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Scottish Government Consultation: Scotland Rural Development Programme 2014-2020 Stage 2

Authors: Keith Matthews (keith.matthews@hutton.ac.uk), Bill Slee (bill.slee@hutton.ac.uk)

Key Contact: Deb Roberts (deb.roberts@hutton.ac.uk)

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Section 4: Budget for SRDP 2014-2020

Q1. How would you rate your satisfaction with the budget as a whole?

Very dissatisfied

If you are dissatisfied, please briefly outline your reasons:

There is a low proportionate allocation to Pillar 2 compared to most EU Member States and regions. This limits the likelihood of delivering transformational change. Instead too much is allocated to maintaining the status quo, in particular via LFASS (see below). The limitation of capital investments in agriculture to crofters and new entrants may distort applications.

Section 5: Rural Regional Delivery Partnership for Land Based Investments

Q2. Are you broadly satisfied with the new application and assessment process for land based investments outlined in Section 5?

Quite dissatisfied

If you are dissatisfied, please briefly outline your reasons:

It is not clear whether the application process will be sufficiently well supported to enable individual farmers to apply for funding without recourse to an agent or consultancy.

We question whether the evidence base (i.e. the balance of ecosystem service benefits from one area to another) is sufficiently advanced to enable effective

targeting. The principle of targeting is sound but there is a need to see detail of how the targeting will be implemented, both in relation to setting of targets and with regard to assessing applications.

Section 6: Future Support for Less Favoured Areas

Q3. Should support for farmers operating in constrained areas be continued through the SRDP ?

No

We remain unconvinced that LFASS delivers the multiple benefits often claimed for it. The LFASS payment is not a social payment as there is no ceiling; further, it is a blunt environmental payment which can lead to over- and under-stocking (DTZ Peda Consulting, 2003; Ward and Thompson, 2002). Subject to an analysis of the extent to which area-based DPs in the revised Pillar 1 offset LFASS, we would question whether LFASS justifies 35% of the total budget.

Section 7: New Entrants Scheme

Q4. How would you rate your satisfaction with the proposals for the New Entrants Scheme?

Quite dissatisfied

If you are dissatisfied, please briefly outline your reasons:

With new entrant schemes there is a danger of deadweight, i.e. public expenditure will be approved which will simply replace likely private spending (by the “new entrant” and/or family etc.) (DARNI, 2009). Further it is not clear that the definition of new entrant is robust and will achieve the desired outcomes. Pillar 1 raises costs of entry (in terms of land values or rent). There is therefore a need for direct payment entitlements to be dovetailed with any new entrant’s policy.

Section 8: Crofting and Small Farm Support Scheme

Q5. Should the scheme be expanded to provide capital support to small farms?

No opinion

Q6. Is a 3 to 50 hectare range appropriate for defining a small land holding?

No

Q7. Do you agree with the proposal for grants of £500 to be available to assist the establishment of Grazings Committees?

Yes

Q8. How would you rate your broad satisfaction with the proposals for the Crofters and Smallholders Scheme?

Neither satisfied nor dissatisfied

Section 9: Agri-Environment-Climate Scheme

Q9. How would you rate your broad satisfaction with the proposal for the Agri-Environment-Climate Scheme?

Quite dissatisfied

If you are dissatisfied, please briefly outline your reasons:

This scheme addresses a range of priority issues. Natura 2000 and WFD targeting is an obvious priority but, beyond this, no indication is given as to how targeting will occur. Without such information, it is difficult to come to a judgment on likely effectiveness. The climatic components are unclear and highly important if the land based sector is to deliver to Scottish targets. We would like to see more evidence of scheme design to maximize the scope for stacking of ecosystem service benefits. We support the idea of a robust evidence base but question whether such evidence is available, especially when stacking of ecosystem service benefits is under consideration.

Section 10: Forestry Grant Scheme

Q10. It is proposed to support forestry under six main areas as outlined below. Please identify whether you agree with these broad areas.

Woodland Creation:

Yes, should be included

Agroforestry:

Yes, should be included

Tree Health:

Yes, should be included

Woodland Improvement Grant:

Yes, should be included

Process and marketing:

No, should NOT be included

Sustainable Management of Forests:

Yes, should be included

Q11. We propose nine woodland creation options with support through standard costs. Please identify whether you think these options should be included (Yes) or excluded (No)

Conifer:

Yes, should be included

Diverse Conifer:

Yes, should be included

Broadleaves:

Yes, should be included

Native Scots Pine:

Yes, should be included

Native Broadleaved W4:

No, should NOT be included

Native Broadleaved Other:

No opinion

Native low density:

No, should NOT be included

Small or Farm Wood:

Yes, should be included

Northern and Western Isles:

No, should NOT be included

Q12. Are there any other woodland types that should be supported? If Yes, please specify

No

Q13. Should the Central Scotland Green Network be allowed an 'Additional Cost Contribution'? If No, please briefly explain your reasons

Yes

Q14. What is your preferred option for Income Foregone (IF) in SRDP 2014 - 2020? Please click on 'More information' below to view the 3 Options

Option 2

Please explain your choice

There is arguably a case for paying support to all private woodland that delivers public goods such as carbon sequestration. However, the reluctance of farmers to plant trees is hampered by loss of LFASS and risk of losing SFP. Given the objective is to plant more trees, a funding scheme to support carbon sequestration should be considered. We anticipate the level of payments required to generate a positive response would be significantly less than the social cost of carbon.

Q15. It is proposed to support woodland creation through other means. Do you agree with the range of 'other support' for woodland creation?

Tree shelters and fencing:

Yes, include

Improved stock for Sitka Spruce:

No, should NOT be included

Bracken contribution:

Yes, include

Community woodland:

Yes, include

Q16. Should agroforestry be funded through the SRDP 2014-2020?

Yes

Q17. Should tree health be funded through SRDP 2014-2020?

Yes

Q18. Do you agree with the range of Woodland Improvement Grants?

Long term forest planning - new:

Yes

Long term forest planning - renewal:

Yes

Reducing Deer Impact:

No

Woodland Habitats and Species:

No opinion

Restructuring Regeneration:

Yes

Non- Woodland Habitats and Species:

No opinion

Natural regeneration:

No opinion

Woodlands In and Around Towns:

Yes

Q19. We propose to offer support to forest owners, micro-enterprises and SMEs for investments which enhance forestry potential or relate to processing and marketing, or adding value to forest products. Should these areas be supported through the SRDP?

Small scale premium processing sector:

No opinion

Equipment to increase harvesting in under-managed woods:

No opinion

Equipment to increase capacity for steep ground harvesting:

No opinion

Q20. We propose six Sustainable Management of Forest Options. Do you agree with the range of Sustainable Management of Forest grants?

Native Woodlands:

Yes, should be included

Low Impact Silvicultural Systems (LISS):

No opinion

Public Access:

Yes, should be included

Public Access WIAT ((woods within 1 km of settlements with a population of over 2000 people):

Yes, should be included

Livestock Removal:

No opinion

Woodland Grazing:

Yes, should be included

Q21. How would you rate your broad satisfaction with the proposals for the Forestry Scheme

Quite dissatisfied

If you are dissatisfied, please briefly outline your reasons.

If there were some element of reward for carbon capture (and there are available estimates of the social value of carbon), this might incentivise the type of scheme that would help mitigate climate change. Issues of delivering stacked ecosystem service benefits (e.g. carbon sequestration, flood water storage, biodiversity and landscape character) also apply to the forestry sector, and it is not clear how these will be enhanced.

Section 11: Support for Co-operative Action

Q22. How would you rate your broad satisfaction with the proposals for co-operation?

Very dissatisfied

If you are dissatisfied, please briefly outline your reasons.

The proposal is good but the funding is very limited. More effective co-operation has the capacity to deliver transformative change. So we support the principle, but there is a need to massively increase funding significantly.

Section 12: Non-Agricultural Business Support: Small Rural Business Support

Q23. How would you rate your broad satisfaction with the proposals for Small Rural Business Support?

Very dissatisfied

If you are dissatisfied, please briefly outline your reasons.

The principle of supporting rural SMEs to develop more resilient business is sound but this is under-supported. The bulk of the rural economy is made up of SMEs. They are excluded from most of the types of support given to farm businesses. The allocation is too small to have any real effect and should be prioritised over weakly targeted measures with uncertain outcomes such as the LFASS.

Section 13: Non-Agricultural Business Support: Food and Drink

Q24. Should the Scottish Government continue to give significant support to the food and drink sector?

Yes

Q25. Should selection criteria such as those listed below apply to the Food and Drink Scheme?

Contribution to the Scottish Government's overall strategies for economic development and the rural economy:

Yes

Making a contribution to national policies for food and drink:

Yes

Assisting the Scottish Government with its wider social policies:

Yes

Supporting export targets for food and drink sectors:

Yes

Q26. Should steps be taken to streamline processes for food companies including a one stop shop for public support?

Yes

Q27. How would you rate your broad satisfaction with the proposals for Food and Drink support?

Quite satisfied

Section 14: LEADER

Q28. How would you rate your broad satisfaction with the proposals for LEADER?

Quite satisfied

Section 15: Knowledge Transfer and Innovation Fund (KTIF)

Q29. Do you agree with the range of options listed below which are being included within the KTIF scheme?

Skills development:

Yes

Vocational training:

Yes

Monitor farms:

Yes

Setting up an EIP network:

No opinion

Q30. How would you rate your broad satisfaction with the proposals for KTIF?

Quite satisfied

Section 16: Advisory Service

Q31. How would you rate your broad satisfaction with the proposals for the Advisory Service?

Neither satisfied nor dissatisfied

If you are dissatisfied, please briefly outline your reasons:

A plurality of advisory sources is needed to satisfy heterogeneous demands for the rural sector. There is a need to accept that this is the case and ensure that multifaceted support is available, but there is already quite a strong set of commercial advisory services that have benefitted from the previous SRDP. With the exception of support for public good advice, the case for publicly funded commercial advice is not strong. As important as advice is the need to develop and support a strong learning culture within the rural sector. Bottom-up groups of land managers coming together to form vibrant discussion fora may be a better way to enhance adaptive capacity and support innovation.

Section 17: Scottish Rural Network

Q32. Do you think the tasks set out below are the most appropriate ways for the SRN to add value to the implementation of the SRDP?

SRN website:

Yes, should be included

Gathering of good programme examples:

Yes, should be included

Disseminating information to the public:

Yes, should be included

Organisation of events:

Yes, should be included

Q33. Do you agree with the proposal to establish thematic working groups as an approach to supporting the Rural Development Programme priorities?

Yes

Q34. How would you rate your broad satisfaction with the proposals for the Scottish Rural Network?

Quite satisfied

Section 18: Communications

Q35. How would you rate your broad satisfaction with the proposals for communicating the new Scotland Rural Development Programme?

Neither satisfied nor dissatisfied

Section 19: Monitoring and Evaluation

Q36. Information used to monitor and evaluate the SRDP will be gathered from a mixture of data sources. Three key data sources required to capture monitoring and evaluation data are summarised in 'More information' below. We would welcome feedback on the approach outlined.

The three information sources (application and claims forms, existing surveys and bespoke surveys) will all be needed. However, evidence from the MTE of the 2007-13 programme reveals many difficulties in accessing good quality data to enable effective evaluation. This is not an exclusively Scottish problem but one found in many MSs and regions.

Q37. Are there any other data sources which could inform the impact of the programme?

Yes

If Yes, please specify

There is scope to draw more on past and ongoing research related to the area.

Q38. The Scottish Government has identified a number of gaps in the indicator requirements and has set out plans for addressing these gaps, outlined in 'More information' below. We would welcome feedback on the proposed approach to filling the gaps in the data (including other data sources) required by the European Commission.

The proposals outlined by the SG are sensible and reasonable.

Q39. Are there any other gaps that you wish to make us aware of?

Yes

If yes, please specify

To the extent that the RDP is to help create more vibrant and resilient rural economies, there is a need to assess business and regional adaptive capacity.

Q40. Are there any other data sources which could help us fill the data gaps?

No

Section 20: Impact Assessments

Q41. We would welcome comments on the BRIA

We are aware that the issue of regulation in the rural sector is being addressed. We concur with the need to review the extent to which the business regulatory environment is proportionate.

Q42. We would welcome comments on the EQIA

The SRDP does little to support the income-poor rural households in a targeted way. Where social purposes are alluded to (in selected measures such as LFASS) are not well targeted in terms of income need.

Section 21: Other Comments

If you have any further comments, please write them in the box below

We recognise the need for some simplification in the delivery process but argue this needs to be backed by evaluation both ex-ante (in whether or not an application is approved) and ex-post (to ensure that the outcomes are as anticipated).

We would like to see a much more explicit emphasis on climate change. In particular, we would like to see all supported businesses undertake a GHG audit and for there to be greater certainty that support will not cause increased emissions of GHGs. We think that the case for rewarding carbon capture should be considered, not least as a supplement in the forestry sector. This approach is congruent with the provider paid principle of rewarding those who deliver public goods.

We see a need for a smarter approach to project selection where the benefits across multiple ecosystem services should be flagged and measured. We consider it likely that proposals will be approved without any real consideration of the benefits (and sometimes costs) arising across a suite of ecosystem services. We would have liked to have seen funding for area-based initiatives where groups of land managers would work together to improve biodiversity, reduce adverse impacts on water systems (from diffuse pollution to flood management) or enhance habitat connectivity. Such schemes could deliver the multiple benefits, positive outcomes and resilience that we seek.

Overall we see this RDP as very similar to the previous programme, with a large amount of potential deadweight. In relation to the LFASS, no consideration is given to across-Pillar increases in compensation to farmers in LFASS areas arising from flattening of Direct Payments in CAP Pillar 1. In both forestry and biodiversity grants we see little evidence of incentives to stack benefits to ecosystem services and would like to see emphasis on approving measures to deliver multiple benefits.

References:

DTZ Pidea Consulting (2003): Baseline Study for the Scottish Rural Development Programme. Report for SEERAD.

DARDNI (2013) Review of the Young Farmers installation Scheme

(<http://www.agriculture.gov.ie/media/migration/publications/2009/VFMReviewofYoungFarmersInstallationScheme.pdf>)

Ward, N . and Thompson, N. (2002): The Implementation of the EU Rural Development Regulation in Scotland , Research Report to the World-Wide Fund for Nature , Scotland .