

## **EAFRD 2014-2020: OPERATIONAL UPDATE**

### **Decisions required**

#### **1. The JPMC are invited to:**

- **offer an opinion on proposals to modify of the SRDP 2014 – 2020 (Annex A)**
- **note the changes to the Information and Publicity Strategy (Annex B)**
- **offer an opinion on the Annual Communications Strategic Plan for 2017/18 (Annex C)**

### **Background**

2. The Rural Development Operational Committee (RDOC) met in April 2017. Following this meeting, the following information has been taken forward to the JPMC:

- Proposals for modification 3 of the SRDP 2014 - 2020 scheme update (Annex A)
- Information and Publicity Strategy (Annex B)
- Annual Communications Strategic Plan (Annex C)
- SRDP 2014 - 2020 scheme update (Annex D) – for information
- SRDP 2007 -2013 Ex-post evaluation - summary (Annex E) – for information

### **Modification 3**

3.1 Modification 3 of the SRDP 2014 - 2020 will address:

- Changes to the co-financing rate and target indicators;
- A change of payment rate for the Less Favoured Area Support Scheme (LFASS) from the 2018 scheme year;
- Editorial changes for Agri-Environment-Climate scheme (AECS) options: Heath management; corncrake mown grassland; hen harrier grassland; and cattle management on small units;
- A proposed change to the Forestry Grant Scheme to widen the availability for current technology support available for small enterprises; and a programmed focus area for improved reporting;
- A change to the Focus Areas for the Farm Advisory Service (FAS) for improved reporting;
- Changes to measure 2 text to allow provision for BES advice;
- Editorial updates to State Aid text for Broadband and Advisory services.

3.2 The key element of the modification will be the proposed changes to the co-financing rate to reflect the current financial position and the subsequent effects on target indicators. The impact of the budget statement on individual measures is still awaiting final agreement by Ministers.

3.3 Details for the modification also include proposed changes to LFASS, as announced by the Cabinet Secretary for the Rural Economy and Connectivity on 25 March 2017. Following the announcement, a draft EU Omnibus Regulation has been published which proposes to delay the requirement to change LFASS to Areas facing Natural Constraint (ANC) until 2019. The SG will continue to watch the progress on the Omnibus Regulation and consider the possible implications. It is likely that that notification of the proposed changes to LFASS will be deferred until modification 4.

3.4 EU regulations now allows for 3 extra modifications over the course of the programme, effectively allowing for 2 in one year although they cannot run concurrently. It is currently anticipated that modification 4 will be submitted in Autumn 2017.

3.5 The JPMC are invited to offer an opinion on the proposed modification. Full details of the proposed modification are attached in Annex A.

### **Information and Publicity Strategy and Annual Communications Strategic Plan for 2017/18**

4.1 The Information and Publicity Strategy, which was previously approved by the JPMC has had two minor changes:

- reference to the UK exit from the EU has been included in the planner;
- and the commitment to have an SRDP newsletter has been removed, with other, more targeted, actions taking place instead to promote the SRDP

4.2 The Annual Communications Strategic Plan for 2017/18 has been prepared with key activities including:

- the on-going reassurance that the SRDP is 'open for business';
- a communication campaign for AECS;
- re-launch of Environmental Co-operation Action Fund (ECAAF);
- continued promotion of the FAS;
- communication on LFASS.

4.3 In addition the Plan summarised the previous year's activity where a wide range of communications took place including over 40 press releases, 2 Parliamentary debates, over 2,000 instances of advice, 17 case studies, regular newsletters to around 13,000 people.

4.4 The JPMC are invited to note the changes to the Information and Publicity Strategy and offer an opinion on the Annual Communications Strategic Plan for 2017/18.

### **Scheme Update**

5. The scheme update (Annex D) presents an up to date view of the amounts of funding committed under each EAFRD scheme. There has been generally good progress to date, with over 7,600 approvals to date, along with support to around 11,300 farmers and crofters under LFASS. Key points to note include:

- ECAAF: Consideration is being given to re-launch ECAAF later this year. As previously notified to the JPMC, Scottish Ministers took the decision to cancel the previous round following concerns raised by audit, and previous applicants were contacted to advise them of this decision.

- New entrants: An additional £2.5 million in grant funding has been identified was announced for the Young Farmers (YFCGS) and New Entrants Start-up Grant Schemes (NECGS), which has allowed a new application window to be opened from 1 April to 30 September 2017. There has been a high demand for these schemes, in particular for the young farmers scheme, which is why Scottish Ministers approved extra funds to accommodate this demand. This brings the total funding from EU and Scottish Government

to over £9 million, supporting the development and creation of almost 180 new farms across Scotland.

## **Ex post evaluation**

6.1 The ex-post evaluation of SRDP 2007 - 2013 was completed and submitted to the European Commission by the end of December 2016. The evaluation was undertaken by EKOS Ltd, in collaboration with the Rural Development Company, P&L Cook and Partners, and Professor Bill Slee. The evaluation applied a mixed-method approach, but predominantly relied on desk-based research utilising the findings from previous studies and surveys conducted during the course of the SRDP 2007-2013.

6.2 Some of the key findings of the evaluation included:

- The significant strategic emphasis of the Programme on environmental interventions, mainly through Axis 2, was a direct response to the long-term decline in farmland biodiversity and the condition of many designated sites.
- In terms of environmental impact, limited monitoring and survey data availability necessitated to draw from perceptions of stakeholders and previous studies. Here, it was thought that some agri-environment options of the SRDP 2007-2013 were well used and almost certainly contributed to species recovery, for example Corn bunting.
- It is also thought that new afforestation will most likely reduce Green House Gas emissions, but other Axis 2 measures, especially Less Favoured Area Support Scheme might counteract this and may well increase emissions.
- The SRDP 2007-2013 created or safeguarded between 30,400 to 33,400 jobs and between £1.03bn and £1.12bn of GVA. With the research suggesting that the majority of jobs were safeguarded rather than created.
- On average, the cost per job ranged between £41,000 and £43,300 creating a return on investment of between £2.30 and £2.40 for every £1 spent by the Programme.

6.3 The summary paper produced for the RDOC Annex provides more detailed information from the Evaluation and the full document can be found on the SRDP web pages at <http://www.gov.scot/Publications/2017/01/6318>