

RDOC/2017/0032 – ANNEX A

SRDP 2014 -2020 PROGRAMME MODIFICATION 3

Recommendation required

1. The RDOC is invited to offer its recommendation on the proposed modifications to the EAFRD operational programme to be put forward to the JPMC.

Background

2. Modification 3 will primarily address changes to the co-financing rate applied to the SRDP and its subsequent impacts on indicators. The modification will also reflect the changes to LFASS as announced by the Cabinet Secretary for Rural Economy and a number of other issues, including changes to FGS and BES. Details of the proposed changes are set out in Annex 1.

3. Changes to the EU regulations now allow for 3 extra modifications over the course of the programme and it is anticipated that a further modification (Modification 4) will be submitted in the autumn of 2017, assuming that the approval of modification 3 has been obtained. Modification 4 is expected to include changes to ECAF and AECS..

4. Modification 3 will be submitted to the JPMC for formal opinion.

SRDP 2014 – 2020 MODIFICATION 3

	Planned Change	Impact
Finance and indicators	Proposed changes to co-financing rate to reflect current financial position.	Modelling is being undertaken to determine appropriate changes to the co-financing rate and other necessary budgetary changes. Expected changes will impact on indicators but this is reliant on financial details being agreed.
LFASS	Change of payment rate from LFASS 2018.	Change to ANC would be complex and have a significant impact on farmers and crofters. To provide the sector with much needed certainty, and limit impacts to LFASS recipients, the Scottish Government has decided to implement the option provided by Article 31(5), of the Rural Development Regulations, to pay 80% LFASS from 2018.
AECS	Editorial changes to options – <ul style="list-style-type: none"> • Heath management, • corncrake mown grassland, • hen harrier grassland • cattle management on small units 	Options have more than one rate but the actions being paid for are not specified in Programme document. Changes will reflect the option guidance. No change to rates – this update is required following audit comments.
Forestry	Change to the Focus Area within the indicator plan	Expenditure to be moved to Focus Area 5E to enable improved reporting of projects to better reflect the aims of the scheme`.
Forestry	Widen the current technology support available for small enterprises.	Expected to improve the economic value of forests and help build specialist forestry sector to deliver woodland creation target. Proposed change would include investments in tree nursery machinery and equipment; and investments in afforestation equipment to facilitate and encourage resource capacity
Farm Advisory Service	Change to Focus Areas	Provision and training provided is multi-faceted and is currently programmed under a wide range of Focus Areas(FAs). Programmed expenditure will be redistributed to 5 FAs (rather than 8) to reflect what has been delivered since launch.
BES	Text changes to measures 2 and 10	No substantive change to the scheme. Change required for delivery of BES advice under measure 2.
State Aids	Editorial updates to Broadband and Advisory services text.	Updated State Aid section for Broadband agreed in Mod 2 but a reference within the measure text has to be changed. Change to State Aid section for Advisory services training.