



# Agri-environment schemes in 2014 and beyond

*February 2013*

# What this presentation covers



- **Introduction - what's happening:** CAP Reform, Rural Development Programme and agri-environment schemes.
- **CAP:** Historical context, budget negotiations, regulations.
- **Current Scheme Delivery on DWP:** successes so far.
- **Designing a New Environmental Land Management Scheme (NELMS):** Programme structure and workstream objectives.
- **NELMS Workstreams:** Latest progress updates.
- **Communications and feedback:** How to feedback your comments to the programme.

- Discussions are currently underway on the reform of the CAP and budget allocations. Whilst these debates are underway, work is being carried out on proposals for:
  - a successor to the current Rural Development Programme for England (RDPE) 2007-13; and
  - a New Environmental Land Management Scheme (NELMS).
- Defra, Natural England, RPA, Environment Agency and Forestry Commission are working together on proposals for the new programme and scheme.
- Aims to incorporate the best elements of ES, CSF and EWGS into the new scheme.
- Engagement with the farming industry, environmental organisations and other non-governmental organisations.



# CAP

- The story so far
- 2014-20 budget – current situation
- CAP Regulations – latest developments

# CAP – Historical context and content



- CAP was originally designed to boost post-war food production and increase farm incomes, through market price support.
- An enlarged EU and changing agricultural objectives mean the CAP has had to evolve.
- It has moved away from production subsidies, to focus on competitiveness and sustainability, including provision of public goods e.g. biodiversity, landscape and access.
- CAP can be divided into three main areas:
  - Direct payments to farmers (Pillar 1)
  - Rural Development (Pillar 2)
  - Market management measures

# 2014-20 CAP budget – current situation



- The CAP budget is part of the overall EU budget, known as the [Multi Annual Financial Framework](#) (MFF) and is agreed by Heads of Government at European Council.
- Budget was discussed at last Council meeting in Nov 2012, but an agreement was not reached. EU Commission reached agreement in early February but this requires approval by EU Parliament.
- Budget agreement is central to the development of the next programme because:
  - CAP regulations are unlikely to be finalised until the budget is known;
  - MFF is likely to include important elements (such as the Member State allocations, any flexibility to transfer funds from Pillar 1 to Pillar 2, and co-financing rates) that will determine the amount of funding available for Rural Development in the UK.

# 2014-20 CAP Regulations – latest developments



- The ‘regulations’ which determine how CAP money can be spent, and the rules that apply, are currently being negotiated.
- The Commission proposals are being reviewed through:
  - a) Member States input into Agriculture Council and associated working groups - agreement is likely to be in place in next couple of months (*as at Feb 2013*).
  - b) Agriculture Committee of European Parliament (EP) have already agreed proposed amendments. These now need to be either amended or endorsed in a Plenary session of full EP (*expected March 2013*).
- Once have agreed positions, there will be three-way ‘trilogue’ negotiations with Commission to try to reach a final position.
- If MFF agreement is reached in Feb, an agreement on Regulations could be reached by summer. Too late to for implementation from 1/1/14 – so new programme is expected to start from 1/1/15.



# Current Scheme Delivery on DWP



# Current Scheme Delivery on DWP



- Agri-environment can make a significant contribution to improving SSSI / N2K sites, Water Protected Areas and waterbodies improving to Good Ecological Status
- Catchment Sensitive Farming coupled with agri-environment and capital grants have delivered:
  - A reduction of 26-31% in pesticide load and concentration over 4 years.
  - A reduction in nutrient concentration in 6 out of 9 catchments showed for more than half of pollutants
  - Proportion of topsoil from cultivated land reduced in rivers from 80% to 4% since start of CSF and on grassland from 11% to 5%.

# Current Scheme Delivery on DWP



- ELS provides the greatest potential support for DWP due to its scale of coverage, e.g. Low input grassland, buffer strips, field corners and headlands.
- HLS offers greater ability to tailor to situation for high value locations.
- ES in general offers ability to achieve multiple outcomes (e.g. for DWP and biodiversity) from single actions if management options are well located and managed.



# Designing a New Environmental Land Management Scheme (NELMS)

# Designing a new scheme



- Work is underway to design a **New Environmental Land Management Scheme (NELMS)** to sit within the new Rural Development Programme.
- The activities within the NELMS programme are divided into the workstreams listed on the next slide.
- The workstreams are jointly managed by Defra and Natural England, with involvement from Rural Payments Agency, Environment Agency and Forestry Commission.

# NELMS workstreams



Workstreams	Objectives
<b>Policy and strategic evidence</b>	To provide an overview of existing evidence to inform the development of scenarios and priorities for the new scheme.
<b>Options review and design</b>	To review the performance of the current environmental land management options and capital items. To design a set of options and capital items that can deliver the objectives of the new scheme.
<b>Scheme architecture</b>	To develop “core” flexible model(s) and to define and test scenarios underpinning model expectations (budget, costs and outcomes).
<b>Payment calculations</b>	To provide externally verified data on which to base payment rate decisions for revenue options and capital items.
<b>Transition</b>	To manage the transition between the current and the new programme, achieving sustainable environmental outcomes and supporting agri-environment customers.
<b>Implementation</b>	To manage and deliver the underpinning activities required to successfully implement the new scheme, such as IT functionality, customer guidance materials and training.
<b>Communications</b>	To ensure timely and appropriate communications to staff, partners, stakeholders, farmers and land managers before, during, and after the implementation of the new programme and scheme.
<b>CAP Delivery Programme (IT)</b>	To design and introduce a single computer system for all CAP funding in England from 2015 – i.e. It NELMS and other CAP schemes. <i>Previously known as Future Options Programme 13 (FOP)</i>

# Consultation and engagement



- Defra are in regular communication with stakeholders on RDP developments and will continue to engage as programme develops.
- Stakeholders will be consulted on details for the design of NELMS including the opportunity to engage on the over-arching scheme principles, scheme structure and targeting, and the detailed scheme options. Many are already contributing.



# **NELMS Workstreams: Latest progress and next steps**

## Latest developments/progress

- Work is underway to collate and analyse key findings from research and evidence projects that could impact on NELMS development. This includes some major reports from FERA and CEH.
- A “Synergies Project” has been launched by Defra that seeks to identify opportunities for the integrated delivery of outcomes across biodiversity, water and flood risk management.



## Latest developments/progress

- Options Groups were established last year to review existing environmental land management options. The groups, which include Natural England specialists and external stakeholders, are:
  - Access and engagement
  - Arable systems
  - Boundaries, trees and orchards
  - Educational access
  - Grassland
  - Historic and landscape features
  - Inter-tidal and coastal
  - Lowland heathland
  - Organic options
  - Soil and water
  - Species
  - Uplands
  - Wetlands
  - Woodland and scrub
- The review has included surveys of Natural England staff and is due to be completed in early February. There has been a high level of input from external stakeholders on all groups. The structure of these groups may change for the design phase of this project.

# Mechanisms for Water Quality: What is NELM covering?

Payment for  
public goods

**Additional measures** :  
apply to some farmers

*Targeted* land use  
change to protect key  
parts of catchments  
Supported by Advice

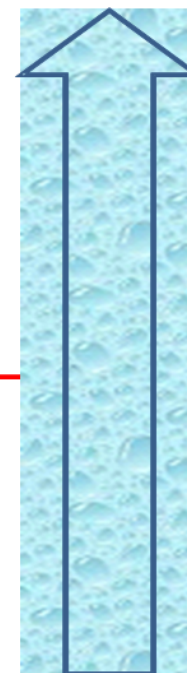
## Mechanisms:

PR09 Water company schemes  
Developer Contributions  
(section 106 agreements)  
Offsets

**RDPE Agri-environment  
revenue and capital grants,  
training and advice**  
ES, EWGS, CSF,  
CFE,

pesticide VI tried & tested,

Healthy water  
environment



Polluter pays

## Basic measures

Apply to *all* farmers  
Focussed on reducing  
pollution at source,  
complying with permits  
Supported by advice

**Greening  
Cross compliance SMRs &  
GAECs**

## Regulation :

Existing regulations e.g.  
Nitrate Action Programme,  
civil sanctions, anti  
pollution notices

## Latest developments/progress

- Defra have confirmed that from 2015 onwards, all new Environmental Stewardship agreements will have a single start date of 1 January in every year, rather than monthly start dates as at present. Defra have produced a [Q&A briefing for customers](#).
- More than 13,000 ELS, 400 Organic ELS, 1300 Countryside Stewardship and 1,400 ESA agreements will expire between the end of the current programme in December 2013 and 1 January 2016 when we currently expect that new agri-environment agreements are likely to start under the new programme.
- Defra are actively discussing with the European Commission what can be done in the interim period to allow a smooth transition to the new programme.

## **Scheme architecture**

### **Latest developments/progress**

- Various high level scenarios for the overarching scheme design are being developed and considered. The scenarios investigate the different 'levels' which may/may not be available within the new scheme.

## **Payment calculations**

### **Latest developments/progress**

- Payment rates will be considered as part of the development of the new scheme. External contractors will be procured to (a) carry out independent external verifications of cost data, methodology and income foregone calculations; and (b) provide robust data for the costs calculations.

## Latest developments/progress

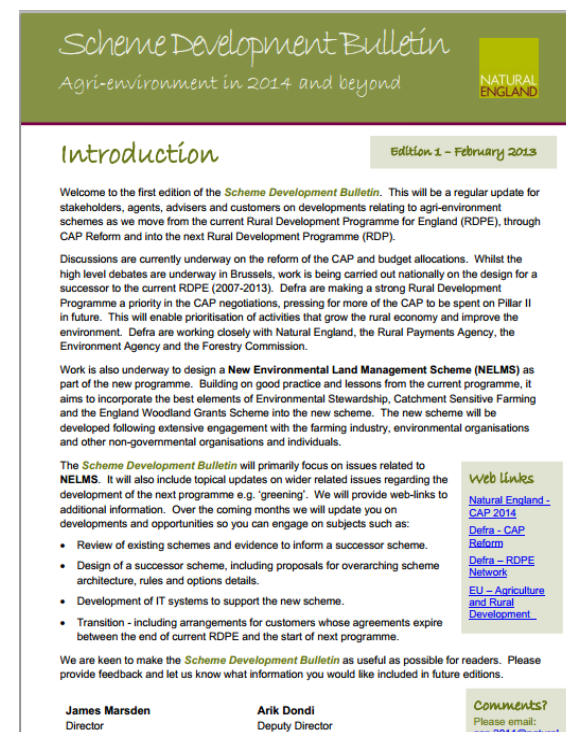
- It has been confirmed that, from scheme year 2015, Defra will introduce a single computer system for all CAP funding in England, irrespective of the delivery body the funding is claimed through.
- As part of the [Farming Regulation Task Force](#) drive to cut red tape in farming, recipients will only have to enter their details once to a single point of contact rather than for each CAP scheme they apply for.
- This new system will also reduce running costs, improve targeting of farm inspections and make it easier adapt to future changes.



# Communications

- Keeping you informed
- Answering your questions

- We will keep stakeholders, agents, advisers and customers updated through a regular **Scheme Development Bulletin**. The first edition was published in early February.
- The Bulletin is posted on our website and emailed to national stakeholders, all registered ES agents and Land Management advisers.
- The **AE Development webpage** has been updated with the latest info. Content will regularly be reviewed.
- Any comments / questions to: **CAP.2014@naturalengland.org.uk**



*Scheme Development Bulletin*  
Agri-environment in 2014 and beyond

**NATURAL ENGLAND**

*Introduction* Edition 1 – February 2013

Welcome to the first edition of the *Scheme Development Bulletin*. This will be a regular update for stakeholders, agents, advisers and customers on developments relating to agri-environment schemes as we move from the current Rural Development Programme for England (RDPE), through CAP Reform and into the next Rural Development Programme (RDP).

Discussions are currently underway on the reform of the CAP and budget allocations. Whilst the high level debates are underway in Brussels, work is being carried out nationally on the design for a successor to the current RDPE (2007-2013). Defra are making a strong Rural Development Programme a priority in the CAP negotiations, pressing for more of the CAP to be spent on Pillar II in future. This will enable prioritisation of activities that grow the rural economy and improve the environment. Defra are working closely with Natural England, the Rural Payments Agency, the Environment Agency and the Forestry Commission.

Work is also underway to design a **New Environmental Land Management Scheme (NELMS)** as part of the new programme. Building on good practice and lessons from the current programme, it aims to incorporate the best elements of Environmental Stewardship, Catchment Sensitive Farming and the England Woodland Grants Scheme into the new scheme. The new scheme will be developed following extensive engagement with the farming industry, environmental organisations and other non-governmental organisations and individuals.

The *Scheme Development Bulletin* will primarily focus on issues related to **NELMS**. It will also include topical updates on wider related issues regarding the development of the next programme e.g. 'greening'. We will provide web-links to additional information. Over the coming months we will update you on developments and opportunities so you can engage on subjects such as:

- Review of existing schemes and evidence to inform a successor scheme.
- Design of a successor scheme, including proposals for overarching scheme architecture, rules and options details.
- Development of IT systems to support the new scheme.
- Transition - including arrangements for customers whose agreements expire between the end of current RDPE and the start of next programme.

We are keen to make the *Scheme Development Bulletin* as useful as possible for readers. Please provide feedback and let us know what information you would like included in future editions.

**James Marsden**  
Director

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**Web Links**  
[Natural England - CAP 2014](#)  
[Defra - CAP Reform](#)  
[Defra - RDPE Network](#)  
[EU - Agriculture and Rural Development](#)

**Comments?**  
Please email:  
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