00
Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	0.00	279,028,789.00	281,705,864.00	282,283,567.00	282,850,891.00	283,684,618.00	284,518,344.00	1,694,072,073.00
Regulation (EU) No 73/2009 - Article 10b and Article 136	256,700,000.00	0.00	0.00	0.00	0.00	0.00	0.00	256,700,000.00
Total	475,531,544.00	497,298,575.00	499,402,760.00	499,397,439.00	499,367,597.00	499,631,552.00	500,087,642.00	3,470,717,109.00
(Out of which)	13,129,892.64	13,096,187.16	13,061,813.76	13,026,832.32	12,991,002.36	12,956,816.04	12,934,157.88	91,196,702.16

Performance reserve article 20 of Regulation (EU) No 1303/2013								
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Total indicative amount of support envisaged for climate change objectives	2,937,661,253.00
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10.2. Single EAFRD contribution rate for all measures broken down by type of region as referred to in Article 59(3) of Regulation (EU) No 1305/2013

Article establishing the maximum contribution rate.	Applicable EAFRD Contribution Rate	Min applicable EAFRD cont. rate 2014-2020 (%)	Max applicable EAFRD cont. rate 2014-2020 (%)
Article 59(3)(a) of Regulation (EU) No 1305/2013 - Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	85%	20%	85%
Article 59(3)(d) of Regulation (EU) No 1305/2013 - Other regions	53%	20%	53%

10.3. Breakdown by measure or type of operation with a specific EAFRD contribution rate (in € total period 2014-2020)

10.3.1. M01 - Knowledge transfer and information actions (art 14)

Types of regions and additional allocations		Applicable EAFRD Contribution rate 2014-2020 (%)	Applicable EAFRD Contribution rate with art 59(4)(g) 2014-2020 (%)	Rate applicable to financial instruments under MA responsibility 2014-2020 (%)	Rate applicable to financial instrument under MA responsibility with art 59(4)(g) 2014-2020 (%)	Financial Instruments Indicative EAFRD amount 2014-2020 (€)	Total Union Contribution planned 2014-2020 (€)
Article 59(3)(a) of Regulation (EU) No 1305/2013 - Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	Main	85%					0.00 (2A) 0.00 (3A) 0.00 (3B) 0.00 (5A) 0.00 (5B) 0.00 (5C) 0.00 (5D) 0.00 (6B)
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	100%					0.00 (2A) 0.00 (3A) 0.00 (3B) 0.00 (5A) 0.00 (5B) 0.00 (5C) 0.00 (5D) 0.00 (6B)
	Regulation (EU) No 73/2009 - Article 10b and Article 136	100%					0.00 (2A) 0.00 (3A) 0.00 (3B) 0.00 (5A) 0.00 (5B) 0.00 (5C)

							0.00 (5D)	
							0.00 (6B)	
Article 59(3)(d) of Regulation (EU) No 1305/2013 - Other regions	Main	53%					0.00 (2A)	
							0.00 (3A)	
							0.00 (3B)	
							0.00 (5A)	
							0.00 (5B)	
							0.00 (5C)	
							0.00 (5D)	
	0.00 (6B)							
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	100%						30,000,000.00 (2A)
								3,750,000.00 (3A)
1,250,000.00 (3B)								
625,000.00 (5A)								
625,000.00 (5B)								
625,000.00 (5C)								
625,000.00 (5D)								
30,000,000.00 (6B)								
Regulation (EU) No 73/2009 - Article 10b and Article 136	100%						0.00 (2A)	
							0.00 (3A)	
							0.00 (3B)	
							0.00 (5A)	
							0.00 (5B)	
							0.00 (5C)	
							0.00 (5D)	
0.00 (6B)								
Total						0.00	67,500,000.00	

10.3.2. M02 - Advisory services, farm management and farm relief services (art 15)

Types of regions and additional allocations		Applicable EAFRD Contribution rate 2014-2020 (%)	Applicable EAFRD Contribution rate with art 59(4)(g) 2014-2020 (%)	Rate applicable to financial instruments under MA responsibility 2014-2020 (%)	Rate applicable to financial instrument under MA responsibility with art 59(4)(g) 2014-2020 (%)	Financial Instruments Indicative EAFRD amount 2014-2020 (€)	Total Union Contribution planned 2014-2020 (€)
Article 59(3)(a) of Regulation (EU) No 1305/2013 - Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	Main	85%					0.00 (2A) 0.00 (2B) 0.00 (3A) 0.00 (3B) 0.00 (5A) 0.00 (5B) 0.00 (5C) 0.00 (5D) 0.00 (6B) 0.00 (P4)
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	100%					0.00 (2A) 0.00 (2B) 0.00 (3A) 0.00 (3B) 0.00 (5A) 0.00 (5B) 0.00 (5C) 0.00 (5D) 0.00 (6B) 0.00 (P4)
	Regulation (EU) No 73/2009 - Article 10b and Article 136	100%					0.00 (2A) 0.00 (2B) 0.00 (3A)

							0.00 (3B)
							0.00 (5A)
							0.00 (5B)
							0.00 (5C)
							0.00 (5D)
							0.00 (6B)
							0.00 (P4)
Article 59(3)(d) of Regulation (EU) No 1305/2013 - Other regions	Main	53%					0.00 (2A)
							0.00 (2B)
							0.00 (3A)
							0.00 (3B)
							0.00 (5A)
							0.00 (5B)
							0.00 (5C)
							0.00 (5D)
							0.00 (6B)
							0.00 (P4)
Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013		100%					7,500,000.00 (2A)
							625,000.00 (2B)
							1,250,000.00 (3A)
							1,875,000.00 (3B)
							312,500.00 (5A)
							312,500.00 (5B)
							312,500.00 (5C)
							312,500.00 (5D)
							14,375,000.00 (6B)
							18,750,000.00 (P4)
Regulation (EU) No 73/2009 - Article 10b and Article 136		100%					0.00 (2A)
							0.00 (2B)
							0.00 (3A)
							0.00 (3B)

							0.00 (5A)
							0.00 (5B)
							0.00 (5C)
							0.00 (5D)
							0.00 (6B)
							0.00 (P4)
Total							0.00
							45,625,000.00

10.3.3. M04 - Investments in physical assets (art 17)

Types of regions and additional allocations		Applicable EAFRD Contribution rate 2014-2020 (%)	Applicable EAFRD Contribution rate with art 59(4)(g) 2014-2020 (%)	Rate applicable to financial instruments under MA responsibility 2014-2020 (%)	Rate applicable to financial instrument under MA responsibility with art 59(4)(g) 2014-2020 (%)	Financial Instruments Indicative EAFRD amount 2014-2020 (€)	Total Union Contribution planned 2014-2020 (€)
Article 59(3)(a) of Regulation (EU) No 1305/2013 - Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	Main	85%					0.00 (2A) 0.00 (5A) 0.00 (5B) 0.00 (5C) 0.00 (5D) 0.00 (P4)
	Article 59(4)(b) of Regulation (EU) No 1305/2013 - Operations contributing to the objectives of environment and climate change mitigation and adaptation under Article 17, points (a) and (b) of Article 21(1), Articles 28, 29, 30, 31 and 34	75%					0.00 (2A) 0.00 (5A) 0.00 (5B) 0.00 (5C) 0.00 (5D) 0.00 (P4)
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	100%					0.00 (2A) 0.00 (5A) 0.00 (5B) 0.00 (5C) 0.00 (5D) 0.00 (P4)
	Regulation (EU) No 73/2009 - Article 10b	100%					0.00 (2A)

	and Article 136						0.00 (5A) 0.00 (5B) 0.00 (5C) 0.00 (5D) 0.00 (P4)
Article 59(3)(d) of Regulation (EU) No 1305/2013 - Other regions	Main	53%					0.00 (2A) 0.00 (5A) 0.00 (5B) 0.00 (5C) 0.00 (5D) 0.00 (P4)
	Article 59(4)(b) of Regulation (EU) No 1305/2013 - Operations contributing to the objectives of environment and climate change mitigation and adaptation under Article 17, points (a) and (b) of Article 21(1), Articles 28, 29, 30, 31 and 34	75%					0.00 (2A) 0.00 (5A) 0.00 (5B) 0.00 (5C) 0.00 (5D) 0.00 (P4)
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	100%					58,750,000.00 (2A) 7,500,000.00 (5A) 3,750,000.00 (5B) 3,750,000.00 (5C) 3,750,000.00 (5D) 238,825,128.00 (P4)
	Regulation (EU) No 73/2009 - Article 10b and Article 136	100%					0.00 (2A) 0.00 (5A) 0.00 (5B) 0.00 (5C)

							0.00 (5D)
							0.00 (P4)
Total						0.00	316,325,128.00

Total Union contribution reserved for operations falling within the scope of (EU) No 1305/2013 Article 59(6)							257,575,128.00
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10.3.4. M06 - Farm and business development (art 19)

Types of regions and additional allocations		Applicable EAFRD Contribution rate 2014-2020 (%)	Applicable EAFRD Contribution rate with art 59(4)(g) 2014-2020 (%)	Rate applicable to financial instruments under MA responsibility 2014-2020 (%)	Rate applicable to financial instrument under MA responsibility with art 59(4)(g) 2014-2020 (%)	Financial Instruments Indicative EAFRD amount 2014-2020 (€)	Total Union Contribution planned 2014-2020 (€)
Article 59(3)(a) of Regulation (EU) No 1305/2013 - Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	Main	85%					0.00 (2A) 0.00 (2B) 0.00 (6A)
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	100%					0.00 (2A) 0.00 (2B) 0.00 (6A)
	Regulation (EU) No 73/2009 - Article 10b and Article 136	100%					0.00 (2A) 0.00 (2B) 0.00 (6A)
Article 59(3)(d) of Regulation (EU) No 1305/2013 - Other regions	Main	53%					0.00 (2A) 0.00 (2B) 0.00 (6A)
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation	100%					0.00 (2A) 12,500,000.00 (2B) 93,125,000.00 (6A)

	(EU) No 1307/2013						
	Regulation (EU) No 73/2009 - Article 10b and Article 136	100%					0.00 (2A) 0.00 (2B) 0.00 (6A)
Total						0.00	105,625,000.00

10.3.5. M07 - Basic services and village renewal in rural areas (art 20)

Types of regions and additional allocations		Applicable EAFRD Contribution rate 2014-2020 (%)	Applicable EAFRD Contribution rate with art 59(4)(g) 2014-2020 (%)	Rate applicable to financial instruments under MA responsibility 2014-2020 (%)	Rate applicable to financial instrument under MA responsibility with art 59(4)(g) 2014-2020 (%)	Financial Instruments Indicative EAFRD amount 2014-2020 (€)	Total Union Contribution planned 2014-2020 (€)
Article 59(3)(a) of Regulation (EU) No 1305/2013 - Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	Main	85%					0.00 (6B) 0.00 (6C) 0.00 (P4)
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	100%					0.00 (6B) 0.00 (6C) 0.00 (P4)
	Regulation (EU) No 73/2009 - Article 10b and Article 136	100%					0.00 (6B) 0.00 (6C) 0.00 (P4)
Article 59(3)(d) of Regulation (EU) No 1305/2013 - Other regions	Main	53%					0.00 (6B) 0.00 (6C) 0.00 (P4)
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation	100%					39,325,000.00 (6B) 19,425,000.00 (6C) 27,875,000.00 (P4)

	(EU) No 1307/2013						
	Regulation (EU) No 73/2009 - Article 10b and Article 136	100%					0.00 (6B) 0.00 (6C) 0.00 (P4)
Total						0.00	86,625,000.00

10.3.6. M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)

Types of regions and additional allocations		Applicable EAFRD Contribution rate 2014-2020 (%)	Applicable EAFRD Contribution rate with art 59(4)(g) 2014-2020 (%)	Rate applicable to financial instruments under MA responsibility 2014-2020 (%)	Rate applicable to financial instrument under MA responsibility with art 59(4)(g) 2014-2020 (%)	Financial Instruments Indicative EAFRD amount 2014-2020 (€)	Total Union Contribution planned 2014-2020 (€)
Article 59(3)(a) of Regulation (EU) No 1305/2013 - Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	Main	85%					0.00 (5C) 0.00 (5E) 0.00 (P4)
	Article 59(4)(b) of Regulation (EU) No 1305/2013 - Operations contributing to the objectives of environment and climate change mitigation and adaptation under Article 17, points (a) and (b) of Article 21(1), Articles 28, 29, 30, 31 and 34	75%					0.00 (5C) 0.00 (5E) 0.00 (P4)
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	100%					0.00 (5C) 0.00 (5E) 0.00 (P4)
	Regulation (EU) No 73/2009 - Article 10b and Article 136	100%					0.00 (5C) 0.00 (5E) 0.00 (P4)

Article 59(3)(d) of Regulation (EU) No 1305/2013 - Other regions	Main	53%					0.00 (5C) 0.00 (5E) 0.00 (P4)
	Article 59(4)(b) of Regulation (EU) No 1305/2013 - Operations contributing to the objectives of environment and climate change mitigation and adaptation under Article 17, points (a) and (b) of Article 21(1), Articles 28, 29, 30, 31 and 34	75%					0.00 (5C) 0.00 (5E) 0.00 (P4)
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	100%					5,000,000.00 (5C) 0.00 (5E) 207,757,793.00 (P4)
	Regulation (EU) No 73/2009 - Article 10b and Article 136	100%					0.00 (5C) 0.00 (5E) 0.00 (P4)
Total							0.00 212,757,793.00

10.3.7. M10 - Agri-environment-climate (art 28)

Types of regions and additional allocations		Applicable EAFRD Contribution rate 2014-2020 (%)	Applicable EAFRD Contribution rate with art 59(4)(g) 2014-2020 (%)	Rate applicable to financial instruments under MA responsibility 2014-2020 (%)	Rate applicable to financial instrument under MA responsibility with art 59(4)(g) 2014-2020 (%)	Financial Instruments Indicative EAFRD amount 2014-2020 (€)	Total Union Contribution planned 2014-2020 (€)
Article 59(3)(a) of Regulation (EU) No 1305/2013 - Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	Main	85%					0.00 (5E) 74,375,000.00 (P4)
	Article 59(4)(b) of Regulation (EU) No 1305/2013 - Operations contributing to the objectives of environment and climate change mitigation and adaptation under Article 17, points (a) and (b) of Article 21(1), Articles 28, 29, 30, 31 and 34	75%					0.00 (5E) 0.00 (P4)
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	100%					0.00 (5E) 0.00 (P4)
	Regulation (EU) No 73/2009 - Article 10b and Article 136	100%					0.00 (5E) 0.00 (P4)
Article 59(3)(d) of Regulation (EU) No 1305/2013 - Other	Main	53%				0.00 (5E) 0.00 (P4)	

regions	Article 59(4)(b) of Regulation (EU) No 1305/2013 - Operations contributing to the objectives of environment and climate change mitigation and adaptation under Article 17, points (a) and (b) of Article 21(1), Articles 28, 29, 30, 31 and 34	75%					0.00 (5E) 1,445,570,036.00 (P4)
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	100%					0.00 (5E) 546,584,693.00 (P4)
	Regulation (EU) No 73/2009 - Article 10b and Article 136	100%					0.00 (5E) 256,700,000.00 (P4)
Total							0.00 2,323,229,729.00

10.3.8. M11 - Organic farming (art 29)

Types of regions and additional allocations		Applicable EAFRD Contribution rate 2014-2020 (%)	Applicable EAFRD Contribution rate with art 59(4)(g) 2014-2020 (%)	Rate applicable to financial instruments under MA responsibility 2014-2020 (%)	Rate applicable to financial instrument under MA responsibility with art 59(4)(g) 2014-2020 (%)	Financial Instruments Indicative EAFRD amount 2014-2020 (€)	Total Union Contribution planned 2014-2020 (€)
Article 59(3)(a) of Regulation (EU) No 1305/2013 - Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	Main	85%					0.00 (P4)
	Article 59(4)(b) of Regulation (EU) No 1305/2013 - Operations contributing to the objectives of environment and climate change mitigation and adaptation under Article 17, points (a) and (b) of Article 21(1), Articles 28, 29, 30, 31 and 34	75%					0.00 (P4)
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	100%					0.00 (P4)
	Regulation (EU) No 73/2009 - Article 10b and Article 136	100%					0.00 (P4)
Article 59(3)(d) of Regulation (EU) No 1305/2013 - Other regions	Main	53%					0.00 (P4)
	Article 59(4)(b) of Regulation (EU) No	75%					0.00 (P4)

	1305/2013 - Operations contributing to the objectives of environment and climate change mitigation and adaptation under Article 17, points (a) and (b) of Article 21(1), Articles 28, 29, 30, 31 and 34						
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	100%					15,000,000.00 (P4)
	Regulation (EU) No 73/2009 - Article 10b and Article 136	100%					0.00 (P4)
Total						0.00	15,000,000.00

10.3.9. M15 - Forest environmental and climate services and forest conservation (art 34)

Types of regions and additional allocations		Applicable EAFRD Contribution rate 2014-2020 (%)	Applicable EAFRD Contribution rate with art 59(4)(g) 2014-2020 (%)	Rate applicable to financial instruments under MA responsibility 2014-2020 (%)	Rate applicable to financial instrument under MA responsibility with art 59(4)(g) 2014-2020 (%)	Financial Instruments Indicative EAFRD amount 2014-2020 (€)	Total Union Contribution planned 2014-2020 (€)
Article 59(3)(a) of Regulation (EU) No 1305/2013 - Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	Main	85%					0.00 (P4)
	Article 59(4)(b) of Regulation (EU) No 1305/2013 - Operations contributing to the objectives of environment and climate change mitigation and adaptation under Article 17, points (a) and (b) of Article 21(1), Articles 28, 29, 30, 31 and 34	75%					0.00 (P4)
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	100%					0.00 (P4)
	Regulation (EU) No 73/2009 - Article 10b and Article 136	100%					0.00 (P4)
Article 59(3)(d) of Regulation (EU) No 1305/2013 - Other regions	Main	53%					0.00 (P4)
	Article 59(4)(b) of Regulation (EU) No	75%					0.00 (P4)

	1305/2013 - Operations contributing to the objectives of environment and climate change mitigation and adaptation under Article 17, points (a) and (b) of Article 21(1), Articles 28, 29, 30, 31 and 34						
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	100%					26,993,603.00 (P4)
	Regulation (EU) No 73/2009 - Article 10b and Article 136	100%					0.00 (P4)
Total						0.00	26,993,603.00

10.3.10. M16 - Co-operation (art 35)

Types of regions and additional allocations		Applicable EAFRD Contribution rate 2014-2020 (%)	Applicable EAFRD Contribution rate with art 59(4)(g) 2014-2020 (%)	Rate applicable to financial instruments under MA responsibility 2014-2020 (%)	Rate applicable to financial instrument under MA responsibility with art 59(4)(g) 2014-2020 (%)	Financial Instruments Indicative EAFRD amount 2014-2020 (€)	Total Union Contribution planned 2014-2020 (€)
Article 59(3)(a) of Regulation (EU) No 1305/2013 - Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	Main	85%					0.00 (2A) 0.00 (3A) 0.00 (3B) 0.00 (6A) 0.00 (6B) 0.00 (P4)
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	100%					0.00 (2A) 0.00 (3A) 0.00 (3B) 0.00 (6A) 0.00 (6B) 0.00 (P4)
	Regulation (EU) No 73/2009 - Article 10b and Article 136	100%					0.00 (2A) 0.00 (3A) 0.00 (3B) 0.00 (6A) 0.00 (6B) 0.00 (P4)
Article 59(3)(d) of Regulation (EU) No 1305/2013 - Other regions	Main	53%					0.00 (2A) 0.00 (3A) 0.00 (3B) 0.00 (6A)

							0.00 (6B)
							0.00 (P4)
Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	100%						11,875,000.00 (2A)
							11,875,000.00 (3A)
							7,500,000.00 (3B)
							12,500,000.00 (6A)
							12,500,000.00 (6B)
9,000,000.00 (P4)							
Regulation (EU) No 73/2009 - Article 10b and Article 136	100%						0.00 (2A)
							0.00 (3A)
							0.00 (3B)
							0.00 (6A)
							0.00 (6B)
0.00 (P4)							
Total							0.00
							65,250,000.00

10.3.11. M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)

Types of regions and additional allocations		Applicable EAFRD Contribution rate 2014-2020 (%)	Applicable EAFRD Contribution rate with art 59(4)(g) 2014-2020 (%)	Rate applicable to financial instruments under MA responsibility 2014-2020 (%)	Rate applicable to financial instrument under MA responsibility with art 59(4)(g) 2014-2020 (%)	Financial Instruments Indicative EAFRD amount 2014-2020 (€)	Total Union Contribution planned 2014-2020 (€)
Article 59(3)(a) of Regulation (EU) No 1305/2013 - Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	Main	85%					0.00 (6A)
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	100%					0.00 (6A)
	Regulation (EU) No 73/2009 - Article 10b and Article 136	100%					0.00 (6A)
Article 59(3)(d) of Regulation (EU) No 1305/2013 - Other regions	Main	53%					0.00 (6A)
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	100%					173,535,856.00 (6A)
	Regulation (EU) No 73/2009 - Article 10b and Article 136	100%					0.00 (6A)

Total	0.00	173,535,856.00
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10.3.12. M20 - Technical assistance Member States (art 51-54)

Types of regions and additional allocations		Applicable EAFRD Contribution rate 2014-2020 (%)	Applicable EAFRD Contribution rate with art 59(4)(g) 2014-2020 (%)	Rate applicable to financial instruments under MA responsibility 2014-2020 (%)	Rate applicable to financial instrument under MA responsibility with art 59(4)(g) 2014-2020 (%)	Financial Instruments Indicative EAFRD amount 2014-2020 (€)	Total Union Contribution planned 2014-2020 (€)
Article 59(3)(a) of Regulation (EU) No 1305/2013 - Less developed regions & outermost regions and in the smaller Aegean islands within the meaning of Regulation (EEC) No 2019/93	Main	85%					0.00
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	100%					0.00
	Regulation (EU) No 73/2009 - Article 10b and Article 136	100%					0.00
Article 59(3)(d) of Regulation (EU) No 1305/2013 - Other regions	Main	53%					0.00
	Article 59(4)(e) of Regulation (EU) No 1305/2013 - Operations receiving funding from funds transferred to the EAFRD in application of Article 7(2) and Article 14(1) of Regulation (EU) No 1307/2013	100%					32,250,000.00
	Regulation (EU) No 73/2009 - Article 10b and Article 136	100%					0.00

Total	0.00	32,250,000.00
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10.4. Indicative breakdown by measure for each sub-programme

Thematic sub-programme name	Measure	Total Union Contribution planned 2014-2020 (EUR)
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11. INDICATOR PLAN

11.1. Indicator Plan

11.1.1. P1: Fostering knowledge transfer and innovation in agriculture, forestry and rural areas

11.1.1.1. 1A) Fostering innovation, cooperation, and the development of the knowledge base in rural areas

Target indicator(s) 2014-2020

Target indicator name	Target value 2023
T1: percentage of expenditure under Articles 14, 15 and 35 of Regulation (EU) No 1305/2013 in relation to the total expenditure for the RDP (focus area 1A)	4.43
Total RDP planned public expenditures	4,023,448,788.00

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Value
M01 - Knowledge transfer and information actions (art 14)	Total public expenditure € (trainings, farm exchanges, demonstration) (1.1 to 1.3)	67,500,000.00
M02 - Advisory services, farm management and farm relief services (art 15)	Total public expenditure € (2.1 to 2.3)	45,625,000.00
M16 - Co-operation (art 35)	Total public expenditure € (16.1 to 16.9)	65,250,000.00

11.1.1.2. 1B) Strengthening the links between agriculture, food production and forestry and research and innovation, including for the purpose of improved environmental management and performance

Target indicator(s) 2014-2020

Target indicator name	Target value 2023
T2: Total number of cooperation operations supported under the cooperation measure (Article 35 of Regulation (EU) No 1305/2013) (groups, networks/clusters, pilot projects...) (focus area 1B)	135.00

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Value
M16 - Co-operation (art 35)	Nr of EIP operational groups to be supported (establishment and operation) (16.1)	20.00
M16 - Co-operation (art 35)	Nr of other cooperation operations (groups, networks/clusters, pilot projects...) (16.2 to 16.9)	115.00

11.1.1.3. 1C) Fostering lifelong learning and vocational training in the agricultural and forestry sectors

Target indicator(s) 2014-2020

Target indicator name	Target value 2023
T3: Total number of participants trained under Article 14 of Regulation (EU) No 1305/2013 (focus area 1C)	123,255.00

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Value
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Nbr of participants in trainings	123,255.00

11.1.2. P2: Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests

11.1.2.1. 2A) Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification

Target indicator(s) 2014-2020

Target indicator name	Target value 2023
T4: percentage of agricultural holdings with RDP support for investments in restructuring or modernisation (focus area 2A)	3.32
Number of agricultural holdings with RDP support for investments in restructuring or modernisation (focus area 2A)	3,500.00

Context Indicator used as denominator for the target

Context Indicator name	Base year value
17 Agricultural holdings (farms) - total	105,500.00

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Value
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Nbr of participants in trainings	35,700.00
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Total public for training/skills	23,793,000.00
M01 - Knowledge transfer and information actions (art 14)	Total public expenditure € (trainings, farm exchanges, demonstration) (1.1 to 1.3)	30,000,000.00
M02 - Advisory services, farm management and farm relief services (art 15)	Nr of beneficiaries advised (2.1)	8,300.00
M02 - Advisory services, farm management and farm relief services (art 15)	Total public expenditure € (2.1 to 2.3)	7,500,000.00
M04 - Investments in physical assets (art 17)	Nr of holdings supported for investment in agricultural holdings (4.1)	3,500.00
M04 - Investments in physical assets (art 17)	Total public expenditure for investments in infrastructure (4.3)	0.00
M04 - Investments in physical assets (art 17)	Total investment € (public + private)	146,875,000.00
M04 - Investments in physical assets (art 17)	Total public expenditure € (4.1)	58,750,000.00
M04 - Investments in physical assets (art 17)	Total public expenditure €	58,750,000.00
M06 - Farm and business development (art 19)	Nr of beneficiaries (holdings) receiving start up aid development small farms (6.3)	0
M06 - Farm and business development (art 19)	Total investment € (public + private)	0
M06 - Farm and business development (art 19)	Total public expenditure €	0
M16 - Co-operation (art 35)	Total public expenditure € (16.1 to 16.9)	11,875,000.00

11.1.2.2. 2B) Facilitating the entry of adequately skilled farmers into the agricultural sector and, in particular, generational renewal

Target indicator(s) 2014-2020

Target indicator name	Target value 2023
T5: percentage of agricultural holdings with RDP supported business development plan/investments for young farmers (focus area 2B)	0.12
Number of agriculture holdings with RDP supported business development plan/investments for young farmers (focus area 2B)	125.00

Context Indicator used as denominator for the target

Context Indicator name	Base year value
17 Agricultural holdings (farms) - total	105,500.00

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Value
M02 - Advisory services, farm management and farm relief services (art 15)	Nr of beneficiaries advised (2.1)	690.00
M02 - Advisory services, farm management and farm relief services (art 15)	Total public expenditure € (2.1 to 2.3)	625,000.00
M06 - Farm and business development (art 19)	Nr of beneficiaries (holdings) receiving start up aid young farmers (6.1)	125.00
M06 - Farm and business development (art 19)	Nr of beneficiaries (holdings) receiving support for investments in non-agric activities in rural areas (6.4)	55.00
M06 - Farm and business development (art 19)	Nr of beneficiaries (holdings) receiving transfer payment (6.5)	0.00
M06 - Farm and business development (art 19)	Total investment € (public + private)	12,500,000.00
M06 - Farm and business development (art 19)	Total public expenditure € (6.1)	8,750,000.00
M06 - Farm and business development (art 19)	Total public expenditure €	12,500,000.00

11.1.3. P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture

11.1.3.1. 3A) Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and inter-branch organisations

Target indicator(s) 2014-2020

Target indicator name	Target value 2023
T6: percentage of agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations (focus area 3A)	0.05
Number agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations (focus area 3A)	55.00

Context Indicator used as denominator for the target

Context Indicator name	Base year value
17 Agricultural holdings (farms) - total	105,500.00

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Value
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Nbr of participants in trainings	6,700.00
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Total public for training/skills	2,974,000.00
M01 - Knowledge transfer and information actions (art 14)	Total public expenditure € (trainings, farm exchanges, demonstration) (1.1 to 1.3)	3,750,000.00
M02 - Advisory services, farm management and farm relief services (art 15)	Nr of beneficiaries advised (2.1)	1,300.00
M02 - Advisory services, farm management and farm relief services (art 15)	Total public expenditure € (2.1 to 2.3)	1,250,000.00
M16 - Co-operation (art 35)	Nr of agricultural holdings participating in cooperation/local promotion among supply chain actors (16.4)	55.00
M16 - Co-operation (art 35)	Total public expenditure € (16.1 to 16.9)	11,875,000.00

11.1.3.2. 3B) Supporting farm risk prevention and management

Target indicator(s) 2014-2020

Target indicator name	Target value 2023
T7: percentage of farms participating in risk management schemes (focus area 3B)	0
Number of agricultural holdings participating in risk management scheme (focus area 3B)	0

Context Indicator used as denominator for the target

Context Indicator name	Base year value
17 Agricultural holdings (farms) - total	105,500.00

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Value
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Nbr of participants in trainings	2,800.00
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Total public for training/skills	1,250,000.00
M01 - Knowledge transfer and information actions (art 14)	Total public expenditure € (trainings, farm exchanges, demonstration) (1.1 to 1.3)	1,250,000.00
M02 - Advisory services, farm management and farm relief services (art 15)	Nr of beneficiaries advised (2.1)	2,000.00
M02 - Advisory services, farm management and farm relief services (art 15)	Total public expenditure € (2.1 to 2.3)	1,875,000.00
M16 - Co-operation (art 35)	Total public expenditure € (16.1 to 16.9)	7,500,000.00

11.1.4. P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry

Agriculture

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Value
M02 - Advisory services, farm management and farm relief services (art 15)	Nr of beneficiaries advised (2.1)	19,800.00
M02 - Advisory services, farm management and farm relief services (art 15)	Total public expenditure € (2.1 to 2.3)	18,750,000.00
M04 - Investments in physical assets (art 17)	Nr of operations of support for non productive investment (4.4)	35,060.00
M04 - Investments in physical assets (art 17)	Total investment € (public + private)	613,510,692.00
M04 - Investments in physical assets (art 17)	Total public expenditure €	245,404,277.00
M07 - Basic services and village renewal in rural areas (art 20)	Nr of operations supported for drawing up of village development and N2000/HNV area management plans (7.1)	0.00
M07 - Basic services and village renewal in rural areas (art 20)	Total public expenditure (€)	27,875,000.00
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Area (ha) to be afforested (establishment - 8.1)	12,000.00
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.1)	141,186,910.00
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Area (ha) to be established in agro-forestry systems (8.2)	0.00
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.2)	0.00
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.3)	0.00
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.4)	0.00
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.5)	0.00
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.6)	0.00
M10 - Agri-environment-climate (art 28)	Area (ha) under agri-environment-climate (10.1)	2,521,000.00
M10 - Agri-environment-climate (art 28)	Public expenditure for genetic resources conservation (10.2)	0.00
M10 - Agri-environment-climate (art 28)	Total public expenditure (€)	2,895,927,268.00
M11 - Organic farming (art 29)	Area (ha) - conversion to organic farming (11.1)	7,000.00
M11 - Organic farming (art 29)	Area (ha) - maintenance of organic farming (11.2)	250,000.00
M11 - Organic farming (art 29)	Total public expenditure (€)	15,000,000.00
M16 - Co-operation (art 35)	Total public expenditure € (16.1 to 16.9)	9,000,000.00

Forest

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Value
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.1)	0.00
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.2)	0.00
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.3)	7,001,993.00
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.4)	3,316,309.00

M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Nr of beneficiaries for preventive actions (8.3)	750.00
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.5)	61,957,572.00
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Nr of operations (investments improving resilience and value of forest ecosystems) (8.5)	9,000.00
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Areas concerned by investments improving resilience and environmental value of forest ecosystems (8.5)	100,000.00
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.6)	0.00
M15 - Forest environmental and climate services and forest conservation (art 34)	Areas under forest environment contracts (15.1)	90,000.00
M15 - Forest environmental and climate services and forest conservation (art 34)	Total public expenditure (€)	26,993,603.00
M15 - Forest environmental and climate services and forest conservation (art 34)	Public expenditure for genetic resources actions (15.2)	0.00

11.1.4.1. 4A) Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints and high nature value farming, as well as the state of European landscapes

Agriculture

Target indicator(s) 2014-2020

Target indicator name	Target value 2023
T9: percentage of agricultural land under management contracts supporting biodiversity and/or landscapes (focus area 4A)	27.38
Agricultural land under management contracts supporting biodiversity and/or landscapes (ha) (focus area 4A)	2,469,000.00

Context Indicator used as denominator for the target

Context Indicator name	Base year value
18 Agricultural Area - total UAA	9,018,000.00

Forest

Target indicator(s) 2014-2020

Target indicator name	Target value 2023
T8: percentage of forest/other wooded area under management contracts supporting biodiversity (focus area 4A)	11.15
Forest/other wooded area under management contracts supporting biodiversity (ha) (focus area 4A)	145,000.00

Context Indicator used as denominator for the target

Context Indicator name	Base year value
29 Forest and other wooded land (FOWL) (000) - total	1,300.00

11.1.4.2. 4B) Improving water management, including fertiliser and pesticide management

Agriculture

Target indicator(s) 2014-2020

Target indicator name	Target value 2023
T10: percentage of agricultural land under management contracts to improve water management (focus area 4B)	23.22
Agricultural land under management contracts to improve water management (ha) (focus area 4B)	2,094,000.00

Context Indicator used as denominator for the target

Context Indicator name	Base year value
18 Agricultural Area - total UAA	9,018,000.00

Forest

Target indicator(s) 2014-2020

Target indicator name	Target value 2023
T11: percentage of forestry land under management contracts to improve water management (focus area 4B)	7.69
Forestry land under management contracts to improve water management (ha) (focus area 4B)	100,000.00

Context Indicator used as denominator for the target

Context Indicator name	Base year value
29 Forest and other wooded land (FOWL) (000) - total	1,300.00

11.1.4.3. 4C) Preventing soil erosion and improving soil management

Agriculture

Target indicator(s) 2014-2020

Target indicator name	Target value 2023
T12: percentage of agricultural land under management contracts to improve soil management and/or prevent soil erosion (focus area 4C)	25.09
Agricultural land under management contracts to improve soil management and/or prevent soil erosion (ha) (focus area 4C)	2,263,000.00

Context Indicator used as denominator for the target

Context Indicator name	Base year value
18 Agricultural Area - total UAA	9,018,000.00

Forest

Target indicator(s) 2014-2020

Target indicator name	Target value 2023
T13: percentage of forestry land under management contracts to improve soil management and/or prevent soil erosion (focus area 4C)	3.85
Forestry land under management contracts to improve soil management and/or prevent soil erosion (ha) (focus area 4C)	50,000.00

Context Indicator used as denominator for the target

Context Indicator name	Base year value
29 Forest and other wooded land (FOWL) (000) - total	1,300.00

11.1.5. P5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors

11.1.5.1. 5A) Increasing efficiency in water use by agriculture

Target indicator(s) 2014-2020

Target indicator name	Target value 2023
T14: percentage of irrigated land switching to more efficient irrigation system (focus area 5A)	0.99
Irrigated land switching to more efficient irrigation system (ha) (focus area 5A)	600.00

Context Indicator used as denominator for the target

Context Indicator name	Base year value
20 Irrigated Land - total	60,780.00

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Value
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Nbr of participants in trainings	900.00
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Total public for training/skills	495,000.00
M01 - Knowledge transfer and information actions (art 14)	Total public expenditure € (trainings, farm exchanges, demonstration) (1.1 to 1.3)	625,000.00
M02 - Advisory services, farm management and farm relief services (art 15)	Nr of beneficiaries advised (2.1)	340.00
M02 - Advisory services, farm management and farm relief services (art 15)	Total public expenditure € (2.1 to 2.3)	312,500.00
M04 - Investments in physical assets (art 17)	Nr of operations supported for investment (4.1, 4.3)	135.00
M04 - Investments in physical assets (art 17)	Area (ha) concerned by investments for saving water (e.g. more efficient irrigation systems...)	600.00
M04 - Investments in physical assets (art 17)	Total investment € (public + private)	18,750,000.00
M04 - Investments in physical assets (art 17)	Total public expenditure €	7,500,000.00

11.1.5.2. 5B) Increasing efficiency in energy use in agriculture and food processing

Target indicator(s) 2014-2020

Target indicator name	Target value 2023
T15: Total investment for energy efficiency (€) (focus area 5B)	9,375,000.00

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Value
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Nbr of participants in trainings	900.00
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Total public for training/skills	495,000.00
M01 - Knowledge transfer and information actions (art 14)	Total public expenditure € (trainings, farm exchanges, demonstration) (1.1 to 1.3)	625,000.00
M02 - Advisory services, farm management and farm relief services (art 15)	Nr of beneficiaries advised (2.1)	340.00
M02 - Advisory services, farm management and farm relief services (art 15)	Total public expenditure € (2.1 to 2.3)	312,500.00
M04 - Investments in physical assets (art 17)	Nr of operations supported for investment (in agricultural holdings, in processing and marketing of ag. products) (4.1, 4.2 and 4.3)	440.00
M04 - Investments in physical assets (art 17)	Total investment € (public + private)	9,375,000.00
M04 - Investments in physical assets (art 17)	Total public expenditure €	3,750,000.00

11.1.5.3. 5C) Facilitating the supply and use of renewable sources of energy, of by products, wastes, residues and other non food raw material for the purposes of the bio-economy

Target indicator(s) 2014-2020

Target indicator name	Target value 2023
T16: Total investment in renewable energy production (€) (focus area 5C)	21,875,000.00

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Value
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Nbr of participants in trainings	900.00
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Total public for training/skills	495,000.00
M01 - Knowledge transfer and information actions (art 14)	Total public expenditure € (trainings, farm exchanges, demonstration) (1.1 to 1.3)	625,000.00
M02 - Advisory services, farm management and farm relief services (art 15)	Nr of beneficiaries advised (2.1)	340.00
M02 - Advisory services, farm management and farm relief services (art 15)	Total public expenditure € (2.1 to 2.3)	312,500.00
M04 - Investments in physical assets (art 17)	Nr of operations supported for investment (4.1, 4.3)	35.00
M04 - Investments in physical assets (art 17)	Total investment € (public + private)	9,375,000.00
M04 - Investments in physical assets (art 17)	Total public expenditure €	3,750,000.00
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.1)	0.00
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.2)	0.00
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.3)	0.00
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.4)	0.00
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.5)	0.00
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.6)	5,000,000.00
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Nr of operations for investments in forestry technology and primary processing/marketing (8.6)	360.00
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total investment € (public + private) (8.6)	12,500,000.00

11.1.5.4. 5D) Reducing green house gas and ammonia emissions from agriculture

Target indicator(s) 2014-2020

Target indicator name	Target value 2023
LU concerned by investments in live-stock management in view of reducing GHG and/or ammonia emissions (focus area 5D)	20,000.00
T17: percentage of LU concerned by investments in live-stock management in view of reducing GHG and/or ammonia emissions (focus area 5D)	0.26
T18: percentage of agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions (focus area 5D)	0.00
Agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions (ha) (focus area 5D)	0.00

Context Indicator used as denominator for the target

Context Indicator name	Base year value
21 Livestock units - total	7,828,260.00
18 Agricultural Area - total UAA	9,018,000.00

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Value
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Nbr of participants in trainings	900.00
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Total public for training/skills	495,000.00
M01 - Knowledge transfer and information actions (art 14)	Total public expenditure € (trainings, farm exchanges, demonstration) (1.1 to 1.3)	625,000.00
M02 - Advisory services, farm management and farm relief services (art 15)	Nr of beneficiaries advised (2.1)	340.00
M02 - Advisory services, farm management and farm relief services (art 15)	Total public expenditure € (2.1 to 2.3)	312,500.00
M04 - Investments in physical assets (art 17)	Nr of operations supported for investment (e.g. manure storage, manure treatment) (4.1, 4.4 and 4.3)	400.00
M04 - Investments in physical assets (art 17)	LU concerned by investment in livestock management in view of reducing GHG and ammonia emissions	20,000.00
M04 - Investments in physical assets (art 17)	Total investment € (public + private)	9,375,000.00
M04 - Investments in physical assets (art 17)	Total public expenditure €	3,750,000.00

11.1.5.5. 5E) Fostering carbon conservation and sequestration in agriculture and forestry

Target indicator(s) 2014-2020

Target indicator name	Target value 2023
T19: percentage of agricultural and forest land under management contracts contributing to carbon sequestration and conservation (focus area 5E)	0.00
Agricultural and forest land under management to foster carbon sequestration/conservation (ha) (focus area 5E)	0.00

Context Indicator used as denominator for the target

Context Indicator name	Base year value
18 Agricultural Area - total UAA	9,018,000.00
29 Forest and other wooded land (FOWL) (000) - total	1,300.00

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Value
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Area (ha) to be afforested (establishment - 8.1)	0
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.1)	0
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Area (ha) to be established in agro-forestry systems (8.2)	0
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.2)	0
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.3)	0
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.4)	0
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.5)	0
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Nr of operations (investments improving resilience and value of forest ecosystems) (8.5)	0
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.6)	0
M10 - Agri-environment-climate (art 28)	Area (ha) under agri-environment-climate for carbon sequestration	0
M10 - Agri-environment-climate (art 28)	Total public expenditure (€)	0

11.1.6. P6: Promoting social inclusion, poverty reduction and economic development in rural areas

11.1.6.1. 6A) Facilitating diversification, creation and development of small enterprises, as well as job creation

Target indicator(s) 2014-2020

Target indicator name	Target value 2023
T20: Jobs created in supported projects (focus area 6A)	0.00

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Value
M06 - Farm and business development (art 19)	Nr of beneficiaries (holdings) receiving start up aid/support for investment in non-agric activities in rural areas (6.2 and 6.4)	2,865.00
M06 - Farm and business development (art 19)	Total investment € (public + private)	196,174,839.00
M06 - Farm and business development (art 19)	Total public expenditure €	93,125,000.00
M16 - Co-operation (art 35)	Total public expenditure € (16.1 to 16.9)	12,500,000.00
M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)	Number of LAGs selected	70.00
M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)	Population covered by LAG	8,190,000.00
M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)	Total public expenditure (€) - preparatory support (19.1)	0.00
M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)	Total public expenditure (€) - support for implementation of operations under the CLLD strategy (19.2)	141,040,000.00
M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)	Total public expenditure (€) - preparation and implementation of cooperation activities of the local action group (19.3)	1,535,856.00
M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)	Total public expenditure (€) - support for running costs and animation (19.4)	30,960,000.00

11.1.6.2. 6B) Fostering local development in rural areas

Target indicator(s) 2014-2020

Target indicator name	Target value 2023
Net population benefiting from improved services	118,000.00
T21: percentage of rural population covered by local development strategies (focus area 6B)	0.00
Rural population covered by local development strategies (focus area 6B)	0.00
T22: percentage of rural population benefiting from improved services/infrastructures (focus area 6B)	0.97
T23: Jobs created in supported projects (Leader) (focus area 6B)	0.00

Context Indicator used as denominator for the target

Context Indicator name	Base year value
1 Population - rural	0.34
1 Population - intermediate	22.51
1 Population - total	53,138,078.00

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Value
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Nbr of participants in trainings	74,455.00
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Total public for training/skills	30,000,000.00
M01 - Knowledge transfer and information actions (art 14)	Total public expenditure € (trainings, farm exchanges, demonstration) (1.1 to 1.3)	30,000,000.00
M02 - Advisory services, farm management and farm relief services (art 15)	Nr of beneficiaries advised (2.1)	39,930.00
M02 - Advisory services, farm management and farm relief services (art 15)	Total public expenditure € (2.1 to 2.3)	14,375,000.00
M07 - Basic services and village renewal in rural areas (art 20)	Nr of operations supported for drawing up of village development and N2000/HNV area management plans (7.1)	0.00
M07 - Basic services and village renewal in rural areas (art 20)	Nr of operations supported for investments of small scale infrastructure, including investments in renewable energy and energy saving (7.2)	75.00
M07 - Basic services and village renewal in rural areas (art 20)	Nr of operations supported for investments in local basic services for the rural population (7.4)	0.00
M07 - Basic services and village renewal in rural areas (art 20)	Nr of operations supported for investments in recreational/tourist infrastructure (7.5)	110.00
M07 - Basic services and village renewal in rural areas (art 20)	Nr of operations supported for studies/investments in rural cultural and natural heritage, incl HNV sites (7.6)	0.00
M07 - Basic services and village renewal in rural areas (art 20)	Nr of operations supported for investments in relocation of activities for environmental/quality of life reasons (7.7)	0.00
M07 - Basic services and village renewal in rural areas (art 20)	Nr of operations Others (7.8)	0.00
M07 - Basic services and village renewal in rural areas (art 20)	Population benefiting from improved services/infrastructures (7.1; 7.2; 7.4; 7.5.;7.6; 7.7)	118,000.00
M07 - Basic services and village renewal in rural areas (art 20)	Total public expenditure (€)	39,325,000.00
M16 - Co-operation (art 35)	Total public expenditure € (16.1 to 16.9)	12,500,000.00

11.1.6.3. 6C) Enhancing the accessibility, use and quality of information and communication technologies (ICT) in rural areas

Target indicator(s) 2014-2020

Target indicator name	Target value 2023
Net population benefiting from improved services	62,480.00
T24: percentage of rural population benefiting from new or improved services/infrastructures (ICT) (focus area 6C)	0.51

Context Indicator used as denominator for the target

Context Indicator name	Base year value
1 Population - rural	0.34
1 Population - intermediate	22.51
1 Population - total	53,138,078.00

Planned output indicator(s) 2014-2020

Measure name	Indicator name	Value
M07 - Basic services and village renewal in rural areas (art 20)	Nr of operations supported for investments in broadband infrastructure and access to broadband, incl e-government services (7.3)	25.00
M07 - Basic services and village renewal in rural areas (art 20)	Population benefiting from new or improved IT infrastructures (e.g. broadband internet)	62,480.00
M07 - Basic services and village renewal in rural areas (art 20)	Total public expenditure (€)	19,425,000.00

11.2. Overview of the planned output and planned expenditure by measure and by focus area (generated automatically)

Measures	Indicators	P2		P3		P4			P5					P6			Total
		2A	2B	3A	3B	4A	4B	4C	5A	5B	5C	5D	5E	6A	6B	6C	
M01	Training/skills acquisition (1.1) - Nbr of participants in trainings	35,700		6,700	2,800				900	900	900	900			74,455		123,255
	Training/skills acquisition (1.1) - Total public for training/skills	23,793,000		2,974,000	1,250,000				495,000	495,000	495,000	495,000			30,000,000		59,997,000
	Total public expenditure € (trainings, farm exchanges, demonstration) (1.1 to 1.3)	30,000,000		3,750,000	1,250,000				625,000	625,000	625,000	625,000			30,000,000		67,500,000
M02	Nr of beneficiaries advised (2.1)	8,300	690	1,300	2,000			19,800	340	340	340	340			39,930		73,380
	Total public expenditure € (2.1 to 2.3)	7,500,000	625,000	1,250,000	1,875,000			18,750,000	312,500	312,500	312,500	312,500			14,375,000		45,625,000
M04	Total investment € (public + private)	146,875,000						613,510,692	18,750,000	9,375,000	9,375,000	9,375,000					807,260,692
	Total public expenditure €	58,750,000						245,404,277	7,500,000	3,750,000	3,750,000	3,750,000					322,904,277
M06	Total investment € (public + private)		12,500,000											196,174,839			208,674,839
	Total public expenditure €		12,500,000											93,125,000			105,625,000
M07	Total public expenditure (€)							27,875,000							39,325,000	19,425,000	86,625,000
M08	Total public expenditure (€) (8.1)							141,186,910			0						141,186,910
	Total public expenditure (€) (8.2)										0						0
	Total public expenditure (€) (8.3)							7,001,993			0						7,001,993

	Total public expenditure (€) (8.4)					3,316,309			0					3,316,309
	Total public expenditure (€) (8.5)					61,957,572			0					61,957,572
	Total public expenditure (€) (8.6)								5,000,000					5,000,000
M10	Area (ha) under agri-environment-climate (10.1)					2,521,000								2,521,000
	Total public expenditure (€)					2,895,927,268								2,895,927,268
M11	Area (ha) - conversion to organic farming (11.1)					7,000								7,000
	Area (ha) - maintenance of organic farming (11.2)					250,000								250,000
	Total public expenditure (€)					15,000,000								15,000,000
M15	Areas under forest environment contracts (15.1)					90,000								90,000
	Total public expenditure (€)					26,993,603								26,993,603
M16	Nr of agricultural holdings participating in cooperation/local promotion among supply chain actors (16.4)			55										55
	Total public expenditure € (16.1 to 16.9)	11,875,000		11,875,000	7,500,000	9,000,000					12,500,000	12,500,000		65,250,000
M19	Number of LAGs selected										70			70
	Population covered by LAG										8,190,000			8,190,000
	Total public expenditure (€) - preparatory support (19.1)										0			0

Total public expenditure (€) - support for implementation of operations under the CLLD strategy (19.2)												141,040,000			141,040,000
Total public expenditure (€) - preparation and implementation of cooperation activities of the local action group (19.3)												1,535,856			1,535,856
Total public expenditure (€) - support for running costs and animation (19.4)												30,960,000			30,960,000

11.3. Secondary effects: identification of potential contributions of Rural Development measures/sub-measures programmed under a given focus area to other focus areas / targets

FA from IP	Measure	P1			P2		P3		P4			P5					P6		
		1A	1B	1C	2A	2B	3A	3B	4A	4B	4C	5A	5B	5C	5D	5E	6A	6B	6C
2A	M01 - Knowledge transfer and information actions (art 14)	X	X	X	P	X											X	X	
	M02 - Advisory services, farm management and farm relief services (art 15)	X	X		P	X											X	X	
	M04 - Investments in physical assets (art 17)	X	X		P												X	X	
	M06 - Farm and business development (art 19)				P														
	M16 - Co-operation (art 35)		X		P		X		X						X				
2B	M02 - Advisory services, farm management and farm relief services (art 15)	X	X		X	P											X	X	
	M06 - Farm and business development (art 19)				X	P											X	X	
3A	M01 - Knowledge transfer and information actions (art 14)	X	X	X	X		P										X	X	
	M02 - Advisory services, farm management and farm relief services (art 15)	X	X		X		P										X	X	
	M16 - Co-operation (art 35)				X		P	X											
3B	M01 - Knowledge transfer and information actions (art 14)	X	X	X	X	X		P									X	X	
	M02 - Advisory services, farm management and farm relief services (art 15)	X	X		X			P									X	X	
	M16 - Co-operation (art 35)				X			P											
5A	M01 - Knowledge transfer and information actions (art 14)	X	X	X	X				X	X	X	P					X	X	
	M02 - Advisory services, farm management and farm relief services (art 15)	X	X		X				X	X	X	P					X	X	
	M04 - Investments in physical assets (art 17)				X				X	X	X	P							
5B	M01 - Knowledge transfer and information actions (art 14)	X	X	X	X				X	X	X		P				X	X	
	M02 - Advisory services, farm management and farm relief services (art 15)	X	X		X				X	X	X		P				X	X	
	M04 - Investments in physical assets (art 17)				X				X	X	X		P						

5C	M01 - Knowledge transfer and information actions (art 14)	X	X	X	X					X	X	X					P			X	X		
	M02 - Advisory services, farm management and farm relief services (art 15)	X	X		X	X				X	X	X						P			X	X	
	M04 - Investments in physical assets (art 17)	X	X		X					X	X	X						P			X	X	
	M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	X			X		X	X			X		X					P		X	X	X	
5D	M01 - Knowledge transfer and information actions (art 14)	X	X	X	X					X	X	X						P			X	X	
	M02 - Advisory services, farm management and farm relief services (art 15)	X	X		X					X	X	X						P			X	X	
	M04 - Investments in physical assets (art 17)				X					X	X	X						P					
5E	M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)																		P				
	M10 - Agri-environment-climate (art 28)																		P				
6A	M06 - Farm and business development (art 19)	X																			P	X	
	M16 - Co-operation (art 35)	X																				P	
	M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)	X	X		X													X				P	X
6B	M01 - Knowledge transfer and information actions (art 14)	X																			X	P	X
	M02 - Advisory services, farm management and farm relief services (art 15)	X																			X	P	X
	M07 - Basic services and village renewal in rural areas (art 20)	X													X	X					X	P	
	M16 - Co-operation (art 35)	X																					P
6C	M07 - Basic services and village renewal in rural areas (art 20)	X																			X	X	P
P4 (FOREST)	M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)										P	P	P				X			X	X		
	M15 - Forest environmental and climate services and forest conservation (art 34)										P	P	P							X			
P4 (AGRI)	M02 - Advisory services, farm management and farm relief services (art 15)										P	P	P					X	X				
	M04 - Investments in physical assets (art 17)										P	P	P					X	X				
	M07 - Basic services and village renewal in rural areas (art 20)										P	P	P					X	X				
	M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)										P	P	P					X	X				
	M10 - Agri-environment-climate (art 28)										P	P	P					X	X				

M11 - Organic farming (art 29)									P	P	P				X	X			
M16 - Co-operation (art 35)									P	P	P				X	X			

11.4. Support table to show how environmental measure/schemes are programmed to achieve one (or more) environment/climate targets

11.4.1. Agricultural Land

11.4.1.1. M10 - Agri-environment-climate (art 28)

Type of operation or group of type of operation	AECM typology	Total expenditure (EUR)	Total area (ha) by measure or type of operations	Biodiversity FA 4A	Water management FA 4B	Soil management FA 4C	Reducing GHG and ammonia emissions FA 5D	Carbon sequestration/conservation FA 5E
Site specific agreements and landscape scale/area specific agreements	Better management, reduction of mineral fertilizers and pesticides (inclus. Integrated production)	2,692,000,000.00	2,167,000.00	X	X	X	X	X
Site specific agreements and landscape scale/area specific agreements	Soil cover, ploughing techniques, low tillage, Conservation agriculture	635,000,000.00	284,000.00	X	X	X	X	X
Site specific agreements and landscape scale/area specific agreements	Reduction of drainage, management of wetlands	1,046,000,000.00	1,425,000.00	X	X	X	X	X
Site specific agreements and landscape scale/area specific agreements	Creation, upkeep of ecological features (e.g. field margins, buffer areas, flower strips, hedgerows, trees)	1,977,000,000.00	1,617,000.00	X	X	X	X	X
Site specific agreements and landscape scale/area specific	Maintenance of HNV arable and grassland systems (e.g. mowing techniques, hand	1,885,000,000.00	2,317,000.00	X	X	X	X	X

agreements	labour, leaving of winter stubbles in arable areas), introduction of extensive grazing practices, conversion of arable land to grassland.							
Site specific agreements and landscape scale/area specific agreements	Crop diversification, crop rotation	379,000,000.00	138,000.00	X	X	X	X	X
Site specific agreements and landscape scale/area specific agreements	Animal feed regimes, manure management	136,000,000.00	50,000.00	X	X	X	X	X
Site specific agreements and landscape scale/area specific agreements	Others	179,000,000.00	135,000.00	X	X	X		X

11.4.1.2. M11 - Organic farming (art 29)

Submeasure	Total expenditure (EUR)	Total area (ha) by measure or type of operations	Biodiversity FA 4A	Water management FA 4B	Soil management FA 4C	Reducing GHG and ammonia emissions FA 5D	Carbon sequestration/conservation FA 5E
11.1 - payment to convert to organic farming practices and methods		7,000.00	X	X	X		
11.2 - payment to maintain organic farming practices and methods		250,000.00	X	X	X		

11.4.1.3. M12 - Natura 2000 and Water Framework Directive payments (art 30)

Submeasure	Total expenditure (EUR)	Total area (ha) by measure or type of operations	Biodiversity FA 4A	Water management FA 4B	Soil management FA 4C	Reducing GHG and ammonia emissions FA 5D	Carbon sequestration/conservation FA 5E
12.1 - compensation payment for Natura 2000 agricultural areas							
12.3 - compensation payment for agricultural areas included in river basin management plans							

11.4.1.4. M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)

Submeasure	Total expenditure (EUR)	Total area (ha) by measure or type of operations	Biodiversity FA 4A	Water management FA 4B	Soil management FA 4C	Reducing GHG and ammonia emissions FA 5D	Carbon sequestration/conservation FA 5E
8.1 - support for afforestation/creation of woodland	141,186,910.00	12,000.00	X	X			
8.2 - support for establishment and maintenance of agro-forestry systems							

11.4.2. Forest areas

11.4.2.1. M15 - Forest environmental and climate services and forest conservation (art 34)

Type of operation or group of type of operation	Total expenditure (EUR)	Total area (ha) by measure or type of operations	Biodiversity FA 4A	Water management FA 4B	Soil management FA 4C
Activities to achieve change in the structure or management practices of woodland areas to enhance their delivery of ecosystem services and/or increase their resilience to climate change	26,993,603.00	90,000.00	X	X	

11.4.2.2. M12 - Natura 2000 and Water Framework Directive payments (art 30)

Submeasure	Total expenditure (EUR)	Total area (ha) by measure or type of operations	Biodiversity FA 4A	Water management FA 4B	Soil management FA 4C
12.2 - compensation payment for Natura 2000 forest areas					

11.4.2.3. M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)

Submeasure	Total expenditure (EUR)	Total area (ha) by measure or type of operations	Biodiversity FA 4A	Water management FA 4B	Soil management FA 4C
8.5 - support for investments improving the resilience and environmental value of forest ecosystems	61,957,572.00	100,000.00	X	X	

11.5. Programme-Specific Target and Output

Specific Target indicator(s)

Code	Target Indicator Name	Focus Area	Target value 2023	Unit
PSTI6ANONLEADER	Jobs created in supported projects (Non-Leader) (focus area 6A)	6A	2,865.00	Number of jobs
PSTI6BLEADER%POP	% of population in LEADER LAG	6A	15.41	%
PSTI3B	Number of participants in trainings (focus area 3B)	3B	2,800.00	Number of people
PSTI6BNONLEADER	Jobs created in supported projects (Non-Leader) (focus area 6B)	6B	1,210.00	Number of jobs
PSTI6ALEADER	Jobs created in supported projects (Leader) (focus area 6A)	6A	2,675.00	Number of jobs

Specific Output indicator(s)

Code	Output Indicator Name	Measure	Focus Area	Planned output	Unit
PSOI6Ci	Additional households with broadband access of at least 30 Mbps	M07	6C	26,475.00	Mbps

12. ADDITIONAL NATIONAL FINANCING

For measures and operations falling within the scope of Article 42 of the Treaty, a table on additional national financing per measure in accordance with Article 82 of Regulation (EU) No 1305/2013, including the amounts per measure and indication of compliance with the criteria under RD regulation.

Measure	Additional National Financing during the period 2014-2020 (€)
M01 - Knowledge transfer and information actions (art 14)	0.00
M02 - Advisory services, farm management and farm relief services (art 15)	0.00
M04 - Investments in physical assets (art 17)	6,579,149.00
M06 - Farm and business development (art 19)	0.00
M07 - Basic services and village renewal in rural areas (art 20)	0.00
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	0.00
M10 - Agri-environment-climate (art 28)	77,715,860.00
M11 - Organic farming (art 29)	0.00
M15 - Forest environmental and climate services and forest conservation (art 34)	0.00
M16 - Co-operation (art 35)	0.00
M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)	0.00
M20 - Technical assistance Member States (art 51-54)	0.00
Total	84,295,009.00

12.1. M01 - Knowledge transfer and information actions (art 14)

Indication of compliance of the operations with the criteria under Regulation (EU) No 1305/2013

Not applicable.

12.2. M02 - Advisory services, farm management and farm relief services (art 15)

Indication of compliance of the operations with the criteria under Regulation (EU) No 1305/2013

Not applicable.

12.3. M04 - Investments in physical assets (art 17)

Indication of compliance of the operations with the criteria under Regulation (EU) No 1305/2013

These payments are for educational access onto agricultural holdings.

12.4. M06 - Farm and business development (art 19)

Indication of compliance of the operations with the criteria under Regulation (EU) No 1305/2013

Not applicable.

12.5. M07 - Basic services and village renewal in rural areas (art 20)

Indication of compliance of the operations with the criteria under Regulation (EU) No 1305/2013

Not applicable.

12.6. M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)

Indication of compliance of the operations with the criteria under Regulation (EU) No 1305/2013

Not applicable.

12.7. M10 - Agri-environment-climate (art 28)

Indication of compliance of the operations with the criteria under Regulation (EU) No 1305/2013

The potential to use top-up state aids will be required to cover the element of any payment that exceeds the annual ceiling on co-financed payments for the land type concerned as specified in the Annex to Council Regulation 1305/2014.

12.8. M11 - Organic farming (art 29)

Indication of compliance of the operations with the criteria under Regulation (EU) No 1305/2013

Not applicable.

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12.9. M15 - Forest environmental and climate services and forest conservation (art 34)

Indication of compliance of the operations with the criteria under Regulation (EU) No 1305/2013

Not applicable.

12.10. M16 - Co-operation (art 35)

Indication of compliance of the operations with the criteria under Regulation (EU) No 1305/2013

Not applicable.

12.11. M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)

Indication of compliance of the operations with the criteria under Regulation (EU) No 1305/2013

Not applicable.

12.12. M20 - Technical assistance Member States (art 51-54)

Indication of compliance of the operations with the criteria under Regulation (EU) No 1305/2013

Not applicable.

13. ELEMENTS NEEDED FOR STATE AID ASSESMENT

For the measures and operations which fall outside the scope of Article 42 of the Treaty, the table of aid schemes falling under Article 81(1) of Regulation (EU) No 1305/2013 to be used for the implementation of the programmes, including the title of the aid scheme, as well as the EAFRD contribution, national cofinancing and additional national funding. Compatibility with Union State aid rules must be ensured over the entire duration of the programme.

The table shall be accompanied by a commitment from the Member State that, where required under State aid rules or under specific conditions in a State aid approval decision, such measures will be notified individually pursuant to Article 108(3) of the Treaty.

Measure	Title of the aid scheme	EAFRD (€)	National Cofinancing (€)	Additional National Funding (€)	Total (€)
M01 - Knowledge transfer and information actions (art 14)	Countryside Productivity and ESIF Growth Programme	30,625,000.00			30,625,000.00
M02 - Advisory services, farm management and farm relief services (art 15)	Countryside Productivity and ESIF Growth Programme	15,000,000.00			15,000,000.00
M04 - Investments in physical assets (art 17)	Countryside Stewardship	6,632,423.00			6,632,423.00
M06 - Farm and business development (art 19)	Countryside Productivity and ESIF Growth Programme	93,125,000.00			93,125,000.00
M07 - Basic services and village renewal in rural areas (art 20)	Countryside Stewardship and ESIF Growth Programme	58,750,000.00			58,750,000.00
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Countryside Productivity and Countryside Stewardship	242,622,724.00		5,704,991.00	248,327,715.00
M10 - Agri-environment-climate (art 28)	Not applicable.				
M11 - Organic farming (art 29)	Not applicable.				
M15 - Forest environmental and climate services and forest conservation (art 34)	Countryside Stewardship	26,993,603.00			26,993,603.00
M16 - Co-operation (art 35)	Countryside Productivity, Countryside Stewardship and ESIF Growth Programme	28,125,000.00			28,125,000.00

M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)	LEADER	99,803,099.00			99,803,099.00
M20 - Technical assistance Member States (art 51-54)	Not applicable.				
Total (€)		601,676,849.00	0.00	5,704,991.00	607,381,840.00

13.1. M01 - Knowledge transfer and information actions (art 14)

Title of the aid scheme: Countryside Productivity and ESIF Growth Programme

EAFRD (€): 30,625,000.00

National Cofinancing (€):

Additional National Funding (€):

Total (€): 30,625,000.00

13.1.1.1. Indication:*

Under sub measure 1.1, forestry activity under the Countryside Productivity scheme, state aid cover will apply through ABER Article 38.

Under sub measure 1.1, rural business activity under the ESIF Growth Programme, state aid cover will apply through ABER Article 47.

Under sub measure 1.2, forestry activity under the Countryside Productivity scheme, state aid cover will apply through ABER Article 38.

13.2. M02 - Advisory services, farm management and farm relief services (art 15)

Title of the aid scheme: Countryside Productivity and ESIF Growth Programme

EAFRD (€): 15,000,000.00

National Cofinancing (€):

Additional National Funding (€):

Total (€): 15,000,000.00

13.2.1.1. Indication:*

Under sub measure 2.1, forestry activity under the Countryside Productivity scheme, state aid cover will apply through ABER Article 39.

Under sub measure 2.1, rural business activity under the ESIF Growth Programme, state aid cover will apply through ABER Article 46.

13.3. M04 - Investments in physical assets (art 17)

Title of the aid scheme: Countryside Stewardship

EAFRD (€): 6,632,423.00

National Cofinancing (€):

Additional National Funding (€):

Total (€): 6,632,423.00

13.3.1.1. Indication:*

Under sub measure 4.3, forestry activity under the Countryside Stewardship scheme, state aid cover will apply through ABER 40(9) productive investments or industrial *de minimis*.

13.4. M06 - Farm and business development (art 19)

Title of the aid scheme: Countryside Productivity and ESIF Growth Programme

EAFRD (€): 93,125,000.00

National Cofinancing (€):

Additional National Funding (€):

Total (€): 93,125,000.00

13.4.1.1. Indication:*

Under sub measure 6.2, forestry activity under the Countryside Productivity scheme, state aid cover will apply through ABER Article 45 or industrial *de minimis*.

Under sub measure 6.2, rural business activity under the ESIF Growth Programme, state aid cover will apply through ABER Article 45 or industrial *de minimis*.

Under sub measure 6.4, forestry activity under the ESIF Growth Programme, state aid cover will apply through GBER Article 17(6) or industrial *de minimis*.

Under sub measure 6.4, rural business activity under the ESIF Growth Programme, state aid cover will apply through GBER Article 17(6) or industrial *de minimis*.

13.5. M07 - Basic services and village renewal in rural areas (art 20)

Title of the aid scheme: Countryside Stewardship and ESIF Growth Programme

EAFRD (€): 58,750,000.00

National Cofinancing (€):

Additional National Funding (€):

Total (€): 58,750,000.00

13.5.1.1. Indication:*

Under sub measure 7.2, rural business and communities activity under the ESIF Growth Programme, state aid cover will apply through GBER Article 41 – renewable energy or industrial *de minimis*.

Under sub measure 7.2, rural business and communities activity under the ESIF Growth Programme, state aid cover will apply through GBER Article 46 – district heating and cooling or industrial *de minimis*.

Under sub measure 7.2, rural business and communities activity under the ESIF Growth Programme, state aid cover will apply through GBER Article 49 – environmental studies or industrial *de minimis*.

Under sub measure 7.3, rural communities activity under the ESIF Growth Programme, state aid cover will apply through specific state aid registration, GBER Article 52 or industrial *de minimis*.

Under sub measure 7.4, rural communities activity under the ESIF Growth Programme, state aid cover will apply through GBER Article 53 – culture and heritage conservation or industrial *de minimis*.

Under sub measure 7.4, rural communities activity under the ESIF Growth Programme, state aid cover will apply through GBER Article 55 – sport and recreational infrastructure or industrial *de minimis*.

Under sub measure 7.5, rural business activity under the ESIF Growth Programme, state aid cover will apply through GBER Article 53 – culture and heritage conservation or industrial *de minimis*.

Under sub measure 7.5, rural business activity under the ESIF Growth Programme, state aid cover will apply through GBER Article 55 – multifunctional recreational infrastructure or industrial *de minimis*.

Under sub measure 7.6, rural business activity under the Countryside Stewardship scheme, state aid cover will apply through GBER Article 53 or industrial *de minimis*.

13.6. M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)

Title of the aid scheme: Countryside Productivity and Countryside Stewardship

EAFRD (€): 242,622,724.00

National Cofinancing (€):

Additional National Funding (€): 5,704,991.00

Total (€): 248,327,715.00

13.6.1.1. Indication:*

Under sub measure 8.1, forestry activity under the Countryside Stewardship scheme, state aid cover will apply through ABER Article 32 or industrial *de minimis*.

Under sub measure 8.3, forestry activity under the Countryside Stewardship scheme, state aid cover will apply through ABER Article 34 or industrial *de minimis*.

Under sub measure 8.4, forestry activity under the Countryside Stewardship scheme, state aid cover will apply through ABER Article 34 or industrial *de minimis*.

Under sub measure 8.5, forestry activity under the Countryside Stewardship scheme, state aid cover will apply through ABER Article 35 or industrial *de minimis*.

Under sub measure 8.6, forestry activity under the Countryside Productivity scheme, state aid cover will apply through ABER Article 41.

13.7. M10 - Agri-environment-climate (art 28)

Title of the aid scheme: Not applicable.

EAFRD (€):

National Cofinancing (€):

Additional National Funding (€):

Total (€):

13.7.1.1. Indication:*

Not applicable.

13.8. M11 - Organic farming (art 29)

Title of the aid scheme: Not applicable.

EAFRD (€):

National Cofinancing (€):

Additional National Funding (€):

Total (€):

13.8.1.1. Indication:*

Not applicable.

13.9. M15 - Forest environmental and climate services and forest conservation (art 34)

Title of the aid scheme: Countryside Stewardship

EAFRD (€): 26,993,603.00

National Cofinancing (€):

Additional National Funding (€):

Total (€): 26,993,603.00

13.9.1.1. Indication:*

Under sub measure 15.1, forestry activity under the Countryside Stewardship scheme, state aid cover will apply through ABER Article 37.

13.10. M16 - Co-operation (art 35)

Title of the aid scheme: Countryside Productivity, Countryside Stewardship and ESIF Growth Programme

EAFRD (€): 28,125,000.00

National Cofinancing (€):

Additional National Funding (€):

Total (€): 28,125,000.00

13.10.1.1. Indication:*

Activity under measure 16 will be covered by a specific state aids registration based on the limits set out in sections 2.6 and 3.10 of the European Union Guidelines for State aid in the agricultural and forestry sectors and in rural areas 2014 to 2020.

**13.11. M19 - Support for LEADER local development (CLLD – community-led local development)
(art 35 Regulation (EU) No 1303/2013)**

Title of the aid scheme: LEADER

EAFRD (€): 99,803,099.00

National Cofinancing (€):

Additional National Funding (€):

Total (€): 99,803,099.00

13.11.1.1. Indication:*

To be agreed at European level.

13.12. M20 - Technical assistance Member States (art 51-54)

Title of the aid scheme: Not applicable.

EAFRD (€):

National Cofinancing (€):

Additional National Funding (€):

Total (€):

13.12.1.1. Indication:*

Not applicable.

14. INFORMATION ON COMPLEMENTARITY

14.1. Description of means for the complementarity and coherence with:

14.1.1. Other Union instruments and, in particular with ESI Funds and Pillar 1, including greening, and other instruments of the common agricultural policy

European Structural and Investment Funds

The UK Partnership Agreement sets out the approach adopted in England across all four European Structural and Investment (ESI) Funds, in line with the Common Strategic Framework. The Managing Authorities for each of the ESI Funds have worked together over several years to ensure complementarity in the design, scope, implementation and governance of the Funds. 95% of the ERDF, ESF and 6.4% of EAFRD are to be brought together as the European Growth Programme. Investments under the three funds to support the Government's objectives for economic growth will be co-ordinated both in terms of national policy and local delivery to ensure complementarity.

In terms of governance, co-ordination will be achieved through cross-representation for Managing Authorities (MA) on Programme Monitoring Committees (PMC) for EAFRD and ERDF/ESF, with additional EAFRD MA representation on 39 local sub-committees of the ERDF/ESF PMC.

At a policy level, there are a number of areas in which EAFRD, ERDF and ESF will work complementarily to deliver the objectives of the Common Strategic Framework in England.

By 2017, England expects to achieve 95.5% coverage of superfast Broadband. During the 2014-2020 programming period, RDPE and ERDF will work together to provide limited, targeted support to help extend access to **Broadband (Thematic Objective 2)** in the final hard to reach areas. A plan of infrastructure investments based on an economic analysis taking account of existing private and public infrastructures and planned investments will be prepared, to inform the targeting of investments under each Fund. Precise targeting of investments will not be possible until mapping of the 95.5% areas has been completed in 2015/16.

Support for **enhancing the competitiveness of micro, small and medium-sized businesses (Thematic Objective 3)** will be provided by both the RDPE and the ERDF Programme. ERDF will be the principle source of investment in this area, with a particular focus on support for exporting, business advice and access to equity and debt finance for SMEs, as well as some limited investment in the provision of supported business space for new start-up companies. The RDPE will complement this larger ERDF programme by providing targeted investment both to increase the productivity of farming and forestry businesses, which will not usually be eligible for funding through ERDF; and to support the growth potential of new and existing small and micro-enterprises in rural areas. The RDPE will also support investments in medium-sized agri-food sector businesses, in particular where these deliver added-value to primary producers in the supply chain.

ESI Funds in England will support the development of the markets and innovations that will drive a **shift to a low carbon economy (Thematic Objective 4)**. ERDF will be the primary source of financial support for this thematic objective, with a focus on increasing energy efficiency of businesses, buildings and transport as well as providing investment for small-scale renewables. The RDPE will focus on the role agricultural land management and forestry can play in carbon storage, through agri-environment operations. RDPE will also provide some limited support for climate change mitigation through its productivity investments in the farming sector and through a small programme of investment in rural

renewables.

Promoting climate change adaptation, risk prevention and management (Thematic Objective 5)

will be a focus for both RDPE and ERDF. The RDPE has climate adaptation as a cross-cutting theme, and will contribute significantly to rural adaptation in particular through agri-environmental investments that will increase the resilience of the natural environment, and through support to agricultural and silvicultural businesses to improve their risk management and efficient use of natural resources such as water. The RDPE will also support land managers to deliver activities that help improve flood risk management, both through catchment sensitive farming and dedicated operations around river restoration, flood plain management and uplands peat management. ERDF will be more limited, providing targeted investment to help bridge the investment gap for flood risk mitigation that will benefit potential new and existing under-utilised commercial sites and premises.

Both EAFRD and ERDF will support the **protection of the environment and resource efficiency (Thematic Objective 6)**. The RDPE will be the primary source of funding for environmental objectives, delivered mainly through its extensive programme of investment in agri-environmental operations addressing a range of specific environmental objectives covering air, soil and water quality as well as biodiversity and landscape protection. ERDF will support an increase in Green Infrastructure which refers to the network of high quality green and blue spaces and other environmental features, designed and managed as a multi-functional resource to deliver a range of environmental and quality of life benefits in local areas.

Both the Rural Development Programme (RDPE) and the ESF Programme will support **skills development and training (Thematic Objective 10)**. The ESF Programme will be the primary source of European funding for investing in education, training and vocational training for skills. Through co-operation between Funds under the European Growth Programme, Defra will work to maximise access to ESF-supported training and skills development for rural communities and businesses. The RDPE will offer targeted training, mainly of a technical and vocational nature, to meet the needs of farmers, foresters and other land managers. Reflecting evidence that other rural businesses can face barriers in accessing training needed by their employees, the RDPE will also offer limited support, as a funder of last resort, to address gaps in provision that are holding back the successful growth of rural businesses.

European Maritime and Fisheries Fund (EMFF)

Rural Development and EMFF will complement each other to maximise the potential for financial assistance for the UK fisheries sector and coastal communities. EMFF funding will be focused primarily on supporting the fisheries and aquaculture sectors to implement the new Common Fisheries Policy: Rural Development (and the other ESI Funds) will be available through the growth programme to respond to local opportunities that support the sustainable development of fisheries and coastal communities which tend to experience the same issues as SMEs in other sectors in accessing finance. This will include those wishing to diversify outside of the fisheries and aquaculture sector. Fisheries LAGs and LEADER LAGs will work together where geographical and thematic areas overlap. Environmental measures, which improve water quality inland, delivered through land management objectives will complement the EMFF investment to maintain and restore the natural diversity of the marine ecosystem.

Common Agricultural Policy

Synergies between CAP Pillar 1 and Pillar 2: Both Pillars of the CAP provide measures that can be used to support the environment and the economic position of the farming sector, which are key

objectives of England's Rural Development Programme. In designing its approach to the new CAP Reform package as a whole, England has sought to maximise the simplicity of Pillar 1. Pillar 2 instruments are designed to build on and complement Pillar 1 schemes, but provide greater scope for addressing complex challenges in a more sophisticated way without compromising the efficient delivery of the Basic Payment Scheme.

Within Pillar 1, we have kept the approach to Greening simple and straightforward, setting out a basic level of environmental requirements. The measures set out in Regulation 1307/2013 remain within the framework of the CAP; we have not taken the option to build on these measures through a Certification Scheme.

Beneficiaries of CAP payments across both Pillars will be required to meet the cross compliance conditions of Good Agricultural and Environmental Condition (GAEC) and comply with a number of Statutory Management Requirements (SMR) relating to the environment, public and plant health, animal health and welfare, and livestock identification and tracing. In accordance with the provisions of Article 39 (3) of Council Regulation No 1698/2005, RDPE payments under Environmental Stewardship, the English Woodland Grant Scheme and payments for the establishment of short rotation coppice are only made for activities that go beyond these provisions. Therefore, **there will be no dual funding of activities carried out to meet the requirements of the GAEC from the RDPE.**

Pillar 1 will deliver some environmental benefit, particularly by maintaining 5% of arable land as Ecological Focus Areas. EFAs may be enhanced by voluntary action, supplemented by advice and grants designed to build on the work and interest we know farmers have in undertaking basic environmental measures. For example, we are including a boundaries and features capital grant which builds on the sorts of options/features included in EFA as a way of enhancing them environmentally. Where EFAs coincide with measures of a similar nature under the environmental land management measure, **payment rates will be appropriately abated to avoid the risk of double-funding by applying a methodology which has been independently verified.**

However, the principal means of securing England's environmental objectives under the CAP will be through the broader and more impactful multi-annual agri-environmental agreements delivered under Pillar 2. Our more targeted environmental land management scheme will look to optimise the funding transferred from P1 by prioritising activities in given areas to achieve our key environmental objectives.

England has decided, for the purpose of Pillars 1 and 2, not to designate **Areas facing Natural Constraints** at the moment, but will review the position in 2015. In England in recognition of the particular hardships and problems faced by farmers in upland areas, Pillar 1 direct payment rates per hectare will be approximately equalised between upland and lowland farms, which represents a significant increase for upland farmers on direct payments received in the previous Programme. There will also be an increase of equivalent size in cash terms for farmers in the moorland region.

In line with our objectives to maximise the competitiveness of the farming sector and minimise administration costs, in England, **the minimum claim size for direct payments will be raised**, from 1 ha under the Single Payment Scheme, to 5 ha under CAP reform. This is expected to reduce the number of direct payment claimants by around 15%. However, the change will have no impact on potential applicants for funding under Pillar 2: smaller holdings will still be eligible for agri-environment funding where they are able to demonstrate environmental benefit.

England's Rural Development Programme also prioritises improved productivity and competitiveness in the farming and forestry sectors. A number of Pillar 1 measures are available to **support production**,

including schemes under which payments are linked to production in certain sectors. ‘Coupled support’ can in certain respects promote parallel objectives to agri-environment schemes funded under Pillar 2. However, coupled payments distort the market and the Government has therefore decided not to introduce coupled support within England. Instead, market-oriented productivity improvements, rather than raw production increases, will be targeted through Pillar 2 operations combining training, advice and grants to drive uptake of innovative technologies.

Support for Young Farmers is also joined up across the two Pillars. Young farmers will be able to claim for an increased payment under Pillar 1 through the Basic Payment Scheme (BPS). The Rural Development Programme in Pillar 2 will offer a range of support that young farmers and new entrants will be able to access, including for capital investment, skills and translation of research through the European Innovation Partnership process. Specifically we are considering how business start-up support under Article 19 of the Rural Development Regulation could be combined with advice and mentoring to provide support to those young people who are setting up as a head of holding, so are not yet at the stage of claiming through the Basic Payment Scheme. This will encourage more people into the farming sector or support those already considering becoming head of holding to do so earlier or with greater confidence. We are working with farming organisations in the design of future support and to ensure that young farmers are actively preparing to participate in future schemes.

Producer organisations: England operates a scheme for Producer Organisations in the Fruit and Vegetable sector. Support is provided for these Producer Organisations under the EU market management scheme, which is an element of the ‘common organisation of agricultural markets’. Producer Organisations receive support for implementing operational programmes, based on England’s national strategy, to improve and maintain product quality and meet marketing standards.

Beneficiaries in receipt of support in England under the Fruit and Vegetable Producer Organisation (PO) scheme will not be eligible for support for the same activities under England’s Rural Development Programme. The PO scheme offers longer-term support over a number of years, providing more favourable terms for participants than the RDPE is able to offer.

Both the PO scheme and relevant elements of the RDPE are administered by the Rural Payments Agency, which will operate a number of control checks in order to ensure that there is no double funding of activities. Manual control checks will be applied to applicants in the fruit and vegetable sectors at the point of application to identify and remove from consideration any ineligible applicants. Funding agreements will make clear that any double funding subsequently identified will be reclaimed from the beneficiary.

14.1.2. Where a Member State has opted to submit a national programme and a set of regional programmes as referred to in Article 6(2) of Regulation (EU) No 1305/2013, information on complementarity between them

Not applicable.

14.2. Where relevant, information on the complementarity with other Union instruments, including LIFE

LIFE

We will explore the scope for complementarities between the new Rural Development programme and prospective LIFE projects. Of particular note are the new 'Integrated Projects' within LIFE which will look to mobilise a range of funding, especially from other EU programmes, to maximise the benefits that multiple funds working together could achieve. This synergistic approach to funds would be particularly useful to help deliver our wider objectives for the environment including Natura 2000 objectives and the UK Priority Action Framework, Water Framework Directive objectives and River Basin Catchment Plans, Waste Framework Directive obligations and Waste Spatial Plans, air quality and emissions Directives via National Air Quality Action Plans, EC Climate Change Adaptation Strategy and National Adaptation Plans as well as actions that support national initiatives which reflect the EU aspirations for climate change action mitigation and resource efficiency. In addition the use of financial instruments within LIFE, especially the new Natural Capital Financing Facility offers scope for supporting complementary revenue generating projects such as payment for ecosystem services and green infrastructure as well as biodiversity offsetting.

15. PROGRAMME IMPLEMENTING ARRANGEMENTS

15.1. The designation by the Member State of all authorities referred to in Regulation (EU) No 1305/2013 Article 65(2) and a summary description of the management and control structure of the programme requested under Regulation (EU) No 1303/2013 Article 55(3)(i) and arrangements under Regulation (EU) No 1303/2013 Article 74(3)

15.1.1. Authorities

Authority	Name of the authority	Head of the authority	Address	Email
Managing authority	Department for Environment, Food and Rural Affairs	Sarah Hendry, Director, Rural Development, Sustainable Communities and Crops	Area 1D, 17 Smith Square, London SW1P 3JR	sarah.hendry@defra.gsi.gov.uk
Accredited paying agency	Rural Payments Agency	Mark Grimshaw, Chief Executive, Rural Payments Agency	Room 401 North Gate House, 21-23 Valpy Street, Reading RG1 1AF	mark.grimshaw@rpa.gsi.gov.uk
Coordination body	UK Co-ordinating Body	Michael Cooper, Director, UK Co-ordinating Body	Room 100 North Gate House, 21-23 Valpy Street, Reading RG1 1AF	Michael.cooper-official@ukcb.gsi.gov.uk

15.1.2. Summary description of the management and control structure of the programme and arrangements for the independent examination of complaints

15.1.2.1. Management and control structure

Managing Authority

Defra will be the Managing Authority (MA) for the RDPE. The MA is responsible for the financial management of the programme and will undertake monitoring and evaluation of the programme utilising a secure electronic data management system which forms part of a single CAP Delivery IT system. The MA will work with the Rural Payments Agency (RPA), delivery bodies and the National Rural Network to ensure timely reports are submitted to the Commission; and that they and beneficiaries are informed of their obligations. Defra as MA will submit Annual Reports on implementation by the deadlines established in the RDR, including enhanced Reports in 2017 and 2019, and the ex-post evaluation. It will also establish and support the Programme Monitoring Committee, described in Section 15.2. MA resourcing of financial and programme management remains at the same level as in RDPE 2007-13.

Paying Agency

The RPA will be the single, designated paying agency for the RDPE – responsible for all the tasks specified in Article 6 of the CAP horizontal regulation 1306/2013. 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 agreements with the delivery bodies which will set out the responsibilities and obligations of the paying agency, delivery bodies, and

managing authority.

The level of resources within the RPA to conduct its paying agency and delivery functions will reduce from that under RDPE 2007-2013, but will in part be offset by the introduction of the new IT system that will support delivery across the CAP. The number of transactions and area-related agreements under the programme will also reduce. Socio-economic grants are also likely to be fewer in number and of higher value. It is hoped that this may reduce the level and costs of inspections required, although this will be balanced by an increase in the complexity of the new CAP. The Paying Agency will seek to join up all types of inspections across the CAP, while recognising the need to ensure verification and control of the programme and ensuring inspections are carried out at appropriate times. The level of resources will be kept under review whilst ensuring that sufficient resources are in place to deliver the programme.

Investments under the RDPE will be delivered through the priority areas set out in Chapter 5. Management and control arrangements for these are set out below. In addition, a number of RDPE 2007-13 schemes will continue to be paid out in 2014-20 (see Chapter 19). While these schemes will be delivered separately they will complement each other across the RDPE priorities and focus areas.

Environmental Land Management priorities

Natural England (NE) and the Forestry Commission (FC), both Government agencies of Defra, will deliver our environmental land management priorities. RPA, NE and Forestry Commission will process applications, with RPA executing payment. NE and FC will fulfil their delivery responsibilities under delegated arrangements with the RPA who retain responsibility for all EAFRD transactions as the single paying agency.

The level of resources within Natural England and the Forestry Commission to deliver priorities will reduce from that under the 2007-2013 programme, in part offset by the new IT system and by a reduction in the numbers of transactions and area-related agreements. The level of resources will be kept under review.

The new “mid-tier” offer will work in a similar way to the Entry Level tier under 2007-2013 Environmental Stewardship and will rely heavily on self-service applications to reduce the need for delivery body technical input and advice.

Advice and support will remain important and the aftercare service, which is well regarded by beneficiaries and stakeholders for Higher Tier agreements, will continue.

Socio-economic support

RPA will provide funding through two new socio-economic schemes – the Countryside Productivity scheme delivering support to the farming and forestry sector, which will primarily deliver against RDP Priorities 1, 2, 3 and 5; and the European Growth Programme delivering support to wider rural businesses, which will deliver against RDP Priorities 1, 3 and 6. The RPA will ensure investments are appropriate and controls are in place. The level of resources to support delivery of this aspect of the programme will reduce slightly compared with RDPE 2007-13, in part offset by IT efficiencies. For both these schemes, while demand is likely to remain high, the introduction of bidding rounds and an Expression of Interest for the scheme will allow for the administrative capacity to be managed more effectively. Additionally the schemes will be targeted at larger projects than currently and thus the volume of applications should reduce.

LEADER

The RPA will be responsible for managing delivery of LEADER in line with EU regulations and RDPE policy objectives, including:

- Designing and implementing a competitive process for LEADER in the RDPE 2014-2020, facilitating the establishment of new Local Action Groups (LAGs);
- Supporting transition and 2007-13 closedown activity;
- Ongoing support, advice and performance management for LAGs, monitoring the implementation of the LDS, approving projects and claims; and
- Supporting all audit and compliance activity, where RPA input is required.

LAGs' financial and programme management will be closely monitored by the RPA to ensure the Programme delivers the 5% EAFRD spend target. RPA will ask LEADER groups to demonstrate appropriate administrative capacity to support delivery of their local delivery strategies, whilst drawing on lessons from the existing programme to keep Management and Administrative costs to around 18% of the total LEADER budget.

New IT system and its role in supporting administrative capacity

The CAP is currently delivered through over 40 schemes to approximately 110,000 claimants in England, by three delivery bodies each with its own IT systems and processes. Approximately 66% of applications are currently submitted online. This Programme will deliver a fundamental end-to-end redesign of the whole process, introducing integrated IT solutions with digital delivery as a core design principle. In particular, it will provide the following benefits: improved customer experience; increased efficiency and error reduction; improved co-ordination across CAP Pillars, including cross-compliance and a shared land parcel identification system (LPIS); and reduced exposure to penalties.

Design and implementation are underway, working with the Government Digital Service (GDS). Prototyping of aspects of the solution has already begun, to test key aspects and inform future development. The components of the IT solution have been split into separate (but interlinked) projects to increase the likelihood of involvement of specialist digital partners and support a phased delivery approach. The new CAP schemes are currently expected to start in 2015. The new IT system will be phased in in stages in advance of the timetable for the commencement of new CAP schemes. Existing IT systems will remain in place until the new system is fully operational and information required to support future audit of the 2007-13 programme will be retained.

15.1.2.2. Arrangements for the examination of complaints

Any initial complaint or appeal about the management or delivery of the Rural Development Programme for England will be directed to the person or body having provided the service (this could be the Managing Authority or delivery body). If the response provided to the complaint is considered unsatisfactory by the complainant, then the complaint will be escalated within the responsible body for consideration by a senior official that has not been directly involved with the subject of the complaint, or to an independent third party or arbitration panel, who will make recommendations to Ministers. If the complainant remains unsatisfied with the response depending on the circumstance they are likely to have recourse to the Parliamentary and Health Service Ombudsman, via their elected Member of Parliament.

The Ombudsman will consider complaints about administrative actions taken by public bodies.

15.2. The envisaged composition of the Monitoring Committee

The implementation of the Rural Development Programme for England 2014-20 will be overseen by the Programme Monitoring Committee (PMC), as required by Article 47 of Regulation (EU) No 1303/2013 and Article 74 of Regulation (EU) No 1305/2013.

The structure of 2014-20 PMC will be similar to the PMC established for the 2007-13 programming period with the inclusion of additional stakeholders to ensure coordination with European Structural and Investment (ESI) Funds activity and involvement of bodies responsible for promoting equality and non-discrimination. The EAFRD Managing Authority will be represented on the PMC for ERDF and ESF, to reflect interests in the wider European Growth Programme.

Membership of the PMC is expected to include representation from the following bodies or organisations:

“Competent regional, local, urban and other public authorities”

- Department for Environment, Food and Rural Affairs, as Managing Authority;
- Department for Business, Innovation and Skills (BIS), as the body responsible for the UK Partnership Agreement;
- The Rural Payments Agency, as Paying Agency;
- The Rural Payments Agency, as principal delivery body for socio-economic and rural growth priorities, and as body responsible for the management of LEADER;
- Natural England as the principal delivery body for our environmental land management priorities and for ongoing agri-environment commitments;
- The Forestry Commission, as the principal delivery body for forestry activity;
- The Local Government Association, as the main representative body for local authorities in England;
- The Environment Agency, as a statutory environmental body;
- English Heritage, as a statutory environmental body.

“Economic and social partners” and “bodies representing civil society, including environmental partners, non-governmental organisations”

- Local Enterprise Partnerships;
- LEADER Local Action Groups;
- the National Farmers Union (NFU);
- the Country Land & Business Association (CLA);
- Action with Communities in Rural England (ACRE);
- Campaign to Protect Rural England (CPRE);
- National Parks England;
- the Royal Society for the Protection of Birds (RSPB);
- Wildlife and Countryside Link;
- Heritage Alliance;

- Rural and Farming Networks;
- Local Nature Partnerships;
- the National Trust; and

“bodies responsible for promoting equality and non-discrimination”

- the Equality and Human Rights Commission, or similar representative body.

Defra, in its role as the Programme’s Managing Authority, will chair the Committee. A representative from the new PMC for structural funds will also be formally invited to attend and the European Commission shall participate in the work of the Monitoring Committee in an advisory capacity.

As per Article 48 of Regulation (EU) No 1303/2013 we will ensure that representatives will be delegated to represent their particular organisation or body at the monitoring committee and show that they have done so through “transparent processes”. Partner organisations will also need to be clear in their formal response that they have accepted their membership. Where they are a single body, they will need to show that they have delegated a person as their “expert”. Where they represent a group or network of bodies, they will be required to show how their elected person’s role has been agreed via a formally agreed process.

Final makeup of the PMC will be confirmed at the first meeting following programme approval.

15.3. Provisions to ensure that the programme is publicised, including through the national rural network, making reference to the information and publicity strategy referred to in Article 13 of Implementing Regulation (EU) No 808/2014

The Managing Authority will submit an information and publicity strategy no later than 6 months after the adoption of the Rural Development Programme. The Managing Authority will inform the PMC at least once a year on the progress in the implementation of the information and publicity strategy and on its analysis of the results as well as on the planned information and publicity to be carried out in the following year.

The information and publicity strategy will be shared by the Managing Authority and the delivery partners. Each of the delivery partners will have their own detailed communications plan aimed at their specific target audience. This more detailed activity will be consistent with the overarching plan, and all will work together to ensure effective joining up and co-ordination.

The National Rural Network will support communications activity across the RDPE, making it easier to co-ordinate Programme information to potential beneficiaries. It will continue to offer training and development opportunities to LEADER groups, as well as supporting LEPs in relation to their ESIF funded activity as needed.

The information and publicity strategy developed by the Managing Authority will cover the following:

What the Programme is for and its budget

- the aims and target groups;

- a description of the content of the information and publicity measures;
- the indicative budget of the strategy;
- a description of the administrative bodies, including the staff resources, responsible for implementing the information and publicity measures;
- a description of the role played by the National Rural Network and how its communication plan requested under Art. 52(3) of Regulation (EU) No 1305/2013 will contribute to the implementation of the strategy;
- a description of how the information and publicity measures will be assessed in terms of visibility and awareness of policy framework, programmes and operations, and of the role played by the Funds and the Union; and
- an annual update setting out the information and publicity activities to be carried out in the following year.

Information for the potential beneficiaries

The Managing Authority will ensure that potential beneficiaries have access to relevant and up to date information (taking into account the accessibility of electronic or other communication services for certain potential beneficiaries), on the following:

- the funding opportunities and the launching of calls under the RDP;
- the administrative procedures to be followed in order to qualify for financing under the RDP;
- a description of the procedures for examining applications for financing;
- the eligibility conditions and/or criteria for selecting and evaluating the projects to be financed;
- the names of persons or contacts at national, regional or local level who can explain the way rural development programmes work and the criteria for selecting and evaluating the operations;
- the responsibility of beneficiaries to inform the public about the aim of the operation and the support from the EAFRD to the operation in accordance with section 2 of part I. The Managing Authority may request potential beneficiaries to propose indicative communication activities, proportional to the size of the operation, in the applications;
- a description of the procedures for the examination of complaints under Article 74(3) of Regulation (EU) No 1303/2013.

Information for the general public

The Managing Authority will inform the public of:

- The content of RDP (including its adoption by the Commission and its updates);
- The main achievements in the implementation of the programme and its closure;
- Its contribution to the achievement of the Union objectives as set out in the UK Partnership Agreement.

Website

The Managing Authority will establish a single website or single website portal providing information referred to above, for potential beneficiaries and the general public.

The website will also set out the technical requirements of information and publicity actions.

Involvement of bodies acting as relays

The Managing Authority will ensure, including through the National Rural Network, that bodies that can act as relays are involved in the information measures for potential beneficiaries, and in particular:

- partners as referred to in Article 5 of Regulation (EU) No 1303/2013;
- information centers on Europe, as well as Commission representation offices, and Information offices of the European Parliament in Member States; and
- educational and research institutions.

15.4. Description of mechanisms to ensure coherence with regard to local development strategies implemented under LEADER, activities envisaged under the co-operation measure referred to in Article 35 of Regulation (EU) No 1305/2013, the basic services and village renewal in rural areas measure referred to in Article 20 of that Regulation, and other ESI Funds

Through the **European Structural and Investment Funds (ESIF) Growth Programme (the ‘European Growth Programme’)**, 6.4% of the EU budget available for the RDPE 2014-20 will be aligned with ERDF and ESF Operational Programmes to support socio-economic objectives of job creation and economic growth. This is the main means of ongoing coordination between the ESI Funds in 2014-2020 in England.

The European Growth Programme will be administered by the EU Structural and Investment Fund Managing Authorities. Cross-representation on relevant Programme Monitoring Committees will support effective collaboration at the governance level.

European Growth Programme delivery will be locally targeted, with notional allocations of EAFRD, ERDF and ESF funds made to 39 Local Enterprise Partnership areas. (Local Enterprise Partnerships have been set up by Government to direct domestic investment in growth and job creation; their involvement in the European Growth Programme will help increase co-ordination and coherence of national and European investments at a local level.) Notional funding allocations for EAFRD have been based on a formula taking into account the rural population, weighted for factors including scarcity and economic need.

LEPs and other local partners will play a role in governance both nationally and locally. Formally, this role will operate principally through the Programme Monitoring Committee for the ERDF and ESF Operational Programmes, which will take on an oversight role in relation to the European Growth Programme as a whole. LEPs and other partners will be represented on the national PMC for ERDF/ESF. 39 local sub-committees of the PMC will be established, representing each of the LEP areas and including a broad range of local partners. Membership of all sub-committees will be compliant with the Code of Conduct for Partnership (240/2014) set out under the Common Provisions Regulation (1303/2013). Defra, as EAFRD Managing Authority, will also be represented both on the national PMC and each of its sub-committees.

Each LEP area has drafted a local ESIF strategy, setting out local priorities for growth relating to the national objectives and investment priorities outlined in each of the ESI Funds’ Operational Programmes. Each local ESIF strategy sets out a clear intervention logic for its area, transposing the national overarching strategy into a blueprint for delivery of the Growth Programme in the locality. It sets out the local area’s opportunities and challenges; its priorities for spending the notional allocation of ESI Funds to its area; and the planned outcomes. It forms part of the LEP’s wider Strategic Economic Plan:

LEPs are well-placed to ensure that ESI Funds' investments are aligned and complementary to interventions funded through local public and private sector funding. In the case of Cornwall and Isles of Scilly, as England's only Less Developed Region, an Integrated Territorial Investment (ITI) has been developed covering ERDF and ESF funds allocated to the LEP area. Although EAFRD does not form part of the ITI, Defra will work together with the Managing Authorities for the Structural Funds to ensure effective alignment of EAFRD operations where appropriate.

For EAFRD, LEPs were invited to prepare strategies that addressed the key challenges and opportunities for rural areas, as identified by Government in its assessment of the rural economic situation and described in Chapter 4 of this Programme Document. These included: strengthening the knowledge base and skills in rural areas; supporting new and existing rural SMEs; investing in rural broadband infrastructure and renewable energy; and promoting sustainable rural tourism.

Through the 39 local sub-committees, LEPs and local partners will work together with the Managing Authorities on the development of calls for projects under each Operational Programme. LEPs and local partners will also work with the Managing Authorities on the strategic fit of funding applications received, based on local ESIF strategies.

Within the European Growth Programme, there is no formal delegation of functions or decision making for EAFRD. Defra, as Managing Authority, will ensure that EAFRD calls are compliant with the Rural Development Regulations and will issue the calls and receive project applications.

The EAFRD PMC will be the PMC for EAFRD funds within the European Growth Programme and will set national selection criteria. The RPA, on behalf of the Managing Authority, will take all formal funding decisions and will enter into funding agreements directly with beneficiaries. The Managing Authority remains responsible for ensuring compliance of operations; undertaking verification and control activities; and reporting to the European Commission.

LEADER cooperation will be co-ordinated by the Managing Authority, through the National Rural Network which will facilitate applications, help link together cooperation partners and provide funding and technical support to projects. There will be a budget of up to £2 million to support this over the length of the programme. All activity funded under Article 20 will be required to make a positive contribution to the local rural economy.

All related activity in an LDS will be complementary to that of the relevant Local Enterprise Partnership(s) who themselves provide strategic direction to the structural funds: The European Growth Programme will be managed in a way that ensures complementarity with LEADER under the RDPE.

Geographically, the coverage of LEADER will be different from LEP areas, with LEADER Local Action Groups (LAGs) operating at a smaller scale. For the 2014-2020 Programme, the Programme Document assumes there will be around 70 LEADER groups, covering approximately 75% of rural England. The 39 LEPs cover the whole of the country.

There is also a clear distinction between the two groups in terms of focus. LEPs are being encouraged through wider government agendas (Local Growth Deals, the European Growth Programme) to take a more strategic approach. LEADER, in line with Community Led Local Development under the Growth Programme will operate in a 'bottom up' way where local communities and businesses will write and deliver a Local Development Strategy for the area.

Strong relationships at a local level will ensure a coherent offer across the two delivery models. We do

not propose to create a hierarchy in terms of governance and accountability at a local level:

LEPs and LAGs each have their roles, responsibilities, structures and local accountability. However, prospective LEADER groups, when applying for the next RDP, will be expected to provide a letter of endorsement for their Local Development Strategy from their relevant LEP(s). We have asked that LEADER groups and LEPs work together to ensure rural economic interventions are mutually beneficial and co-ordinated. There will also be ongoing dialogue on implementation as local strategies evolve.

Evidence of co-operation and the development of complementary priorities and actions will be requested that best supports the rural economy. Continued joint representation and working between Local Enterprise Partnerships and Local Action Groups will be encouraged and supported during the programme.

On behalf of the Managing Authority, the Rural Payments Agency's local Rural Development Teams (RDTs) will engage with both LEP and LEADER stakeholders, particularly in the introductory phase of the new Programme, to help to identify synergies and manage problems arising. RDTs will also be responsible for keeping both LEPs and LAGs informed of relevant operations planned and supported through the wider RDPE.

15.5. Description of actions to achieve a reduction of administrative burden for beneficiaries referred to in Article 27(1) of Regulation (EU) No 1303/2013

Reducing administrative burden and red tape is of prime importance to us noting the need to carefully balance this with control and verifiability requirements. Our commitment to reducing burdens is seen by our Better Regulation agenda which is supported and promoted throughout all levels of government. The first action will be to ensure the process of application for grants is as easy and helpful as possible. This will be achieved through the new online Rural Payments system that is being designed in close collaboration with customers and stakeholders. This will ensure they have access to the right information at the right time, in the right format to make their application.

The second action is related to guidance, and government wide approach to smarter guidance, based on user needs analysis. This transformative approach to how guidance is provided will improve understanding of what is available and reduce the time that takes.

The third action is to take an integrated approach across the entire CAP landscape to assisting customers view their opportunities and obligations in the round, and provide assistance to them from that view point.

The fourth action is to join up all types of land-based inspections as far as this is practical (recognising the verification responsibilities of visiting at the right time) to minimise the number of visits to the beneficiary.

The fifth action is to implement the Simplified Costs guidance in programme delivery.

15.6. Description of the use of technical assistance including actions related to the preparation, management, monitoring, evaluation, information and control of the programme and its implementation, as well as the activities concerning previous or subsequent programming periods as referred to in Article 59(1) of Regulation (EU) No 1303/2013

Defra, as the Managing Authority, will utilise a proportion of RDPE funding for Technical Assistance activities, in accordance with Article 59 of Regulation (EU) 1303/2013 and Article 51 of Regulation (EU) 1305/2013.

Technical Assistance funding will be used to fund a range of activities associated with the preparation, improved management, monitoring, evaluation, information and communication, networking, complaint resolution and control and audit of the Rural Development.

In particular Technical Assistance may cover costs associated with:

- the ex post evaluation of the 2007-13 Rural Development Programme for England;
- on-going monitoring and evaluation of the Programme's activities;
- the Ex-Ante Evaluation of the next Rural Development programme to help ensure continuity between programmes. It will also help to further support the delivery of the programme and ensure that lessons learned from the current Programme are fed into the design of the new programme;
- support for the RDPE Rural network, and a proportion of the costs related to the UK National Rural Network;
- additional promotional activity, advice provision, facilitation and control activities to ensure potential beneficiaries can access RDPE;
- additional management costs for the Managing Authority and RDPE delivery bodies associated with programme management and implementation;
- assessment of demand for agri-environment options and the competitiveness of English farming as part of the review in 2016 of the rate of inter pillar transfer in England.

Technical Assistance resources will be primarily focussed on support for beneficiaries and efficient and effective delivery. However, Technical Assistance may be considered necessary to support public administration salaries where it is essential to ensure effective management and control of Rural Development Programme funds. In these circumstances proportionate conditions will be respected ensuring a sound, evidence based needs analysis.

Where Technical Assistance work is subcontracted by the Managing Authority to other entities, public or private, EU and domestic procurement rules will be respected.

The finance tables in Chapter 10 set out details of the funding planned to be directed towards Technical Assistance activity. The amount devoted to Technical Assistance will be considerably lower than the 4% of EAFRD allocation allowed under the Regulations.

16. LIST OF ACTIONS TO INVOLVE PARTNERS

16.1. Agri-environment Stakeholder Groups (and related consultative groups for agri-environment)

16.1.1. Subject of the corresponding consultation

Development of our environmental land management priorities.

16.1.2. Summary of the results

Stakeholders have been closely involved in the development of the new environmental land management scheme objectives and plans for implementation. We have worked closely and constructively with key industry and environmental stakeholders throughout Programme development at monthly informal meetings. Option Review groups including relevant stakeholders were formed early in Programme development to review existing scheme options and evaluate their suitability for inclusion in the new arrangements. A high level seminar was held for academics. Emerging ideas were tested with a farmer panel. There have been regular updates, presentations and discussion with members of the NE-led agri-environment stakeholder group at their (roughly quarterly) meetings.

16.2. CAP implementation “top 50” stakeholder event 12 August and follow-up event with special interest stakeholders (e.g. specific agricultural sectors)

16.2.1. Subject of the corresponding consultation

Plans for implementation of CAP reforms in England including proposals for engaging and consulting stakeholders.

16.2.2. Summary of the results

All key stakeholders were invited with the keynote address by the Secretary of State. Feedback forms showed that participants felt more informed about the process of CAP Implementation after the event compared to before the event. Most felt it was useful to attend, and most were satisfied with plans for engaging with them going forward.

16.3. Consultation on the SEA Environmental Report

16.3.1. Subject of the corresponding consultation

A 4 week consultation in March and April 2014 on the SEA Environmental Report. Proposed RDP published alongside the report.

16.3.2. Summary of the results

12 responses received to the report. Response completed as part of revised SEA Environmental Report and published on 10 June 2014 and results fed into revisions of the Programme document. Submitted alongside the Programme document.

16.4. Consultation on the SEA Scoping Report

16.4.1. Subject of the corresponding consultation

A 5 week consultation in November and early December 2013 on the SEA Scoping Report for the Rural Development Programme for England alongside the consultation on CAP Implementation.

16.4.2. Summary of the results

Consultation with Statutory bodies (English Heritage, the Environment Agency and Natural England) on the scope of the SEA. Consultation also shared more widely with other stakeholders responding to the consultation. Responses fed into development of the Programme Document and the SEA Environmental Report.

16.5. Defra / Local Enterprise Partnership (LEP) roundtable meetings

16.5.1. Subject of the corresponding consultation

LEPs updated and fed into the development of the new RDPE.

16.5.2. Summary of the results

The roundtables meetings were part of ongoing engagement with LEPs as they developed strategies for the local delivery of EU Structural Investment Funds, including an element of the next Rural Development Programme. LEP representatives have also joined the RDPE External Working Group.

16.6. Discussions with RDP External Working Group and Farming and Forestry stakeholders

16.6.1. Subject of the corresponding consultation

Design of the Countryside Productivity scheme and arrangements for implementation.

16.6.2. Summary of the results

Ensuring stakeholder input into the development of the priorities.

16.7. Full National Formal Consultation

16.7.1. Subject of the corresponding consultation

Full public consultation on proposals for CAP implementation in England, including on the priorities for the new Rural Development Programme.

16.7.2. Summary of the results

In total 4,928 responses were received. 767 of these were received on-line, and 4,161 by email and post. Of these responses 3,797 were from an organised RSPB campaign and 36 were from a Soil Association campaign.

The Government response was in two parts: on 19 December decisions were announced on how the Government would distribute £15 billion of funds over the next CAP period, including the rate of transfer from pillar 1 to pillar 2.

(Details of the responses to the consultation are available here, along with the Government's first response, including on RDP:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/267987/cap-reform-sum-resp-201312.pdf)

The Government's further response in February gave more information on the schemes under the new

RDP. The full second response is here:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/284801/cap-consult-response-201402.pdf

16.8. LEP Workshops and ad-hoc group

16.8.1. Subject of the corresponding consultation

How to make use of EAFRD allocations and the business processes for this.

16.8.2. Summary of the results

Clarification/establishment of business processes and LEPs have understanding and capacity to use EAFRD for rural priorities.

16.9. Leader Exchange Group - 3 meetings each year plus ad-hoc communication

16.9.1. Subject of the corresponding consultation

Development of LEADER approach.

16.9.2. Summary of the results

The group was instrumental in developing plans to support Leader groups through the transition into the next Programme (financial support and plans for re-establishing Leader in the next programme). A key meeting was held with Ministers, enabling discussion of how Leader will focus on jobs and growth.

16.10. Leader LAG workshops

16.10.1. Subject of the corresponding consultation

How to focus Local Development Strategies on jobs and growth.

16.10.2. Summary of the results

Better overall standard of LDS submissions for all prospective LAGs for the new programme (in advance of final decision on which LAGs will become operational).

16.11. RDP External Working Group – monthly and ad hoc meetings

16.11.1. Subject of the corresponding consultation

Ongoing engagement in the development of the new programme and how it is communicated.

16.11.2. Summary of the results

The Group provided views on the development of the next Rural Development Programme.

They advised how best to engage key stakeholders on the development of the programme using consistent messages and ensuring messages are fed out of and back into the Managing Authority.

They also advised on implementation of the new programme including publicity and ongoing engagement with stakeholders, customers and the public.

They responded to an initial call for evidence, raised interest in CAP and RDPE generally and especially during consultation, dissemination of messages and participation in bringing together the SWOT analysis.

16.12. Rural and Farming Networks

16.12.1. Subject of the corresponding consultation

Learning from the current Rural Development Programme and development of the new RDP with respect to priorities, implementation, and involvement of stakeholders. Wider rural issues relating to agriculture, forestry, other rural sectors, rural services etc.

16.12.2. Summary of the results

The six regional events enabled around 450 stakeholders to actively engage in and contribute to developing the priorities of the next Programme. The events also strengthened working relationships between the RFNs and Defra and improved the RFNs' links with a wider constituency. Regular Ministerial meetings with RFNs locally and with all RFN chairs provided opportunities to discuss key rural issues with Ministers and key policy officials leading the development of the next RDP, and to feed

in the views, experience and knowledge from their networks.

16.13. Social media: twitter discussions

16.13.1. Subject of the corresponding consultation

Part of the CAP consultation.

16.13.2. Summary of the results

The Government hosted two twitter discussions, on 21 November 2013 via Agrichat and on 26 November 2013 the Parliamentary Under Secretary of State for farming, food and marine environment, George Eustice, hosted a discussion.

Stakeholders have told us (in the RDP external working group) they would like to the Government to make more use of social media.

@DefraRural and @RDPEnetwork also give regular updates on progress to develop the new RDP and stakeholders can engage.

16.14. Ten Regional workshops

16.14.1. Subject of the corresponding consultation

During the consultation period workshops were targeted at local stakeholders who might otherwise not be able to engage in the online consultation or be represented at national events.

10 stakeholder events across England were hosted in Ardingly, Bridgwater, Bromsgrove, Cambridge, Hexham, Leeds, Melton Mowbray, Penrith, Nantwich and Truro.

Their aim was to raise awareness of the CAP consultation, which included the new Rural Development Programme, and to seek views on priorities and delivery of the new CAP and RDP.

16.14.2. Summary of the results

Events were well attended with 720 attendees in total. Views from the events were taken into account as

CAP delivery was developed.

16.15. Twelve roadshows with local stakeholders (particularly Local Enterprise Partnerships and LEADER groups) from November to December 2012.

16.15.1. Subject of the corresponding consultation

Informal consultation on the ESIF Growth Programme.

16.15.2. Summary of the results

Informal consultation on plans for implementation of the ESIF Growth Programme, including how EAFRD might fit with other ESIF funds, ERDF, ESF and EMFF. Feedback used to help further develop the approach in England.

16.16. (Optional) explanations or additional information to complement the list of actions

The development of the RDP has depended on the outcome of complex negotiations at EU level. In developing the new programme, as for other elements of CAP reform, Defra has been committed to the principles of keeping stakeholders informed as details emerge, constructive dialogue and co-design of programmes. To this end a broad ranging and evolving programme of engagement has been adopted which includes stakeholders from all sectors, national and local representatives, Ministers, policy and delivery officials. Decisions on and the design of the RDP have been informed at all stages of the process, and it is expected to continue this engagement throughout programme implementation. Key outcomes resulting from stakeholder involvement include:

- Stakeholder scrutiny of and contribution to the evidence base for the new RDP;
- RDP priorities of environment, productivity and growth;
- Decisions on the transfer of funds from Pillar 1 to Pillar 2 for rural development;
- Decision on the contribution of EAFRD in England to the ESIF Growth Programme;
- Design of the new environmental land management priorities – simpler, more integrated and more targeted;
- Leader – support through transition 2014 and design of the next programme;
- Development of plans for implementation of the ESIF Growth Programme with LEPs and other stakeholders;
- Development of farming and forestry productivity priorities and plans for implementation in consultation with stakeholders.

The Strategic Environmental Assessment has been developed alongside the development of the Programme. The Scoping report, published alongside the CAP Implementation consultation, clearly sets

out the baseline on which to assess the environmental impact of the programme. The SEA Scoping report and the SWOT and needs assessment developed for the programme utilise overlapping datasets to come to a clear analysis of the situation in rural England and have also been used to feed into the SWOT and identification of needs. The assessment of the environmental impact set out in the Environmental Report is based on the analysis of the “reasonable alternatives” set out in the RDP Impact Assessment developed for the CAP consultation. The “reasonable alternatives” were in turn used to provide an assessment against the preferred option (and budget allocation) identified as a result of the CAP consultation. Key recommendations from the assessment have been accepted and incorporated into the programme document and these will be addressed through the Evaluation Plan for the programme. Finally a further assessment of the consistency between the SEA and the SWOT has been undertaken to ensure the two are appropriately aligned.

17. NATIONAL RURAL NETWORK

17.1. The procedure and the timetable for establishing the National Rural Network (hereinafter NRN)

The Rural Development Programme for England will have a dedicated National Rural Network (NRN). This will build on lessons learned from delivering the 2007-2013 NRN, and consultation with internal and external stakeholders throughout 2014, including:

- Workshops and discussion with the RDP External Working Group , 2007-2013 PMC, other stakeholder organisations, Defra (in its Managing Authority role), and delivery bodies to develop specific objectives and activities for the NRN to help it support delivery and promotion of RDP schemes;
- An independent Evaluation of the NRN's impact in the 2007-2013 programming period and the needs for the 2014-2020 programme; and
- Discussions about how best to coordinate NRN activity at a UK level.

The NRN and Network Support Unit (NSU) for the new programme will be established by January 2015 in time for the launch of the 2014-2020 Programme and the measures through which it will be delivered. The existing Network Support Unit will provide continuity during 2014 and elements of the new Network, such as the website, will be established during 2014. More detailed proposals for the establishment of the NRN, building on further discussions with stakeholders, will be taken to the new RDPE PMC following formal agreement of the Programme Document.

17.2. The planned organisation of the network, namely the way organisations and administrations involved in rural development, including the partners, as referred to in Article 54(1) of Regulation (EU) No 1305/2013 will be involved and how the networking activities will be facilitated

Following recommendations of the independent evaluation, the NRN will be more integrated and better resourced, covering the whole programme. It will have a stronger intervention logic and stronger involvement of stakeholders in its governance.

A single communications and stakeholder engagement strategy for the Programme (which also covers publicity and information) will provide the foundation for the NRN Action Plan and for the communications and engagement activities of delivery bodies and others involved in the NRN.

The NSUs of England, Scotland, Wales and Northern Ireland will also undertake a shared programme of activity to collaborate on UK level networking priorities and participation in the ENRD.

To address the challenges of the new programme period Defra is making some strategic changes in the overall approach:

- Work more closely with key stakeholders and their networks and communication channels to raise awareness of, and publicity about, the RDP. Stakeholders have expressed an appetite and willingness for this;
- Build on the strong networks that have been put in place to develop and help implement the new programme, particularly the External Working Group; agri-environment and forestry stakeholder

- forums or groups; Rural and Farming Networks, and LEP and LEADER groups;
- Work more closely with delivery bodies across the programme, and with those in other Government departments to improve the quality of the Rural Development Programme, and to build links with the other EU Structural and Investment Funds;
- Better engagement of beneficiaries and other stakeholders across the CAP to support implementation and provide a clear understanding to potential beneficiaries of funding opportunities available to them and how they can access them.

Network Support Unit (NSU) role

The Network Support Unit (NSU) will continue as a team within the Department for Environment, Food and Rural Affairs and will work alongside the Managing Authority and RDP delivery bodies to support the programme, in particular by:

- Working with the Managing Authority to co-ordinate the preparation and implementation of the communications and stakeholder engagement strategy for the Programme (which also covers publicity and information);
- Managing the website as the main national level conduit for promotion and awareness of the programme, working closely with the Managing Authority and delivery bodies. This will help ensure that there is a good awareness of what is available for potential beneficiaries;
- Providing programme-wide networking activities, in partnership with the Managing Authority, delivery bodies and stakeholder networks involved in the NRN;
- Facilitating networking and collaboration with EU-level partners – in particular those involved in the European Network for Rural Development and the European Innovation Partnership for Agriculture;
- Providing opportunities for raising concerns or issues around the implementation of the new schemes. This will allow for a clearer feedback “loop” on delivery to help improve the quality of the programme and support continuous improvement;
- Facilitating networking and the provision of training for local action groups through a range of channels including website, newsletters, workshops and a national stakeholder group, the “LEADER Exchange Group”. The NRN will also play a key role in promoting and managing funds for LEADER co-operation, as well as promoting other forms of co-operation projects across the Programme, and facilitating the search for partners and establishment of UK and EU-level projects;
- Fostering innovation as a core aim through a range of activities. This includes support for the establishment of EIP Operational Groups and sharing of learning at domestic and EU level; but we also plan to build links with innovative projects across the Programme via tools including online forums and information, networking events and plans for dissemination of project learning e.g. peer-to-peer through monitor farms, and via intermediaries such as advisors.

Role of stakeholder organisations and networks

Also building on a key recommendation of the NRN Evaluation, the Network Support Unit and Defra delivery bodies will strengthen the role of stakeholder organisations and networks in the NRN, defining respective roles in the Communications and Stakeholder Engagement Strategy (which will also cover publicity and information) for the programme, and in the NRN action plan.

Stakeholders will also have a stronger role in the governance of the NRN through an independent steering group or sounding board, drawing from the current RDPE External Working Group, and helping to

prepare and review the NRN's rolling 2-year action plans. There will be no formal membership for the NRN, but the NRN will seek to include all those organisations and individuals who have an interest in, or could benefit from the RDP.

Role of Delivery Bodies

The delivery bodies will provide a vital contribution to the NRN at national and local levels including by:

- Promoting funding opportunities.
- Engaging beneficiaries and others to support the Programme and cross-cutting work particularly on innovation, advice, co-operation, LEADER and the Growth Programme (including engagement of Local Enterprise Partnerships and other local partners);
- Facilitating thematic stakeholder groups, where appropriate;
- Using communications channels to disseminate information and facilitate dialogue;
- Assisting in the collection of examples of Programme investments;
- Providing a range of networking opportunities, both face to face and online, for the wide range of advisors involved in RDPE, and for those involved in promoting of supporting innovation across the programme.

In this way, the different components of the NRN will be able to work together to help ensure the RDP delivers:

- High levels of interest and awareness of the programme's objectives and the funding opportunities available, with better quality applications and projects;
- Greater knock-on benefits from knowledge transfer, innovation and co-operation;
- Deeper involvement and engagement from stakeholders, which help support their sectors or interests;
- A greater understanding and awareness of the value and importance of the programme, and of the wider European Structural and Investment Funds;
- Stronger coordination and integration at the local level to deliver growth in rural areas, particularly via the Local Enterprise Partnership and LEADER approaches.

17.3. A summary description of the main categories of activity to be undertaken by the NRN in accordance with the objectives of the programme

NRN activities will involve the Delivery Bodies and key stakeholder organisations as well as the Network Support Unit. The NRN will play a key role in:

- Promoting the whole programme among potential beneficiaries;
- Providing effective networking, co-operation and knowledge transfer so that beneficiaries can benefit from their peers' experience;
- Ensuring strategic stakeholder engagement with the Programme.

Activities will be set out in a regularly reviewed NRN action plan, and will include:

(i) activities regarding the collection of examples of projects covering all priorities of the rural

development programmes;

A new searchable online database, and analysis to promote key learning points by theme and/or sector.

(ii) activities regarding the facilitation of thematic and analytical exchanges between rural development stakeholders, sharing and dissemination of findings;

Online tools for information dissemination and collaboration, and face-to-face opportunities (including workshops and stakeholder working groups covering key themes of environment, productivity and growth). As part of the NRN, delivery bodies and stakeholder organisations will play a key role in these.

(iii) activities regarding the provision of training and networking for local action groups and in particular technical assistance for inter-territorial and transnational co-operation, facilitation of co-operation among local action groups and the search of partners for the measure referred to in Article 35;

Specific support package for LEADER (including stakeholder working group, events/workshops to support establishment and operation of LAGs). Training for LAGs will include core skills as well as addressing other training needs in consultation with the LEADER community. Facilitation of transnational and intra-territorial co-operation (also working with other UK NRNs) will include LEADER and support for EIP-Agri as well as facilitating the search for partners for co-operation in other areas of the programme

(iv) activities regarding the provision of networking for advisors and innovation support services;

The NRN will work with networks in the advisor community (e.g. FAS and stakeholder initiatives) to support advisor networking (workshops, newsletters) and involve advisors in the wider programme, including involvement in setting up EIP-Agri Operational Groups, and subsequent knowledge transfer. The NRN will provide support to the European Innovation Partnership (EIP) for Agriculture, as well as promoting innovation across the programme. This wider focus on innovation will include sharing particularly novel or new approaches which the programme has funded and which support wider rural development aims or which promote better alignment or integration across the Programme.

(v) activities regarding the sharing and dissemination of monitoring and evaluation findings;

The NRN will disseminate both programme and NRN monitoring and evaluation findings, and share evaluation good practice through key stakeholder groups, the website and themed/targeted workshops where needed. We will undertake NRN evaluation as part of RDP evaluation, drawing on additional evaluation as appropriate.

(vi) a communication plan including publicity and information concerning the rural development programme in agreement with the Managing Authorities and information and communication activities aimed at a broader public;

The NRN will work with the Managing Authority to prepare a stakeholder engagement strategy for the Programme (including publicity and information requirements), which will form the framework for the NRN action plan, and other publicity, information and engagement activities of the MA and delivery bodies.

(vii) activities regarding the participation in and contribution to the European network for rural development.

The NRN will work with other UK NRNs to promote and participate fully in the ENRD and the EU level EIP-Agri network. We will involve and share learning with Managing Authority and delivery body colleagues and external stakeholders through a range of channels, including those at EU-level (e.g. EIP Service Point).

17.4. Resources available for establishing and operating the NRN

The NRN budget has been increased significantly within the new programme (from circa €1.7m) and will be in the region of €2.6m and cover:

- Network Support Unit (around 5 Full-Time Equivalent staff);
- Events and workshops for networking, peer-to-peer learning, training and consultation;
- Active participation in the ENRD of the NSU and the wider NRN;
- Stakeholder working groups;
- Specific requirements for information dissemination/knowledge transfer (e.g. publications).

Where appropriate, the NRN Technical Assistance budget will also be used to support specific activities and events co-ordinated by the Managing Authority, delivery bodies and others, to be determined in the NRN action plan.

Engagement of stakeholders, intermediaries and potential beneficiaries is a key part of delivery body activity especially (but not only) the promotion/pre-application, application, and project implementation phases. Stakeholder organisations and networks will also have a role to play in the NRN – so while the NSU resource is modest, the sum of the resources contributing to the NRN will be greater.

18. EX-ANTE ASSESSMENT OF VERIFIABILITY, CONTROLLABILITY AND ERROR RISK

18.1. Statement by the Managing Authority and the Paying Agency on the verifiability and controllability of the measures supported under the Rural Development Programme

Defra and the RPA have made an ex-ante assessment of verifiability, controllability and error risk for the RDP. These arrangements will be reviewed during the programming period.

Controls have been developed based on an assessment of the root causes for error and potential corrective actions identified by the Commission's working document and technical guidance fiches.

Area-related measures

A verifiability assessment has been made against each of the options and prescriptions to be delivered under our environmental priorities, and will enable verification of important environmental outcomes.

Defra and the RPA are in general satisfied that each of the options and prescriptions can be effectively controlled and verified through a control framework of manual and automated computer based administrative checks and inspections.

Defra's environmental priorities are highly targeted and are designed to preserve and enhance the natural environment and meet key Habitats, Birds and Water Framework directive objectives. Targeting involves undertaking detailed management practices to help meet these objectives and sufficient controls in place to ensure such actions are undertaken.

Reducing or excluding grazing or inputs at different times and at particular levels protects sites of environmental importance and reduces damage to them, but Defra recognises that they present a high risk of error without suitable mitigation.

Defra will take a number of steps to mitigate the risks associated with these approaches. These are:

- **Limiting the extent of application.** The number of options which include a maximum stocking density or reduced input prescription has reduced and will be targeted at sites of high environmental value.
- **Providing advice and guidance.** Advice and guidance will be provided when the agreement is set up to ensure that land managers understand the importance of actions undertaken and that there is a clear method for ensuring the reliable measurement of the results required.
- **Ongoing support.** Agreements will be supported by the provision of advice during the agreement period and detailed guidance. This will include in-year discussion with agreement holders and an "after-care" site visit at least once in the lifetime of the agreement. Advisor visits will highlight how environmental objectives can best be achieved but will also provide an administrative check that prescriptions are followed. Suspected breaches found will be flagged for further inspection.
- **Checks of on-farm records.** Agreement holders will be required to retain appropriate records that detail funded activities including livestock movements across the holding or the application of inputs, and produce them on request. To supplement on the spot inspection, a sample of farm records will be made at claim stage, with suspected breaches selected for further inspection.
- **Cross-check against livestock databases.** A cross-check against livestock databases at holding level will help ensure that reductions or exclusions are not displaced elsewhere across the holding.
- **Quality of inspection function and staff training.** Actions to improve the quality of inspections

and advisory capacity will include regular staff training and guidance to ensure adherence to compliance requirements.

- **New CAP IT system.** This will be designed to improve the quality of the LPIS and IACS controls and reduce administrative and beneficiary error.

Non-area related measures

A verifiability assessment has been made against the non-area related measures in the RDP. In particular, focus has been on ensuring that checks are in place to ensure that services are: procured according to domestic processes; agreed through appropriate selection and appraisal; and checked at payment claim stage. A clear control framework will be put in place with additional controls for LEADER groups and intermediaries.

Defra and the RPA are satisfied that non-area related measures can be effectively controlled and verified through a combination of manual and automated computer based checks and inspection.

18.2. Statement by the functionally independent body referred to in Article 62(2) of Regulation (EU) No 1305/2013 confirming the adequacy and accuracy of the calculations of standard costs, additional costs and income forgone

Guy Watt

John Clegg Consulting Ltd,

1 Ravelston House Loan, Edinburgh,

Scotland, EH4 3LY

“We have carefully analysed and reviewed all the information and data sent to us by Forestry Commission England as of the date of this letter, we have discussed the various assumptions behind the models with Dr Render and we have compared it all with other relevant data held on our files, and on this basis we have concluded that:

- The standard costs used in the cost models are realistic, but in drawing that conclusion it is recognised that these costs will vary between sites and woodlands and also with the size of woodland being created.
- The proposed standard costs should be appropriate for a maximum of 5 years but external factors, e.g. energy costs, can cause significant cost variation that can impact on the cost of an individual operation in a relatively short period of time.
- The operations included in the cost models provided appear to be reasonably typical overall of the situations they are seeking to model; few, if any, situations are identical in practice.”

Cumulus Consultants Ltd,

The Palmers, Wormington Grange,
Wormington, Broadway,
Worcestershire WR12 7NJ

Report Author: James V H Jones BA, PhD, MRICS, MIAgM, FHEA

Report Reviewed by: Paul Silcock MA MRICS FAAV CEnv AIEMA

We can confirm that the relevant calculations are adequate and accurate and established in advance on the basis of a fair, equitable and verifiable calculation.

Measure 10 “Having examined the budgets and the assumptions on which they are based it is possible to verify that the calculation of income foregone for participants in NELMS [the Measure 10 scheme] broadly satisfies the criteria for verification”.

Measure 11 “Having examined the budgets and the assumptions on which they are based the conclusion of this report is that whilst it is broadly possible to confirm that the report satisfies the criteria for verification there are some significant issues that must be addressed before it is possible to confirm this in its entirety.

The specific major concerns expressed in our report over the rotational mixed farming budgets and the livestock labour costs would seem to me to have been addressed in the main. The concerns over the horticulture and top fruit budgets have not really been addressed. However doing so is no easy matter because the empirical evidence required is lacking.”

However the main issues identified by the verifier were discussed in detail with organic sector representatives and steps taken to revise the calculations to address the previous imbalance which affected the rates for permanent grasslands, top fruit and horticulture. The methodology used to achieve this was fully in line with the recommendations of the verifier and the calculations take account of the most reliable data and assumptions that were available to us.

The full explanation in the verifiers report and subsequent letter in the Annex “organic verification Report”.

On standard costs some of the costs were drawn from sources that are mostly contained within two reports produced in 2011 and 2013 by the consultancy firm Andersons for Natural England which forecast budgeted figures for 2014. These have each been separately verified for their conformity.

With regard to these the verifier [James Jones] confirms that “Capital works operations and material costs are budgeted by taking an average of survey figures from a range of sources. In some instances the average is distorted by what might be atypical results. However given the small number of results they may not be atypical and they might also vary considerably according to the part of the country and the supplier used. The methodology is therefore not wrong as such but is perhaps debatable. The use of evidence is clear and can be verified.” See Annex “Verification of updated base data to be used in determining ‘costs of participation’ in the Environmental Stewardship Scheme in England”; p49 5.5.4

The cost calculations for other capital items have been arrived at drawing on the above by using both in-house judgement and external expertise. These sources are referenced below each capital cost calculation

in the annexed report Calculation of the potential costs incurred by NELMS participants on Capital Items.

Verification reports from independent verifiers for the standard costs and rates of income foregone covered in measures 4, 8, 10, 11 and 15 are included in the annex.

19. TRANSITIONAL ARRANGEMENTS

19.1. Description of the transitional conditions by measure

England's package of Rural Development Programme support in the transition between programmes in 2014 reflects our desire to target funding in the new programme and avoiding a build-up of excessive commitments into the 2014-20 programming period. The following measures will be delivered during 2014:

111 – Vocational training and information actions

The objective of this measure is to broaden the scope of training, advice, information, facilitation and diffusion of knowledge activities to all adults dealing with agricultural, agri-environment, food and forestry matters. These activities cover issues under both agricultural and forestry systems to enhance the competitiveness, sustainability and delivery of environmental benefits of their enterprises and to ensure high environmental and quality standards.

This measure will support strategic livestock and animal welfare and forestry projects, and catchment sensitive farming.

114 – Use of advisory services by farmers and forest holders

The objective of the measure is to improve the sustainable management of neglected woodlands.

This measure will support strategic forestry projects.

115 – Setting up of farm management, farm relief and farm advisory services, as well as of forestry advisory services

The objective of this measure is to help farmers and forest holders to adapt to changing circumstances (including market changes, environmental changes and regulatory changes), to improve and facilitate management, and to improve overall performance by further enhancing human potential.

This measure will support strategic livestock and animal welfare projects.

121 – Modernisation of agricultural holdings

The objective of this measure is to improve the economic performance of holdings through better use of production factors, as well as improving the environmental, occupational safety, energy efficiency, hygiene and animal welfare status of the holding.

122 – Improve economic value of forests

The objective of this measure is to improve and broaden the economic value of private forests, increase diversification of production, and enhance market opportunities, whilst maintaining sustainable management by supporting investments in forest property or machinery that will in turn help secure the public interest or enhance the provision of public benefits.

123 – Adding value to agriculture and forestry products

The objective of the measure is to improve the processing and marketing of primary agricultural and

forestry products through investment in improved efficiency, renewable energy, new technologies and new market opportunities, and to improve the overall performance of the enterprise.

125 – Infrastructure related to the development and adaptation of agriculture and forestry

This measure will be used to provide support for investments in infrastructure related to the development and adaptation of agriculture and forestry.

126 – Restoring agricultural production potential damaged by natural disaster and introducing appropriate prevention actions

This measure has been introduced to the Programme as an emergency response to provide support to address the immediate needs of farm businesses that have been impacted directly by flooding across England. It provides targeted investments towards actions that reduce the consequences of severe flooding on agricultural land by helping restore the physical capital to its state before the disaster occurred.

It will provide support in six key areas of recovery: the restoration of productive grassland, the restoration of productive arable and horticultural land, restoring field access/trackways, improvements to drainage on flood-damaged holdings, damage to agricultural machinery and damage to agricultural buildings.

214 – Agri-environment payments – Environmental Stewardship – Higher Level Scheme and Entry Level Scheme

The primary objectives of Environmental Stewardship are:

- the conservation of natural wildlife (on farmland, both in protected areas and the wider countryside);
- natural resource protection (focusing on the management of soil and water);
- the adaptation of farming methods around features on farmed land, to enhance biodiversity and resource protection;
- the maintenance of landscape quality and character;
- the promotion of public access and understanding (this element of the scheme is described in measure 313).

In addition, the Higher Level Scheme strand will address the following as secondary objectives:

- flood management - where it contributes to wetland and coastal habitat management;
- genetic conservation.

This measure will support the Higher Level Scheme and a limited Entry Level Scheme.

216 – Support for non-productive investments

The objectives of this measure are to support the objectives of the agri-environment measure by supporting essential and integral non-productive investments within the HLS and Uplands ELS elements of Environmental Stewardship.

This measure will support capital works.

227 – Support for non-productive investments

To support forest holders for non-remunerative investments where they are necessary to achieve forest-environment commitments and other environmental objectives, or to protect the public interest in the woodland and enhance the public benefits it is providing.

This measure will support capital works to benefit woodland.

312 – Support for the creation and development of micro-enterprises

Support for the creation and development of micro-enterprises with a view to promoting entrepreneurship and creating employment opportunities. Given the high proportion of micro-enterprises among rural businesses, a key objective of the measure will be support for achieving the growth aspirations of small rural businesses.

313 – Encouragement of tourism activities

The objectives of this measure are to use the natural and cultural resources in England's rural areas to attract visitors and create new employment opportunities through the development of the tourism sector of the rural economy and to make rural tourism businesses more sustainable through collaboration, resource efficiency (including the management of visitor impacts) and effective use of ICT.

321 – Basic services for economy and rural population

The objective of this measure is to improve or maintain the living conditions and welfare of those living in rural areas and to increase the attractiveness of such areas through the provision of more and better basic services for the economy and the rural population.

This measure will support rural broadband.

LEADER – funding will be available through technical assistance to help maintain Leader local delivery capacity and expertise from the current programme.

19.2. Indicative carry-over table

Measures	Total Union Contribution planned 2014-2020 (€)
M01 - Knowledge transfer and information actions (art 14)	0.00
M02 - Advisory services, farm management and farm relief services (art 15)	0.00
M04 - Investments in physical assets (art 17)	89,376,724.00
M06 - Farm and business development (art 19)	0.00
M07 - Basic services and village renewal in rural areas (art 20)	0.00

M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	120,125,902.00
M10 - Agri-environment-climate (art 28)	2,477,053,084.00
M11 - Organic farming (art 29)	0.00
M15 - Forest environmental and climate services and forest conservation (art 34)	7,374,098.00
M16 - Co-operation (art 35)	0.00
M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)	0.00
M20 - Technical assistance Member States (art 51-54)	0.00
Total	2,693,929,808.00

20. THEMATIC SUB-PROGRAMMES

Thematic sub-programme name

21. DOCUMENTS

Document title	Document type	Document date	Local reference	Commission reference	Checksum	Files	Sent date	Sent By
Income Foregone Report from Natural England	8.2 M10 - Agri-environment-climate (art 28) - annex	29-01-2015	Income Foregone Report from Natural England	Ares(2015)362864	1185865622	Income Foregone Report from Natural England	29-01-2015	nglasjoh
Capital Items Forestry Commission Specifications	8.2 M08 - Investments in forest area development and improvement of the viability of forests (art 21-26) - annex	29-01-2015	Capital Items Forestry Commission Specifications	Ares(2015)362864	1129791642	Capital Items Forestry Commission Specifications	29-01-2015	nglasjoh
NELMs Validation Letter 13 February 2014: M8, 8.1 and 15	8.2 M08 - Investments in forest area development and improvement of the viability of forests (art 21-26) - annex	29-01-2015	NELMs Validation Letter 13 February 2014: M8, 8.1 and 15	Ares(2015)362864	2243746484	NELMs Validation Letter 13 February 2014: M8, 8.1 and 15	29-01-2015	nglasjoh
Cost Models NELMs Forestry: M8.1 and 15	8.2 M08 - Investments in forest area development and improvement of the viability of forests (art 21-26) - annex	29-01-2015	Cost Models NELMs Forestry: M8.1 and 15	Ares(2015)362864	2331061512	Cost Models NELMs Forestry: M8.1 and 15	29-01-2015	nglasjoh
Letter from John Clegg: Verification on M 4.4	8.2 M04 - Investments in physical assets (art 17) - annex	29-01-2015	Letter from John Clegg: Verification on M 4.4	Ares(2015)362864	3939863458	Letter from John Clegg: Verification on M 4.4	29-01-2015	nglasjoh
Letter to Ian Ball - Calculation of income foregone on Organic Maintenance options	8.2 M11 - Organic farming (art 29) - annex	29-01-2015	Letter to Ian Ball - Calculation of income foregone on Organic Maintenance options	Ares(2015)362864	886779395	Letter to Ian Ball - Calculation of income foregone on Organic Maintenance options	29-01-2015	nglasjoh
Measure 11 – Full List of Payment Rates (applicable)	8.2 M11 - Organic farming (art 29) - annex	29-01-2015	Measure 11 – Full List of Payment Rates (applicable)	Ares(2015)362864	1106099594	Measure 11 – Full List of Payment Rates (applicable)	29-01-2015	nglasjoh

amounts and support rates)			amounts and support rates)			amounts and support rates)		
NELMS Verification report	8.2 M10 - Agri-environment-climate (art 28) - annex	29-01-2015	NELMS Verification report	Ares(2015)362864	2627792767	NELMS Verification report	29-01-2015	nnglasjoh
Countryside Stewardship Capital Items Framework	8.2 M04 - Investments in physical assets (art 17) - annex	29-01-2015	Countryside Stewardship Capital Items Framework	Ares(2015)362864	460092997	Countryside Stewardship Capital Items Framework	29-01-2015	nnglasjoh
Table illustrating baselines in relation to the options	8.2 M10 - Agri-environment-climate (art 28) - annex	29-01-2015	Table illustrating baselines in relation to the options	Ares(2015)362864	4229517969	Table illustrating baselines in relation to the options	29-01-2015	nnglasjoh
Measure 10.1 Full List of Prescriptions	8.2 M10 - Agri-environment-climate (art 28) - annex	29-01-2015	Measure 10.1 Full List of Prescriptions	Ares(2015)362864	2644668125	Measure 10.1 Full List of Prescriptions	29-01-2015	nnglasjoh
Organic Verifiers Report M11	8.2 M11 - Organic farming (art 29) - annex	29-01-2015	Organic Verifiers Report M11	Ares(2015)362864	3071921451	Organic Verifiers Report M11	29-01-2015	nnglasjoh
Final options payment and Measure list for Programme 4.4, 8, 10.1, 11.1, 11.2 and 15	8.2 M15 - Forest environmental and climate services and forest conservation (art 34) - annex	29-01-2015	Final options payment and Measure list for Programme 4.4, 8, 10.1, 11.1, 11.2 and 15	Ares(2015)362864	239264076	Final options payment and Measure list for Programme 4.4, 8, 10.1, 11.1, 11.2 and 15	29-01-2015	nnglasjoh
Sub-measure 4.4 and 10.1: Building Blocks Report	8.2 M04 - Investments in physical assets (art 17) - annex	29-01-2015	Sub-measure 4.4 and 10.1: Building Blocks Report	Ares(2015)362864	1783881271	Sub-measure 4.4 and 10.1: Building Blocks Report	29-01-2015	nnglasjoh
Final options payment and Measure list for Programme 4.4, 8, 10.1, 11.1, 11.2 and 15	8.2 M04 - Investments in physical assets (art 17) - annex	29-01-2015	Final options payment and Measure list for Programme 4.4, 8, 10.1, 11.1, 11.2 and 15	Ares(2015)362864	239264076	Final options payment and Measure list for Programme 4.4, 8, 10.1, 11.1, 11.2 and 15	29-01-2015	nnglasjoh
Ex ante evaluation of the Rural Development Programme for England	3 Ex-ante evaluation report - annex	29-01-2015	Ex ante evaluation of the Rural Development Programme for England	Ares(2015)362864	1073413127	Ex ante evaluation of the Rural Development Programme for England	29-01-2015	nnglasjoh

SEA Report	3 Ex-ante evaluation report - annex	29-01-2015	SEA Report	Ares(2015)362864	2596645884	SEA Report	29-01-2015	nglasjoh
Final options payment and Measure list for Programme 4.4, 8, 10.1, 11.1, 11.2 and 15	8.2 M10 - Agri-environment-climate (art 28) - annex	29-01-2015	Final options payment and Measure list for Programme 4.4, 8, 10.1, 11.1, 11.2 and 15	Ares(2015)362864	239264076	Final options payment and Measure list for Programme 4.4, 8, 10.1, 11.1, 11.2 and 15	29-01-2015	nglasjoh
Final options payment and Measure list for Programme 4.4, 8, 10.1, 11.1,11.2 and 15	8.2 M11 - Organic farming (art 29) - annex	29-01-2015	Final options payment and Measure list for Programme 4.4, 8, 10.1, 11.1,11.2 and 15	Ares(2015)362864	743965985	Final options payment and Measure list for Programme 4.4, 8, 10.1, 11.1,11.2 and 15	29-01-2015	nglasjoh
SEA Report: non-technical	3 Ex-ante evaluation report - annex	29-01-2015	SEA Report: non-technical	Ares(2015)362864	1995999529	SEA Report: non-technical	29-01-2015	nglasjoh
Capital Items Report from Natural England	8.2 M04 - Investments in physical assets (art 17) - annex	29-01-2015	Capital Items Report from Natural England	Ares(2015)362864	1463550220	Capital Items Report from Natural England	29-01-2015	nglasjoh
Standards Costs for NELMs Forestry Commission	8.2 M08 - Investments in forest area development and improvement of the viability of forests (art 21-26) - annex	29-01-2015	Standards Costs for NELMs Forestry Commission	Ares(2015)362864	687669879	Standards Costs for NELMs Forestry Commission	29-01-2015	nglasjoh
Final options payment and Measure list for Programme 4.4, 8, 10.1, 11.1, 11.2 and 15	8.2 M08 - Investments in forest area development and improvement of the viability of forests (art 21-26) - annex	29-01-2015	Final options payment and Measure list for Programme 4.4, 8, 10.1, 11.1, 11.2 and 15	Ares(2015)362864	239264076	Final options payment and Measure list for Programme 4.4, 8, 10.1, 11.1, 11.2 and 15	29-01-2015	nglasjoh
Guide to Cross Compliance in England 2015	8.2 M10 - Agri-environment-climate (art 28) - annex	29-01-2015	Guide to Cross Compliance in England 2015	Ares(2015)362864	2047957137	Guide to Cross Compliance in England 2015	29-01-2015	nglasjoh

